

01130/91

**PATENTS ACT 1977**

**IN THE MATTER OF** references to the  
Comptroller under Sections 12 and 37  
in respect of International Patent  
application WO 82/01771 and  
British Patent No 2087554B, both in  
the name of Harold Norris, by

1. Rolf Karl Gundermann (No 1)
2. Optical Activity
3. Rolf Karl Gundermann (No 2)

**DECISION**

The patent and patent application in suit derive from a common priority document, British patent application No 8037072, filed by Mr Harold Norris on 19 November 1980. The invention relates to an automatic refractometer in the use of which the plane face of a glass hemispherical body is placed in contact with a sample and a beam of light is directed through the curved surface to strike the plane face. The light beam is scanned in an arcuate path and the position in the scan at which the maximum rate of change in intensity of the reflected beam occurs is detected to determine the critical angle and consequently the refractive index of the sample.

The GB patent has independent claims to the refractometer itself and to a method of using it. The claim to the apparatus reads:-

A refractometer comprising: a reference body having a plane interface surface with which a test material is placed in contact and having a semicircular cross-section in a measurement plane perpendicular to the interface surface; means for directing a beam of electromagnetic radiation radially into the reference body through its curved surface; means for scanning the beam through a range of angles in the measurement

plane; means for detecting radiation reflecting from the boundary between the reference body and the test material and producing an output signal proportional to the amount of radiation detected; means for monitoring the rate of change of the detecting means output; and means for determining the angle through which the beam is scanned from a predetermined starting position to a position at which the rate of change of the output signal of the detecting means is a maximum and thereby indicates a transition between reflection of the beam from the boundary and transmission of the beam through the boundary.

Claim 1 of the international application is broader in scope - it is not, for example, restricted to the monitoring of the rate of change of the output signal.

The ownership of the patent and patent application has been in dispute for some considerable time and events have been such that, in order to put everything in context, it is necessary for me to outline, at least briefly, the history of events leading up to the dispute and subsequent thereto.

From 1948 to 1975 Mr Norris was employed by Bellingham & Stanley Ltd (B&S), a company concerned with the design and manufacture of scientific and optical instruments. In 1967 Mr Gundermann joined B&S to work directly to Mr Norris in the company's research and development department. In the early 1970s, Mr Norris and Mr Gundermann collaborated with two lecturers at the University of East Anglia, Dr Matheson and Dr Wright, to design an ellipsometer. Subsequently, on 29 October 1972, the four men held a meeting at which they agreed to set up a company (later known as Optical Activity Ltd (OA)) which would utilize their collective expertise in the field of optical instruments. Initially Dr Matheson and Dr Wright were appointed directors of the company but they resigned their directorships in early 1975 and a Dr Horn, who had worked with them as a postgraduate student at the university, was appointed the sole director. On 1 September 1975, having left B&S, Mr Norris and Mr Gundermann became employees and directors of OA. In early 1979 following a disagreement Mr Gundermann and OA parted company.

On 14 February 1984, Mr Gundermann referred two questions to the Comptroller (reference no 1 above), namely:-

- a) under Section 8(1)(a), the question whether he had a right in UK application 8134786 and was entitled to be granted a patent in respect of it; and
- b) under Section 12(1)(a), the question whether he had a right in international application WO 82/1771, and was entitled to the benefit of that application in the countries therein specified.

By the date of the hearing on 19 May 1986, a patent (GB 2087554) had been granted on the UK application 9134786, and therefore, by virtue of Section 9, the reference under section 8 was treated as having been made under Section 37. In a decision dated 3 July 1986 the Superintending Examiner acting for the Comptroller came to the conclusion that the invention could notionally be divided into two aspects - optical and control -, that Mr Gundermann had not made out his case in respect of the optical aspect, and that, on the balance of probabilities Mr Gundermann had contributed to the design of the electronic system which forms a significant aspect of the invention disclosed in the patent. I should interject here that the electronic system considered by the Superintending Examiner was the means to give effect to the concept used to control the instrument and in particular to determine the transition of the output beam from light to dark. He stated:-

"Since I have decided that the referrer does have some right under patent GB B 2087554 I now have to consider what order I should make under Section 37. Since the referrer has only partially succeeded I think that the proper course would be to join his name to that of the patentee as joint proprietors of the patent. I therefore order that the Register of Patents should be amended to add the name of the referrer Rolf Karl Gundermann as joint proprietor of patent GB B 2087554."

