

RPC 1996-183

Dr P Ferdinando
3Y46

PATENTS ACT 1977

IN THE MATTER OF a reference under
Section 12(1) by Nicholas Henry Neely
in respect of European Patent Application
No 0373266 in the name of Staeng Ltd

S/9/94

and

IN THE MATTER OF an application under
Sections 13(1) and 13(3) and a reference
under Section 37(1) by Nicholas Henry Neely
in respect of Patent No 2208049 in the
name of Staeng Ltd.

DECISION

Nicholas Henry Neely applied to the Comptroller to be named as sole inventor and to be granted all proprietary rights in United Kingdom Patent No. 2208049 ("GB049") and European Patent Application No 0373266 ("EP266"), both in the name of Staeng Ltd ("Staeng") and naming Michael William Robertson as inventor. To that end, he referred the questions of entitlement under sections 12(1) and 37(1) and applied under subsections (1) and (3) of section 13 for a certificate for him to be mentioned as inventor.

Initially, on 22 September 1992, Mr Neely filed only references under sections 12 and 37, accompanied by the usual statements under rules 8 and 54 respectively. In the rule 54 statement the questions he referred to the comptroller were whether he was the inventor of the invention which is the subject of GB049, and who was the true proprietor of the patent. By way of relief he sought orders from the comptroller naming him as inventor in place of Mr Robertson and granting to him all rights in the patent, as well as costs. Following correspondence with the Patent Office Mr Neely filed an amended rule 54 statement on

27 November 1992 omitting both the question and the request for relief in respect of inventorship. On the same day he filed an application under section 13(1) and 13(3) in which he sought a certificate from the comptroller naming himself as sole inventor of the invention which is the subject of GB049 in place of Mr Robertson, as well as costs.

Mr Neely's statement under rule 8 referred to the comptroller the question of whether he was entitled to be granted a patent for the invention which was the subject of EP266, and whether he had any right in or under the application or any patent granted on it. By way of relief he sought orders from the comptroller naming him as inventor in place of Mr Robertson and granting all rights in the application solely to him so that the application should proceed solely in his name and he should be entitled to the grant of a patent on the application. In correspondence in which the Patent Office questioned whether the issue of inventorship was appropriately dealt with in a reference under section 12 Mr Neely's patent agents, Wilson, Gunn and Ellis, stated their view that this was the only route open to them to consider inventorship in respect of an European application which does not designate the United Kingdom. They said that the inventor is a person who has a right in or under the application. Consequently, they argued, that is a matter which the comptroller may determine under section 12. For the avoidance of date, I state at this point that I accept their view and regard the section 12 reference as properly made in that it raises issues appropriate to be considered under that section.

In counterstatements in the three parallel actions Staeng and Mr Robertson disputed Mr Neely's claims to sole inventorship or to rights in GB049 or in EP266, sought confirmation by the comptroller of Mr Robertson's inventorship of the former, and also sought costs.

The matters in dispute came before me at a hearing on 7 and 8 June 1994, at which Mr Alastair Wilson QC appeared as counsel for Staeng and Mr C D Whittle appeared as counsel for Mr Neely. I had the advantage of hearing cross-examination of both Mr Neely and Mr Robertson, as well as of Mr Walter Bourne, a Director of Bowthorpe plc, and Dr Peter Lee, Technical Director of Hellermann Electric ("Hellermann" - other companies including the name Hellermann in their title are hereafter referred to in full). Written

evidence was also received from Mr Richard Healey, formerly Managing Director of Hellermann.

It is appropriate to mention at this point that, during the course of his cross-examination of Mr Neely, Mr Wilson sought to bring into the proceedings a bundle of papers which neither I nor Mr Whittle, nor for that matter Mr Neely, had had any opportunity to see in advance, arguing that he was entitled to put such a document to the witness to get his comments on it. He described them as "some documents which have been pulled out of our files as a result of reading the reply evidence". When I remarked that this had something of the nature of pulling rabbits out a hat, Mr Wilson commented that "in a sense that is what cross-examination is sometimes about". I have to observe that, in the context of hearings before the comptroller, I must disagree with him. Rule 103 stipulates:

"(1) Where under these Rules evidence may be filed, it shall be by statutory declaration or affidavit.

(2) The comptroller may if he thinks fit in any particular case take oral evidence in lieu of or in addition to such evidence and shall allow any witness to be cross-examined on his affidavit or declaration, unless he directs otherwise.

(3) In England and Wales, the comptroller shall, in relation to the giving of evidence (including evidence on oath) ... have all the powers of a judge of the High Court, other than the power to punish summarily for contempt of court."

In addition, the rules governing procedures in particular types of action, in this case rules 8, 14 and 54, specify the structure of the evidence rounds, subject to the comptroller's discretion under rule 103. My interpretation of the sum total of these rules is that they are precisely intended to avoid the production of rabbits from hats in proceedings before the comptroller; they are, in other words, intended to ensure that both parties have a full sight of all documentation and other evidence to be used in the case in the interests of a fair and full investigation of the facts of the case as deemed by the two parties to be relevant. In determining how I should apply the extensive powers given to me by rule 103(3), I believe

it right that I should maintain this objective. Therefore, although I permitted Mr Wilson to continue to question Mr Neely in relation to these unproven papers, I conclude that it would not be proper for me to be influenced in my decisions in the case by anything which emerged in relation to those papers alone. I shall therefore make no further mention of them, with the single exception of a patent application naming Mr Neely as inventor, which is a document of public record which Mr Neely would already have known of, and which in fact he himself referred to in his first affidavit. I would remark that, in any event, I detected nothing in relation to any of the other papers *per se* which would have caused me to come to any different conclusion on any of the matters in issue in this decision.

The invention forming the subject of both documents in suit is concerned with securing an electric cable sheathing to the body portion of a "connector backshell adaptor". The adaptor is used to form a cable termination for connection to a complementary connector, for example in forming cable harnesses. The sheathing can either be the braid of a cable or a heat-shrinkable or flexible plastics sleeve. The sheathing is placed over the rear end of the backshell adaptor and is rigidly secured there by means of a spiral spring wrapped around the adaptor over the sheathing. As disclosed the spring engages in a recessed portion between two flanges on the adaptor and prevents the sheathing being pulled off.

The United Kingdom and European specifications are substantially identical but do not share a common priority document. GB049 is derived from Application No 8816886, filed 15 July 1988, which in turn claimed priority from Application No 8717214, filed 21 July 1987. EP266 was filed on 12 December 1988 and does not designate the United Kingdom. The derivation of Staeng's right to be granted a patent on GB049 was stated on Patents Form 7/77 to be "by virtue of section 39(1)(b)", whereby the invention was made in the course of the employee's duties and under a special obligation to further the interests of the employer's undertaking.

Mr Neely's general complaint is that he regards himself, rather than Mr Robertson, as the sole inventor of the invention in suit, and that he should thereby be entitled to the rights in the resulting patents.

