

PATENTS ACT 1977

IN THE MATTER OF a reference under sections 8, 10, 12, 13 and 37 by Mr Sheel Khemka in respect of Patent Application No. WO98/07339 and forty related applications, all in the names of Mr Sheel Khemka and Dr Nana-Akoto Osei

DECISION

The patent applications in issue

- 1 International patent application no PCT/GB97/02281, under the Patent Cooperation Treaty (PCT), was filed on 22 August 1997, claiming priority from GB patent application No. 9617736.5, filed on 23 August 1996. It named Mr Khemka and Mr (now Dr) Osei as both co-applicants and co-inventors. After it was published on 26 February 1998 as WO98/07339, it entered the national phase in many countries around the world, and the regional phase under the European Patent Convention, the Eurasian Patent Convention and before the African Regional Intellectual Property Office. Filings were also made in countries which were not in the PCT system in 1997.
- 2 Altogether there are now forty patent applications or patents in addition to the published PCT application WO98/07339. I do not propose to list them in this decision, but there is a list attached to the Form 2/77 which was used to initiate the present proceedings. I have only been supplied with a copy of the PCT application and have not seen the other applications. However, the parties seem to be agreed that the issues I am being asked to decide are common to all these applications, ie the applications all relate to the same invention as the PCT application, and all have the same applicants and named inventors. For present purposes I will take that to be the case. Thus whilst my decision is based on the invention as set out in the PCT application, I will assume that potentially it applies equally to all the other applications.
- 3 I should perhaps mention that at a late stage in the proceedings, a letter dated 5 June 2003 from Mr Khemka made reference to a divisional application before the EPO. This is not included in the list accompanying Form 2/77 and there has been no request to add it to the list. I can therefore make no specific finding in relation to it.
- 4 The PCT application relates to an article of clothing having a crotch fly. As filed, the application has two independent claims, which read:-
 - 1 An article of clothing having a crotch portion separating two leg portions or openings, and having in the crotch portion a crotch fly extending along the perineal region, the crotch fly being openable and closable by fastening means which in the closed position are concealed, and in which, preferably, the said fastening means are provided along a line in the crotch portion in

such a manner as to give the appearance of a normal stitched seam in the closed position.

2 An article of clothing having a crotch portion separating two leg portions or openings, and having in the crotch portion and as far as or adjacent the rear waist a crotch fly which is openable and closable by fastening means which in the closed position are concealed, and in which, preferably, the said fastening means are provided along a line in the crotch portion in such a manner as to give the appearance of a normal stitched seam in the closed position.

5 In addition there are eleven subordinate claims, covering various preferred details of the articles claimed in claims 1 and 2. The description describes rather more variants than the claims might suggest, as it lists no fewer than 74 different options for the crotch fly and the concealment means.

The pleadings, submissions and the evidence

6 On 30 July 2002, one of the co-applicants, Mr Khemka, filed the present reference under sections 8, 10, 12, 13 and 37 of the Act, asking the Comptroller to determine the inventorship of and rights to the patent applications. He purported to be also filing the reference under sections 9 and 82, but these sections do not provide for proceedings to be filed. Rather, they simply affect the extent to which the other sections are applicable. The other co-applicant, Dr Osei, has resisted Mr Khemka's claims. Mr Khemka has been represented in these proceedings by the patent agent, Mr Gold (now of Kilburn & Strode) who filed the PCT application. Dr Osei is unrepresented.

7 In his statement of case, Mr Khemka seeks a declaration that he is solely entitled to the patent applications in question and that he is the sole inventor. However, the statement was accompanied by a first witness statement from Mr Kemka, in which he requests at paragraph 23 that the Comptroller makes orders:

“A To delete Mr (Dr) Osei's name as inventor, which would also assist me in proceedings in the United States;

B To transfer the entire ownership of the application to me;

C Less preferably, if the Comptroller deems it appropriate, to grant my request under (A) and (B) but also to grant Dr Osei a personal, non-assignable licence to exploit the invention, but with an obligation thereunder to use all proceeds from such exploitation to extinguish his debt to me as per Exhibit SK2, i.e. of Mr Gold's letter to Dr Osei of 22 March 2002.”

A and B broadly correspond to the relief sought in the statement. At C he seems to be offering a fall-back position.