In respect of the reference under Section 12, whilst having found that Mr Gundermann contributed to the invention disclosed in the international application, the Superintending Examiner declined to make any order giving effect to this finding.

Both Mr Norris and Mr Gundermann appealed this decision to the Patents Court where on 9 March 1987 Mr Justice Falconer upheld the Superintending Examiner's finding that Mr Gundermann had contributed to the design of the electronic system. At that point the matter was adjourned for the parties to try to agree some form of order. One week later, on 16 March 1987, Mr Gundermann by a deed of assignment acquired from B&S all such rights in the invention as B&S may have owned at that time.

Subsequently it was argued before Mr Justice Falconer that, because neither party had envisaged anything other than a finding wholly in favour of one side or the other, there had been no argument before the Superintending Examiner as to the appropriate form of the order - for example the questions of costs in acquiring the patent and the position of licensees were not considered. Consequently Mr Justice Falconer directed on 30 July 1987 that:-

1. the order of the Comptroller whereby it is ordered that the Register of Patents be amended by adding Mr Gundermann as joint proprietor be discharged;
2. the reference be remitted to the Patent Office for the taking of further evidence and hearing of further argument, if so requested by the parties, as to the appropriate order to be made having regard to the decision of the Comptroller dated 3 July 1986, and in the light of the judgement of this court given on 9 March 1987; and
3. there be no order as to costs on the referrer's and opponent's respective appeals.

In the meanwhile the second and third references above were made, OA's on 7 November 1986, with an amended statement of case filed on 12 August 1987 and Mr Gundermann's (no 2 above) on 27 July 1987.

In April 1988 the Patent Office suggested that a hearing for directions might be held to decide on the procedure to be followed in respect of all outstanding matters and this was held on 27 October 1988 at which it was decided:-

1. that, in respect of Mr Gundermann's first reference, no order should be made until ownership had been established by determination of the other outstanding references;
2. that, in respect of the international application, if Mr Gundermann wished to pursue his claim he should specify, within 14 days, how and in which countries an order in his favour would help him;
3. that, in respect of Mr Gundermann's second reference, striking out, as requested by OA, was refused but, since the present pleadings did not clearly identify the issue, a timetable for the filing of further and better particulars and evidence was established; and
4. that, in respect of costs, because of OA's unsuccessful motion to strike out Mr Gundermann's claim, which extended the hearing by 2 hours, in respect of these additional hours OA would not in any event have their costs.

The final evidence in the above agreed procedure was filed on 19 February 1990 and by September 1990 each party had indicated which witnesses would be required to attend for cross-examination.

By November 1990 the parties concerned had agreed on 21 January 1991 as the date they would be heard. On 14 January Mr Nancarrow, Agent for Mr Gundermann, requested a postponement because he was in a state of shock after a car accident. The hearing was rearranged for 2 May 1991 but was again postponed, this time at the request of Mr Meddle, the agent acting for OA.

On 23 May 1991 the new dates of 7 to 9 October 1991 were fixed for the hearing. However, on 25 September, Mr Nancarrow requested a postponement of one month because of illness - on 30 September a letter dated 26 September was received in the office written by Mr Nancarrow's doctor who stated that Mr Nancarrow had been unwell for 6 days and that he advised Mr Nancarrow to take a planned break to convalesce fully. This

postponement was opposed by OA and so I decided that Mr Nancarrow should renew his application for an adjournment on the day of the hearing. In the event although no postponement had been agreed and OA attended on the appointed date, with their witnesses, Mr Nancarrow did not. He apparently had made other arrangements before he went abroad on his planned break. He eventually appeared before me on 9 October and gave an undertaking to expedite the hearing of the case. He voluntarily undertook to pass the case to another agent if there was any likelihood that he would not be able to attend the reappointed hearing and stated that he was going to instruct Counsel. He agreed to provide proposed new dates for the hearing by Monday 14 October. It was not until Wednesday 16 October that Mr Nancarrow responded and then it was with just one date, 14 November, which was beyond the month's postponement he had asked for.

