PATENTS ACT 1977

IN THE MATTER OF an application by Earthwise Baby Limited for the revocation of Patent No 2263224 in the name of Jacqueline Anne Margaret Fenton

DECISION

1. On 19 January 1997, Earthwise Baby Limited ("the applicants") applied for revocation under section 72(1)(a) of Patent number 2263224 ("the patent") granted on 28 August 1996 to Jacqueline Anne Margaret Fenton ("the proprietor"). The patent relates to absorbent garments, in particular babies' nappies.

2. The statement of grounds was very brief and in the following terms:-

> "We are seeking the revocation of patent number GB2263224B (J. Fenton - an Absorbent Garment ie reusable cotton baby nappy as the article was not new.
>
> The grounds for revocation are as follows:
>
> The reusable nappies of the style to which the patent is for were generally on sale/ or known to the public.
>
> Specifically Earthwise nappies were on sale before the date the patent application was made.
>
> An associate of J. Fenton the patent owner purchased an Earthwise nappy prior to her filing an application for the patent.
>
> It is our contention that the Fenton patent is invalid and that it should be unconditionally revoked and that costs are awarded."

3. The proprietor's counterstatement denied all these grounds, asserted that the patent was valid and requested an award of costs in her favour.

4. Filing of the applicants' evidence-in-chief duly occurred on 10 July 1997. Following on from

this, a letter dated 25 September 1997 was received from the proprietor in the following terms-

> "I refer to the application for revocation filed by Earthwise Baby Ltd in the above matter.
>
> I have now had the opportunity to review the evidence served by the applicant in support of their case. I have decided not to file any evidence in the revocation proceedings and request the Comptroller to accept my offer to surrender the above patent.
>
> The reason for my decision arises from the various articles and publications served with the applicants evidence of which I was not aware at the time of filing my patent application and which show similar nappies to mine being produced and sold prior to the date of my patent application.
>
> However this letter should not be taken as any admission in relation to the allegations made in paragraph 41 of Earthwise Baby's affidavit which alleges that an associate of mine purchased an Earthwise nappy on or before 15 January 1992, ie. prior to the date of patent application. The details given by Earthwise Baby in relation to the alleged purchase are absolutely unknown from me. Furthermore their company accounts show that the company was dormant as of 31 December 1992 and it would appear that they were not trading at the date they claim this purchase was made ie. January 1992.
>
> In relation to the costs of the revocation proceedings, I request that the Comptroller exercise his discretion under Rule 76 of the Patents Rules and make no order as to costs. I was not aware of the existence of the prior art referred to above until I received the evidence from Earthwise Baby and no reference was made to this prior art in the applicants statement of case.

5. The Office accordingly wrote to the parties pointing out that an offer to surrender during revocation proceedings would not automatically terminate those proceedings, since surrender would only take effect from the date of advertisement of its acceptance and not from the date of grant of the patent. In accordance with standard Office procedure, therefore, the parties were advised that the offer to surrender would be advertised as normal in the Official Journal to allow for opposition thereto. If no opposition was filed, then the matter would be considered as though no counterstatement had been filed, that is, as if each specific fact set out in the statement had been conceded except insofar as it is contradicted by other documents before the Office. If on this basis it were determined that at least one ground for revocation had been made out, then a formal decision revoking the patent rather than accepting the offer to surrender would issue, unless opposed by either party.

6. The offer to surrender was duly advertised, and no opposition thereto was received in the set period. Subsequently, after due consideration, I determined that indeed at least one ground for revocation under section 72(1)(a) had been made out on the basis of the applicants' statement as

supported by the evidence filed on 10 July 1997. Accordingly, the parties were informed in an Official letter dated 16 March 1998 that it was proposed to issue a formal decision revoking the patent and consequently not to accept the offer to surrender, unless within one month either party opposed that course of action. The Official letter also indicated that the decision would deal with the matter of costs, pointing out that in deciding whether costs should be awarded to the applicants the Comptroller shall consider whether revocation proceedings might have been avoided if the applicants had given reasonable notice to the proprietor before filing the application. Further representations in this regard were invited.

