

PATENTS ACT 1977

IN THE MATTER OF

a reference under Section 37

by Ian Carruthers

in respect of Patent Number GB 2,250,771

in the name of Ian Carruthers and M&P Fluorescent Fittings Ltd

DECISION

Introduction

1. Patent application no GB9024773.5 entitled "Fixing for a Recessed Ceiling Unit" was filed on 14 November 1990 and published under section 16 of the Patents Act 1977 on 17 June 1992 as GB 2,250,771 A. The patent was granted on 27 October 1993 and is currently in force. Ian Carruthers and M&P Fluorescent Fittings Ltd are jointly named on Form 1/77 as applicants and in the granted patent as proprietors. Ian Carruthers is named as sole inventor.

2. On 14 December 1992, Ian Carruthers ("the referrer"), who at the time was unrepresented, filed Form 2/77 and a statement referring to the comptroller under section 8(1)(a) or (b) the question whether the application should proceed in his sole name. Following the grant of a patent on the application, the reference was treated as being one under section 37 by virtue of the operation of section 9. The reference was opposed by M&P Fluorescent Fittings Ltd ("the opponent") in counterstatements filed on 11 May 1993 and 10 September 1993. Evidence stages followed a fairly usual course and were completed in March 1994. After some correspondence concerning admissibility of part of the evidence, a hearing was appointed for 11 November 1994. At this point, Mr Carruthers appointed solicitors Russell & Co to represent him and the hearing was postponed to enable them to acquaint themselves with the facts and prepare their case.

3. Other circumstances then intervened which had the effect of preventing the hearing from taking place. For reasons which will become apparent, the Office wrote to the referrer's solicitors on 5 January 1998 indicating that in the absence of a response within two weeks, the reference

would be treated as withdrawn, subject to the referrer's right to be heard in the matter. Although the opponent replied submitting that the reference should now be treated as withdrawn, no response was received from the referrer, and it now falls to me to decide on the basis of the papers before me whether the reference should indeed be treated as withdrawn. In doing so, I believe I need to have regard to the circumstances leading up to the issue of the official letter of 5 January 1998, which are as follows.

The train of events

4. After the postponement of the hearing in November 1994, and despite pressure from the Patent Office for the hearing to be reappointed quickly, it took some considerable time for the referrer's solicitors to collect all the relevant papers together and take advice from Counsel. In the interim, it became evident that the parties had entered into settlement negotiations and, consequently, the Office granted extensions of time in the reasonable hope that matters could be resolved amicably. However, it appears that at some stage these negotiations stalled. In a letter dated 29 November 1995, the referrer's solicitors wrote to the Office:

"... to advise that we are still in the process of preparation for hearing and consideration is being given to High Court proceedings which would need to be resolved prior to the hearing of the application under the Patent Act.

Further we are still in correspondence with the Patent Agents for M & P Lighting Limited and M & P Fluorescent Fittings Limited.

We hope to be able to provide a definitive view of the action of this litigation by the end of this year."

5. At that time, as far as the Office was concerned the significance of the reference to possible proceedings in the High Court was not apparent and an official letter to the parties on 2 January 1996 simply noted the intention to provide a definitive view by the end of 1995 and pointed out that there had already been a delay of 18 months in agreeing a date for the hearing. Nothing further of a substantive nature was heard from either side until August 1996 when the

referrer's solicitors sent the Office a copy of a letter from chartered accountants Moores Rowland dated 13 August 1996. That letter apologised for the delay in replying to previous correspondence and confirmed that they had been appointed Administrator of M & P Fluorescent Fittings Limited. It continued:

"Whilst we do not feel it is appropriate to advise you what happened to the chattel assets etc, we would confirm that the intellectual property rights, being the co-proprietorship of the patent was sold to Mrs S Wyatt.

On the basis that the company do not own any further right to the patent, no doubt your client will take the matter up directly with Mrs Wyatt."

Mrs Wyatt is referred to in evidence as Managing Director of M & P Lighting Ltd and a former Company Secretary and Director of M & P Fluorescent Fittings Ltd. The significance of the earlier reference to possible proceedings in the High Court was, of course, now clear.

6. From copies of correspondence sent to the Office by the referrer's solicitors on 22 August 1996, it became evident that Moores Rowland had informed Mr Carruthers as early as 31 May 1994 that M & P Fluorescent Fittings Ltd had entered into administrative receivership and that its assets had been sold, although the letter gave no specific information about the new owner of the company's intellectual property rights. The referrer's solicitors had apparently not reverted to Moores Rowland to seek more information until 29 November 1995, the date when they had also written to the Office referring to possible High Court proceedings.

7. Further substantial delay ensued while the referrer's solicitors attempted to discover the exact position regarding co-proprietorship of the patent. On 22 August 1996 they wrote to Mrs Wyatt and to the opponent's patent agents, Frank B Dehn & Co, asking them to comment in the light of the letter from Moores Rowland. They also wrote to Moores Rowland again. Having received no reply to any of these letters, they sent reminders on 30 October 1996 and 10 February 1997, but without result.

8. In the absence of any apparent progress in the proceedings, and in view of the considerable

length of time since the reference had been made, the Office wrote to the referrer's solicitors on 13 March 1997 as follows:

"It is the prima facie view of the office that, as clear evidence exists that M & P Fluorescent Fittings Ltd has entered into Administrative Receivership and that co-proprietorship of the patent was sold to Mrs S Wyatt (see letters from Moores Rowland dated 31 May 1994 and 13 August 1996), the current proceedings between Mr Carruthers and M & P Fluorescent Fittings should be withdrawn.