8 Dr Osei responded with a counterstatement dated 1 November 2002 also accompanied by a witness statement. Taking his cue from Mr Khemka, he also included requests for relief in both his counterstatement and his witness statement. In his counterstatement,

he sought declarations that he is solely entitled to the patent applications in question and that he is the sole inventor, and also a declaration that he has “a right to licence the invention independently”. In his witness statement, he requests that the Comptroller:

“A Disregards orders A,B,C in paragraph 23 of his [ie Mr Khemka’s] statement;

B Acknowledge that I am the inventor;

C Acknowledge that I have an assignable licence to exploit the invention independently.”

In this statement, it will be noted, he does not expressly seek a declaration that he is solely entitled, though I think this is probably supposed to be implicit in B. Be that as it may, I do not consider the slight uncertainties about the exact form of relief sought by each side to be important because the overall message is clear. Each side asserts that the invention was their’s alone and that they are solely entitled, but each side also envisages the possibility that I might not find wholly in their favour. The exact form of relief that might be appropriate will depend on my findings.

- 9 Subsequently Mr Khemka filed a further witness statement from himself and one from Mr Gold, his patent agent. Dr Osei has not filed any further evidence. In a letter dated 1 April 2003, Dr Osei asked that the matter be decided on the papers, and Mr Khemka, in a letter dated 14 April 2003 also indicated that he is content for a decision to be made in that way.
- 10 Turning now to the history of the matter, there is a measure of agreement about the early stages of the life of the invention. Thus, it is common ground that, during 1995, Dr Osei made a suggestion to Mr Khemka that provision of an openable crotch could enable a woman to urinate through the trousers. It is also common ground that, at this stage, both parties made a “gentlemen’s agreement” orally that they should share costs and profits arising out of the invention 50:50.
- 11 Both agree that further work was done in developing the invention, involving consulting a designer or designers, and a first patent application - GB9512028.3 - was filed on 14 June 1995. Both sides acknowledge that each contributed to the costs, including those of a subsequent prior art search. The application was then abandoned and a refiling (GB9617736.5), said to include additional information, was made on 23 August 1996. This application was the priority for the subsequent PCT application. Mr Khemka acknowledges that Dr Osei did also contribute to the costs of this second application.
- 12 The two sides disagree, though about their relative contributions to the technical development of Dr Osei’s original suggestion. Mr Khemka says that subsequent refinement of the basic idea of providing a crotch fly - particularly in the light of prior art searches - lead to additional features, primarily for concealing the pulley or zip, and that these were his ideas. Dr Osei says that, on the contrary, these ideas for this further refinement were his.
- 13 In carrying the invention forward, naturally enough, the costs became ever more

significant, and it is clear from the witness statements that the previously harmonious partnership became strained, with Mr Khemka feeling that he was putting more than his fair share into the project, whilst Dr Osei becoming more uneasy with the way in which he says Mr Khemka was managing it. For example, Dr Osei draws attention to a business plan drawn up by Mr Khemka which makes no reference to his involvement.

- 14 Both sides acknowledge that in 1996 the understood terms of their gentlemen's agreement were varied, but their recollection of the precise variation is not the same. Nevertheless, they seem agreed that Dr Osei's financial commitment was lessened, although I have to note that Dr Osei says that he was to retain a 50:50 share of the decision-making. However, Mr Khemka says that the contributions actually made by Dr Osei were not in the amounts that they agreed. Dr Osei does not deny this but presents it, as I interpret it, as a natural reaction to his perception of the manner in which Mr Khemka was managing the project.
- 15 In his witness statement, the patent agent, Mr Gold, who prosecuted the PCT and other applications comments on his perception of the relative contribution towards the applications subsequent to 1997. He says that he perceived Mr Khemka as what I might describe as the driving force; it was, he says, Mr Khemka who came up with technical input; and that, at this stage, Dr Osei did not seem to him to contribute technically. He also notes that funds were provided by Mr Khemka's companies and by others associated with Mr Khemka, but never by Dr Osei or by a person described to him as a contact of Dr Osei.
- 16 Mr Gold purports to be making his witness statement on behalf of himself and a colleague, Ann Addison, who did most of the professional work on the applications. Insofar as the witness statement is supposed to be expressing the recollections of this colleague it is hearsay. Hearsay evidence is, of course, admissible, but the weight that should be attached to it depends on the circumstances. In this case, in the absence of any indication as to why Ann Addison has not given evidence of her recollections herself I am not prepared to attach any weight to it. In other words, I shall ignore the assertion that she supports what Mr Gold has said. That does not completely undermine Mr Gold's evidence because he explains that, as the responsible partner, he was personally involved in these applications and met the parties jointly with Ann Addison. However, it is not clear from this that he was present at every meeting with the parties, and that leaves me with a small question mark as to how much of the contents of Mr Gold's witness statement are matters for which he can personally vouch, rather than being a secondhand report from his colleague.
- 17 It is clear from my reading of the papers on this case that cost is of crucial importance to both sides, and that neither can afford to sink much money into this litigation. That is doubtless why the evidence is much less detailed than it ought to be, why submissions on the law from either side are almost non-existent and why neither side wanted a hearing. Fuller evidence and fuller submissions would have helped me considerably, and this is also a case where cross examination of the two key players might have been very useful in resolving the conflicts of evidence. Indeed, I have to say that I seriously considered going back to the parties to seek more evidence and more-detailed submissions. However, in view of the parties' concerns about costs, I decided not to force the parties into more expense but to come to the best decision I

