

## **PATENTS ACT 1977**

IN THE MATTER OF an application  
under section 72 by Eastman Kodak Company  
for the revocation of Patent No 2314719  
in the name of American Photo Booths, Inc

### **PRELIMINARY DECISION**

#### **Introduction**

1. The patent in suit, GB2314719, was granted to American Photo Booths, Inc (the defendant) in September 2000. The patent relates to a photo kiosk of the type in which a customer poses for photographs which are automatically taken, processed and delivered.
2. On 1 March 2001, Eastman Kodak Company (the claimant) applied for revocation of the patent under section 72 of the Act. The application was accompanied by a statement of case which set out, as grounds for revocation, that the claims of the patent do not relate to a patentable invention in that all of the claims lack either novelty or inventive step having regard to certain specified documents. On 2 July 2001, the defendant filed a counterstatement with detailed argument contesting the application.
3. On 1 October 2001 the claimant filed observations on the counterstatement, which it subsequently refiled as a witness statement by Mr Richard Dudley Hawkins, a chartered patent agent acting for the claimant in these proceedings. In its observations, the claimant argues that the counterstatement raises new issues and, in consequence, seeks the comptroller's discretion to admit the following additional grounds for revocation under section 72(a) and (c), namely that:
  - (1) the patent does not relate to a patentable invention in that the invention claimed is not capable of industrial application; and
  - (2) the specification does not disclose the invention clearly enough for it to be performed by a person skilled in the art.
4. Also on 1 October 2001 the claimant filed a witness statement by Mr John Griffith, a lens designer and engineer employed by the claimant.
5. In a letter dated 5 November 2001 the defendant opposed the admission of new grounds. There followed a number of rounds of correspondence on the matter, including a second witness statement by Mr Griffith filed on 7 January 2002 for the claimant. All of this however failed to resolve the matter and, in the event, the parties agreed that the matter should be determined on the basis of the papers.

## The issues

6. In its counterstatement, the defendant points out that in respect of the two independent claims of the patent (claims 1 and 6), only one document is identified in the statement as relevant, namely GB2253490 (“Photostar”). The defendant goes on to set out a number of features that it considers distinguish claims 1 and 6 of the patent from Photostar, including a passage in claim 1 of the patent which reads as follows:  
“ .. a folded and extended length optical path to narrow the depth of field within said region provided for the user to pose and thereby defocus a background image”  
The present dispute centres on this passage, which also appears, with minor, essentially immaterial differences, in claim 6; the defendant arguing that Photostar does not disclose or suggest an arrangement as set out in this passage.
7. For the claimant, Mr Hawkins in paragraph 18 of his witness statement, states that  
“.. my belief is that it is common general knowledge within the technical field of photography that folding and/or extending the optical path length does not decrease, but rather *increases* the depth of field, which would therefore cause the background image to be brought *into* focus, and conversely, that the closer the camera is to the subject, the more the background is defocussed ...”  
He goes on to say in paragraph 19 that  
“It is my understanding that it is not physically possible for an extended length, folded optical path to give rise to a narrowing of the depth of field and a consequential defocussing of the background image, and that consequently, the claimed invention cannot work and cannot therefore be capable of industrial application”;  
and in paragraph 20 that  
“Equally, since I believe that the invention cannot work, it follows that I believe that the specification does not, and *could* not, disclose the invention clearly enough and completely enough for it to be performed by a person skilled in the art”  
In support of his case, Mr Hawkins exhibits an extract from a technical work, “How Things Work, The Universal Encyclopedia of Machines”. The evidence of Mr Griffith is also directed to support this case.
8. In its letter of 5 November 2001, the defendant opposes the request to admit additional grounds for revocation, arguing that firstly the claimant was well aware of the content of the claims when it filed its original application for revocation and should have raised any such grounds in that original application, and secondly that the additional grounds ignore relevant portions of the claims.
9. On the first point, the defendant states that the passage was incorporated into claims 1 and 6 during prosecution of the application in order to distinguish the claims from Photostar; and that although aware of this, the claimant chose not to address the meaning of the passage in its original statement.
10. On the second point, the defendant argues (with emphasis added) that “the claims do not recite extending the path length to decrease the depth of field as stated by Kodak. Instead the claims recite that the extended and folded path narrows the depth of field

within the region for the user to pose. .. By moving the camera away from the front of the kiosk, using the folded and extended optical path, the range of focus is moved closer to the front of the kiosk ... which defocuses the background". The defendant argues that the claimant has ignored the references in claims 1 and 6 to the "region provided for the user to pose".

11. Proposals put forward by the Patent Office in letters dated 26 November 2001 and 21 January 2002 were rejected by one side or the other. In addition, as noted above, a second witness statement was filed by Mr Griffith on 7 January 2002 maintaining the claimant's position. Finally, in a letter dated 11 February 2002 the defendant indicated that it did not wish to make any further submissions and requested a decision to be made based on the papers, a request to which the claimant subsequently agreed.

