

BLO/124/89

PATENTS ACT 1977

IN THE MATTER OF Patent No
2193802B in the name of
Le Baigue and Company Ltd
and

IN THE MATTER OF a reference
thereto by John Stephen Le Baigue
under Section 37 of the
Patents Act 1977

PRELIMINARY DECISION

Patent application No 8716267 which relates to a domestic gas fire was filed on 10 July 1987 in the name of Stanley James Le Baigue who was named as the only inventor. On 26 September 1988 his brother John Stephen Le Baigue referred to the Comptroller under Section 8 of the Patents Act 1977 the question whether he should be mentioned as a co-inventor. I shall call John Le Baigue the referrer.

Subsequently a patent, No 2193802B, was granted on the application with the specification being published on 12 April 1989. Section 9 prescribes that Section 8 proceedings continuing at the time of grant are then treated as proceedings under Section 37 which relate to determination of right to a patent after grant.

An assignment of the patent from Stanley Le Baigue to Le Baigue & Co Ltd dated 25 April 1989 was entered on the register of patents on 5 May 1989.

Evidence in support of the referrer's case was filed on 1 March 1989, and in answer on behalf of the proprietor on 2 May 1989. Evidence in reply was therefore due to be filed by 2 August 1989. However on 28 July 1989 a letter was received from the referrer's agents, Graham Jones & Company, seeking a stay in these proceedings in view of

High Court proceedings, and also for an extension of time for the reply evidence until the request for a stay was decided and until the High Court proceedings were terminated if a stay to these proceedings was given. The agents, Brookes and Martin, acting for the proprietor did not agree to either request. A hearing was accordingly appointed to decide these procedural matters.

At the hearing before me on 25 September 1989 Mr Andrew Waugh appeared as Counsel for the referrer, Mr John Le Baigue, and Miss Denise McFarland as counsel for the proprietor.

I will first deal with the admissibility of evidence filed on behalf of the referrer shortly before the hearing and to which Mr Waugh referred. Miss McFarland when she addressed me objected to the admission of this late filed evidence since she had had no time to take instructions or file evidence in reply. Having read the evidence, consisting of a second statutory declaration by the referrer and one by Mr S King, the only parts that appear relevant to the procedural matters I have now to decide is the writ and the statement of claim issued in the High Court action. I admit those facts but I do not admit the rest of the declarations, and I will not therefore consider further in these proceedings any of the evidence not admitted or the submissions by counsel relating thereto.

Mr Waugh referred me to the writ issued in the High Court action on 21 July 1989 and to the statement of claim. The plaintiff is Le Baigue and Company Limited, that is, the registered proprietor of this patent. The defendants are Multiglow Fires a firm of which the referrer John Le Baigue is apparently a partner, and South Eastern Fires & Accessories a firm with which a Mr Welch is associated. Both firms are sued for infringement of this patent and the first firm for infringement of the plaintiff's

copyright in various literature relating to the plaintiff's domestic fires. Mr Waugh gave me an undertaking that the defendants will be raising the question of entitlement to the patent in the High Court action. He said the defendants will counterclaim that the patent is invalid inter alia on the ground set out in Section 72(1)(b) of lack of entitlement since the referrer, as well as the successors in title to Stanley Le Baigue, is entitled to be a proprietor. Section 72(1)(b) at present reads:-

"the patent was granted to a person who was not the only person entitled under Section 7(2) above to be granted that patent or to two or more persons who were not the only persons so entitled;"

I should perhaps mention in passing that the Copyright, Designs and Patents Act 1988 significantly amends Section 72(1)(^b~~a~~) to read:-

"that the patent was granted to a person who was not entitled to be granted that patent,"

However that amendment is not yet in force, and, for the purpose of this decision, that amendment need not be considered.

Mr Waugh argued for a stay of these proceedings and for them to be transferred to the High Court to avoid two parallel sets of proceedings both of which will involve consideration of entitlement to the patent, discovery of relevant documents and cross-examination of witnesses including the brothers Stanley and John. He relied on Section 37(8) which reads:-

If it appears to the Comptroller on a reference under subsection (1) above that the question referred to him would more properly be determined by the Court,

he may decline to deal with it and, without prejudice to the court's jurisdiction to determine any such question and make a declaration, or any declaratory jurisdiction of the court in Scotland, the court shall have jurisdiction to do so.