could on the imperfect material available to me and my own knowledge of the law. Inevitably, though, that decision is not as helpful to the parties as it could have been with more material before me.

- 18 I must, though, make one comment on the submissions from Mr Khemka. In his agent's letter dated 14 April he "hopes that the eventual decision takes the following precedents (at least) into account" and then lists eight precedents with no further comment. This is not acceptable. If a party wishes to rely on precedents, he cannot leave it to the hearing officer and the other side to try and guess the relevant principles he wishes to draw from them. It is incumbent on him to identify, at least in outline, the arguments he wishes to make on the basis of those precedents, and that is particularly important when the other side is unrepresented and will therefore have even less idea than the hearing officer what arguments he is supposed to be dealing with.
- 19 Having said that, in the light of the finding I have come to below in respect of inventorship, it seems to me that at best only one of the eight precedents cited, *Pelling & Campbell's Application (BL O/134/87)*, is of any potential help to me. The circumstances there had some similarity to those of the present case, and it is of interest mainly because of the possible remedies that the hearing officer considered under section 10 in order to achieve an equitable result. Nevertheless to be equitable I cannot slavishly follow a previous case but must consider the particular circumstances of the case before me, so I do not believe Dr Osei is losing out by Mr Khemka's failure to say what arguments he was basing on this precedent.

Jurisdiction

- 20 The first question I must consider is jurisdiction, especially as I am being asked to determine entitlement to a number of foreign property rights. I have received no submissions on this, and indeed, when the Office wrote to the claimant questioning the precise jurisdiction available to me, Mr Gold responded robustly, accusing the Office of being pedantic and telling it (politely!) to get on with it and not shirk its duty. However, the question of jurisdiction cannot be brushed aside so lightly, because I cannot make findings that I have no jurisdiction to make. Equally I appreciate the parties' concerns not to get bogged down in legal nitpicking, so I shall adopt as constructive approach as I can.
- 21 I will start with my jurisdiction to determine entitlement to a patent. Section 8 of the Act gives me the power to determine entitlement to a UK patent application prior to grant of the patent. It does not extend to European Patent applications which designate the UK - see section 78, which extends certain provisions of the Act to such applications, but not section 8. I have not been asked to determine entitlement to any UK patent application, so the reference under section 8 was ill conceived as there is nothing for me to decide under this section. It follows that the inclusion of section 9 in the reference was also ill conceived, as section 9 merely says what should happen if grant takes place after section 8 proceedings have been launched but before the Comptroller has made her determination.
- 22 Section 12 gives me the power to determine entitlement to foreign patent applications, and to applications made under international conventions, provided the reference is

made before the patent is granted. Subsections (1) and (3) read:

12(1) At any time before a patent is granted for an invention in pursuance of an application made under the law of any country other than the United Kingdom or under any treaty or international convention (whether or not that application has been made -

(a) any person may refer to the comptroller the question whether he is entitled to be granted (alone or with any other persons) any such patent for that invention or has or would have any right in or under any such patent or an application for such a patent; or

(b) any of two or more co-proprietors of an application for such a patent for that invention may so refer the question whether any right in or under the application should be transferred or granted to any other person;

and the comptroller shall determine the question so far as he is able to and may make such order as he thinks fit to give effect to the determination

12(3) Subsection (1) above, in its application to a European patent and an application for any such patent, shall have effect subject to section 82 below.

