

## **PATENTS ACT 1977**

IN THE MATTER OF a request under section 118(4) by Paragon Labels for copies of unpublished patent applications GB0215603.2 and 0222135.6 in the name of Buralls of Wisbech Limited

### **DECISION**

- 1 This decision is concerned with whether the comptroller should supply to a third party, without restrictions, copies of patent applications that are as yet unpublished, on the grounds that the patent applicant has allegedly said he will bring proceedings against the third party if the patents are granted. It raises a number of issues, but before looking at them, I will briefly explain the background.

#### **Background**

- 2 The two patent applications in question, GB0215603.2 and 0222135.6, were filed in July and September 2002 respectively, in the name of Buralls of Wisbech Limited. Buralls are represented by their agents Urquhart-Dykes & Lord of Peterborough. The applications do not claim any priority. On 10 April 2003 Buralls (or rather, their agents) wrote to the Managing Director of Paragon Labels of Spalding drawing his attention to their patent applications in the context of some research and development that they believed Paragon were conducting.
- 3 On 1 May Paragon, through their agents Maguire Boss of St Ives, requested copies of the patent applications. It would appear that Buralls' agents were unable to get instructions quickly, and accordingly on 8 May Maguire Boss filed a Form 23/77 requesting copies of the two patent applications as filed. Their request was accompanied by a statutory declaration invoking section 118(4) of the Patents Act 1977. The declaration exhibited and explained Buralls' letter of 10 April, as required by rule 96(1) of the Patents Rules 1995. Under rule 96(2) the comptroller sent a copy of the request to Buralls and deferred complying with the request for 14 days. Whilst rule 96(2) does not explain the purpose of the 14 day deferral period, it can only be to give the patent applicant a chance to object.
- 4 On 22 May Buralls wrote to Paragon enclosing copies of the patent specifications, but subject to strict requirements of confidentiality. They also wrote to the comptroller on the same day, arguing that the request for the comptroller to supply copies was redundant now that they had supplied copies, but that in any case the circumstances of section 118(4) did not arise. They further argued that if, notwithstanding these submissions, the comptroller were minded to grant the request, it should be subject to specified confidentiality restrictions. On 30 June Paragon confirmed that they were

maintaining their request because they did not want to be subject to the strict confidentiality requirements that had been imposed by Buralls in their letter of 22 May.

- 5 Since then the parties have not been able to reach agreement, and have accordingly asked the comptroller to make a formal decision on the request. Paragon have expanded a little on their arguments in a letter dated 21 July, but neither side has requested an oral hearing. I think both sides have acted commendably in forgoing a hearing and not bombarding me with reams of argument, because that would have been disproportionate in the context of the particular matters at stake. However, it has made life a little more difficult for me because the arguments submitted are not very expansive, and so I have had less help than usual in assessing the legal provisions. Moreover, the arguments submitted do not cover certain issues of detail that I would have explored at a hearing had there been one. Of course I could have written to the parties seeking comments on those issues, but that would have delayed proceedings significantly and pushed up costs disproportionately. Since the issues are peripheral rather than central, I have therefore taken the pragmatic approach and sorted them out myself.

### **The law**

- 6 Under the scheme of the Patents Act 1977, a patent application is not published until roughly 18 months after its application or priority date (unless the applicant specifically requests earlier publication, which has not happened here). Publication is covered by section 16, but I do not need to recite that. The confidentiality of the application prior to publication is underlined in sections 118(1) and (2) of the Act. Section 118(1) allows inspection of the application after publication:

“After publication of an application for a patent in accordance with section 16 above the comptroller shall on a request being made to him in the prescribed manner . . . give the person making the request such information, and permit him to inspect such documents, relating to the application . . . as may be specified in the request, subject, however, to any prescribed restrictions.”

whilst 118(2) complements this by banning any disclosure before publication:

“Subject to the following provisions of this section, until an application for a patent is so published documents or information constituting or relating to the application shall not, without the consent of the applicant, be published or communicated to any person by the comptroller.”