OA were pressing for an early hearing and after they had ascertained and informed me that Mr Gundermann's witness, Mr Stanley, was available on 29 October I decided to appoint that day for the commencement of the hearing, at OA's request. De facto therefore Mr Nancarrow had obtained, more or less, the one month postponement he had requested on 25 September. Mr Nancarrow wrote to the office on 22 October stating that he had business arrangements fixed for 28 and 29 October. When he was informed by telephone that any decision on a further postponement would only be taken on the morning of the hearing when OA would be given the opportunity to oppose it he apparently stated that he was unwell.

At the hearing on 29 October 1991 OA were represented by counsel Richard Miller with Mr Meddle as agent and Mr Norris and Mr Nelson as witnesses in attendance. Martin Howe of counsel, who represented Mr Gundermann, explained that he was instructed solely to appear to make an application for an adjournment and, in the event of such not being granted, the hearing would proceed without representation of his client. A medical certificate dated 24 October 1991 from Mr Nancarrow's doctor, stating that Mr Nancarrow was suffering from a viral infection, was handed up by Mr Howe who explained that, because of financial difficulties (on Mr Gundermann's part) Mr Nancarrow had intended to represent Mr Gundermann at the hearing. If the hearing were to go ahead the opportunity of cross-examination would be lost and the weight put on Mr Gundermann's case would presumably

be diminished by the fact that his witnesses were not present for cross-examination. Mr Howe also stated that, if an adjournment were to be granted, Mr Nancarrow must immediately make alternative covering arrangements with another agent.

Mr Miller, for OA, strongly resisted the application for the adjournment, pointing out that:

1. they did not consider that Mr Nancarrow's illness was sufficiently serious to justify an application for yet another adjournment in a case of this nature where the expenses involved were high;
2. the patent remained unused and sterile whilst these proceedings were ongoing;
3. his clients and witnesses had already attended twice;
4. the undertaking that Mr Howe was now giving on Mr Nancarrow's part was exactly the one already given to me on 9 October (and which had not been fulfilled); and
5. Mr Howe's clerk was told on 16 October that the date of 14 November - the only date currently being offered - was inconvenient.

In the light of Mr Miller's submissions therefore, and despite being well aware of the fact that Mr Justice Falconer, in his judgement dated 9 March 1987 on Mr Gundermann's first reference, referred to the fact that because of the acute conflict of testimony there should have been cross-examination of witnesses, I felt unable to agree to a further postponement which inevitably would have led to lengthy further delay with the very real prospect, it seemed to me, of everyone concerned finding themselves in exactly the same position at the end of it. I should add that, in deciding to proceed with the substantive hearing, I did so in the full knowledge that coming to a just decision would be made more difficult without hearing argument on both sides and without the important evidence being tested under cross-examination.

I turn then to the substantive issues.

OA's claim is that they are entitled to all rights in the GB patent because of agreements and understandings between the persons involved in the setting up of the company. This claim is conceded by Mr Norris who has not filed a counter-statement. They also claim that the only person who prior to January 1979 had in fact made any inventive contribution to the refractometer was Mr Norris. These claims are contested by Mr Gundermann in his counter-statement filed on 24 November 1987.

Mr Gundermann's claim is that all rights in the patent should be transferred to him because Mr Norris's share in the invention belongs to his previous employer, B&S, and they have assigned their rights in it to Mr Gundermann, by virtue of the assignment dated 16 March 1987. This is denied by OA in a counter-statement filed on 3 December 1987.

In the Patents Court Mr Justice Falconer upheld the Superintending Examiner's finding on Mr Gundermann's first reference that Mr Gundermann had contributed to the electronic system which formed a significant aspect of the invention. Mr Miller argued forcibly at the Hearing that the invention should not be so attributed. The electronic system is described in Exhibit HN7 accompanying Mr Norris's statutory declaration dated 18 February 1985 and in Exhibit D accompanying Mr Gundermann's statutory declaration dated 18 October 1984 and Mr Miller submitted that the document forming the latter exhibit was written by Mr Gundermann with the benefit of the document forming HN7 in front of him.