I will deal first with the issue of inventorship, which arises both in the section 13 application relating to GB049, and in the section 12 reference relating to EP266. At the outset it can be noted that at the hearing Mr Wilson made it clear that there was no longer, if there ever had been, any real dispute that Mr Neely was an inventor. The only issue I am left to decide, therefore, is whether he was, as he submits, sole inventor.

There is little dispute as to the broad circumstances within which the invention emerged. Mr Neely's employers at the time were Hellermann. Their business was primarily aimed at the provision of cable markers and heat shrink products for use in the cable industry. Heat shrink products were used principally to insulate cable terminations and to grip the cable braid or insulation sheath to the termination. Staeng, on the other hand, a much smaller company than Hellermann, were almost entirely in the business of the design and development of cable harnesses and backshell adaptors. It emerged from Mr Robertson's evidence at the hearing that, as regards backshell adaptors, Staeng had only the capacity to make prototypes but no manufacturing capability. Anything which they concluded was a worthwhile product for them had to go out to tender for full-scale manufacture.

It is also common ground that Staeng and Hellermann had close cooperation in the development of connector kits. Staeng would design, prototype and arrange for the manufacture of backshell adaptors whilst Hellermann would design and manufacture heatshrink sleeves. The complementary elements, in combination, would be packaged and sold together as a kit by Hellermann.

As part of the usual collaboration between the two companies Mr Robertson visited Mr Neely at Hellermann's Plymouth premises in May 1987, as was apparently his common practice. At some point in the discussion Mr Robertson showed Mr Neely a backshell adaptor which Staeng had been developing. I do not regard it as significant that Mr Neely recalls this as having happened at the end of the meeting when they were having a general discussion, whereas Mr Robertson describes it as having arisen "during the course of our discussions". I am satisfied that the ensuing events took place as part of what amounted to normal business contact between the two men.

What at first sight seemed to be another divergence between the evidence of Mr Neely and that of Mr Robertson has proved, I am satisfied, more apparent than real. According to Mr Neely the backshell adaptor he was shown by Mr Robertson was of a type called "magnaform" in which the cable shield is attached to the adaptor by placing the shield over a groove in the rear of the adaptor, fitting a magnaform ring over the assembly, magnetically heating the ring by eddy currents, and then swaging the ring down over the braid in a specialised machine. Mr Robertson's recollection was that the backshell adaptor was not of the magnaform type, but was one in which the braid was held in place by wrapping several turns of wire around the braid and soldering their free ends together to prevent unravelling. This is known as "wire-whipping". Mr Neely accepted in his second affidavit and at the hearing that Mr Robertson had indicated during the discussion that wire-whipping was being used, though he continued to say that the adaptor was of the magnaform type. It has not been made clear to me whether there is in fact any necessary structural difference between a magnaform backshell adaptor and a wire-whipping backshell adaptor, but I am satisfied on the evidence that even if there is a difference, both types include the characteristic which seems to have made possible the next step in the emergence of the invention, namely a space on the body of the backshell adaptor where a spring might be fitted securely about the body. Any other distinction between the two parties as to the precise type of backshell adaptor which was discussed is not in my view germane to the issue before me, and it is my understanding that Mr Neely and Mr Robertson did not demur from this view.

Mr Robertson asked Mr Neely if he could think of an alternative way of holding the cable screen to the adaptor without the use of specialised machinery. The question was apparently posed very casually. As Mr Robertson put it, it was along the lines of "wouldn't it be nice if there was a better way ..." or "is there a better way ..." or "there must be a better way ..." of securing the braid to the adaptor.

Both men agree that Mr Neely suggested the use of a constant tension spring, as he had seen one only a short time earlier being used to attach an earth strap for a power cable to the cable armour. He went to the office of a Mr Isaac, who was investigating the use of springs in this context, and obtained a few sample springs to try in place on top of the braid over the groove in the body of adaptor which Mr Robertson had produced. They appeared to work

well, Mr Neely being especially surprised that the spring was not dislodged when the cable braid was tugged. Both Mr Robertson and Mr Neely together then tested the electrical resistance between the braid and adaptor of the assembly and found it to be more than satisfactory.

Mr Robertson's evidence upholds in all respects Mr Neely's case that he, and not Mr Robertson, was the person who actually came up with the idea of the spring. In his written evidence Mr Robertson says,

"It is true that, in response to me raising the subject, Mr Neely suggested the use of a constant force spring",

and, on cross-examination, Mr Robertson confirmed that it was Mr Neely who had suggested the idea of using a constant tension spring to secure the cable braid to the adaptor.

Section 7 of the Patents Act 1977 defines the inventor as "the actual deviser of the invention", and states that "joint inventor shall be construed accordingly". The evidence leaves me in no doubt that, as is now conceded on behalf of Staeng, Mr Neely contributed to the invention the idea of using a spring coiled around the body of the adaptor over the sheathing to secure the latter to the former, and that to this extent at least, as accepted by Mr Wilson, I find that he was the actual deviser, and as such the inventor, of the invention the subject matter of both GB049 and EP266.

Mr Neely's claim, however, goes further than this, since he claims to have been the sole inventor, and seeks to replace Mr Robertson in this respect. In relation to GB049, he seeks under section 13(3) to have Mr Robertson's name removed as inventor.

Mr Wilson, while accepting that Mr Neely played the major part in the development, nevertheless argued, albeit very briefly, that although it was fair to say that Mr Neely contributed "the spark that ignited the fire", both he and Mr Robertson "were blowing on the fire". He submitted, therefore, that it was "not unreasonable in circumstances like that to say that both of them could be regarded as joint inventors". Mr Whittle, on the other hand,

sought to belittle Mr Robertson's contribution, suggesting that it amounted to "a bit of verification" and "looking at the meter at the same time as Mr Neely", by which time the invention had already been made.

I assume that since neither Mr Wilson nor Mr Whittle referred me to any authorities with regard to how major the role of a second individual involved in the inventive process has to be before he can legitimately be regarded as a joint inventor, they have found none which address the sort of circumstances before me. Certainly I am not aware of any which go particularly close to the case in hand. I am left, therefore, with the respective accounts of the events of May 1987, which are in agreement in all respects which could have any real bearing on the possibility of joint inventorship, and the conflicting, but very brief, submissions of counsel. The last factor of significance is that the onus lies with Mr Neely to establish his claim to sole inventorship.

I conclude on this limited basis that Mr Neely has failed to establish that Mr Robertson has no right to continue to be named as an inventor. It seems clear on the evidence that Mr Neely did not come up with the idea of using a spring unprompted, and, indeed, that he is unlikely to have done so had Mr Robertson not spoken to him about the problem in the first place. Mr Neely himself has said on several occasions that he was not skilled in the art of backshell adaptor construction. His background experience was in the field of cable markers and heatshrink products. Mr Robertson alerted Mr Neely to the notion that the method of attaching cable braids to backshell adaptors which Staeng had been using until then might in some way be improved. Mr Robertson posed the question, and Mr Neely came up with a suggested solution. Tests on that solution surpassed their expectations. In these circumstances, and especially in view of the onus upon Mr Neely to persuade me to alter Mr Robertson's present status as inventor, I find that Mr Neely and Mr Robertson jointly invented the invention which is the subject of GB049 and EP266.