- 7 However, section 118(2) is subject, *inter alia*, to the provisions of section 118(4):

“Where a person is notified that an application for a patent has been made, but not published in accordance with section 16 above, and that the applicant will, if the patent is granted, bring proceedings against that person in the event of his doing an act specified in the notification after the application is so published, that person may make a request under subsection (1) above, notwithstanding that the application has not been published, and that subsection shall apply accordingly.”

8 I do not need to refer to the rules relating to section 118, save to say that a request for inspection requires no fee and no form and to note that the “prescribed restrictions” foreshadowed by the last clause of section 118(1) are contained, *inter alia*, in rule 93(4) and (5). However, I do need to refer to rules 52(2) and (3) because it is these rules that prescribe the Form 23/77 which Paragon used in the present case:

“(2) Upon request made upon Patents Form 23/77 and payment of the prescribed fee, if any, but subject to paragraph (3) below, the comptroller shall supply . . . an uncertified copy of . . . anything referred to in section 32(11)(b).

(3) The restrictions on making documents available for inspection contained in rule 93(4) shall apply equally to the supply by the comptroller under this rule of copies of . . . such documents . . . as are referred to in rule 94(4); and nothing in this rule shall be construed as imposing upon the comptroller the duties of supplying copies of . . . any document or file of a description referred to in rule 93(5).”

9 Thus whilst the regime for inspecting documents is spelt out primarily in rule 93, that for getting copies of documents is spelt out in rule 52. Further, whilst rule 52(3) links the two regimes in some respects, rule 52(2) specifies what may be supplied not by reference to section 118 but by reference to section 32(11)(b), whose list of items reads:

“a copy of any document kept in the Patent Office or an extract from any such document, any specification of a patent or any application for a patent which has been published”.

### **The issues**

10 So much for the background and the law. I must now turn to the issues in dispute, and there appear to be four:

C Have the circumstances of section 118(4) occurred?

C If yes, do I have the discretion to make inspection subject to confidentiality restrictions

C If I do have discretion, how should I exercise it in the present case?

C Can the comptroller supply copies of documents, rather than just allow them to be inspected, when section 118(4) applies?

I will deal with them in turn.

### **Does section 118(4) bite?**

11 Buralls argue that the letter they sent Paragon on 10 April was not a notification that fell within the scope of section 118(4) because it does not specify a specific act and

does not mention any proceedings against Paragon. It merely notifies the existence of the patent applications. Paragon disagree, reading the letter as a clear indication that Buralls will - if at all possible - bring infringement proceedings against them once patent rights are granted.

12 It is worth reciting the letter in full:

“Our client has become aware that you may be conducting research into the development of a labelling system for use with pre-packed food products which are cooked in a microwave oven using steam generated within the product package.

As you are aware, our clients have developed a product in this technical field and in this regard we have been asked to draw your attention to our client’s pending UK Patent Application Numbers: 0215603.2 and 0222135.6 filed in July and September 2002 and which relate to this subject matter, together with copyright and Design Right which vest in our client’s product.

We have also been asked to inform you that our client’s Intellectual Property rights are of great value and importance to them and they always take steps to enforce their rights wherever possible.

No doubt you will take every possible step to ensure that, during your own research, copying of our clients product is avoided.”

13 It is true that this letter does not expressly spell out the link between the patent applications (mentioned in the second paragraph quoted), an act that Paragon might do (fourth paragraph) and the threat of infringement proceedings (third paragraph). However, I am satisfied that to any reasonable reader the link is implicit, and on this basis I feel Paragon’s interpretation of the letter is right. In my view the letter conveys precisely the kind of message that section 118(4) is designed to catch. Accordingly, I agree with Paragon that section 118(4) does indeed come into play in this case.

#### **Do I have discretion?**

14 This is not a point that either side has addressed in argument. Indeed, I get the impression that they both accept I do have discretion to make inspection under rules 118(4) and (1) subject to conditions. However, I do not feel it is something I can just gloss over.