He further submitted that Mr Justice Falconer had come to the conclusion that, on the balance of probabilities, the realisation of the control concept came from Mr Gundermann, on the basis of an assumption that Mr Gundermann was present when HN7 was written, whereas Mr Norris had not accepted that Mr Gundermann was present. Mr Miller then went on to submit that there was nothing very advanced electronically in suggesting the use of a digital differentiator in 1975 - the implication being that Mr Norris was capable of suggesting and did suggest digital differentiation, and that in any event the contribution of that suggestion, had it been made by Mr Gundermann, was not sufficient alone to justify part ownership of the patent.



There is a very close similarity in the verbal description given in HN7 and the block diagram to be found in Mr Gundermann's exhibit E which is of uncertain date, but it is quite clear that Mr Gundermann's exhibit D contains more than is to be found in HN7 in that it gives a detailed description of how the position of maximum rate of change in intensity is to be determined, whereas HN7 merely says that the digital differentiator (circuit) produces a pulse at the borderline position and a memory stores the position of the counter at this point.

I accept absolutely Mr Justice Falconer's finding that, if the control concept, ie of ascertaining the critical angle from the point in the scan of the maximum rate of change of intensity was novel, then Mr Norris's 1974 experiment and modified prototype seem to be the first manifestation of it on the evidence. OA allege that Mr Gundermann's contribution, if he made one at all was non-inventive, but they have not produced any evidence to establish that as a fact. However, with the concept as a starting point, it seems to me that the maximum contribution which could have been made by Mr Gundermann in implementing the concept must have been of relatively minor importance. The technique of detecting the maximum rate of change of intensity described by Mr Gundermann is not to be found in specific terms in the patent specifications so is not given importance there.

Nevertheless, I have no reason even to feel that I should depart from the previous finding made in the office and upheld on appeal that, on the balance of probabilities, Mr Gundermann contributed to the design of the electronic system which, it was said, forms a significant aspect of the invention, and has some right in the invention. But it is very much a matter of degree in my view.

The question to be answered in respect of both the second and third references then becomes one of entitlement. I shall consider first Mr Gundermann's second reference.

It is not in dispute that the optical aspect of the refractometer was invented prior to October 1972 - i.e. during the time that Mr Norris was employed by B&S. The invention was made before the introduction of the Patents Act 1977 and therefore, under the provisions of Section 43(1), Section 39 does not apply. However, and as submitted by Mr Miller, to date the

section has generally been taken as being declaratory of the common law position that prevailed before the introduction of the 1977 Act.

Mr Norris had no contract with B&S expressly dealing with inventions - his contract of employment was oral. In Exhibit A which accompanies Mr Gundermann's first statutory declaration the terms of employment of the latter are set out and in respect of patents it is stated:-

"Any patents that may result from such development work in connection with the above duties, or from any work carried out in the Company's time and with the Company's equipment, shall be in the name of the Company, to which all rights shall belong."

In paragraph 4 of his declaration, Mr Gundermann states how he regards his position in the light of this:-

"In consequence of these terms, there is no contractual prohibition by which I was prevented from making inventions in my own time and with my own resources, or from exploiting such inventions."

Mr Gundermann's reading of his position relative to the company is very similar to Mr Norris's position as set-out in a waiver letter written by Mr Stanley as Managing Director of B&S (Exhibit HN22 attached to Mr Norris's Statutory Declaration dated 25 May 1989) which states:-

"This is to certify that H. Norris is employed by this company and that the company has no prior claim on any patents or designs by H. Norris carried out in his own time and without using company resources."