- 23 Section 82 imposes limitations on the Comptroller's jurisdiction under section 12 for European applications, but it does give jurisdiction if the patent applicant is resident or has a principal place of business in the United Kingdom. Mr Khemka and Dr Osei are both UK residents, so this condition is clearly met in the present case.
- 24 Section 12 can only be invoked "at any time before a patent is granted" in pursuance of a foreign application or an application under an international convention. In the absence of any argument to the contrary by either party, I shall assume this does not mean that a grant anywhere in the world prior to launch of the proceedings, whether in pursuance of a single PCT application or individual national applications, kills all prospective proceedings under section 12, but simply that it kills proceedings so far as the country in which the grant has occurred is concerned. When the present proceedings were launched, according to the schedule provided by Mr Khemka patents had already been granted in the United States, Singapore, Haiti and under the Eurasian Patent Convention, so that means I have no jurisdiction under section 12 to consider entitlement to any of these patents.
- 25 There is no provision corresponding to section 9 to say what should happen if grant takes place after the proceedings have been launched under section 12 but before the Comptroller has made her determination. This is relevant because a European patent has now been granted, and for all I know, other patents may have been granted too. In the absence of argument to the contrary, I am prepared to assume that my jurisdiction under section 12 continues.
- 26 Section 12 requires the Comptroller to determine the question "so far as he is able to".

This qualification is important because the right to a foreign patent may depend not only on UK law but also on the relevant foreign law. So far as the European patent is concerned, Article 60(1) of the European Patent Convention states that “the right to a European patent shall belong to the inventor or his successor in title”, so I have the necessary legal framework to make a determination in respect of the European patent application. However, I have been given no information on the relevant foreign patent laws for any of the other applications, and that precludes me from making a definitive finding in respect of them. Of course it is quite likely that in many countries the law will be very similar to Article 60(1), and where that is the case, my determination in respect of the European patent will still be useful to the parties in respect of those countries.

27 Finally, Mr Khemka has invoked one other section in respect of entitlement, section 37. This gives me the power to determine entitlement to a UK patent after grant. There is no UK patent granted via the national route. Section 37 extends to granted European Patents which designate the UK by virtue of section 77, but it does not appear to help in the present case as the proceedings were launched before the European patent had been granted and, as I pointed out above, there is nothing analogous to section 9 for European Patents (UK). Section 37 would be able to bite on the European Patent (UK) if fresh proceedings were being launched now, but of course section 12 would not then be available for that patent. In short, one or other section is always available for a European Patent (UK), but not both simultaneously. Thus as with section 8, there appears to be nothing in the present case on which section 37 can bite.

28 So much for my jurisdiction to determine entitlement. I will now turn to my jurisdiction to certify who is the inventor. Disputes about inventorship are covered by Section 13(3), which states:-

“Where a person has been mentioned as sole or joint inventor in pursuance of this section, any other person who alleges that the former ought not to have been so mentioned may at any time apply to the comptroller for a certificate to that effect, and the comptroller may issue such a certificate; and if he does so, he shall accordingly rectify any undistributed copies of the patent and of any documents prescribed for the purposes of subsection (1) above.”

However, by virtue of the definition of “patent” in section 130(1), and taking account too of sections 77 and 78(1) and (2), section 13 applies only to patent applications and patents which have followed the UK national route - and there are none in this case - or have followed the European route and designate the UK. Thus I have no jurisdiction to issue a certificate of inventorship save in relation to the European patent (UK).

29 I turn finally to my jurisdiction to resolve disputes between joint applicants. Section 10 coupled with the definition of “patent” in section 130(1) gives me such jurisdiction in respect of UK patent applications following the national route. It reads:

“If any dispute arises between joint applicants for a patent whether or in what manner the application should be proceeded with, the comptroller may, on a request made by any of the parties, give such directions as he thinks fit for

enabling the application to proceed in the name of one or more of the parties alone or for regulating the manner in which it shall be proceeded with, or for both those purposes, according as the case may require.”