15 Section 118(1) obliges the comptroller to permit inspection “subject, however, to any prescribed restrictions”. None of the prescribed restrictions are relevant here, and I can see nothing in subsection (1) that permits the comptroller to prescribe any other restrictions, and in particular, an obligation to maintain confidentiality. That makes sense, as the whole thrust of the publication provisions in the Act is to make everything open to public inspection once section 16 publication has occurred. Accordingly I do not find any *vires* for imposing confidentiality restrictions in section 118(1).

- 16 Section 118(4) says that when the relevant circumstance occur, the person affected may make a request for inspection under subsection (1), even though the application has not yet been published, and subsection (1) “shall apply accordingly”. There is nothing here to suggest subsection (1) should apply in some modified way. In my view, therefore, it follows that I have no power to make inspection by virtue of section 118(4) subject to confidentiality restrictions.
- 17 However, since this is not a point that either side has argued, and in case I should on appeal be found to be wrong on this question of *vires*, I will go on to consider how I would exercise that discretion if I thought I had it.

### **Should I impose restrictions?**

- 18 Buralls argue that it is right to make the inspection by Paragon subject to confidentiality to reflect the general principle that the comptroller is under an obligation not to disclose to the public at large the contents of patent applications until they are published under section 16. They also say that unfettered disclosure at this stage could jeopardise their rights to file applications abroad claiming priority from the GB applications. Further, they submit that Paragon will not be prejudiced as restrictions would not unreasonably hinder their ability to decide upon any appropriate course of action.
- 19 In reply, Paragon do not really confront these arguments. Rather, they simply say they want copies to be supplied subject to less onerous restrictions than Buralls have imposed. They do not even identify which aspects of Burall’s restrictions they consider to be too onerous. Thus I will have to establish the correct approach in law without the benefit of thorough arguments from both parties. Since any restrictions would be an exception to the general principles of section 118(1), I consider the onus is on Buralls to say why there should be restrictions, rather than on Paragon to say why there should not. Accordingly I will approach this by considering whether Buralls’ arguments for confidentiality have merit.
- 20 Their first argument is that I should reflect the confidentiality that normally pertains to applications prior to section 16 publication. If that argument is sound, it would apply to every request flowing from section 118(4). Would that be consistent with the provisions of the Act, viewed as a whole? In my view, it would not. Under the Act, the comptroller is generally barred from disclosing the contents of a patent application until section 16 publication occurs but the applicant is not, ie the applicant is free to disclose if he so chooses. It seems to me that when the circumstances of section 118(4) arise, the applicant is in effect choosing to make his application public. I say that because the warning that proceedings may be brought cannot be confidential as the patent applicant has no power to stop the third party telling other parties that he has received the warning. Thus in issuing such a warning, the applicant is choosing to tell the world at large that he has a patent application in the relevant technical area. This seems to me to be tantamount to voluntarily relinquishing the right to keep the contents of the application confidential. Accordingly I am unconvinced by Buralls’ first argument.

- 21 Their second argument, on jeopardising potential foreign filings, would also apply to many requests flowing from section 118(4). I confess, though, that I do not understand it. The whole point of the international system for according priority rights is that the applicant preserves the right to the first-filing date even if the contents of the application have been published in the meantime. Thus I cannot see how confidentiality can be necessary to protect their foreign filing rights.
- 22 In their final argument they say there would be no prejudice to Paragon. Paragon have implied they would be prejudiced, though they haven't said how. In truth, I suspect Paragon will not be able to say whether they would in fact be prejudiced until they have been able to study the applications in more depth, but it is certainly not difficult to envisage the position developing such that Paragon might quite reasonably want to discuss the patent applications with others (eg experts, or other manufacturers in this market) in order to decide on their best course of action, and I do not see why they should be hindered in doing so. The fact that Buralls cannot at the moment see how Paragon would be prejudiced is not a sufficient reason for imposing restrictions. The fact that there is the potential for Paragon to be prejudiced is a good reason for not imposing restrictions.
- 23 In short, if I had concluded I did have the power to make the inspection of the patent applications by Paragon subject to confidentiality restrictions, I would still have declined to do so. Accordingly, I do not need to go on to consider whether the particular restrictions sought by Buralls are reasonable.

