

PATENTS ACT 1977

IN THE MATTER OF a reference by
British Telecom Plc under section 37(1)(b)
as to the entitlement to, and an application
under section 72(1)(b) for the revocation
of, Patent Number EP(UK) 0683925 in
the name of A C Egerton Ltd.

PRELIMINARY DECISION

1. EP(UK) 0683925 was granted by the European Patent Office on the 17th July 1996, the patent application having originally been filed under the Patent Co-operation Treaty on the 10th February 1994. Following grant, the referrer/applicant in the present action, British Telecom Plc (“BT”), entered an opposition to the patent at the European Office. It would appear that the Opposition Division at the European Office has now upheld the patent with some amendments to the claims. The decision of the Opposition Division is, though, subject to appeal.

2. BT started the present action before the comptroller on the 17th July 1998, claiming under section 37(1)(b) that the patent should not have been granted to the present proprietor, and applying under section 72(1)(b) for the revocation of the patent on the ground that it was granted to a person who was not entitled to be granted the patent. BT admit that it launched the action at this time in order to avoid the limitations otherwise imposed by section 37(5), but it has asked for the action be stayed pending the final determination of any appeal on the European opposition action. The proprietor however objects to a stay and the parties, having reached stalemate on this issue, invited the comptroller to decide whether or not the action should be stayed. Neither wished to be heard on the matter. Accordingly I shall now decide the preliminary question of whether or not the present action should be stayed on the basis of the papers on file, and in particular on the basis of the arguments presented in correspondence in response to questions posed by the Patent Office in its letter of the 13th October 1998.

3. The timetable set out for an appeal against the decision of the European Office in the opposition action in this case requires a Notice of Appeal to be lodged in December, followed by the grounds for appeal in February 1999. BT argues that in the event that an appeal is not filed the stay in the present proceedings would last only for two or three months. While that is of course correct, the stay would have achieved nothing if an appeal is not lodged. Accordingly, what I need to consider is what would happen if an appeal is lodged, and in that case the stay would be for very much longer. While there is no strict timetable for the completion of such appeals, experience teaches that most appeals in the European Office take many years. It is this which concerns the proprietor. It sees itself as spending years fighting the European appeal, only to find at the end of it that there is still a sword hanging over the patent in the form of the present action. It would much rather get the present action out of the way now.

4. In this connection the proprietor has raised what seems to me to be a very good point. It is that the limitations set out in section 37(5), which BT has avoided by filing their action within the two year deadline, must be there for a purpose and the only purpose can be to avoid undue delay. In this case BT is seeking to have its cake and to eat it by getting under the two year wire for the purposes of section 37(5) while still delaying the action, possibly for a very long time. I think I should resist that unless there are very special circumstances which would justify doing otherwise. I will now consider whether there are such circumstances.

5. BT justify their request for a stay on the grounds that there is, they say, a high chance the present action will turn out to be a complete waste of time. The main plank of its argument is that the entitlement proceedings relate to the invention as currently claimed and not, as the proprietor has argued, to the matter in the application as filed. Thus, BT argued, there is a high probability of the present action being a waste of time given that it could not deal with any amended claims which might subsequently emerge from the European opposition action.

6. In my view this argument is fundamentally wrong. While it is of course true that the comptroller would always consider entitlement to the invention as currently claimed, to the extent necessary he would also consider entitlement to all the matter in the patent

specification. This seems to me to be wholly consistent with section 37(1) of the Act where it is stated:

“After a patent has been granted for an invention any person having or claiming a proprietary interest *in or under the patent* may refer to the comptroller the question . . .” (my emphasis)

7. To my mind the words "in or under the patent" make it clear that the comptroller is not restricted to considering only the invention currently claimed but that he can consider all the matter in the patent. This interpretation is also wholly consistent with section 37(4)(b), which clearly envisages the possibility that the comptroller could find one party entitled to some of the matter in the patent specification and another party to the rest. This is certainly how the comptroller has always dealt with questions of entitlement. Consequently, the present action should result in a clear indication of which party is entitled to which aspects of all the matter disclosed. As a result it is almost certain that the present action will make it clear who is entitled not only to the invention that is presently claimed, but also to any invention which may subsequently be claimed following the completion of the European opposition procedures.

8. A second consideration on which the parties have offered differing views is whether the appeal proceedings in the European Office would be avoided in the event that the present action leads to the revocation of the present patent. BT has argued that revocation in this action would affect only the UK, leaving the position in all other states to be determined by the European Office's findings in the opposition proceedings and any subsequent actions for entitlement in the other designated states. In my view this is unrealistic. In the face of a finding here that the patent should be revoked in the United Kingdom, I find it hard to believe that the proprietor would contest any further action in the European Office, let alone in other designated states. On the contrary, it seems to me to be much more likely that a decision in the present proceedings to revoke the EP(UK) patent would terminate the proceedings in the European Office, just as the proprietor has suggested.

9. BT rightly point out that going ahead with the present action could lead to a risk of the

parties incurring unnecessary actions and costs if I uphold the patent and the European Office subsequently revokes it, or if the patent is amended in such a way that ownership of what is left is not disputed. While these outcomes are possible, they are counterbalanced at least in part by the possibility that I might decide in the present action to revoke the patent in the UK, which would seem to me to be almost certain to have the effect of terminating all the European proceedings and avoiding wasted costs there. Bearing in mind also the likely length of the delay if I were to stay the present action, I have decided that the risks of proceeding with the present action are not only outweighed by the risks and disadvantages of staying but are in any event not sufficiently special as to override the presumption that the matter of entitlement ought to be settled as soon as can reasonably be managed. Accordingly, I decline to stay the action.

10. The action should now therefore go ahead in the normal way, with the timetable restarting from today. That means, in accordance with the relevant rules, that:

- C BT should file its evidence in chief within two months of the date of this decision.

- C The proprietor should file its evidence in answer within two months of the filing of BT's evidence in chief,

- C BT should file any evidence strictly in reply within two months of the filing of the proprietor's evidence in answer.

11. Further, by means of an official letter of the 13th October 1998, I had previously indicated that if this action was not stayed, I would be minded to set a hearing date now in order to give the parties a clear target to meet. Neither side has disagreed with this, though I think both regard my suggestion of a May or early June hearing as a little tight. Accordingly I shall instruct our Hearing's Clerk, in consultation with the parties and their representatives, to arrange a time for the substantive hearing some time in July 1999.

12. As this decision relates to a matter of procedure, under the Rules of the Supreme Court

any appeal should be lodged within 14 days.

Dated this 6th day of November 1998

P HAYWARD

Superintending Examiner, acting for the comptroller

THE PATENT OFFICE