- 30 There is of course no national UK application under consideration in the present proceedings, but section 12(4) extends section 10 to any patent application falling within section 12(1), with one qualification. The qualification is that I cannot regulate the manner in which an application is to proceed - in other words, I can only give directions for enabling the application to proceed in the name of one or more of the parties alone. The other point to note about section 10 is that it does not extend to granted patents. What all that means in the present case is that I can direct that any of the un-granted applications should proceed in the name of just one of the two parties, but I cannot make any other order about the prosecution of such applications, and I cannot make any order at all under section 10 in respect of any granted patent.
- 31 In summary, therefore, I have no jurisdiction in the present case under sections 8 or 37. Under section 12 I can determine entitlement to the European patent, but I cannot determine entitlement to the US, Singapore, Haiti and Eurasian patents and can make no definitive determination in respect of patents elsewhere. Under section 13 I can certify inventorship in relation to the European patent (UK) but not in relation to anything else. Finally, under section 10 I can give directions for enabling any of the applications that has not yet been granted to proceed in the name of just one of the parties.
- 32 On the face of it, this means I can only deal with a small part of the case originally put to me. In practice, I am optimistic that my findings in relation to the issues I can deal with will be sufficient to help the parties sort out the other aspects of their dispute as well.

Inventorship

- 33 As I have said, under the European Patent Convention the right to a European patent belongs to the inventor or his successor in title. Thus determining who was the inventor is not something that only needs to be done for section 13 purposes. It is also a crucial first step in determining who has the right to the patent. The first question, though, is: inventor of what? To determine that, I have to identify the invention.
- 34 This point is one that is not addressed adequately by the parties in many inventorship and entitlement disputes, and that is, alas, true in the present case. The problem when dealing with un-granted patent applications is that what is the “invention” is in a state of flux. What the applicants initially claimed as the invention may turn out to be known, but there may then be invention in what were originally presented as subsidiary features. To avoid an enquiry into validity as part of entitlement proceedings, the approach often adopted in the past is to say that the invention is what the applicants perceived as inventive at the time of filing their application. Whilst it may not be a sensible approach in all circumstances, it does not seem an inappropriate one here. Accordingly, in the absence of any submissions as to how I should tackle this question, I shall approach it on this basis. In doing so, whilst I must pay attention to what is in the independent claims, I cannot restrict my consideration to them because there may

well be features that were perceived as inventive elsewhere in the disclosure.

- 35 In assessing what the applicants perceived as inventive at the time of filing I will start with the first six pages of the PCT application, as these give a picture of the context of the invention, and its relationship with what was known, as seen by the inventors. The statements of prior art contained in the first three pages clearly acknowledge by reference to five prior disclosures the idea of an openable crotch as being previously known. Of those five disclosures, two used what the application called a “short” crotch fly, extending under the crotch but no further, one used what the application calls a “long” crotch fly, extending from the lower end of the front of the trousers right round to the rear waistband, and the remaining two used an “all-the-way” crotch fly in which the opening extended from waistband to waistband. The last three all attempted to conceal the fastening means (usually, but not necessarily, a zip) so that it was not apparent to observers that the trousers had a crotch opening. However, the present specification suggests that none of them were entirely successful in doing this, eg because the pulley of the zip was left exposed, or because the flaps covering the zip would not reliably lie flat.
- 36 These first few pages contain two general statements about the invention. The first, on page 3, says that the invention discloses garments with a long crotch fly in which the fastening means is fully concealed, in particular, whether using a regular zip or a so-called invisible zip. The second, on page 5, says that the invention discloses “several different ingenious means” of concealing a short crotch opening and goes on to give a number of quite varied examples, eg using a flap with a special stitching arrangement, using a zip that deviates at one end, or using a reinforced flap. These statements do not seem to be pointing towards a single “eureka” moment, and that impression is strongly reinforced by the next part of the description, pages 7 to 18. This says that the present invention discloses a garment with a crotch fly “and with further concealment means of the said fly as follows”, and it then launches into a long list of 74 different ways of concealing the fly. The remaining part of the description, describing a number of specific embodiments, reflects the variety of different concealment methods.
- 37 The description, then, does not pin down any single, main, inventive concept. Unfortunately the two independent claims (and their consistory clauses) do not do so either. They appear to be similar in scope save in one respect: whereas claim 2 requires the crotch fly to extend to the rear waistband - and thus covers long and all-the-way flies only - claim 1 appears to cover short flies as well since it merely requires the fly to extend along the perineal region. Otherwise the only material requirement in the claim is that the fastening means be concealed. As the description acknowledges three prior disclosures that meet this requirement, the claims as drafted do not help to identify any inventive concept. Both claims also include a clause saying that “preferably” the end result gives the appearance of a normal stitched seam. It is questionable whether these clauses limit the scopes of the claims, but even if they do, they merely express a desirable objective which, it would appear from what the specification says about them, at least some of the prior art disclosures were also trying to achieve. As for the subordinate claims, they merely appear to be covering a selection of ways of achieving the features required by the main claims.
- 38 I must now turn to the evidence. It is, I regret, pretty sparse. The first witness

