Procedure in a standard civil action in the High Court

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This document sets out in general the steps which are taken in legal proceedings in relation to intellectual property matters in the High Court in New Zealand

Preparing, filing and serving proceedings

Proceedings are usually initiated by the filing of a Statement of Claim (which sets out the nature and basis of the plaintiff's case) and a Notice of Proceeding. These will be endorsed by the court and served on the defendant. A typical Statement of Claim in an intellectual property matter will identify:

- The right which is alleged to have been infringed (usually a registered trade mark, patent or registered design);
- How it is being infringed (for example, by using a similar or identical trade mark, by making or selling something that falls within
- the scope of patent claims, or by making or selling an object to which the registered design has been applied); and
- What damage the owner of the intellectual property is suffering (usually lost sales).

Statement of defence

The defendant will then have 25 working days from service of the proceedings to file a Statement of Defence. The Statement of Defence addresses each of the allegations in the Statement of Claim, setting out the facts admitted (if any) and what is denied.

Any affirmative defences on which you can rely will usually be raised at this stage, as will any counterclaims.

An affirmative defence is one which is based on additional information or legislation which may not arise immediately out of the plaintiff's claim. For example you may want to argue that the claim is out of time under the Limitation Act, or because of something the plaintiff said or did it would be inequitable for it to claim relief against you.

A counterclaim is a claim by a defendant against a plaintiff related to the plaintiff's claim. For example, if a plaintiff is suing on a registered intellectual property right (a trade mark, design or patent) a defendant may want to counterclaim challenging the validity of that registered right.

Interlocutory steps

'Interlocutory steps' are procedural steps that may be taken by the parties in the proceedings between the filing of the Statement of Defence and the setting down of the case for trial.

Case management conferences

Most High Court Registries are case-managed. This means that the Court will convene regular conferences to obtain feedback from the parties about the conduct of the proceedings, any problems encountered, the likelihood of settlement, anticipated interlocutory steps and the like.

For each conference parties are required to prepare a formal memorandum and to attend (usually by telephone).

Discovery and inspection

Following the filing of a Statement of Defence, each party is required to prepare an affidavit which includes a list of all documents in its possession which are relevant to the

proceedings. The parties are under a duty to disclose all relevant documents in their control, including any that may be damaging to their case.

The completed lists are exchanged and each party is allowed to inspect and take copies of some of the other party's documents. Certain categories of documents are privileged from inspection. These include:

- Correspondence between a party and its solicitor/patent attorney;
- Correspondence between the solicitor, patent attorney and third parties for the purpose of conducting litigation;
- Correspondence between a party to the proceedings and third parties where such information will be used by that party's solicitor/patent attorney for the purpose of conducting the litigation;
- Drafts and file notes.

Confidential or commercially sensitive information can potentially also be excluded from inspection, or inspection limited to certain persons e.g. legal counsel only.

Further interlocutories: more complete discovery, interrogatories, notice to admit facts

Often documents disclosed during discovery refer to additional documentation or suggest that further documentation exists which has not been disclosed by the other party.

Usually the additional documentation will be discovered voluntarily if specifically requested. However, on occasion, a formal application is required.

In addition it is sometimes useful once discovery and inspection have been completed to issue a set of interrogatories. These are specific questions which must be answered on oath by the other party. The answers to interrogatories are useful in framing the way in which the case is presented to the Court. They can also be used to highlight inconsistencies between a witness' testimony at trial and the answer given in the interrogatories.

Finally, either party can serve on the other a document known as a Notice to Admit Facts. The Notice is a useful tool for expediting proceedings and narrowing the issues of fact to matters which are genuinely in dispute. If party A on whom the Notice is served refuses to admit a fact, and party B successfully proves that fact at trial, party B will be entitled to recover the costs directly associated with proving that fact.

Setting down

Once all interlocutory matters have been dealt with the matter can be set down for trial and a hearing date will be assigned.

Briefing evidence

Once the matter is set down and a trial date is known the parties will brief evidence. This means that a document will be prepared for each witness setting out all the evidence they intend to give at trial. Briefs are in affidavit form and are read out by the witnesses at trial. The witnesses are subsequently cross-examined on the statements contained in their brief. The usual procedure is that the plaintiff prepares briefs of evidence which are sent to the defendant.

The defendant will then prepare its briefs (where necessary responding to matters raised in the

plaintiffs' briefs) which are sent to the plaintiff. Occasionally the plaintiff has the opportunity to prepare briefs in reply.

Briefing of evidence is the most important stage of any trial as it is the information in the briefs which forms the factual foundation on which the legal submissions are built.

Preparation of legal submissions

Written legal submissions are prepared (usually prior to trial) which refer to both the case law and to the facts contained in the briefs of evidence which support each party's legal position. The submissions will be embellished with evidence from cross-examination throughout the trial.

Trial and preparation for trial

Finally, the matter will proceed to full trial. It is usual for a party to be represented by two counsel at the trial; senior counsel (whose primary role is to cross-examine witnesses), and junior counsel (whose job is to assist senior counsel and often to present the legal submissions). In limited cases we will brief the role of senior counsel to a barrister.

Trial involves considerable preparation. This includes both preparation of documents (e.g. bundles of relevant documents, authorities etc for use in Court) and counsel's preparation for examining witnesses, considering strategy at trial, etc. As a rule of thumb, the time spent preparing for trial will be equivalent to around half of the scheduled length of the trial.

Remedies and recovery of costs

If the plaintiff is successful as a rule of thumb it will be entitled to payment either of damages (suffered as a consequence of the defendant's actions) or of the profits made by the defendant.

The successful party will usually be awarded costs. Costs are calculated accordingly to a set scale of costs, by reference to which the costs recoverable for each step in the proceedings are calculated.

Actual costs spent are irrelevant to this calculation; however the costs awarded will usually be equivalent to between one half and two thirds of the actual costs incurred. In addition, where the other party has deliberately frustrated / lengthened the proceeding (for example by ignoring Court orders, arguing unsustainable arguments, ignoring reasonable settlement offers etc) it may be possible to apply for "increased costs" at a higher rate.

Timing

The litigation process in New Zealand can be very slow. On average legal proceedings in the High Court involving breach of intellectual property rights will take 21-24 months from filing the Statement of Claim to the matter being heard. Most cases can be heard inside 5-10 sitting days. Thereafter there is likely to be a delay of around 2-6 months while the Judge writes his/her judgment.

There are ways to speed proceedings up. Our litigation team would be happy to provide specific advice in that regard.

Alternatively take a look at our other litigation information sheets here.