He submitted that the question in these proceedings would be more properly determined by the High Court because of the saving of costs and the consequential avoidance of multiplicity of proceedings. He drew my attention to the provision of Section 49 of the Supreme Court Act 1981 which, in subsection (2), provides, to paraphrase it, that every court shall so exercise its jurisdiction that all multiplicity of legal proceedings is avoided. As the whole of the High Court action could not be transferred to the Comptroller because the latter does not have jurisdiction in matters of copyright or, unless both parties consent, of infringement, he contended these proceedings should be transferred to the High Court.

Miss McFarland submitted that the situation was not such as to fall within Section 37(8). She argued that as the Comptroller was an adequate forum and was possessed of all the necessary procedures and skill to decide the dispute between the parties, the dispute would not more properly be determined by the Court. The referrer, she commented, had chosen the Office. Cross-examination may take place before the Comptroller and she referred to Norris's Patent [1988] RPC 159, an appeal from a reference under Section 37, where Falconer J observed at page 171 line 34 that both sides should have requested cross-examination before the Comptroller. She thought there was no need for discovery on the narrow issue of inventorship.

She alternatively submitted that if a stretched interpretation were given to Section 37(8) so that on the facts before me the Comptroller had discretion to decide whether the question could be more properly determined by

the court, I should exercise the discretion not to transfer the matter since it could within a few months come to a substantive hearing before the Comptroller at low cost. In contrast, she submitted, the High Court action might not be heard for two years. Mr Waugh contented that the High Court action could be heard within a year.

Miss McFarland also argued that the issue of entitlement was a preliminary point to the High Court action and not a parallel issue. If the Comptroller were to find that the referrer was entitled to be a co-proprietor this would remove the patent infringement issue against his firm in the High Court action thereby reducing costs.

She stated that her client was very keen to have an early determination of the entitlement issue before costs in the High Court arise and because there were other potential actions for infringement.

I have after careful deliberation concluded that the question of entitlement before the Comptroller would not more properly be determined by the Court. There could well be cases where the discretion under Section 37(8) could be exercised in favour of a transfer, particularly where the matter in dispute could quickly and at no greater cost be determined by the Court. However I do not consider on the evidence before me that this case is in that category. Mr Waugh submitted that entitlement would be argued in the High Court action in the counterclaim for invalidity. Leaving aside the consequences of the prospective amendment to Section 72(1)(b), Section 74(4) provides:-

No determination shall be made in any proceedings mentioned in subsection (1) above on the validity of a patent which any person puts in issue on the ground mentioned in section 72(1)(b) above unless -

- (a) it has been determined in entitlement proceedings commenced by that person or in the proceedings in which the validity of the patent is in issue that the patent should have been granted to him and not some other person; and
- (b) except where it has been so determined in entitlement proceedings, the proceedings in which the validity of the patent is in issue are commenced before the end of the period of two years beginning with the date of the grant of the patent or it is shown that any person registered as a proprietor of the patent knew at the time of the grant or of the transfer of the patent to him that he was not entitled to the patent.

Thus even if I were to decide that the entitlement proceedings should be stayed before the Comptroller the Court would have to decide the entitlement question before considering the counterclaim for revocation in the infringement action, albeit quite possibly in the same court hearing. I consider that there are several advantages in the Comptroller first deciding the entitlement question. As Miss McFarland submitted the Comptroller is well able to decide entitlement and has in fact done so in an increasing number of cases in recent years. Costs before the Comptroller are lower than High Court costs. A decision by the Comptroller on entitlement could well issue a year or more earlier than one left to the infringement action. An early decision on entitlement would be to the advantage of both parties as well as being in the public interest. If the referrer were to win he, or his firm as his agent, could no longer be sued for infringement of the patent, which would radically alter the nature of the High Court action. If the present proprietors were to be successful they would be in a

better position to take infringement action against any other alleged infringers.