statement of Mr Khemka, and that of Dr Osei, are in clear agreement that in 1995 Dr Osei had the first basic idea of providing a crotch fly to allow access to the perineum. It seems fairly clear that, at that stage, they saw the very idea of providing a crotch fly in women's trousers as being the invention. However, a lot of water passed under the bridge between then and the filing of the PCT application. In particular, as the evidence establishes, they filed a first application, had prior art searches conducted and discovered that this basic idea was known. Indeed, I presume that it was at this stage they became aware of the five prior art documents mentioned in the present application. If there was to be invention, it had to be in specific ways of implementing this idea rather than in the idea itself. Consequently the first application was abandoned, and further developments and discussions with designers took place before the current application was filed.

- 39 So where does that leave us so far as identifying the "invention" is concerned? The overwhelming impression given by the description and claims is that the inventors did not perceive any one feature to be "the" invention at the time they filed the PCT patent application, and that is reinforced by the evidence. Dr Osei's original idea had got them interested in the design of women's trousers with a crotch fly, they had looked at prior proposals and felt they were not entirely satisfactory, and had then put a fair amount of effort, helped by clothes designers, into devising ways of improving them. They had come up with a large number of ideas, and from the fact that they put all of them into the patent specification I am satisfied that they saw all of them as being inventive. In short, the "invention" that I need to consider for the purposes of the present decision is not one key idea but a whole host of ideas for concealing the presence of a crotch fly. I need to treat each of them as an invention for present purposes. I should add that even if the inventors saw some underlying central inventive concept that I have missed, it does not really alter the approach I must adopt because I am quite satisfied they felt their proposals incorporated lots of other inventive features too. Whatever the position on any central inventive concept, I need to take account of everything that was perceived as inventive.
- 40 The multiplicity of inventions present in the application is important, because neither Dr Osei nor Mr Khemka can be named as the sole inventor unless they invented all the inventions that are present, so I shall now move on to the question of who did invent them. It was Dr Osei who had the original idea of providing a crotch fly. However, whilst this may have been the trigger that sparked off a train of inventive activity, by itself it does not make him an inventor of what is in the PCT application because that original idea was not seen by Dr Osei and Mr Khemka as inventive at the time the PCT application was filed. To draw an analogy, if I instruct a research team to go away and invent a better mousetrap and they eventually do so, the mere fact that I set them thinking about mousetraps does not make me an inventor of what they eventually came up with.
- 41 So where did all the inventions come from? The evidence is conflicting and unclear. Paragraph 7 of Mr Khemka's first witness statement asserts that it was he who continued research and consultation with designers, and that, although he admits Dr Osei was present at some of the discussions with designers, he

"did not contribute anything technically useful; his input had been mainly in the

nature of comments on garment/zip quality rather than technically creative. All the ideas that were developed for concealing the pulley or puller of the zip and its deviating line were mine.”

42 On the other hand Dr Osei says in paragraph 7 of his statement of case that

“Mr Khemka did not make a concomitant invention independent of me at any stage. It was my input that led to a patent, and it was my visual and structural template that formed the embodiments to the invention.”.

Strictly this cannot be regarded as evidence as Dr Osei, like Mr Khemka, failed to add a statement of truth to his statement of case. However, in paragraph 2 of his witness statement he does say that when he “revealed to Mr Khemka his invention that it is feasible for a woman to urinate through a perineal opening in a pair of trousers, he “elaborated a number of ways this could be done”. More specifically, in paragraph 7 he says that his personal creative input

“includes the concealing of the pulley device and the deviation.”.

In reply in his second witness statement, Mr Khemka denies Dr Osei’s assertions, specifically saying that Dr Osei did not elaborate any of the ways described or claimed in the patent application.

43 The evidence from the two sides is clearly conflicting. There are no internal inconsistencies in either side’s evidence and no inconsistencies between the witness statements and the small amount of contemporary documentary evidence filed. Further, I have not had the benefit of cross examination, which might well have helped to resolve the conflict. This leaves me with no basis on which to prefer one side’s story to the other’s. However, looking a little deeper, I suspect the conflict between the evidence of the two sides may in fact be the result of another problem - the lack of detail in both versions. From Mr Khemka we have nothing other than a generalised assertion that all the ideas were his. He doesn’t tell us how or when he came up with each idea, and indeed he doesn’t even attempt to identify what the ideas were. Dr Osei is a little more specific in laying personal claim to two ideas - concealing the pulley and making the zip deviate - but again, little information on how or when he came up with these ideas, and no indication of the extent to which he was responsible for all the various variation on these ideas.