Before leaving the subject of inventorship I will refer to differing recollections on the part of Messrs Neely and Robertson as to whether the question of applying for a patent for the invention was discussed between them in May 1987. In his written evidence Mr Neely states that, since he himself had "no background knowledge of backshells", he agreed that

Mr Robertson should prepare a written description of the invention for submission to a patent agent "for the purpose of preparing a patent application". Under cross-examination, however, Mr Neely was a little less sure of whether he had actually suggested going to a patent agent, but was confident that he had suggested that Mr Robertson should draw up a description with a view to applying for a patent. Mr Neely was equally unable to throw any light on how payment for the application was going to be arranged, commenting that he did not think of it. The day after the invention had been conceived, according to Mr Neely, he showed it to Dr Peter Lee, Hellermann's Technical Director, but he had no more involvement with any patent application until he was shown a copy of the published application in February 1989. Mr Neely complained to Dr Lee and later to Mr Healey, Hellermann's Managing Director, about the omission of his name as inventor. He was subsequently told, erroneously, that to change the situation at such a late stage would lead to refusal of the patent. It would be pointless to conjecture what might have happened had Mr Neely not received this false information.

Mr Robertson, on the other hand, states that there was no discussion with Mr Neely of patenting when the invention was actually conceived, and that it was not until some time after he had shown the invention to Mr Ron Springall, the Design Engineer and Managing Director of Staeng, that Mr Springall suggested patenting it. It was later decided to inform Staeng's patent agents, Mewburn Ellis, in person in London on the same day that Mr Healey and Mr Robertson were in London to sign the acquisition papers for Staeng to become part of the Hellermann Group, and to file the patent application on the same day as the acquisition. Mr Robertson says that at the time he did not fully understand the significance of his being nominated as sole inventor by Mr Springall. When pressed on this matter by Mr Whittle, and taken by him through various papers he must have seen which might have drawn his attention to his status as sole inventor, Mr Robertson maintained a consistent position of lack of knowledge of the patent system, and therefore of lack of recollection of or awareness of the significance of the various documents. He stressed that he did not omit Mr Neely's name for reasons of personal gain.

I shall return later to what orders are required to give effect to my findings concerning inventorship.

I turn now to the question of entitlement. In this connection Mr Neely seeks orders granting him sole rights in GB049 and in EP266, the latter being such that the application shall proceed in his name solely and that he shall be entitled to the grant of a patent on the application. It must be recognised from the outset that Mr Neely's pleadings were based upon the premise that he was sole inventor, whereas I have found only that he is entitled to be named as joint inventor with Mr Robertson. Before reviewing the facts, which are common to the consideration of both GB049 and EP266, I will consider the legal framework governing entitlement.

Section 7(2) states that:

"A patent for an invention may be granted -

- (a) primarily to the inventor or joint inventors;
- (b) in preference to the foregoing, to any person or persons who, by virtue of any enactment or rule of law, or any foreign law or treaty or international convention, or by virtue of an enforceable term of any agreement entered into with the inventor before the making of the invention, was or were at the time of the making of the invention entitled to the whole of the property in it (other than equitable interests) in the United Kingdom."

Section 39 provides that:

"(1) Notwithstanding anything in any rule of law, an invention made by an employee shall, as between him and his employer, be taken to belong to his employer for the purposes of this Act and all other purposes if -

- (a) it was made in the course of the normal duties of the employee or in the course of duties falling outside his normal duties but specifically assigned to him, and the circumstances in either case were such that an invention might reasonably be expected to result from the carrying out of his duties; or

(b) the invention was made in the course of the duties of the employee and, at the time of making the invention, because of the nature of his duties and the particular responsibilities arising from the nature of his duties he had a special obligation to further the interests of the employer's undertaking.

(2) Any other invention made by an employee shall, as between him and his employer, be taken for those purposes to belong to the employee."

In essence Mr Whittle's submission on behalf of Mr Neely was that he was entitled to grant of any patent for the invention under section 7(2)(a), and that the circumstances referred to in section 39(1)(a) or (b), which would have the effect of causing section 7(2)(b) to override section 7(2)(a), do not apply. Mr Whittle referred me to *Harris' Patent* [1985] RPC 19, to which I shall return.

In order to establish how Mr Neely's duties and obligations fit within the wording of both limbs of section 39(1), I need to consider the evidence, both on file and as given under cross-examination. There is a considerable difference between the parties as to Mr Neely's perceived status and concomitant duties and obligations. Although the distinction was not always made clear during the hearing, it is convenient to attempt, as far as possible, to deal separately with the considerations under sections 39(1)(a) and (b) respectively.

Looking first at section 39(1)(a), the evidence of Mr Bourne is relevant. Mr Bourne had been a Director of Bowthorpe plc - the parent or holding company of Hellermann - since 1981, when the company's name was Bowthorpe Holdings plc. He had had direct responsibility for Hellermann since 1983. When the previous Managing Director left the company in 1986 Mr Bourne engaged Mr Richard Healey as his replacement, reporting direct to Mr Bourne. To coincide with Mr Healey's appointment Mr Bourne also created a new post of Business Development Manager. I will return, when I am considering section 39(1)(b), to Mr Bourne's evidence as to the status and scope that he intended for this job, but for my present purpose it is sufficient to note that he intended it to be "very wide ranging", and this is confirmed by Dr Lee's evidence that Mr Neely had a "wide-ranging brief to find new products for Hellermann to make and to find new markets for existing

products". Mr Bourne interviewed Mr Neely himself before appointing him to the post in September 1986.

Mr Bourne exhibited a Job Description for Mr Neely. Although he acknowledged that there was no record of it having been given to Mr Neely, he stated that it encompassed the duties discussed with him, that it was what he did in practice and what Mr Healey would have known that he did. The Job Description is divided into six separate sections each containing a subset of duties. The relevant sections to which attention was directed at the hearing are as follows:

"(1) OBJECTIVES (basic purpose of job, key tasks, primary objectives and any specific difficulties faced in achieving these).

- (a) Increase prosperity of H.E. by increasing sales and profits
- (b) Increase sales by development of markets, by new products to existing customers, existing products to new customers and ultimately new products to new customers
- (c) Liaise between product managers and technical/financial resources
- (d) - (h) ...
- j) Setting of prices/margins on new products.
- (k) Gathering of information so a clear image of H.E.'s place in the market can be assessed.