Mr Norris's view as to his obligations to B&S is set out in paragraph 13 of his statutory declaration dated 25 May 1989 in which he states:-

- "13.1 If I was working on a production task for the company which had been specifically assigned to me and due to time pressure I had to complete the work at home, this project belonged to the company.
- 13.2 Major projects involving an inordinate amount of design drawing time ... and having been commissioned by Bellingham & Stanley, of course belonged to Bellingham & Stanley. These commissions quite rightly were paid for on a sub-contract basis and I usually gave the company a quotation which it accepted before work commenced.
- 13.3 Ideas which I had, and which I worked on in my own time and with my own equipment and materials, regardless of whether they fell within what Mr Stanley calls Bellingham & Stanley's field of interest or not, belonged to me. Mr Stanley was well aware of this basis on which I worked as it had been the case from the earliest days of our association. He admits in his statement that he knew I had facilities at home and indeed made good use of these himself on several occasions. I deny, however, that I had any special obligation to disclose to Bellingham & Stanley any results of the work I carried out as a hobby and using my own equipment and materials.
- 13.4 It was in the light of this background that I decided to get confirmed in writing the situation which had always existed during my employment with Bellingham & Stanley but had never been written down."

Mr Stanley in his statutory declaration dated 17 February 1989 states that, whilst he cannot recall the exact sequence of events leading up to the issuing of the waiver letter, he did not intend it to supersede or modify his duties to the company (para 14). He states (para 9):-

"By virtue of his position as Head of Research and Development, Harold Norris's duties included thinking of and devising ideas and design solutions within the company's field of interest, and this duty, by its nature, was not considered by the Company to be restricted to normal working hours. I viewed it as an implicit part

of Harold Norris's position as Head of Research and Development that any inventions or design ideas which occurred to him within the Company's field of interest would belong to the Company, and that as a senior manager he owed a general duty to safeguard the interests of the Company in technical and other matters."

There is clearly a wide gulf between the way in which Mr Norris saw his position and the way it is now viewed by Mr Stanley. However Mr Stanley has admitted that (again para 14) he knew Mr Norris worked at home as an instrument maker and that some pieces of equipment devised by Mr Norris were the property of Mr Norris alone. He also knew that, whilst still employed by B&S, Mr Norris was involved in the setting up of a company (OA) with the objective of providing "a high technology opto-electronic development facility" because B&S were invited to participate "in order to avoid competition and a conflict of interests and markets." - this comes from exhibit H to Mr Stanley's declaration dated 22 July 1985, which, as Mr Justice Falconer remarked, reveals something of Mr Stanley's attitude towards Mr Norris.

It is noteworthy too that Mr Stanley knew in 1974 or 1975 of Mr Gundermann's involvement with a proposal for an electronic automatically-reading refractometer of very high precision, which he presumes to be the same refractometer which OA were to exploit. Yet despite this Mr Stanley was still prepared to give evidence in support of Mr Gundermann's claim to sole entitlement to the patent when the latter made his first reference to the Comptroller.

Mr Stanley now says there was no merit in B&S becoming involved in an attempt to establish the company's interest in what was then, in his view, a superceded design which was commercially and technically inferior to a B&S refractometer working on different principles. He also now attempts to show that Mr Norris's part of the invention, made whilst an employee of B&S, belonged to B&S by virtue of the fact that it lay in the company's field of interest, and that the waiver letter written for Mr Norris was not intended to cover inventions made within the company's field of interest.

It must be remarked here that the similarity between the ways in which Mr Norris and Mr Gundermann viewed their own positions at B&S as regards inventions made by them is

quite significant. Mr Stanley however puts Mr Norris on a different footing to Mr Gundermann because, he says, Mr Norris held a senior managerial position and his duties included producing ideas to improve the company's existing products and for new products in the company's field of interest. Mr Norris denies both these things.

Mr Miller argued forcibly that Mr Norris had no duty to disclose to his then employers B&S inventions made in his own time and with his own resources, whether or not they fell within the company's field of interest. On the balance of the evidence before me, having taken into account the apparent unwillingness of Mr Gundermann and Mr Stanley to appear for cross-examination, I think I must accept that argument. I am satisfied that Mr Norris's managerial role in R&D was minimal and that much of his time at B&S was spent on duties unconnected with R&D. Primarily it seems to me Mr Norris was not engaged in work which was expected to produce inventions. I also find it most unlikely that Mr Stanley, knowing that Mr Norris worked on projects in his own time, would have agreed to the preparation of a waiver letter in such general terms as those of the letter given to Mr Norris if, at the time, he considered Mr Norris had a duty to disclose and surrender to B&S each and every idea he had which fell within the wide field of interest of the company regardless of whether it originated in Mr Norris's or the company's time. I have come to the conclusion therefore that the optical system and control concept of this invention belonged to Mr Norris in the first instance.