### **Reasoning**

12. As recognised by both parties, amendment to a statement of case is a matter for the comptroller's discretion. In considering the arguments put forward by the parties, it seems to me that I will need to take into account the substance of the amendment, the diligence of the claimant, the extent to which the amendment would alter the nature of these proceedings and might disadvantage the defendant, and the more general question of public interest.
13. The arguments put forward by the parties can be summarised as follows. In its counterstatement the defendant points to a passage in the main claims that it considers distinguishes those claims from the prior art identified by the claimant in its statement. In response, the claimant argues that this passage describes an optical arrangement which cannot work in the way described in those claims, and that this raises "new issues" under section 72(a) and (c). The defendant argues firstly that the claimant should have raised these grounds in its original statement since it was well aware of the content of the claims, and secondly that the claimant has ignored relevant parts of the claims.
14. On its first point I am wholly at one with the defendant. It is self evident that the claimant was, or at least should, have been aware of the contents of the claims of the patent. Indeed the argument goes further than this, since the importance of the passage *in question* to the issue of validity is clear from the prosecution history of the patent application. It is this particular passage that the claimant incorporated into claims 1 and 6 in order to address an objection from the examiner to lack of inventive step. In consequence, from the evidence and argument before me, I am in no doubt that no new issues were raised in the counterstatement, and I find no support on those grounds for the claimant's request. Looked at another way, if the claimant were unaware at the time it filed its statement of the relevance of the passage to the issue of validity, I do not think it can be regarded as having exercised due diligence.
15. I turn next to the substance of the amendment and the effect it would have on the nature of these proceedings. Both sides have submitted detailed argument and the claimant has filed evidence on what is meant by the passage and whether or not what is described there would in practice work. I have no doubt that there is an issue here to address, but it seems to me that it is an issue that is part and parcel of the validity issue

that will be the subject of the substantive hearing. In order to decide the substantive issue it will be necessary as an essential first step to construe the claims, and this in my view is essentially what this preliminary issue is about. As such I think it is an issue that would be more properly addressed at the substantive hearing rather than in this preliminary decision. Moreover, for these same reasons, I do not think that the essential nature of these proceedings would be changed by so extending the grounds. From this aspect then I am inclined to grant the request.

16. I do not think I need to say very much on the question of public interest, other than that it is clearly in the public interest for these proceedings to be taken forward to a conclusion with all relevant issues taken into account.
17. It is inevitable that the application to amend the counterstatement will have caused the defendant inconvenience and cost; the proceedings have been prolonged and the defendant has had to respond to the new grounds. However I am not persuaded that the defendant has been or would be disadvantaged to such an extent that would justify refusal on these grounds alone.
18. In conclusion then, I find no support for the claimant's argument that new issues are raised in the counterstatement and I find myself in agreement with the defendant that these new grounds could have been raised at the outset. However, I also find that the essential nature of these proceedings would not be changed by so extending the grounds, that the public interest would be best served by taking these proceedings forward to a conclusion with all relevant issues taken into account and that the defendant would not be significantly disadvantaged thereby. I conclude therefore that the comptroller's discretion should be exercised in favour of the claimant and that the additional grounds for revocation under section 72(a) and (c) should be admitted.

### **Costs**

19. It is now practice, where appropriate, for the comptroller to award costs as the cause of them arises. Although I have found that the comptroller's discretion should be exercised in favour of the claimant, I have also found that the claimant could have raised the new grounds in its original statement, and that the defendant has been disadvantaged to an extent. However, a conclusion as to the significance of the new grounds, that is to say whether or not they are well founded and relevant, will not be reached until the substantive hearing has taken place, and this may impinge on any award. Moreover there have been no submissions in respect of costs, although both sides have made a general request for costs in the proceedings. Taking all of these factors into account, it seems to me that the best course of action would be to defer the question of costs until an appropriate later stage in the proceedings.

### **Next steps and order**

20. Having concluded that the additional grounds for revocation under section 72(a) and (c) should be admitted, I order that the statement should be taken to include, strictly word for word, the text headed "New grounds for revocation" in the claimant's letter of 1 October 2001.

21. The claimant, in addition to its statement and the amendment thereto, has also filed its first round of evidence, including evidence directed to the new grounds. The defendant has already responded, in correspondence, to the new grounds, however I think it should be given the opportunity to file an amended counterstatement. Taking into account the fact that the defendant has already had some time to consider the additional grounds, I allow it four weeks from the date of this decision to file an amended counterstatement.
22. The requirement for the defendant to file its evidence was suspended pending resolution of the preliminary issues dealt with in this decision. Again, taking account of the fact that the defendant has already had some time to consider its evidence, I now allow the defendant four weeks from the date of this decision to file its evidence.
23. A copy of any such counterstatement and evidence should be sent to the claimant, and the claimant will then have six weeks in which to file its evidence, which should be confined to matters strictly in reply, and which should be copied to the defendant.

### **Appeal**

24. This being a decision on a matter of procedure, the period for appeal is two weeks from the date of the decision.

Dated this 4<sup>th</sup> day of April 2002.

D J BARFORD  
Deputy Director, acting for the Comptroller

**THE PATENT OFFICE**