(3) DECISION MAKING

- (a) Decisions which can be made without reference (itemise):
 - (i) Approval of expenses to subordinates
 - (ii) Approval of visits by subordinates in UK
 - (iii) How products are sold i.e. distributors or direct
 - (iv) Whether new products are factored or manufactured
- (b) Decisions which cannot be taken without reference to higher authority (itemise):
 - (i) Overseas travel for self or subordinates
 - (ii) Purchasing, revenue or capital items over £500
 - (iii) Subordinates salary increases (merits awards)
 - (iv) Distributor agreements inc. commissions

(v) Incentive scheme for subordinates

(4) CREATIVE WORK

Detail types of new ideas, creative thinking, planning, job targets etc. expected from job holder:

(a) To create from discussions with customers, product managers and other Hellerman and Bowthorpe personnel, ideas for new products from seeing a need in the market place

(b) Think of novel uses for existing products

(5) RESOURCES, EQUIPMENT ETC.

(a) Six Company Cars

(6) QUALIFICATIONS

Summarise qualifications, experience, special knowledge or qualities necessary for effective performance of this job:

(a) Qualifications

Graduate, probably of an engineering/science discipline

(b) Experience

(i) Five years experience of marketing/product management ideally in heatshrink/markers business or relates industry

(ii) Proven track record of new product development in a managerial role

(c) Specialist knowledge/qualities

(i) - (vi)...

(vii) Able to gather or confirm information from customers or competitors subtly without arousing suspicion."

In his second affidavit Mr Neely affirmed that he was never given a copy of the Job Description and that he had never discussed the job requirements in these terms with Mr Healey. He said that as far as he was concerned his job had been to find new products for Hellermann and new markets for existing Hellermann products. This is consistent with Dr Lee's account of Mr Neely's duties and, I note, is encompassed within section (1)(b) of the Job Description itself. However, at the hearing when he was asked by Mr Wilson whether there was anything in the Job Description that he disputed as a description of the

functions he was to perform, the only section Mr Neely questioned was the statement that he had control of six company cars. I regard that as of no significance in relation to the matters before me, and infer that Mr Neely was otherwise content that the Job Description corresponded generally with his own understanding of his duties, though it seems probable, and less than helpful both for my present purposes and in the interests of sound management, that Mr Neely was not shown the document which purported to define his functions in what was then his new job. As I will discuss later, at another stage in the hearing Mr Neely questioned the extent of his role in relation to price setting, but I do not regard this as of such significance as to call into question his broad acceptance of the Job Description.

Mr Neely's first affidavit spoke in general terms about his responsibilities within Hellermann, accentuating his concern with heatshrink materials and cable markers and dismissing any view that he had somehow been engaged in the development of backshell adaptors. He exhibited a copy of a Hellermann catalogue which concentrates on heatshrink sleeves and boots. He said that the attachment of braids to backshell adaptors was "quite outside my experience and not something which Hellermann were concerned with...". Later, he said again that he had no background knowledge of backshell adaptors. In his second affidavit Mr Neely stated that Hellermann did not make, nor had the capability for making, backshell adaptors and, therefore, that he did not consider that development of backshell adaptors fell within what he understood to be his job. All the development and product knowledge about backshell adaptors was held outside the company in Staeng.

Mr Neely exhibited a document entitled "Individual Terms of Employment" which he was required to sign on taking up employment with Bowthorpe Holdings in September 1986, and an attached document entitled "General Terms of Employment for Category V Grade 1". Paragraph 2(A) of the latter document required that he should "use his best endeavours to promote the interests of the Group". Mr Whittle actually suggested that if Mr Neely had really been using his best endeavours to further Hellermann's business, as required by his contract, he should have suggested to Mr Robertson that Staeng might use one of the heatshrink sleeves produced by Hellermann. Since, however, it can be assumed that both men would have known about Hellermann's heatshrink sleeves already, any such line of suggestion would have been unlikely to have been fruitful.

Mr Whittle referred me to the Hellermann catalogue exhibited by Mr Neely to demonstrate that it was almost exclusively concerned with heatshrink products, and any mention of backshell adaptors was simply to indicate the range of uses to which Hellermann products could be put in this context. As an item of evidence, Mr Neely's exhibit has a number of limitations. In fact what is exhibited is a collection of photocopied unnumbered sheets without anything identifiable as a front cover, and, although it is an extensive document containing approaching 80 sheets, it is not altogether clear that it constitutes the complete catalogue or that the sheets are collated in the order in which they appear in the published catalogue. Nevertheless, its authenticity was not challenged, and I therefore have no reason to doubt its content, though I think it extremely unlikely, on the appearance of the exhibit, that it represents exactly the form of the brochure which would have been put into the hands of potential customers. I was not told, moreover, whether it was intended to represent the entire range of lines offered by Hellermann or whether, for example, it was one of a range of catalogues, so I am obliged to rely upon internal indications to determine this, to the extent possible. It appears to be undated, but Mr Neely described it as current at the time he took up employment with Hellermann, and this was not challenged. The products actually advertised in the catalogue are limited to a wide range of heatshrink materials, shapes, adhesives and guns. However, the catalogue describes Hellermann's business in the following terms:

"The company's extensive portfolio embraces more than 2000 wire and cable accessories, tools and equipment, heat shrinkable products, specialist wire and cable, strapping systems, trunking and many other aids."

Elsewhere in the catalogue the activities of the whole Bowthorpe-Hellermann Group, whose parent company was then called Bowthorpe Holdings Ltd, is described, the business of each constituent company being separately described. Hellermann are identified as one of three divisions of a part of the Group, Bowthorpe-Hellermann Ltd, and the Group also includes several other companies based in the United Kingdom. In this part of the catalogue Hellermann's activities are described somewhat more broadly than above, in the following terms:

"Specialists in cable identification and cable accessories. Products include insulating sleeves and cable markers; cable binding ties and tools; sleeve fittings, wire stripping and wiring tools and lubricants; heat shrinkage sleeving, tapes and shapes; cable clips, strapping, bindings, lacings and trunking; and Kingsley hot stamping wire making machines and accessories."

Comparing these activity descriptions with the range of products actually detailed in the sheets exhibited I am, in the absence of other clear evidence, led to the conclusion that Hellermann actually produced a wider range than the detailed sheets suggest, and to the extent that I may be required to decide the full scope of their business, I should be guided by the wider descriptions rather than by the relatively narrow range actually illustrated in the exhibit.

Since the evidence establishes that Mr Neely was in fact employed directly by the parent company Bowthorpe Holdings, rather by Hellermann themselves, it may also be appropriate to note the activities of other members of Group, as described in the exhibited catalogue. Those of Hellermann Insuloid, another division of Bowthorpe-Hellermann Ltd, are described as follows:

"Specialists in wire and cable fixing products. Products include Insulok cable ties and tensioning tools; ties to meet military specification; cable saddles; clips fixing strips and strapping; securing clamps and tubing; and bus bar sleeving."

Hellermann Deutsch, another member of the Bowthorpe-Hellerman group, include among their product range "electrical connectors and relays" and Hellermann Electronic Components, in turn a division of Hellermann Deutsch, are described *inter alia* as "manufacturing and distributing multi-way connectors".

