

THE STATE OF LITIGATION

A GRAPHIC ILLUSTRATION OF JUDICIAL STATISTICS

The Ministry of Justice recently published its annual statistics on judicial and court activity for the last year.

Below we outline some of the patterns emerging from these statistics and provide you with a graphic representation of these. We also discuss what the impact of the Jackson Reforms might be on next year's figures.

KEY PATTERNS OVER THE LAST COUPLE OF YEARS

- ◆ **Fewer claims issued in the High Court in 2012 compared to 2011** – see *Figure 1*.
- ◆ **Increase in claims issued in both the Chancery Division and Queen's Bench Division (QBD) from 2011 to 2012** – see *Figure 2*.
- ◆ **Increase in City litigation in the QBD, Chancery Division and Commercial Court since the Credit Crunch in 2007** – see *Figures 2 and 3*.
- ◆ **Fewer claims issued in both the Technology and Construction Court (TCC) and Commercial Courts in 2012 compared to 2011** – see *Figure 3*.
- ◆ **Increasing popularity of arbitration with 253 out of the 1141 claims issued in 2012 in the Commercial Court relating to arbitration.**
- ◆ **Number of Companies Court claims has stabilised since 2007** – see *Figure 4*.

The initial "spike" in Companies Court claims, which reached a peak in 2009, has now settled down. This suggests that there was a rapid rise in insolvencies following the onset of the Credit Crunch but that the position has stabilised since then.

- ◆ **2012 was a bad year for appeals** – see *Figures 5 and 6*.

Unusually, the Supreme Court dismissed more appeals (from civil and commercial claims) than it allowed. This was only the second time this has happened in the past ten years (the other occasion being 2007). The Court of Appeal also dismissed more appeals than it allowed, as it has done every year for the past ten years.

- ◆ **Intellectual Property and Practice and Procedure appeals dominate court time in the Supreme Court** – see *Figure 7*.
- ◆ **County Court and immigration appeals dominate court time in the Court of Appeal** – see *Figure 8*.
- ◆ **Contract and Intellectual Property account for 36 per cent of all Chancery claims** – see *Figure 9*.
- ◆ **Debt, personal injury and clinical negligence make up the majority of claims in the QBD** – see *Figure 10*.

THE JACKSON REFORMS – WHAT IMPACT WILL THEY HAVE ON NEXT YEAR'S FIGURES?

Following the conclusion of his Costs Review, most of Lord Justice Jackson's Reforms were implemented together, as one "interlocking" package on 1 April 2013. This brought about the biggest change to civil litigation procedure since the introduction of the Woolf Reforms in 1999.

Next year's figures should provide the first insight into whether the Jackson Reforms will have any impact on the volumes of litigation conducted in the Royal Courts of Justice and the Rolls Building. The aftermath of the Woolf Reforms and the introduction of the Civil Procedure Rules saw a significant reduction in claims issued in the Royal Courts of Justice (from 30,912 in 1998 to 9,769 in 2002). However, it should be noted that the Jackson Reforms were aimed primarily at reducing the cost, rather than the quantity, of litigation.

If the Jackson Reforms are successful in their aim of promoting access to justice, this may result in more, rather than less, litigation.

It is likely that some limitation periods for Credit Crunch related claims will expire during 2013, which may result in an increase in claims issued this year as parties issue proceedings before they become time-barred.

FIGURE 1:

ALL HIGH COURT DIVISIONS

Slight decrease in overall claims issued in High Court

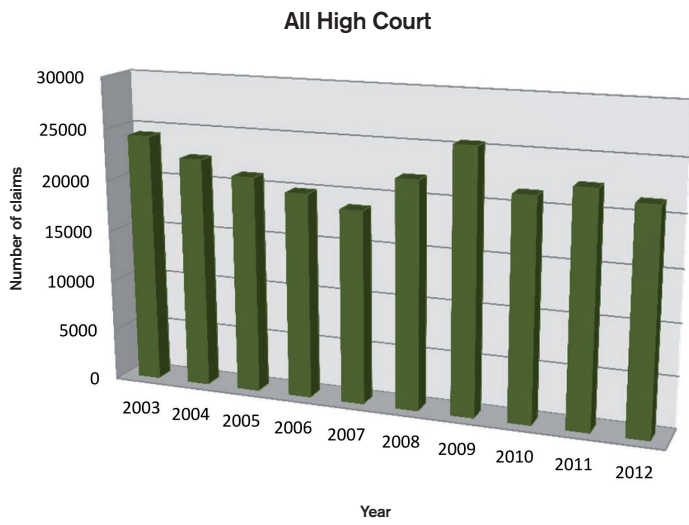


FIGURE 2:

CHANCERY AND QBD

Continued growth of claims in both divisions

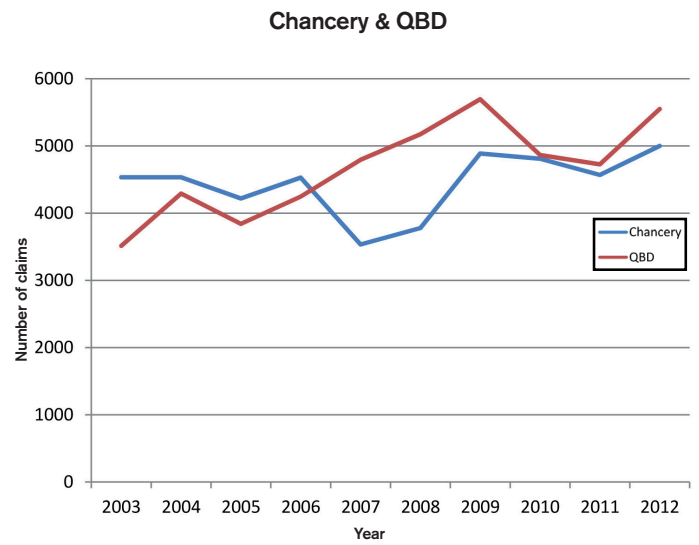


FIGURE 3:

COMMERCIAL COURT AND TCC

Drop in number of claims in specialist courts

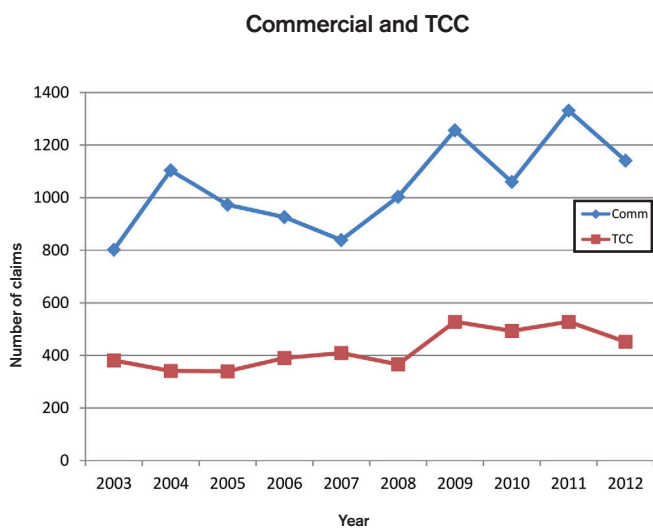


FIGURE 4:

COMPANIES COURT

A fall in proceedings after an increase in the previous year

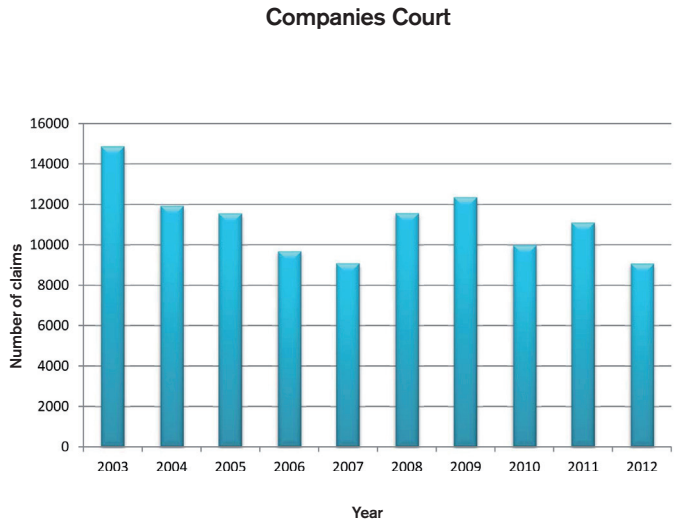


FIGURE 5:

SUPREME COURT (CIVIL APPEALS ONLY)

More appeals dismissed than allowed (graph includes House of Lords appeals until mid-2009)

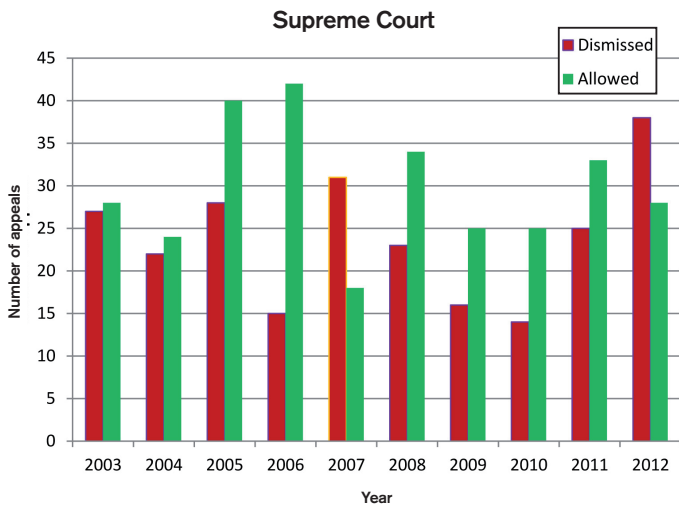


FIGURE 6:

COURT OF APPEAL

Little change in numbers of appeals allowed or dismissed

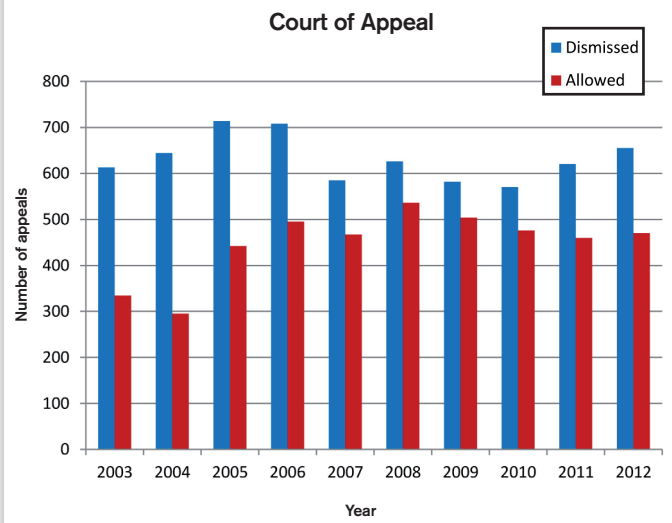


FIGURE 7:

NATURE OF SUPREME COURT APPEALS (CIVIL APPEALS ONLY)

More Intellectual Property appeals than any other

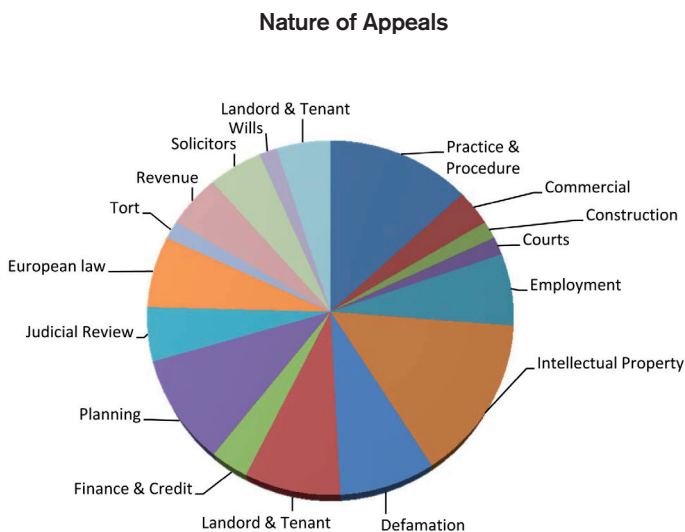


FIGURE 8:

NATURE OF APPEALS IN COURT OF APPEAL

County court and immigration appeals dominate court time

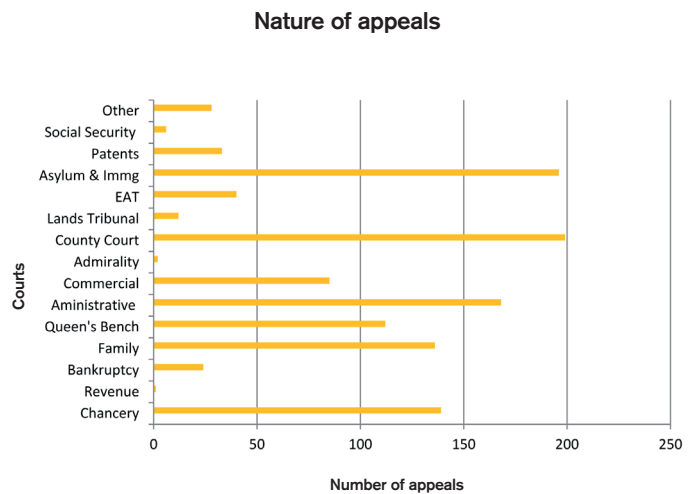


FIGURE 9:

SUBJECT MATTER OF CHANCERY CLAIMS

Contract and Intellectual Property account for 36% of all Chancery claims

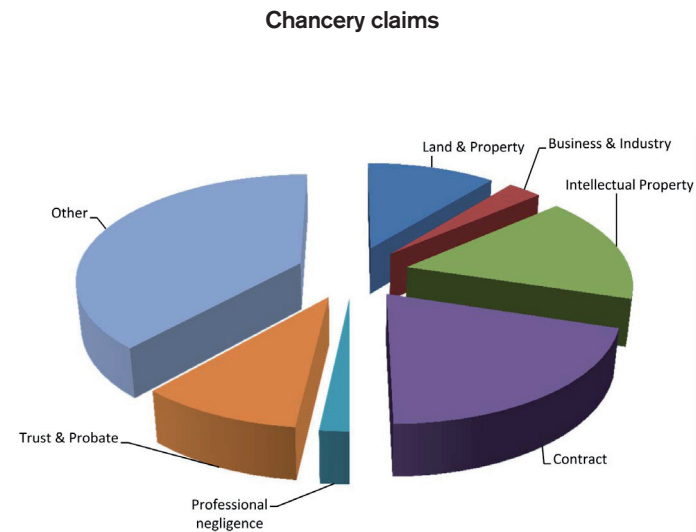
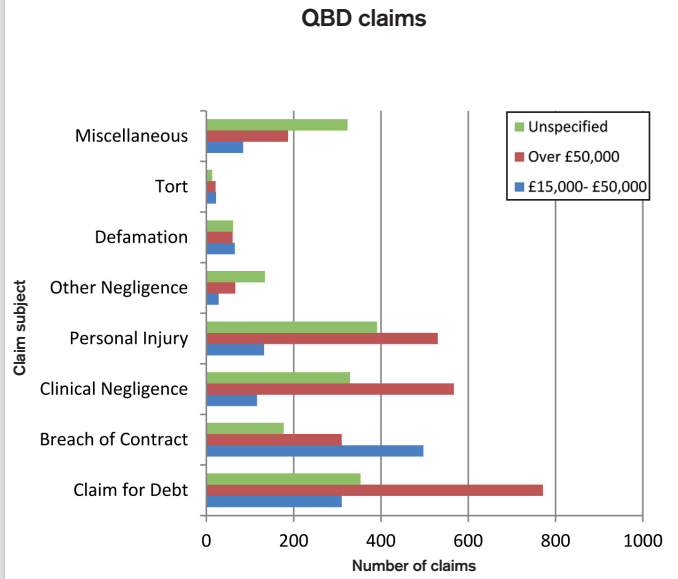


FIGURE 10:

SUBJECT MATTER OF QUEEN'S BENCH CLAIMS

A significant number of claims for debt, personal injury and clinical negligence



CONTACT DETAILS

If you would like further information or specific advice please contact:

GEOFF STEWARD

DD: +44 (0)20 7849 2341

geoff.steward@macfarlanes.com