

BLO/049/90

PATENTS ACT 1977

IN THE MATTER OF a reference
under Section 37(1)(a) by
Anglian Laboratories Limited
and Anglian Farm Supplies
Limited in respect of Patent
No 2189146 in the name of
Vet Health Limited

PRELIMINARY DECISION

Patent Application No 8709209, which relates to a virucidal composition, was filed on 16 April 1987 by Vet Health Limited naming Timothy Paul Masters as the inventor and claiming priority from Application No 8609329 filed on 16 April 1986. Subsequently Patent No 2189146B was granted on the application on 5 April 1989.

On 19 May 1989 Anglian Laboratories Limited (hereinafter referred to as ALL) and Anglian Farm Supplies Limited (hereinafter AFS) submitted a reference under Section 37(1)(a) of the Act to the Comptroller disputing the ownership of the patent.

In accordance with the provisions of Rule 54 of the Patent Rules 1982, the matter proceeded through the statement and counterstatement stages to the point at which the referrors filed their evidence-in-chief, together with an amended copy of the original statement.

A number of areas of dispute between the parties arose out of the pleadings and the correspondence associated therewith and the matter came before me at a preliminary hearing on 26 March 1990. The referrors were represented by their patent agent, Mr P R B Lawrence of Gill Jennings and Every; the patentee was not represented but, in arriving at my decision, I have taken into account the views which his patent agent,

William Jones, has expressed in correspondence with the Patent Office.

The matters which were in dispute at the hearing were summarised in the Official letter of 26 January 1990 to both parties and are as follows:

applications by the patentee

- for the matter to be referred to the Patents Court; and
- for AFS to be struck out of the proceedings;

and applications by the referrors

- for an extension of time for filing their evidence-in-chief;
- for leave to amend their statement of case;
- for an order that the patentee maintains the patent in suit in force;
- for an order that the patentee maintains a particular European patent application in force; and
- for the timetable for the rest of the proceedings to be determined.

I will deal first of all with the question of whether the issue would more properly be determined by the Court because, if I were to find for the patentee in this respect, I should not need to consider the other issues.

In his counterstatement and in later correspondence through his agent, the patentee explains that a Writ of Summons has been issued on behalf of Vet Health Limited against inter alia a company called Vet Tech, which is wholly owned by AFS, which will result in proceedings in the High Court in which the matters raised in this present reference will fall to be decided by the Court. The patentee goes on to say that the issues before the Patent Office and the Court are the same and that, having regard to the provision of Section 37(8) of the Act, both parties would avoid needless expense if the Comptroller declined to deal with the present reference.

On behalf of the referrers Mr Lawrence explained his belief that it is generally accepted that the Patent Office is the more convenient, cheaper and quicker jurisdiction to decide these issues and that they should be conducted in the Patent Office unless there is very good reason for going elsewhere. He went on to say that the High Court proceedings are not running at all and that, although a writ was issued by the patentee against Vet Tech and a Mr Westcott, who is associated with that company, for infringement of the patent in suit, the writ has not been served and has been dormant for about a year.

Apart from the fact that an early decision by the Court appears unlikely, Mr Lawrence submitted that entitlement proceedings have to be brought by a person who claims that he is entitled to the invention and that under Section 72 it is a condition precedent to an application for revocation or a counterclaim for revocation that a finding of wrongful entitlement has already been made. Mr Lawrence went on to say that the defendants in the High Court proceedings which are contemplated are Mr Westcott, who does not claim to be the inventor, and the company Vet Tech who, he understood, did not even exist at the time when the dispute before me arose.

In support of his argument Mr Lawrence drew my attention to the Preliminary Decision of 26 October 1989 of the Hearing Officer in the matter of a reference under Section 37 in connection with Patent No 2193802B in the name of Le Baigue and Company Ltd and to the interlocutory judgement of Aldous J referred to on page 8 of that decision in Dolphin Showers Limited and Brueton v Philip Geoffrey Farmiloe and others [1989]FSR 1.

I do not think that I need to quote from either the Hearing Officer's decision or from the judgement of Aldous J in concluding that Mr Lawrence's understanding of the law is correct. From such information as I have available to me

about the Court proceedings being contemplated under the patent in suit, it seems to me that the question of entitlement is not a matter that can be pleaded in those proceedings, since the defendants in that action do not appear to have a clear claim to the invention. I find, therefore, that the question which is the subject of the present reference is not such that the Comptroller should decline to deal with it on the ground that it would more properly be determined by the Court. In reaching the finding that this is an appropriate case for entitlement to be decided by the Comptroller, I would observe that, apart from avoiding the increased cost and delay which would result if the matter were to be heard in the Court, the outcome of this action, if the referror were to be successful before the Comptroller, would have a significant bearing on the High Court action upon which the patentee has embarked in that he could no longer sue for infringement.