According to Mr Neely, at the time he joined Hellermann there were something like thirty different ideas being worked on. Mr Bourne confirmed this in cross-examination, commenting that it resulted from there being ten salesmen in the field each bringing in two or three ideas. According to Mr Bourne, Mr Neely had the technical liaison role of

correcting this mismanagement by bringing the technicians who were working on the projects to a common goal, and in this he was successful. Mr Neely states in his second affidavit that the Product Managers, who were to report to him, had previously been responsible for new products, and the sales desk technicians supported the existing products. He was instructed by Mr Healey to prune the number of projects severely so as to make the Product Managers responsible for one major product each and collectively responsible for all products the company sold. This policy was introduced within thirty days of Mr Neely's arrival at Hellermann. In these respects Mr Neely's and Mr Bourne's accounts are consistent. No evidence was offered, however, as to what the curtailed projects and products comprised, but I assume that they lay broadly within the field described in the Hellermann catalogue of the time, as exhibited by Mr Neely.

A "Report to Employees" by Mr Healey, dated September 1987, a little latter than the time when the invention in suit was devised, referred to growth in Hellermann's share of the heatshrink business, launch of new products, including "screened shapes", and the recent purchase of Staeng. It commented that Hellermann had for some time been promoting Staeng backshells with their own products, and that the acquisition would allow them to compete aggressively with a full integrated system. It was in line with Hellermann's "desire to be recognised and accepted as a major force in the cable care industry."

Staeng were specialists in cable harnesses and backshells. Mr Robertson explained how the links which already existed between Staeng and Hellermann as regards their cooperation in the production of kits were reinforced by the need for Staeng's products to be sold under the Hellermann name. A large part of Hellermann's sales market was to the military. Designs for military products were specified in drawings, and only certain manufacturers or suppliers were approved. Hellermann had produced a design of heatshrink sleeve with an in-built electric screen which they called the screened boot. Staeng had developed a backshell adaptor known as the "split ring" ring backshell adaptor designed to overcome certain technical difficulties associated with the screened boot. Staeng and Hellermann had filed respective patent applications for the split ring backshell and the screened boot. Both applications were filed before Mr Neely joined Hellermann.

Because Staeng were not an approved supplier to Avimo, a customer of Hellermann, Hellermann copied the design drawings of Staeng's backshell adaptor onto their own screened boot drawings with a view to selling the adaptors on Staeng's behalf as though they were part of Hellermann's own product. It was pointed out that the potential market was considerable - a figure of £50,000 per military tank being not untypical for backshell connectors alone. However, the split ring design was not on the military's approved design drawing, and sales were very difficult. The wire-whipping type of backshell adaptor was still the accepted design.

At a Design Review Meeting on 9 January 1987, one of a series which Mr Neely acknowledges that he was asked by Dr Lee to set up, and the minutes of which were exhibited to Mr Bourne's statutory declaration, Mr Neely, who was present at the meeting, was charged with contacting Staeng over the use of "the right angled boot and straight boot" as backshell adaptor "(as) regards exclusivity of rights and the adoption of the rights in the case of Staeng's business failing". In cross-examination Mr Bourne explained the background to this, in that Hellermann were conscious of the potential loss to them of customer contacts should Staeng fail. Mr Springall, who was a very innovative person, was very ill and there would be a loss of new ideas for Staeng and Hellermann to develop together if he were no longer available.

I have already mentioned one patent application for a screened boot filed before Mr Neely joined Hellermann. Another application, No 2199200, in the name of Bowthorpe-Hellermann, as was the earlier one, having a priority date in December 1986, named Dr Lee and Mr Neely as inventors. It related to a heatshrink sleeve with an internal conductive lining intended to be partly shrunk onto a cable connector for the ultimate user to insert and terminate a cable and then fully to shrink the sleeve onto the cable and connector to complete the screening and make a sound mechanical joint. Mr Neely described his involvement in this application as "really a marketing thing", "not really a true invention" and "more a pre-emptive strike against (a competitor)".

In addressing section 39(1)(a), a number of considerations arise. First, it is necessary to decide what constituted the inventor's "normal duties", or alternatively what duties lying

outside that category were "specifically assigned to him". Secondly, it is necessary to decide whether the circumstances in either case were such that an invention might reasonably be expected to result from the carrying out of these duties. Following the guidance in *Harris* that the "circumstances" referred to here must be those in which the invention in suit was made, rather than any invention whatsoever, then it is clear that those circumstances include the frequent meetings between Mr Neely and Mr Robertson, one of which resulted in the invention in suit.

In view of the requirement in the General Terms of Employment that Mr Neely should "use his best endeavours to promote the interests of the (Bowthorpe) Group", it is relevant to note that *Harris* also makes it clear that an employee's duty of fidelity was to carry out faithfully his normal duties to the best of his ability, and did not assist in formulating what those duties were. In this case, therefore, I conclude that this aspect of Mr Neely's General Terms of Employment adds nothing specific to my understanding of his duties, whether normal or specifically assigned. I would, however, observe, that, in relation to the terms used in *Harris*, Mr Neely's "duty of fidelity" was owed to the Bowthorpe Group as a whole, rather than specifically to Hellermann, and I conclude that the effect of this is that I should avoid any inclination to construe Mr Neely's duties in a narrow manner. This is consistent with the conclusion which the evidence of Mr Bourne and Dr Lee points me to, namely that Mr Neely was given a wide-ranging brief.

In seeking to resolve an issue arising under section 39(1) the presence in evidence of documents described as job description and terms of employment are likely normally to be of decisive assistance. I have, however, already concluded that the latter gives me only very limited and generalised assistance, at least in relation to section 39(1)(a), and it weakens the evidential value of the former that it appears never actually to have been shown to Mr Neely. Nevertheless, Mr Neely was generally content that the document corresponded to his own understanding, and I therefore conclude that I can properly draw on it, albeit with caution, in reaching a conclusion.

Mr Neely's frequent meetings with Mr Robertson would surely have enabled him to gather information to add to his understanding of Hellermann's place in the market, in accordance

with part (1)(k) of the Job Description, using the facility "to gather or confirm information from customers or competitors subtly without arousing suspicion", as required by part (6)(c)(vii). More significantly, however, these meetings would have provided Mr Neely with opportunities to pursue the one of his objectives, set out in part (1)(b) of the Job Description, of which I can be most confident in that Mr Neely himself independently confirmed the major part of it; namely "to increase sales by development of markets, by new products to existing customers, existing products to new customers and ultimately new products to new customers". I have already concluded that the discussion between Mr Neely and Mr Robertson in May 1987 was part of their normal business contact, and exploration of possible developments or modifications of products of common interest to them would, I consider, be a normal part of this process, reading on to the quoted part of the Job Description. Part 4(a), requiring Mr Neely, under the heading of "Creative Work", "to create from discussions with customers ... and other Hellermann and Bowthorpe personnel, ideas for new products from seeing a need in the market place", which part Mr Neely saw no need to challenge when given the opportunity at the hearing, also appears to coincide closely with what actually happened in May 1987. The fact that Mr Robertson was, at the time of the meeting, a customer and shortly thereafter became a fellow employee by virtue of the acquisition, does not affect this conclusion.