In my opinion, these advantages outweigh any disadvantages in not referring the entitlement question to the High Court action. If the Comptroller were to find against the referrer he would then have to contest the High Court action as well. While a multiplicity of proceedings is in itself undesirable the Comptroller's decision could well simplify the High Court proceedings.

In coming to my decision I find support in the judgment of Whitford J in Hawker Siddeley Dynamics Engineering Ltd v Real Time Developments [1983]RPC 395 to which Mr Waugh referred. The High Court infringement action was stayed pending determination by the Comptroller of the proceedings for revocation of the patent and for a declaration of non-infringement initiated earlier by the defendant. There was a significant factor in this earlier case which does not occur as such in this case, in that the defendant agreed to submit to the High Court action if he lost before the Comptroller. However the absence of that factor from this case I do not find conclusive. The decision of the Comptroller in the proceedings before him will, as I have indicated above, simplify the High Court action particularly if the referrer were to succeed before the Comptroller. Whitford J also commented that it seemed to him that nothing could be more absurd than to allow both proceedings to go forward. Both those proceedings were concerned with the issues of infringement and validity while in the present case the Comptroller is only concerned with entitlement which has to be determined before infringement can be decided. In coming to his decision Whitford J took account of the relative expense - "everything points to the Patent Office as being the better court" -, and of the less time the Patent Office will take. These advantages also apply to this case as I have indicated above. Whitford J also considered the

Patent Office to be a satisfactory tribunal from the point of view of the decision to be reached.

Since the hearing I have become aware of the interlocutory judgment of Aldous J dated 25 July 1988 in Dolphin Showers Limited and Brueton v Philip Geoffrey Farmiloe and others [1989]FSR 1. The judgment reinforces my view not to stay the present proceedings. The plaintiffs were suing the defendants for infringement and sought to strike out the defendants particulars of objection relating to non-entitlement. It was held that under Section 72 it was a condition precedent to an application for revocation or a counterclaim for revocation, raising invalidity on the ground of non-entitlement, that a finding of wrongful entitlement had been made. However Section 74 permits invalidity on the ground of non-entitlement to be pleaded as a defence to an infringement action, provided that determination of wrongful entitlement is decided before validity is determined. Aldous J observed (page 6) that in some cases it may be sensible for the question of wrongful entitlement to be decided as a preliminary matter whereas in other cases it could come on for hearing together with other allegations of invalidity and be determined by the court prior to determining invalidity but in the same judgment. For the reasons I have given above it appears to me that this is ^{an} our appropriate case for entitlement to be decided as a preliminary matter. It was also held that the person raising the defence must have been entitled at the time of grant to be granted the patent. There are two defendant firms to the present High Court action. While the firm Multiglow Fires in which John Le Baigue is apparently a partner may be able to raise the defence of non-entitlement the other firm, South Eastern Fires & Accessories, on the evidence before me has no clear claim to entitlement and therefore cannot raise the defence of non-entitlement. This seems another reason to have a decision in the present Section 37 proceedings issued as soon as possible and before the High Court

action is heard.

The referrer wishes to file evidence in reply. I give him three weeks from the date of this decision to file this evidence. At the same time he should file an amended statement setting out fully the nature of the question he wishes the Comptroller to determine under Section 37 and the order which he is seeking since the original statement (under Section 8) only referred to his wish to be mentioned as a co-inventor. Before the hearing the parties were informed by the Office that as the only relief sought was the mention of John Le Baigue's name as a co-inventor this question apparently falls to be considered under Section 13(1) which deals with the mentioning of inventors rather than under Section 37 which relates to rights to a patent, and that this matter will have to be considered at the hearing. No objection was raised on behalf of the present proprietor at the hearing before me to these proceedings now relating to the question of entitlement rather than just to that of inventorship, and the argument at the hearing was on the basis that the dispute related to entitlement. The evidence on file appears equally germane to both questions.

Mr Waugh also requested discovery. I order each side within four weeks of the filing of the evidence in reply to list all documents in their power custody and control relating to the inventorship of, and entitlement to, this invention.

Dated this

26th

day of October 1989

W J LYON

Superintending Examiner, acting for the Comptroller

THE PATENT OFFICE

BGHAAB