I now turn to OA's reference.

Mr Norris acknowledges that his contribution to the invention, which I have decided belonged to him and which was made prior to the incorporation of OA, is now the property of OA by virtue of the understanding between the relevant parties when the company was set up.

The date at which Mr Gundermann's contribution was made is not established with precision. As stated above the basic electronic system is described in Exhibits D (dated 27 February 1975) and E (undated) attached to Mr Gundermann's statutory declaration dated 18 October 1984 and in Exhibit HN7 (dated 15 February 1975) accompanying Mr Norris's statutory

declaration dated 18 February 1985. It therefore seems reasonable to conclude that this part of the invention was conceived whilst Mr Gundermann was working for B&S, after the incorporation of OA but before Mr Gundermann became a director and full time employee of the latter. It has not been seriously suggested that his contribution to the invention belonged to B&S but, even if it did, it now belongs to him by virtue of the assignment dated 16 March 1987.

There was clearly no explicit agreement as to ownership of patents when OA was set up.

OA's position is set out in Mr Norris's statutory declaration dated 13 February 1989:-

"4. It was always my understanding that it was agreed between the four parties that the new product ideas proposed at the meeting on 29 October 1972, and those expected to come along later, would be for the benefit of and the property of the Company which we were jointly founding and were to own as shareholders and to run as co-directors. ..."

He also draws attention to a letter written by Dr Horn to N.R.D.C. which indicates that the refractometer was intended to form part of the product range of the company. Mr Miller argued that Drs Wright and Matheson and Mr Norris and Mr Gundermann effectively promised to put the refractometer into a trust for the benefit of OA and that this promise between them is binding in law.

Mr Gundermann's position is that there was not even an implicit understanding. In his statutory declaration dated 31 May 1989, after itemising the products under consideration, he states:-

"9. It was certainly envisaged that the proposed company would make use of our respective ideas in making these products, but no discussion took place and no agreement was reached, as to the basis on which it might do so. Any inventive contributions could, for example, have remained in the names of those who had contributed them, with the Company merely being permitted to make use of them.

10. In any case I did not consider that any concluded or binding agreement had been reached between us all. One particular difficulty was that Mr Norris and myself could not be publicly associated with the new company while we remained with Bellingham & Stanley. For this reason, Paragraph 11(3) of the minutes of the meeting (this was the meeting on 29 October 1972) refers to the fact that Drs Matheson and Wright were to seek legal advice on the form of agreement needed to associate myself and Mr Norris with the company legally but privately at the outset. Such an agreement would presumably have dealt with the proposed company's rights to make use of any inventions amongst other matters but the nature of the company's interest would have been discussed, negotiated and agreed. In fact no such draft agreement as suggested in Paragraph 11(3) was ever produced for our consideration.
  
11. It is to be noted that in the absence of such an agreement, the proposed company would be (and in fact was when established) under the sole control of Drs Matheson and Wright. I regard it as inconceivable that I could have been understood as legally binding myself to contribute my inventions irrevocably to the Company in the absence of any legally binding safeguard over or interest in the Company and further in the absence of any consideration of the terms upon which those inventions would be so contributed."

He points out that when Drs Matheson and Wright wanted to leave the Company Dr Horn became the sole director and states:-

- "16. .... At this point in April 1975 Dr Horn was issued with 20 shares in the Company at nominal value of £1 each. Had it been thought that the company owned valuable rights in inventions, ... it is hard to see why Dr Horn should have been allowed to buy in at a nominal value."