Neither, I conclude, is it significant that Mr Neely's role was centred primarily on the market rather than on the technical side, since his Job Description, and even the more limited version which he himself volunteered, plainly encompasses an innovative and developmental aspect to his duties. Both Mr Bourne and Dr Lee, the former of whom was instrumental in defining Mr Neely's role, and the latter of whom worked quite closely with him, described it as wide ranging. That association with patentable inventions was an accepted part of Mr Neely's role within Hellermann is borne out by his having been named as a joint inventor with Dr Lee in an earlier application, notwithstanding that he argued that this was essentially a marketing tactic. Marketing was after all at the heart of the emergence of the invention in suit, and I dare say that the commonest of motives for applying for a patent in any technical field is, in the final analysis, essentially one of marketing.

Mr Whittle argued, following *Harris*, that it is not reasonable to imply that an individual's obligations include the business of the invention if that is not within the business of the employer. In this he was developing Mr Neely's contention that Hellermann were essentially in the heatshrink and cable marker businesses, and that an invention concerned with backshell adaptors could not reasonably be said to be within Hellermann's, and therefore Mr Neely's, remit. In his affidavit Mr Healey, formerly Mr Neely's senior manager at Hellermann, also asserted that Hellermann were not concerned with the business of backshell connectors until after the completion of the purchase of Staeng in July 1987. However, since Mr Healey, alone of the witnesses, was not available for cross-examination, it was not possible to investigate the implications of his statement.

In *Harris*, Harris himself was employed by a company which operated under licence from another company in the field of Wey valves. He was manager of the Wey valve department and his primary duties were to sell the valves, which were made to the other company's design, and to use his specialist knowledge of the valves in dealing with customers' problems. His employers had no research laboratory, never undertook development or creative design work and referred any major problems to the other company for solution. Between being told that his function within his employer company was redundant and his actually leaving, Harris made an invention in respect of an improved seal for Wey valves and applied for a patent in his own name. His employers claimed that the invention was theirs by virtue of Harris' employment. In the Patents Court it was decided that since it was not part of the employer's business to solve design problems in the valves it could not have been part of Harris' normal duties to provide solutions to such problems, nor were the circumstances such that it could reasonably be expected that an invention might result from the carrying out of his normal duties. Just as, Mr Whittle argued, in *Harris* technical problems were transferred to the other company for solution and were found not to be included in the business of Harris' employers, so in the present case backshell adaptors were not part of Hellermann's business and it would not be expected of Mr Neely to devise a solution in this area.

I do not find Mr Whittle's arguments on behalf of Mr Neely convincing in relation to section 39(1)(a). The various accounts of Mr Neely's duties establish that he was employed on a

wide-ranging brief, *inter alia* to find new products for Hellermann. The Job Description, the validity of which he did not significantly contest, assigned to him the creative role of using discussions with customers to generate ideas for new products, as well as of thinking of novel uses for existing products. That was surely, in general terms, what he was doing in May 1987 when he had the crucial discussion with Mr Robertson, who was certainly a customer, and I am not persuaded that Mr Neely did not consider at the time that he was carrying out his normal duties for Hellermann when he suggested, and then investigated, the idea of using a constant-tension spring to secure the sheathing to the backshell adaptor produced by Mr Robertson. It may be indicative of nothing more than Mr Neely's relative lack of awareness of considerations of patent law that, when he first learned of the existence of the patent application for the invention in suit, he appears to have expressed concern only about inventorship, rather than ownership, but this might also be taken to suggest that Mr Neely's interest in ownership of patent rights is a rather more recent development.

Notwithstanding that his role was centred in the marketing area, playing the role of inventor in a patent application owned by his employers was something which Mr Neely had previously undertaken, jointly with Dr Lee, on at least one occasion, and, in volunteering the information that he had made several inventions over the years, Mr Neely made no suggestion that his employers were not entitled to ownership of any resulting patent.

The sole consideration, therefore, which might cause me to conclude that the invention in suit did not arise in the course of Mr Neely's normal duties is, following *Harris*, that the subject matter of the invention, a backshell adaptor, might be found not to lie within Hellermann's business remit at the relevant time. As described in the catalogue which Mr Neely himself exhibited, Hellermann's interests were broad, extending beyond the heat shrink and cable marking products to which Mr Neely sought to persuade me they were effectively limited, to cover such things as cable binding ties and cable clips, strapping binding and lacings. They had even marketed Staeng backshell adaptors as if they were their own products, and while this might confirm that they did not manufacture them themselves, it hardly suggests that they regarded them as outside their sphere of business. So, even though I conclude that I should take no account of the fact that other member companies of the Bowthorpe Group, who were, at least in principle, Mr Neely's actual employers, apparently extended the range

of cable-care products still further, I find that backshell connectors lay within the broad field of Hellermann's business.

The upshot of these considerations, therefore, is that I find that Mr Neely made the invention in the course of his normal duties as an employee, and that the circumstances were such that an invention might reasonably be expected to result from the carrying out of his duties. Consequently, in accordance with section 39(1)(a), I find that, as between Mr Neely and his employers, the invention must be taken to belong to his employers for all purposes.

Although my findings under section 39(1)(a) make it strictly unnecessary for me to decide whether Mr Neely's employers are also entitled to the invention by virtue of section 39(1)(b), much time was occupied at the hearing on the issue of the seniority of Mr Neely's status within Hellermann, with a view, as I understood it, to persuading me that he either did or did not have the special obligation to further the interests of his employers' undertaking required under section 39(1)(b). I will therefore address this question.

Following *Harris*, I note that there are two conditions to be fulfilled under section 39(1)(b). The first is that the invention was made in the course of the duties of the employee. Since I have already found that the invention in suit met the narrower condition of section 39(1)(a) of having been made as part of Mr Neely's **normal** duties, it follows that it also meets the broader first condition of 39(1)(b).

The second condition is that, at the time of making the invention, because of the nature of his duties and the special responsibilities arising from their nature, the employee had a special obligation to further the interests of the employers' undertaking.

In *Harris* it was held that the extent of an employee's obligation to further the interests of his employer's undertaking was dependent on his status and the duties and responsibilities associated with that status. In *Harris*' case he only had to sell Wey valves and ensure after-sales service; his powers as a manager did not extend to hiring or firing staff or agreeing holiday dates and he did not attend board meetings even when his own department was under

discussion. His status was not such that his obligations would take him within the confines of section 39(1)(b).

