

01115/91.

PATENTS ACT 1977

IN THE MATTER OF a reference under
Section 37(1)(a) and an application
under Section 72(1)(b) by Ryan Plastics
(Ireland) Ltd in respect of Patent No
2171241 in the name of Joseph Frederick Fritsch
and Roxanne Yvonne Fritsch

PRELIMINARY DECISION

The patent in suit relates to a device for cleaning records,
particularly compact discs.

Ryan Plastics (Ireland) Limited (the "referrers") have referred
to the comptroller under section 37(1)(a) the question of the
right to the patent after grant and also applied under section
72(1)(b) for revocation of the patent in suit.

The statement under rules 54 and 75 in support of the application
and reference was sent to the proprietors of the patent under
cover of an official letter dated 20 February 1991 allowing a
period of two months in which to file a counter-statement under
rules 54(3) and 75(3).

The proprietors responded in their agents' letter dated
18 April 1991 by requesting a stay of proceedings pending the
outcome of proceedings between the parties in the High Court of
Ireland in respect of a compact disc cleaner manufactured and
sold by Mr Fritsch under the trade name "Track Mate", which
cleaner is the subject of the patent in suit. This request was
opposed by the referrers and the matter came before me at a
preliminary hearing held on 14 August 1991. At the hearing, the
proprietors were represented by their agent Mr D M Dodd. The
referrers were not present or represented but had previously
provided a written submission, a copy of which was handed at
their request to Mr Dodd at the hearing.

Also at the hearing, Mr Dodd submitted further evidence in support of the request for a stay of proceedings in the form of a statutory declaration from Aine Keane, an Irish solicitor, sworn 12 August 1991. I admitted this evidence but in order to give the proprietors the opportunity to respond, I ordered that the proprietors should send a copy to the referrers and allowed the referrers a period of two weeks to file evidence in reply. Such evidence in reply was duly filed on 2 September 1991 in the form of a statutory declaration by Peter F Kelly, a partner of a firm of Irish patent agents, sworn 29 August 1991. A submission in reply to this evidence was received from the proprietors in their agents' letter dated 17 September 1991.

Mr Dodd submitted that the core issue in the Patent Office proceedings under both section 37 and section 72 is the entitlement to the UK patent in suit and that this is an essential part of the issues before the Irish High Court as set out in a copy of the Amended Statement of Claim and the Defence and Counterclaim accompanying the proprietors request for a stay of the proceedings in suit. He further submitted that Irish law on entitlement is essentially similar to UK law and the relevant powers, procedures and requirements of the courts in the UK and Ireland are also similar in all material respects. He also submitted that the Irish proceedings are further advanced than the proceedings in suit and have reached a stage where a date for a hearing can be laid down although he could not predict when this date might be. In support of these submissions, he referred me to the evidence of Aine Keane.

Mr Dodd contended that in view of the above, the proceedings in suit should be stayed pending the decision of the Irish High Court in order to avoid unnecessary cost and duplication. In support of this, he referred to the decisions in Hawker Siddley Dynamics Engineering Ltd v Real Time Developments Ltd [1983] RPC 395 in which later High Court proceedings were stayed in favour of earlier Patent Office proceedings and in Ferro Corporation and another v Escol Products Limited [1990] RPC 651 in which

Hoffmann J distinguished the Hawker Siddley case and refused an application for stay of High Court proceedings because of earlier Patent Office proceedings.

In their written submission subsequently supported by the evidence of Mr Kelly, the referrers, contested the application for stay on the grounds that the Irish proceedings cover issues which are not in the proceedings in suit. They also asserted that the Hearing of the High Court proceedings in Ireland was not expected for at least another year and stated that they wish to obtain a decision on the patent in suit as soon as possible since they would be prejudiced by any delay. They also contended that the amount of duplication involved would be limited as the proceedings in suit relate to a single issue and work carried out for the Irish action would be of use in these proceedings. Further, while acknowledging that Irish and English laws on patents are similar, they contended there are differences, in particular the absence of specific Irish equivalents to sections 37 and 72 of the Patents Act 1977.

Mr Dodd also submitted that the case for a stay of proceedings was strengthened by the provisions of the Civil Jurisdiction and Judgements Act 1982 (the "1982 Act") which implements the 1968 Convention on Jurisdiction and Enforcement of Judgements in Civil and Commercial Matters (the "Brussels Convention") on the grounds that Article 22 of the Convention which is set out in the First Schedule to the 1982 Act gives the comptroller discretion to stay the proceedings in suit where there are proceedings such as the Irish High Court proceedings already in hand. He also submitted that it was arguable that, having regard to the provisions of Article 21 of the Brussels Convention, the comptroller should decline jurisdiction on the grounds that the proceedings before the comptroller involve the same cause of action as the Irish court. He also submitted that the proceedings were not covered by the exclusion in the special rules on patents in Article 16(4) of the Convention, since the decision of the European Court of Justice in *Ferdinand M J J Duijnstee v Lodewijk Goderbauer* [1985]

FSR 221 found that this exclusion relates only to grant and validity of patents and not to disputes as to entitlement.