44 There is one other piece of evidence I must consider. Mr Khemka has also submitted the witness statement from Mr Gold, the patent agent involved in the PCT application. He says in paragraph 4 of his statement that Mr Khemka

“provided all of the technical details and instructions upon which the specification was drawn up, including a lot of extra descriptive material and even claims written by him. It was he who explained how to overcome the prior art revealed by the searches referred to in Mr Khemka’s first witness statement: this art clearly indicating that the very broad idea of a perineal fly in women’s trousers was not new. This technical support continued ever since and we have had no such input from Dr Osei since at least the end of 1997”.

45 Now even ignoring my small question mark over Mr Gold's evidence, there could be different interpretations which could be put on this. One of them is the inference that I am invited to draw - that Dr Osei made no technical contribution to the inventions of the PCT application. On the other hand, it could just as easily have been that Mr Khemka and Dr Osei had agreed between themselves that Mr Khemka was to act as spokesman for both of them in the meetings with the patent agents, and present the previously-agreed proposals. There is no direct evidence to help me choose between these two possible interpretations, but in the light of the witness statements of Mr Khemka and Dr Osei, it seems to me that this second is just as likely as the first. Mr Khemka had had prior contact with the patent system in connection with a previous idea of his, so leaving to him the task of liaising with the patent agent may well have been the natural choice, particularly as it is clear Dr Osei was struggling to balance conflicting demands on his time because of medical studies. Accordingly I have come to the conclusion that Mr Gold's evidence does not help me at all in deciding who was the inventor.

46 For Mr Khemka to succeed in his claim to be the sole inventor, the onus is on him to show that he was the sole inventor of all the inventions in the PCT application. For the reasons given above, he has failed to discharge that onus. Indeed, he has not discharged that onus in respect of any of the inventions, let alone all of them. Consequently his claim must fail. Conversely, of course, for Dr Osei to succeed in his counterclaim that he was the sole inventor, he must show he was the inventor of all the inventions. He has not done so either, so his counterclaim must also fail. I shall therefore go on to look who should have the rights to the patents on the basis that both Mr Khemka and Dr Osei were inventors.

Patent rights

47 As I have explained earlier, I am only in a position to determine the right to the European patent (UK). Under Article 60(1) of the European Patent Convention the right to the patent belongs to the inventor or his successor in title. In the present case, and in the light of my finding on inventorship, that means the European patent belongs in principle jointly to Mr Khemka and Dr Osei unless there has been any "succession in title". There are no other parties involved here, so to determine whether there has been any change in title, all I need to consider is whether the oral "gentlemen's agreement" between the two inventors had the effect of causing one person's share in the title to pass to the other.

48 Of course the gentlemen's agreement is irrelevant unless it had the characteristics of a contract and thus becomes enforceable, but I am satisfied it did, even though it was merely oral. The characteristics of a contract in law are that there should be an offer, an acceptance and a consideration. It is agreed that in 1995 Mr Khemka did indeed offer Dr Osei a share of any future profits in return for a promise from him to share costs and decision-making; it is equally clear that Dr Osei accepted this offer on those terms. On his part, Dr Osei offered his promise of contribution in return for a share of the profits and decision-making, and this was clearly accepted by Mr Khemka. I therefore find that there was an enforceable contract.

49 The agreement was all about commercialising the invention, so I am satisfied that both

sides would have seen it as covering any patents that were obtained. In his statement Mr Khemka says that “everything would be divided between us 50/50” and the words used in both witness statements about the original agreement clearly support that - “share costs and profits 50:50” in Mr Khemka’s and “share decision-making, and the resulting costs and profits 50/50” in Dr Osei’s. Now this agreement was made at a time when the invention was perceived as something different - the very idea of having a crotch fly - but it is clear both sides saw the agreement as covering the development of that original invention. Since the inventions I am now considering were indeed developments of that first idea, I am satisfied that the “gentlemen’s agreement” applies to them as well. What the agreement unquestionably did not do is commit either party to relinquishing his share in the title.