I will turn now to the objection by the patentee that AFS have no locus standi in the matter and should be struck out of the proceedings. It would seem that ALL and AFS are associated companies working on the same site and that ALL are concerned with the formulation of disinfectant compositions and take responsibility for their production and supply by AFS, and, in his counterstatement, the patentee does not deny that Mr Masters was employed by ALL before taking up employment with Vet Health, the patentee, early in 1986. ALL's claim to proprietorship of the invention is, of course, in dispute, but the patentee has stated in his counterstatement and in his agent's letter of 15 January 1990 to the Comptroller that AFS can have no claim to ownership of the invention because no contract of employment ever existed between AFS and Mr Masters. On behalf of the referrors Mr Lawrence submitted that AFS were involved with the general topic with which the invention is concerned and that the question of whether they have any claim to entitlement is a matter I shall need to consider later, but if I were to order that they be struck out, then I would be precluded from such a finding.

Mr Lawrence argued that the Comptroller has considerable discretion as to what order he will make in proceedings of this type and that he may find that AFS have no claim to entitlement; indeed, AFS could be struck out at a later stage of the proceedings if it were to become clear that they could not claim any benefit in the invention and, in support of his submission, Mr Lawrence drew my attention to Order 18 Rule 19 of the Rules of the Supreme Court.

Although I have outlined what appears to be the relationship between ALL, AFS, Mr Masters and the patentee, this is a matter which goes to the heart of the dispute between the parties and which has to be established by evidence and determined at a later stage at the substantive hearing. I note that Section 37(1)(a) states that "any person may refer to the comptroller the question whether he is the true proprietor of the patent ..." and does not stipulate any requirement as to the establishment of locus.

The inclusion of AFS in these proceedings may well turn out to be relevant to the determination of the main issue and I am not persuaded that their presence will seriously inconvenience the patentee or put him to additional expense. If it should transpire that I am wrong, then I can take account of this in any subsequent award of costs. I decline, therefore, to make the order sought by the patentee to strike out AFS from these proceedings.

The patentee has also objected that, although the referrors evidence was filed on 10 January 1990, that is within the normal three month term which expired on 11 January 1990, it was in unsigned form and, since the referrors had not been granted an extension, the evidence is inadmissible. In a letter which accompanied the evidence, the referrors did however request an extension of 7 days for filing signed copies and a further extension of 7 days was requested in a letter to the Comptroller of 18 January 1990. In fact the sworn evidence was filed on 23 January 1990.

I have to agree with the patentee's assertion that, strictly speaking, Mr Lawrence should have sought his agreement if he wanted a short extension of the period in which to file his evidence and, in the event that such agreement was not forthcoming, he should have asked the Comptroller. Indeed, Mr Lawrence accepted at the hearing that he had perhaps been tactless in not making a formal application for such an extension.

This dispute over the filing of evidence seems to have arisen because, as often seems to happen in proceedings of this type, the relationship between the parties has become somewhat acrimonious. Although the Comptroller is always concerned that unnecessary delays should be avoided, he will normally allow some flexibility if the parties are encountering difficulties in filing their evidence and he is satisfied that they are making serious attempts to do so within the periods which have been set. Whilst the granting of any such extension should not, of course, be taken for granted, and the procedure followed by Mr Lawrence was perhaps not strictly correct, the filing of unsworn evidence towards the end of the period allowed, followed a few days later by the sworn version, is not an infrequent occurrence and I take it as an attempt by the party in question to show good faith and to minimise the inconvenience to the other side.

In the circumstances as they have been presented to me in this case, I do not consider the referrers' conduct to have been such that I should refuse to admit their evidence.

A further objection by the patentee has arisen out of amendments to the original statement which were filed by the referrers on 10 January 1990 together with their evidence in chief. The referrers have argued that the amendments are necessary so as to keep the pleadings entirely consistent with the evidence, that they are not far reaching in their effect, and that they should not necessitate any significant recasting

of the counterstatement. In support of his argument Mr Lawrence referred me to Order 20 Rules 6 and 8 of the Rules of the Supreme Court and to the Manual of Patent Practice regarding the practice of the Comptroller with regard to amendment of the pleadings. For the patentee Mr Jones has argued that the evidence should proceed from the statement, not the other way round, and has disputed the effect of the amendments and the extent to which the counterstatement will need to be amended.

The Rules of the Supreme Court make it clear that the purpose of the pleadings is to define the issues so that the parties are aware of the case against them and are not taken by surprise. During the progress of a case it does sometimes become necessary to amend the statement in order to achieve these objectives and, with one exception, I am satisfied that the amendments sought by the referors will not seriously prejudice the patentee's case and are an attempt to clarify the issues which will be pleaded at the substantive hearing.

The exception to which I have referred concerns the amendment proposed in paragraph 8(v), formerly paragraph 8(iv), of the revised statement. This paragraph, with the proposed amendments underlined, reads as follows:

"8(v) The patent was granted to a person not entitled to the grant of that patent and the referers, or Anglian Laboratories alone, shall be included, to the exclusion of Vet Health Limited, at (sic) the registered proprietors of the British patent, and are entitled to ownership of European Application 87902611 and all corresponding applications and patents in other countries."