Whilst I do not doubt that it was the intention of all parties that the refractometer should form part of the product range of OA I am not convinced that there was any clear

understanding between them on the question of formal ownership. I am reinforced in this view by the facts that:

1. at a hearing held in the office on 27 October 1988 Mr Miller referred to OA using the patent under an "informal licence from Mr Norris", (to ascertain the position of licensees was one of the reasons for discharging the original order and remitting the first reference back to the Patent Office);
2. the polarimeter invented by Mr Gundermann was patented in the name of OA, whilst the refractometer was patented later in the name of Mr Norris;
3. the refractometer was only in an embryonic state when OA was set up;
4. several years were to pass between the original meeting at which OA was conceived and Mr Norris and Mr Gundermann actually leaving B&S and joining OA;
5. Mr Gundermann had no written directorship agreement with OA, and a draft agreement prepared upon instruction by Mr Norris, apparently in 1978, required only inventions made while in the service of the company to be disclosed to the company and to belong to the company.

In my opinion the facts before me scarcely accord with a situation in which there was any definitive prior agreement on the subject of intellectual property in general and the refractometer in particular. Consequently I consider that the referrer, OA, has failed to make out its case.

I have found that both the later references fail but, in any event, since both were made after the end of the period of two years beginning with the date of grant, the restrictions introduced under section 37(5) come into play in respect of the orders which may be made unless it is shown that the person registered as proprietor, i.e. Mr Norris, knew at the time of the grant, 7 November 1984, that he was not entitled to the patent. I consider that there



is no evidence to indicate that this is the case. In his statutory declaration dated 18 February 1985, Mr Norris stated:-

18. At no time have I transferred any rights in my invention by any means to any organisation or any other person.

He later states in his statutory declaration dated 6 December 1989:-

- "2. ... I always considered that I would hold any resulting Patent rights in trust for Optical Activity Limited and indeed it was my intention to assign the Patent rights to Optical Activity Limited after the grant of the patent."

The former statement was made approximately 3 months after grant of the patent and must therefore be fairly indicative of how Mr Norris saw his position at the time of grant. Indeed the latter statement also seems to imply that he considered the patent belonged to him for him to assign to OA.

Therefore, in effect, the position reached is that before any order can be made giving effect to the findings on Mr Gundermann's first reference there is once again the need to consider the question of compensation on the one hand of Mr Norris by Mr Gundermann towards the costs incurred in acquiring the patent and on the other hand of Mr Gundermann by OA for their use of the patent.

This has been a long and acrimonious dispute over a patent which, because of the doubts concerning entitlement, has been left on the shelf unused for a number of years, and which relates to an invention which Mr Stanley has opined is commercially and technically inferior. I have already given a prima facie opinion (and it is no more than that), based on my own personal knowledge of digital instrumentation and computing acquired over many years, that Mr Gundermann's contribution was of relatively minor importance. It was, when all is said and done, no more than an implementation of the concept proposed and demonstrated graphically by Mr Norris, ie the carrying out automatically with digital electronics the process of finding the point at which the light intensity has its maximum rate of change.

Under these circumstances I would ask both parties to give serious consideration to calling a halt to these proceedings. It seems to me that, even discounting the costs already incurred by the various parties, the costs of proceeding further with more evidence and argument would be out of all proportion to the likely fair settlement of claims to compensation on either side, and that perhaps the most just result would be simply to leave the patent in the name of Mr Norris as sole proprietor, for him to assign to OA, as is apparently his intention, and with no compensation to either side. Consequently, unless within 6 weeks from the date of this decision either party gives notice that they do not accept a settlement along those lines I shall issue a final decision terminating the proceedings on Mr Gundermann's first reference by making no order in respect of the patent or compensation as aforementioned but simply dealing with the question of an award of costs. There is no order to be made in respect of the other two references.

Mr Gundermann, if he wished to pursue his first reference under section 12, was required to respond to the Superintending Examiner's direction by 10 November 1987. No response was received in the period allowed, though a letter from Mr Nancarrow the agent acting for Mr Gundermann was received by the office on 30 November 1988, explaining that Mr Gundermann wished to maintain the section 12 reference because there are grounds for taking legal action in Germany to recover damages in respect of loss of rights. No order was required in this connection and I make none now.

Signed this            19            day of December 1991

Mr K E Panchen  
Superintending Examiner, acting for the Comptroller



**THE PATENT OFFICE**