

PATENTS ACT 1977

IN THE MATTER OF references under
Section 8 by Cerise Innovation Technology
Limited in respect of four UK Patent
Applications in the name of Comodo
Technology Development Limited

PRELIMINARY DECISION

1. This decision is concerned with whether or not the claimant should be granted a further extension of time in which to file its evidence in chief. The issue has arisen because of impact that certain other proceedings might have on the present proceedings.

Background

2. Cerise Innovation Technology Company (“the claimant”) referred to the Comptroller under section 8(1)(a) of the Patents Act 1977 the question of entitlement to the grant of patents in respect of inventions which were the subject of four UK patent applications numbered 9801764.3, 9801765.0, 9801767.6 and 9801768.4 in the name of Melih Abdulhayoglu. All of these applications were filed on 28 January 1998 and have since been withdrawn. Although the claimant has not seen these applications, it believes that their inventions were made while it was employing Mr Abdulhayoglu and that under section 39(1) of the Patents Act 1977 the inventions belong to it. I heard the parties on this matter on 27 January, and am now in the process of writing my decision. That decision will probably be issued before the end of this month.

3. Subsequently, the claimant made a further reference under section 8(1)(a) in respect of four patent applications filed in the name of Comodo Technology Development Limited, numbered 9818184.5, 9818186.0, 9818187.8 and 9818188.6. All of these applications were filed on 20

August 1998. The claimant believes the subject matter of the later applications was also invented by Mr Abdulhayoglu whilst it was employing him.

4. The present decision is concerned with this second reference. In an earlier decision, dated 15 September 1999, I refused to consolidate the two references. The claimant then asked for the present proceedings to be suspended pending the outcome of the proceedings on the first reference. The defendant resisted this, but eventually the two sides agreed instead that the claimant should be granted a three-month extension to the period for filing its evidence in chief. The period is specified in rule 7(4) of the Patents Rules 1995; the power to extend it comes from rule 110(1).

5. That extended period expires on 15 February, but the claimant has now come back asking by telephone for a further extension. It is not entirely clear to me how long an extension it seeks, but I assume it wants one long enough to be able to take account of my decision on the first proceedings. The defendant has strongly resisted a further extension. Since the two sides have been unable to agree the matter, it now falls to me to decide whether to grant an extension. Both sides have said they are content for me to make this decision on the basis of their submissions so far, without a hearing.

Is a further extension appropriate?

6. The defendant opposes a further extension for a number of reasons. Briefly, it says:

(a) More than 6 months after the claimant filed this reference it has still not supplied a shred of evidence to support it.

(b) It believes this request is merely an excuse to string out the present proceedings. Indeed, it considers the claim itself is vexatious and has been filed purely to cause commercial difficulty for the defendant.

(c) Although the claimant apparently wants to wait for the outcome of the first proceedings, it is giving no binding commitment to change its policy in respect of the second proceedings in the light of the outcome, nor is there any reason to believe it will do so.

(d) If the claimant believes the two proceedings are linked, all it needs to do is file the same evidence as it did for the first proceedings.

(e) The delay is increasing the defendant's costs because there are possibilities for exploiting this intellectual property which are being blocked by the entitlement proceedings.

(f) Granting an extension would be inconsistent with the objectives of the recent reform of civil litigation to provide quick and cost-effective justice.

7. In my view, a lot of this is merely hot air. For example:

C Of course 6 months have elapsed with no evidence being filed - that is the inevitable result of the extension granted previously.

C If, as it assert, the defendant really believes the proceedings are vexatious, it should have applied to strike them out. It has not done so, nor has it provided any evidence to support its assertion, so in those circumstances, as I am sure it must be aware, I have no option but to ignore this assertion.

C Of course the claimant can't give a binding commitment to alter its approach to the present proceedings in the light of my decision on the first proceedings. It would be absurd to expect this.

C Since the patent applications are dead, without some evidence I cannot be expected to take seriously an assertion that delay is hindering their exploitation.

C The claimant has no obvious motive for wanting to string out these proceedings, so again, without some evidence I cannot be expected to take seriously an assertion that this is all it is trying to do.

8. I have to say that putting forward such a lot of weak arguments does not reflect well on the defendant. However, even when I put all these weak arguments to one side, there remains an underlying sound point. The claimant chose to bring these proceedings, and moreover chose to launch them when it did. Is it right to allow it to hold back still longer in pursuing its case?

9. To answer that question, I must weigh the possibility that granting an extension might save expense against the desirability of dealing with the proceedings expeditiously and the need to be fair by ensuring no party's position is unreasonably prejudiced.

10. From my earlier decision refusing to consolidate the two proceedings, it should already be clear to the parties that I do not consider the outcome of one will necessarily dictate the outcome of the other. Equally, it would be silly to pretend that the two proceedings have nothing to do with one another, because it is clear from the statements of case that they have many issues in common. In my view, there must be a real possibility that the outcome of the first proceedings, whichever way it goes, could save significant expense in the present proceedings. At the highest, it could cause one of the parties to the present proceedings to decide not to continue prosecuting or defending the case. Even at the lowest it is likely to encourage one or both of them to reduce the amount of evidence by abandoning evidence that I find from the first proceedings to be irrelevant or not persuasive.

11. On the other side of the coin, allowing a further extension of the time for filing evidence will delay the present proceedings still further. However, the delay will be fairly small. To give the parties time to consider my decision on the first proceedings and make whatever adjustment to their intended approaches they feel is appropriate, an extension of the period to three weeks after I issue my decision on the first proceedings would seem about right. That would probably delay the present proceedings by no more than five weeks. Further I would, if the defendant so requested, be willing to consider offsetting some of the delay (assuming the

proceedings continue) by shortening to four weeks the period for the claimant to file its evidence in reply, using the power that will be available to me after 26 April under rule 21 of the Patents (Amendment) (No.2) Rules 1999.

12. Of course, by waiting for the outcome of the first proceedings, the claimant may be able to improve their case by providing further evidence to overcome any weaknesses I might happen to find in its evidence on the first proceedings. However, I do not consider that would constitute unfair prejudice to the defendant, for two reasons. Firstly, the defendant would be able to do exactly the same itself in respect of its own evidence. Secondly, the claimant would probably be able to put in any such evidence anyway when it files evidence in reply, and at very worst it could always seek leave to have it admitted late.

Conclusion

13. I have come to the conclusion that the advantages of extending the period outweigh the disadvantages, and that doing so will not prejudice the defendant unfairly. Accordingly, I extend the period within which, under rule 7(4) of the Patents Rules 1995, Cerise Innovation Technology Limited must file evidence in support of its case against Comodo Technology Development Limited to three weeks after the date on which I issue my decision in the first proceedings, ie Cerise Innovation Technology Limited v Melih Abdulhayoglu.

14. Finally I must observe that by failing to reach agreement with the claimant in this matter, the defendant has probably ended up damaging its own interests by delaying the issue of a decision on the first proceedings - simply because I have had to put that decision to one side in order to write the present one.

Appeal

15. As this decision relates to a procedural matter, any appeal should be lodged within 14 days.

Dated this 8th day of February 2000

P HAYWARD

Divisional Director, acting for the Comptroller

THE PATENT OFFICE