Mr Bourne stated, by contrast, that his intention was to create Mr Neely's post as a "very senior one" and "very wide ranging". Mr Neely was employed under contract directly by the holding company, rather than by Hellermann, and such contracts were reserved for senior executives. Mr Neely's was a "Category V(1)" contract, which again was reserved for Directors and other senior executives within the various divisions of Bowthorpe. Under Mr Healey as Managing Director there were two Co-Directors, Dr Lee, the Technical Director, and Mr Charles Gant, the Financial Director. There were then five senior executives, including Mr Neely as Business Development Manager. Mr Bourne exhibited a copy of a "Profit Incentive Bonus Scheme for Subsidiary Company Senior Executives" stated to be "applicable to Mr N Neely as from 1 January 1987" and signed by Mr Neely on 30 April 1987. Under the scheme Mr Neely was to receive a bonus of 1% of the subsidiary company or division's annual trading profit above a certain level. This was presumably in addition to the basic salary, set at £22,000 per annum when Mr Neely took up employment.

Mr Neely agreed that he was party to the profit bonus scheme, but argued that his relatively lowly status within it was indicated by the fact that when he tried to obtain information which would enable him to calculate his bonus share he was told that it was not company policy to make that information available to anyone at his level.

According to Dr Lee, Mr Neely reported direct to Mr Healey. Mr Neely did not need to go through an upper level of management. He also attended meetings at which Dr Lee would also be present, he would be involved in the same sort of discussions as Dr Lee and, to all intents and purposes, he operated at "Director" level.

It was said by Mr Whittle on Mr Neely's behalf that his position in Hellermann was not as senior as was perceived by others. In support of this he mentioned the fact that, for example, Mr Neely was not empowered to authorise spending in excess of £500 without approval, implying that Mr Neely was not in charge of a purse befitting the high status alleged. Mr Bourne, under cross-examination, explained that it was in fact company policy

that everyone in the Group had to get approval for spending, calling it the "grandfather principle". He said that even he and the Managing Director had to approve each other's expenditure. The same situation applied in terms of hiring and firing. Mr Bourne would not be able to fire someone, perhaps a managing director, without first obtaining the approval of his own boss. The same would be true of Mr Neely, had he wanted to terminate the employment of one of his staff. It appears to me that such a company policy leaves me unable to reach a conclusion on whether or not the lack of authority to spend or to hire and fire places any particular employee at a status which carries with it the "special obligation" required by section 39(1)(b), and I therefore leave this aspect to one side as being of no assistance to me.

Within the Bowthorpe-Hellermann Group, according to Mr Bourne, it appears to have been policy to designate the senior officer within a constituent company as a Manager, rather than as a Director; thus Mr Healey apparently had the former title rather than the latter. Mr Bourne said that Mr Healey was actually a Divisional Director, bound by the same restrictions as are incumbent on Company Directors in terms of the Stock Exchange, share dealing etc. In such a context it is not easy to determine exactly what Dr Lee meant when he described Mr Neely as operating at "Director level". Nor is it apparent exactly what was involved when, as Mr Neely agreed in cross-examination, Mr Bourne mentioned to him the possibility that, once he had achieved a success in the market place, he might be offered a "Directorship". At the hearing he dismissed the prospect as "a standard carrot".

Mr Wilson pursued a line of questioning of Mr Neely to establish his position with regard to the preparation and pursuance of the company Business Plan. The Plan for 1987-89, in operation when Mr Neely joined Hellermann in September 1986, would have been produced by the Managing Director at the time, Mr Burton, some time prior to June 1986. Mr Neely said he did not see the Plan until June 1987. The next Plan would have been written by Mr Healey and his team, including a significant input from Mr Neely as head of marketing. I am not convinced, however, that Mr Neely's involvement in the preparation of Business Plans was any more than in his capacity as "marketing executive", to quote Mr Bourne, and it does not in itself establish especially high status for Mr Neely.

Mr Neely was reticent in relation to questions put to him by Mr Wilson concerning his involvement in setting the price of Hellermann's products. Initially he said that product prices were determined solely by the market, but conceded that he had a responsibility, with other people, for interpreting the market price, and that it was his job to propose prices.

I am satisfied that, within the framework of Hellermann at the time of Mr Neely's employment there, he enjoyed a position of high status and responsibility. His involvement in the profit bonus scheme and his direct employment by the parent company identified him specifically as a senior executive, and he was plainly perceived as such by his colleagues, in particular Mr Bourne, who appointed him, and Dr Lee, who had contact with him, for example at meetings with Mr Healey and sometimes the Financial Director concerned with matters of business and strategy. In particular it is clear that he operated at a significantly more senior level than did Harris within his employer company. Harris' duties were confined solely to sales. He was described as a "trouble-shooter" to deal with problems that customers experienced with their installations, not by solving their problems directly but by passing them on to another company for solution. He thus had no opportunity for developing his employer's product, whereas Mr Neely was charged with the need to identify new products; his job title - Product Development Manager - encapsulated that intention. Moreover, Mr Neely was given the highly responsible task of streamlining and restructuring the Hellermann product range, and had sufficient authority to achieve a major reform in this respect within a short time of joining the company. Harris did not attend board meetings, whereas Mr Neely was involved in the sort of meetings and engaged in the sort of discussions that were also the province of directors. Although there were constraints on Mr Neely's ability to hire and fire and to spend, his powers clearly exceeded those of Harris in this respect. It was suggested to him that he might be offered a directorship on the basis of performance achievements, and he had a free ranging remit to obtain information from sources at his disposal to use for identifying market and/or customer needs with a view to developing his employer's products and business.

In such a context it may be significant to note also that Mr Neely said that he first became aware of the possibility of the acquisition of Staeng at a meeting in February 1987 at the Skyline Sheraton Hotel near Heathrow with Mr Healey and Mr Springall. His own witness,

Mr Healey, reported that the possibility of acquisition was only suggested for the first time by Mr Springall "at the beginning of 1987", so Mr Neely was clearly privy to the possibility at a very early stage, and was apparently informed directly of it by the prime movers themselves. He would certainly have been thoroughly aware of it by May of that year when he and Mr Robertson together devised the invention in suit, and, whatever Hellermann's earlier interest in backshell adaptors may have been, at that point he would surely have recognised, as a senior Bowthorpe employee, that an improvement in that field might be of advantage to his employers.

In all these circumstances it is clear to me, therefore, that the invention was made by Mr Neely under the second condition set out in the section 39(1)(b), namely in which the nature of his duties and the particular responsibilities arising from them were such that he had a special obligation to further the interests of his employer's undertaking.

I therefore find that, under both sections 39(1)(a) and (b), as between Mr Neely and his employers, the invention in suit must be taken to belong to his employers for all purposes.

To summarise my findings, therefore, I have found that Mr Neely and Mr Robertson were joint inventors of the invention the subject of GB049 and EP266, and that, as between Mr Neely and his employers, the invention belonged to the latter. It is now necessary for me to consider what orders I should make to give effect to these findings.