I explained to Mr Lawrence at the hearing that my understanding of Section 37 of the Act under which these proceedings have been brought is that it is concerned with the ownership of granted patents in the United Kingdom and that I could not reach a finding in respect of entitlement to foreign

and convention applications which would need to be the subject of a reference under Section 12 of the Act. Mr Lawrence did not dissent from this view.

If I assume that the invention of the foreign applications referred to is the same as that of the patent in suit, and I have seen no documentation concerning these foreign applications, I should perhaps consider whether I should allow the present reference to be amended to refer to Section 12 and thus permit a finding in respect of the foreign applications, or whether the present referrors should be required to make a separate reference under Section 12 with the possibility of both actions being heard together at some future date.

If I were to follow the former course of action, I think I should be obliged, having regard to Rule 7 of the Patent Rules 1982, to allow the patentee the full period specified in that Rule for the filing of his counterstatement and the referrors would undoubtedly require time in which to supplement their evidence. I have not had the benefit of hearing argument on behalf of the patentee on this point and since it would delay these proceedings and may not result in an overall saving of time, I am inclined to the view that the referrors should make a separate reference under Section 12 if they are so minded and the parties can then consider whether they wish both actions to be heard together. Since I have concluded that the question of entitlement to the foreign applications is outside the scope of these proceedings, I allow the amendments to the statement proposed by the referrors on 10 January 1990 subject to the words 'British' and 'and are entitled to ownership of European Application 87902611 and all corresponding applications and patents in other countries' being struck out from paragraph 8(v).

In their letter of 10 January 1990 the referrors explain that they are not interested in mere revocation of the patent in suit but are seeking ownership of the patent rights. As a consequence of this they have asked for an undertaking from or

on behalf of the patentee that he will maintain the patent and all corresponding patents and applications in force until such time as the Comptroller's Order in these proceedings becomes effective; in the absence of such an undertaking the referrors have asked that the Comptroller issue a direction under Rule 106 that he be supplied with evidence and information confirming the patentee's intention to comply with the request.

The patentee has submitted that the referrors have no basis for requesting this undertaking, that the request goes beyond the relief sought in the original statement, and that the Comptroller has no power to make such an Order.

I have already indicated that I cannot consider the position with regard to the foreign patents and applications in these proceedings and I need not therefore consider such an Order in respect of them any further.

So far as the patent in suit is concerned, Mr Lawrence conceded that the Comptroller does not have the power to make the Order sought under Rule 106 and explained that he was concerned to obtain information regarding the foreign applications by this means. Since I agree with both parties that the Comptroller does not have the necessary powers, I decline to make the Order sought by the referrors in this respect and I observe that, in the event that the referrors are eventually successful before the Comptroller in the matter of entitlement and the patent has lapsed in the meantime through the failure of the patentee to pay the renewal fees, the Comptroller is given powers under Section 37(4) of the Act to order that they may make a new application.

Finally, there is a minor matter with which I should deal. In their letter of 7 February 1990 to the Comptroller, the referrors have stated that there is an obvious typographical error in the second line of paragraph 19 of the affidavit of Mr Freeman and that the word 'not' should appear after

'would'. The patentee has disputed the acceptability of this error, particularly, he goes on to say, in view of the time limits which have been missed. Nevertheless I am satisfied that the error is an obvious one and I agree that it may be corrected, as the referrers suggest, by Mr Freeman referring to the correction in his evidence-in-reply.

In summary therefore, my findings are that

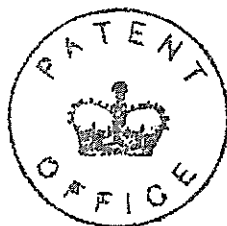
- the question of entitlement would not more properly be determined by the Court and that the Comptroller should not decline to deal with it;
- Anglian Farm Supplies Ltd should not be struck out of the proceedings;
- the referrers evidence-in-chief may be admitted;
- the referrers have leave to amend their statement of case subject to the references to the foreign applications and patents in paragraph 8(v) of the amended statement being struck out;
- I make no Order requiring the patentee to maintain in force the patent in suit or any foreign application or patent;
- the referrers may correct the affidavit of Mr Freeman as I have indicated.

It only remains for me now to consider the future timetable. Since I do not consider that the amendments to the statement of case are substantial, I allow the referrers two weeks from the date of this decision in which to file an amended statement. From the date on which the patentee receives the amended statement he may have two weeks in which to file an amended counterstatement and six weeks in which to file his evidence-in-chief, after which the proceedings should follow the normal course.

No request for costs was made at the hearing and I make no Order in this respect.

Since all of the matters with which I have dealt are of a procedural nature, the period within which any appeal may be lodged shall be two weeks from the date of this decision.

Dated this 3 day of MAY 1990



P J HERBERT

Superintending Examiner, acting for the Comptroller

THE PATENT OFFICE

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