7. As set out above, the question of costs in the light of the offer to surrender had been touched upon in the last paragraph of the proprietor's letter dated 25 September 1997, and the proprietor made no further submissions. In response, the applicants had filed a letter of 27 October 1997 also addressing the issue, and pointing out: firstly, that the applicants had been forced to bring the revocation proceedings to defend themselves against demands from the proprietor that they either cease trading or pay royalties on their product; secondly, that it seemed unreasonable to believe that the proprietor would not have carried out market research such as to have been aware of at least some of the easily available public information as to prior constructions at the time of filing her patent application, examples of which had been filed as the applicants' evidence; and thirdly, that the affair had cost the applicants considerable money, time and anguish.

8. In response to the Official letter dated 16 March 1998, a letter was received from the applicants further expanding on their application for costs. The letter pointed out that they had followed the advice given by the Patent Office in pursuing their revocation action, which had not suggested a need to contact the proprietor before making the application. Further, there was nothing in the actions of the proprietor that indicated that it would in any way have made any difference to her vehement assertion that the applicants infringed her patent. The letter went on to support this by reference to correspondence between themselves and the solicitors acting for the proprietor. The letter closed by requesting full costs.

9. To turn to the general basis on which costs are awarded before the Patent Office. In general, whilst the Comptroller has wide discretion in this respect, full costs are not awarded, the practice

being to award a contribution only towards the successful party's costs on the basis of a scale published periodically in the Official Journal. The reasoning behind this approach is to avoid a party, in particular a small company or individual, being deterred from pursuing or defending its rights before the Comptroller because of the fear of the costs it might have to pay should it lose. In this case, the most recently published scale would suggest a maximum in this case of some £385 in favour of the applicants.

10. I have then to consider whether this figure should be reduced because of the offer to surrender. I have in mind that the parties were in contact before the revocation application was launched, the proprietor claiming infringement of her patent by the applicants. On the papers before me there appears to have been no attempt by the applicants to indicate to the proprietor that they were going to be launching the revocation action, but in fairness the tight timetable with in which infringement litigation was threatened did not allow them much time to do other than take defensive measures. I note also the applicants' statement to the effect that they followed exactly the advice given by the Patent Office, but of course the Office needs to maintain an even-handed approach in such matters and cannot advise individuals in other than the most general terms as to the required procedures for bringing actions before the Comptroller. There is no strict need to pre-advise a proprietor before initiating a revocation action, it is merely one element to be taken into account when considering costs to be awarded to the winning party.

11. Once the application had been launched, the applicants point to a letter dated 5 February 1997 to themselves from the proprietor's solicitors and which contains the phrase "*we have reviewed your statement of grounds and do not believe they pose any threat at all to our client's patent*", as further proof that the action would have not been avoided even if prior notice had been given. In this regard, I note that the applicants' statement of grounds, as reproduced above, was only in the most general terms, and it was not until the applicants' evidence was filed that the proprietor could see the full strength of case against her.

12. In the light of the above, I consider that, whilst the applicants have been successful in their action, it may be that the action would have been avoidable or further curtailed if they had indicated the prior art upon which their revocation action was to rely either before launching the

action or in a more fully developed statement of grounds. On the other hand, the proprietor left them little room for manoeuvre with regard to the threatened infringement litigation. All in all, I consider that some reduction in costs to be awarded against the proprietor is justified, but not that no costs should be awarded at all. I find that £250 is an appropriate figure in the circumstances.

13. Consequently, I find that the application under section 72(1)(a) succeeds and, therefore, order that Patent No. 2263224 should be revoked. I also order that the proprietor Jacqueline Anne Margaret Fenton should pay the sum of £250 (two hundred and fifty pounds) to the applicants Earthwise Baby Limited as a contribution to their costs.

14. This being a decision on a substantive matter, the period for appeal is six weeks.

Dated this 28th day of May 1998

G M BRIDGES
Superintending Examiner, acting for the Comptroller
THE PATENT OFFICE