The Office is concerned to see the case move forward to a conclusion within a reasonable length of time and accordingly unless you are able to indicate how you intend to proceed **within one month of the date of this letter**, it is proposed to treat the application as withdrawn, subject of course to your right to be heard in the matter."

9. Despite an indication from the referrer's solicitors that they would reply, no substantive response had apparently been sent by the deadline and the Office wrote again on 1 May 1997 indicating that it considered it had no option but to treat the application as withdrawn, subject to the referrer's right to be heard in the matter. The referrer's solicitors immediately replied to this letter enclosing a copy of one they had sent to the Office on 24 March 1997 which had apparently gone astray. That letter indicated that they had now heard from the opponent's agents to the effect that co-proprietorship of the patent had been transferred not to Mrs Wyatt, as stated by Moores Rowland, but to a company linked to M & P Fluorescent Fittings Ltd. A copy of a letter dated 20 March 1997 from the opponent's agents, subsequently made available to the Office, informed the referrer's solicitors that the company in question was M & P Lighting Limited. It also set out the terms of a proposed settlement.

10. These new developments introduced yet further delay, but in an attempt to keep matters moving, the Office wrote to the referrer's solicitors on 6 June 1997. Responses in July and August 1997 indicated that they had finally obtained new instructions from the referrer, albeit after some difficulty, and were again attempting to take matters further with the other side. However, the Office heard nothing further from the referrer's solicitors. The Office wrote to them on 28 August 1997 and telephoned on 13 and 25 November 1997 but no substantive response

was forthcoming.

11. Accordingly, it was against this background that the Office wrote in the following terms on 5 January 1998:

"I refer to the Official letter dated 28 August 1997 requesting information regarding what further steps had been taken to bring the above proceedings to a satisfactory conclusion. Mr Russell was reminded by telephone on 13 and 25 November 1997 that a reply to the Official letter was awaited but still no response has been received to date.

It is pointed out that these proceedings commenced more than 6 years ago. Although matters appeared to be proceeding to a conclusion in the autumn of this year, progress seems to have stalled yet again. The onus is on the Referrer to take things forward but, despite constant chasing by the Office, he has apparently failed to do so.

In these circumstances, in the absence of a response to the Official letter of 28 August 1997 within two weeks of the date of this letter, the application will be treated as withdrawn, subject to your right to be heard in the matter.

A copy of this letter goes to the other side".

12. As I have already said, no response has been received from the referrer's side, although the opponent's agents replied supporting treating the reference as withdrawn.

Reasoning

13. Having considered very carefully the circumstances of this case and having reviewed all the papers in detail, I have some sympathy for Mr Carruthers in the situation in which he found himself. I am satisfied that he conducted the prosecution of his case in a satisfactory manner until such time as he learned from Moores Rowland in May 1994 that M & P Fluorescent Fittings Ltd had entered into administrative receivership. It is perhaps a little surprising that he did not consider it necessary at that stage to inform the Office of the position, particularly once a hearing

had been appointed for November of the same year. However, I am fully prepared to put this down to his relative inexperience in dealings before the Office.

14. I accept that once Mr Carruthers had instructed solicitors, in November 1994 or thereabouts, it would have taken some time for them to acquaint themselves with the case, and that further delays were unavoidable once settlement negotiations had begun. However, it is unfortunate that unnecessary and substantial delays were then introduced by both sides. For example, the referrer's solicitors failed to chase up their letter of 25 November 1995 to Moores Rowland seeking information about what had happened to the rights in the patent, which resulted in nearly nine months' delay; and the agents for the opponent, despite reminders, took nearly seven months to reply to the letter from the referrer's solicitor dated 22 August 1996 asking them to comment on the letter from Moores Rowland.

15. It is now approaching 5½ years since these proceedings were launched, some 3½ years since the substantive hearing was scheduled, and eight months since any material response from the referrer's side. Delay, of itself, may not be sufficient cause for proceedings such as these to be struck out, although there is I believe an onus in entitlement proceedings on the referrer to pursue his reference with diligence and endeavour so that they may be brought to a conclusion within a reasonable time. However, the referrer's failure in this case to reply to not one but two official letters, of 28 August 1997 and 5 January 1998, the latter of which clearly warned that the reference would be treated as withdrawn for non-compliance with its terms, which required a response within two weeks, amounts it seems to me to an abuse of process. It would in my view be a further abuse of process if the action were now to be allowed to proceed.

16. I should add moreover that this is a case in which in my view the prospect of there being no new proceedings is sufficiently real for it to be just and convenient to strike the action out. There is a very real and lively possibility that a new action will not be started and pursued. In these circumstances, I do not believe it would be right to leave the present proceedings hanging in the air against the opponent indefinitely; there is benefit to the opponent in having the proceedings struck out, a course with which it agrees.

Conclusion

17. In view of the opportunities the referrer has been given but failed to take to keep these proceedings alive, and taking into account the expressed view of the opponent on the matter, I find that in all the circumstances the reference should be treated as withdrawn for want of prosecution. I therefore dismiss the action.

Costs

18. Turning to the question of costs, I would think that since these proceedings have been launched for a considerable time they will have caused significant expenditure on both sides. While some of the delay may have been unavoidable, occasioned either by negotiations between the parties with a view to settling the action amicably, or by the affairs of M & P Fluorescent Fittings Ltd being taken over by the Administrator, substantial unnecessary delays have also been caused by inaction from both sides. Having considered all the circumstances of the case, I therefore decide to make no order for costs.

Appeal

19. This being a decision on a matter of procedure, any appeal shall be lodged within fourteen days after the date of this decision.

Dated this 9th day of April 1998

S N DENNEHEY

Superintending Examiner, acting for the comptroller

THE PATENT OFFICE