In their written submissions on this point, again subsequently supported by the evidence of Mr Kelly, the proprietors contended that the Brussels Convention has little or no relevance in the context of the present proceedings on the grounds that the decision under Irish legislation would have no direct relevance to the Comptroller in determining a point under the 1977 Act. In support of this submission, I was referred to the judgment of Mummery J on 24 May 1991 in the case of L A Gear Inc v Gerald Whelan and Sons in which the judge refused either to decline jurisdiction under Article 21 of the Convention or to stay proceeding under Article 22 in favour of an action before the Irish court on the grounds that in the UK action the subject-matter was the infringement of a trade mark and the damage to reputation in the UK, whereas in the Irish action it concerned the goodwill and reputation of the plaintiff in Ireland and infringement by acts of passing-off by reference to specific sales in Ireland.

Mr Kelly also submitted that the parties in the UK proceedings are not the same as those in the Irish proceedings since the latter do not include Roxanne Yvonne Fritsch as a defendant whereas in the matter before the comptroller relief is also sought against Mrs Fritsch as co-patentee. In response, the referrers have contended that this is irrelevant since Mrs Fritsch derives title of the invention from Mr Fritsch and that accordingly once ownership rights of the invention have been decided by the Irish court, any rights which Mrs Fritsch may have to the UK patent will automatically be determined.

The first matter to be determined is whether the comptroller should of his own motion decline jurisdiction in favour of the Irish court in accordance with Article 21 of the Brussels Convention which is implemented by the 1982 Act. The relevant part of this Article reads:

"

ARTICLE 21

Where proceedings involving the same cause of action and between the same parties are brought in the courts of different Contracting States, any court other than the court first seised shall of its own motion decline jurisdiction in favour of that court.

..... "

Having considered the matter, I am of the view that the specific cause of action is not the same in the UK as in Ireland. Thus, the only relevant claim before the Irish court is for

"(2) a declaration that any Patent application or grant of Patent made or pending in relation to the said Track Mate compact disc cleaner is or will be held by the Defendants in trust for the Plaintiff;"

whereas the matters to be determined by the comptroller are first who are the true proprietors of the UK patent under section 37(1)(a) of the 1977 Act and second the revocation of the UK patent on the grounds that it was granted to a person who was not entitled to be granted that patent under section 72(1)(b). It is not in dispute that there is no precise counterpart in Irish law to the provisions of either of these sections. It is therefore apparent that whatever the decision of the Irish court it will still remain for the comptroller to make a determination under the above sections.

In addition, insofar as only the UK action involves Mrs Fritsch, I am not satisfied that the actions in the courts of the two Contracting States are between the same parties as required by Article 21.

Accordingly, I find that Article 21 of the Brussels Convention does not apply and that therefore the comptroller should not of

his own motion decline jurisdiction in favour of the Irish court.

I come now to Article 22 of the Brussels Convention. The relevant parts of this read:

" ARTICLE 22

Where related actions are brought in the courts of different Contracting States, any court other than the court first seised may, while the actions are pending at first instance, stay its proceedings.

.....

For the purposes of this Article, actions are deemed to be related where they are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgements resulting from separate proceedings."

This Article, unlike Article 21 does not require either the parties or cause of action to be the same in the different states. In my view, the actions before the comptroller and the Irish court are related within the meaning of the Article in that, as submitted by Mr Dodd, the core issue to be determined in both actions is who is the proprietor of the "Track Mate" cleaner which is the subject of the patent in suit and that, accordingly, there is a risk of irreconcilable judgements resulting from separate proceedings.

As was confirmed by the decision in the L A Gear case, Article 22 of the Brussels Convention is merely discretionary and it is open to a court to decline to exercise its discretion to stay proceedings.

Also as stated at page 652 line 16 et seq of the Ferro decision to which I was referred by Mr Dodd,

"the court has general jurisdiction to stay proceedings where it is just and convenient to do so, and there are of course numerous cases in which proceedings have been stayed on grounds of forum non conviens, where there are proceedings in being or contemplated in some foreign court which is the more appropriate tribunal and in which justice can be done with less inconvenience and expense."

In considering discretion I have also had regard on the one hand to the provision of Sections 7 and 43(2) of the Patents Act 1977. Section 7 provides that while a patent may be granted primarily to the inventor it may be granted, in preference to the inventor, to any person who is entitled "by virtue of any enactment or rule of law, or any foreign law or by virtue of an enforceable term of any agreement". Section 43(2) also provides that Section 39 which sets out the entitlement to employees' inventions does not apply to an invention made by an employee unless the United Kingdom employment criteria specified in that subsection applies which, on the evidence at present before me, is not apparently the case.

The Irish dimension to this case, if I may put it that way, reinforces the provisions of Article 22 for staying these proceedings. It would appear to be Irish law, and any relevant Irish agreements which would apparently be applicable in determining entitlement.

On the other hand there is the desire by the referrers for a decision on the patent to be reached as soon as possible. It is not clear whether, if these proceedings were not stayed, a decision would first be reached by the Irish High Court or by the comptroller. In this case, although there is no precise evidence as to when the Irish proceedings will be heard, it is apparent from the proprietors' evidence that those proceedings are well in advance of the proceedings in suit on which a counter-statement has yet to be filed.

In the light of this and the risk of irreconcilable judgments resulting from separate proceedings, I have come to the view that the Irish High Court is the more convenient forum to decide the basic issue of entitlement to the invention which is the subject of the patent in suit provided there is no undue delay in hearing the case in the Irish High Court.

Accordingly, I order that the present proceedings be stayed pending a decision of the Irish High Court on the matter of entitlement to the invention which is the subject of the patent in suit. However, should any appreciable delay occur in that decision being reached, either party may request the lifting of the stay.

Signed this 15 day of October 1991



B G HARDEN
Superintending Examiner, acting for the Comptroller

THE PATENT OFFICE