### **Can I order the supply of copies?**

- 24 This is another point that neither party has dealt with. It arises because what Paragon purport to be seeking is inspection under section 118(1), but what they have actually lodged is an application on Form 23/77 for copies of the specifications under rule 52. To the casual modern observer, an Act that distinguishes between the right to inspect a document and the right to have a copy of it must seem positively Dickensian. It smacks of an era when asking the Deputy Chaff-Wax if he would graciously condescend to let you inspect a patent was one thing but asking him to copy the whole thing out in copper-plate handwriting was quite another. Nowadays, with photocopiers freely available, the distinction seems ludicrous. Indeed, the public desk at the Office to which anyone can come to inspect documents has a photocopier to hand so that the person inspecting can take copies of anything they wish.
- 25 Nevertheless I have to deal with an Act that does distinguish the two, and one which moreover defines what may be inspected and what may be copied by reference to two different parts of the Act. On the face of it, there is a potential difficulty because section 118(4) brings section 118(1) into play, but the copying provision in rule 52 is based on the documents listed in section 32(11)(b). However, on closer consideration I am satisfied there is no real problem. Even though section 32(11)(b) does refer explicitly to copying "any application for a patent which has been published", I do not read it as excluding the copying of applications that have not been published because of the broader introductory wording "a copy of any document kept in the Patent Office". Indeed, it is routine for copies of unpublished applications to be supplied in

response to a Form 23/77 request if the request comes from the patent applicant, because applicants need such copies for foreign and other related filings.

- 26 Accordingly it is not section 32(11) which constrains what may be copied, but rather, section 118 and the rules made thereunder. This is confirmed by the fact that rule 52(3) expressly imports the restrictions prescribed under section 118(1). Section 118(2) prevents the comptroller, in normal circumstances, communicating information about an unpublished application to third parties, but when section 118(4) bites, that constraint is overridden. Once the constraint is removed, I am satisfied it is quite proper for the comptroller to supply copies as well as, or instead of, allowing physical inspection of the papers.

### **Costs**

- 27 Neither side has sought costs, and indeed because the parties have commendably not made a great meal out of this dispute, I suspect neither side has incurred substantial costs. Accordingly I make no order as to costs.

### **Appeal**

- 28 Notwithstanding what is said in the Patents Court Guide and Tribunal Practice Notice 1/2003, it is now clear that the period for appeal from decisions of the comptroller is governed not by rule 52.4. of Part 52 of the Civil Procedure Rules but by paragraph 17.3 the Practice Direction to Part 52. This sets the period within which any appeal must be lodged at 28 days from the date of this decision.
- 29 However, the possibility of appeal causes a quandary. An order is not normally stayed pending the possibility of an appeal, but once Paragon have been given copies with no restrictions attached, an appeal would be too late as the information would be in the public domain. Again this is not an issue on which I have received submissions from the parties.
- 30 I have decided to adopt a pragmatic approach. I am not happy about staying the order for copies to be supplied for as long as 28 days, because Paragon have already been waiting nearly 12 weeks for these copies. Equally, if I order the copies to be supplied immediately I am effectively denying Buralls the right to appeal. I am therefore going to compromise and defer supplying the copies for 7 days, with the proviso that if Buralls lodge an appeal in that time, the period of deferral will be extended until the appeal is resolved. I am conscious of the fact that this is tantamount to varying the appeal period prescribed by the Practice Direction, but in the circumstances, with no ability to prescribe a different appeal period, I feel it is the fairest approach taking both parties' interests into account.

### **Order**

- 31 Accordingly I order that Paragon Labels, through their agents Maguire Boss, be

supplied with copies of patent applications GB0215603.2 and 0222135.6, with no restrictions on disclosing those copies to anyone else, on 6 August 2003. However, if Buralls of Wisbech Limited lodge an appeal before that date and copy the appeal papers to us so we know they have done so, this order should be treated as stayed until the appeal is disposed of.

Dated this 29th day of July 2003

**P HAYWARD**

Divisional Director acting for the comptroller

**THE PATENT OFFICE**