Following my finding on inventorship in relation to the section 13 application, I certify that Nicholas Henry Neely has the right to be mentioned as joint inventor with Michael William Robertson on United Kingdom Patent No 2208049, and I direct that an addendum slip mentioning him as an inventor be prepared for the patent.

In relation to the section 37 reference, the question referred to me was "who is or are the true proprietor or proprietors of Patent No 2208049?", and section 37(1) states that "the comptroller shall determine the question and make such order as he thinks fit to give effect to the determination". My finding that, as between Mr Neely and his employers, the invention of which he was a joint inventor must be taken to belong to his employers, points

me towards a conclusion that, in accordance with section 7(2)(b), GB049 should have been granted jointly to Mr Robertson's and Mr Neely's respective employers. The former, Staeng, are a party to the present proceedings, but the latter, Bowthorpe Holdings plc (to use their title at the time when Mr Neely joined their employment) are not. Staeng were acquired by Bowthorpe Holdings, Mr Robertson attesting that this took place on the very day on which the patent application which resulted in GB049 was filed. There was some discussion at the hearing as to how the Staeng patent portfolio was handled after the acquisition, but since it appears that Staeng continued to exist as a company, no change of formal proprietorship was apparently effected.

Mr Whittle urged me, should I decide in favour of joint inventorship, to reach a finding as to who was entitled to rights in the invention, by which I presume he meant ownership of the patent. His reasons appeared to be associated with Mr Neely's position relative to a possible future section 40 reference, since the present proprietors, Staeng, are not and have never been Mr Neely's employers. Mr Wilson, on the other hand, reminded me that Mr Neely's employers were not a party to the proceedings and pointed out that there was no evidence as to how the invention was handled as between Hellermann and Staeng (beyond the fact that the patent remained in Staeng's name). He argued, furthermore, that it was unnecessary to take any account of section 40, since that section merely requires that the "invention belong(s) to the employer ... and the patent is ... of outstanding benefit to the employer". It does not require that the patent was granted to and is still owned by the employer. Mr Neely's future position relative to section 40 would therefore be preserved if I made no order as to ownership as between Staeng and Mr Neely's employer.

I prefer Mr Wilson's position on this. Although the question posed under section 37 was "who are the true proprietors?", I do not consider that I have evidence to answer that question fully in the form set. The relief sought was that I should order the grant of all rights to Mr Neely, and my finding plainly precludes that possibility. The evidence is that Mr Neely's employers at the time the invention was made and Staeng, Mr Robertson's employers, are now, at the very least, in the same stable, sharing in large measure common ownership, and they have been so since the date on which the patent application was made. I am satisfied that the interests of justice are not prejudiced by the present ownership

arrangement of GB049. If the present commercial arrangement between Staeng and its parent company ceases in the future, proprietorship of the patent in suit will be one of many matters which will require attention, and my findings in this decision will come into play at that point. I am equally satisfied that Mr Neely's future position in relation to a possible section 40 reference is preserved, for the reasons suggested by Mr Wilson, and I would in any event be reluctant to reach a finding on proprietorship in the absence of full evidence on the speculative chance that a section 40 reference might possibly be made at some future date. I therefore make no order consequential on my finding in relation to the section 37 reference.

I turn finally to the section 12 reference. The question referred to me under section 12(1) by Mr Neely was whether he is entitled to be granted a patent for the invention which is the subject of EP266 or has any right in or under that application or any patent granted on it. By way of relief he sought an order naming him as inventor in place of Mr Robertson, and an order granting all rights in the application solely to Mr Neely so that the application shall proceed on his name solely and he shall be entitled to the grant of a patent on the application.

Section 12(3) states that section 12(1) shall have effect subject to section 82 in its application to a European patent and an application for any such patent. Section 82 in turn defines the limits of the comptroller's jurisdiction in relation to European patents or patent applications. No dispute arose in relation to the comptroller's jurisdiction in the present case (other than on the question of inventorship with which I have already dealt), and, notwithstanding that the United Kingdom is not designated in EP266, I am satisfied that I have jurisdiction to determine the question posed under section 12(1), since, whether or not the question is strictly describable, in the language of section 82, as an "employer-employee question" (and I make no ruling as to that), the companies and individual concerned were all based in the United Kingdom at the relevant time.

To address first the issue of inventorship, Article 62 of the European Patent Convention states that:

"The inventor shall have the right, *vis-à-vis* the applicant for or proprietor of a European patent, to be mentioned as such before the European Patent Office."

Rule 18 of the Regulations to the Convention states that:

"(1) The person designated as the inventor shall be mentioned as such in the published European patent application and the European patent specification.

(2) In the event of a third party filing with the European Patent Office a final decision whereby the applicant for or proprietor of a patent is required to designate him as the inventor, the provisions of paragraph (1) shall apply."

In view of my finding as to inventorship, and although I have no jurisdiction directly to order the addition of Mr Neely's name to the European application, it is open to Mr Neely to take the action stipulated in paragraph (2) of Rule 18, citing this decision.

As to rights in EP266, Article 60(1) of the European Patent Convention states that:

"The right to a European patent shall belong to the inventor or his successor in title. If the inventor is an employee the right to the European patent shall be determined in accordance with the law of the State in which the employee is mainly employed;"

This makes it clear that my findings above under section 39 as to rights to the invention apply as well to EP266 as to GB049, and it follows that no action is available to Mr Neely in this regard with respect to the European Patent Office.

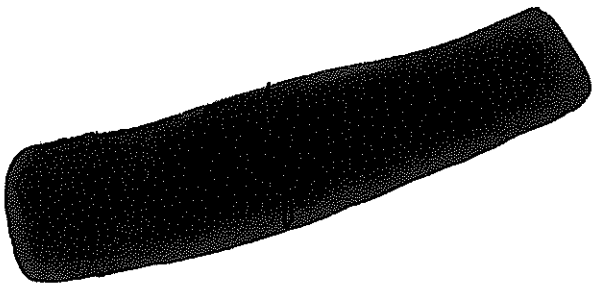
To summarise in relation to the section 12 reference, therefore, while Mr Neely has available to him the possibility of action before the European Patent Office following my findings as to inventorship, I make no orders or directions in relation to the reference.

As regards costs, Mr Neely has been only partially successful in relation to inventorship, and that to an extent not significantly contested by the other side, at least at the hearing, and he

has been wholly unsuccessful in relation to ownership of the invention, which occupied the greater part of the action. Had he been wholly successful on inventorship I could have regarded the matter as sufficiently nearly balanced to warrant making no award of costs overall. In the event, however, I award to the proprietors of the United Kingdom patent and the applicants for the European patent, Staeng Ltd, the sum of £200 as a contribution to their expenses in this matter, and order that this sum be paid to them by Mr Neely.

Any appeal from this decision must be lodged within 6 weeks from the date of the decision.

Dated this 5 day of September 1994



Dr P FERDINANDO

Superintending Examiner, acting for the Comptroller

THE PATENT OFFICE