- 50 It is common ground that this agreement was subsequently varied in 1996, but there is uncertainty about exactly how it was varied. Mr Khemka says he was to bear 75% of the costs and take 75% of the profits. Dr Osei says the split was to be 65%/35%. With no contemporary documents supporting either set of figures, I have no basis on which to form a view as to what the agreed split really was, but one thing is clear - both sides were to remain co-owners.
- 51 The “gentlemen’s agreement”, therefore, leaves both as co-owners. However, that is not the end of the matter because the statements from both sides assert that the bargain was not fully lived up to. Mr Khemka says that Dr Osei did not contribute to the full extent of his financial promise, and Dr Osei says he was being excluded from his contribution to decision-making and management of the project. Indeed, it was these complaints that led to the variation of the agreement in 1996, but unfortunately that variation does not seem to have resolved the growing difficulties between the two men. From the evidence of both sides it is pretty clear that by at latest the end of 1998 - and possibly earlier - Mr Khemka was driving the project ahead on his own without any reference to Dr Osei, whilst Dr Osei had stopped contributing anything financially. Indeed, all communications between them had ceased, as evidenced by the fact that when these proceedings were launched, Mr Khemka had considerable difficulty in tracing Dr Osei.
- 52 I do not think Mr Khemka is arguing that the incomplete performance of the consideration under the contract should result in the agreement being voided - if he were, the argument would get him nowhere given my finding on inventorship as it would simply leave the two of them as joint owners. Rather, I think he is arguing that in equity I should use the power available to me under section 12(1)(b) to transfer Dr Osei’s rights in the patent to him. This is where the analogy with *Pelling & Campbell’s Application* (BL O/134/87) comes in, because in that case the hearing officer (albeit under section 10, not section 12) directed the non-paying co-owner of the patent application to assign his interest to the other owner in return for a free, non-assignable licence.
- 53 The present position is unquestionably most unsatisfactory. The breakdown in the relationship between the parties could result in the inventions not being exploited at all and/or neither of them getting any benefit from them. That would also be against the public interest, because as section 50(1)(a) recognises, there is a public interest in encouraging inventions to be worked to the fullest extent that is reasonably practicable.

Both sides have asked that, if I don't find the invention belongs wholly to them, I should solve the impasse by some form of licence arrangement. I therefore believe it is right I should make an appropriate order under section 12(1) in respect of the European patent (UK). That order should maximise the probability of the invention being worked, but it must also be as equitable as possible to both sides.

- 54 In considering what order to make, there are a number of factors that I must take into account:
- C As co-inventors, both of them in principle ought to get something from the patent. I say "in principle" because clearly one could forfeit his rights if he fails to fulfil the obligations that go with those rights. However, I do not think the failures to date are sufficiently clear and one-sided to justify depriving either of all his rights at this stage.
 - C Leaving both as co-owners is unlikely to work because there would be too many decisions which would require their joint agreement. It would be better to make one the owner but give the other compensating rights.
 - C If one pays a higher proportion of the costs of securing and maintaining patent protection, he deserves a higher proportion of the benefits.
 - C The parties have already accepted, when they varied the original gentlemen's agreement, that Mr Khemka should bear a higher proportion of the cost, but equally get a higher proportion of the benefit, than Dr Osei.
 - C Mr Khemka seems to be showing the greatest drive and determination in pursuing the commercial exploitation of the inventions. It may be that if relations had been better Dr Osei would also have done more to help with this, and indeed I suspect that at earlier stages the effort was more equally shared. However, now that he is a qualified and practising doctor, it seems unlikely that Dr Osei will be able to devote quite as much time to this as Mr Khemka.
 - C The nature of the invention is such that neither is likely to be able to exploit the invention personally. They will have to bring in others by licensing, assignment or setting up a company to exploit the inventions. Thus giving one a licence would be giving him nothing if there were neither a right to sub-licence nor a right to assign, as was done in *Pelling & Campbell*. Equally giving one a free assignable, sublicensable licence with no obligation to contribute towards the costs of the patent would be giving him all the benefits of the patent with none of the costs, and that would be unfair on the other.
- 55 Weighing up these points, I have come to the conclusion that the fairest solution is for Mr Khemka to become the sole proprietor the European Patent (UK), with Dr Osei having a licence under the patent. However, Dr Osei should pay a small royalty to Mr Khemka to reflect the costs of maintaining (and, if occasion arises, enforcing) the patent that Mr Khemka will have to bear. The royalty should not, though, reflect any element of compensation to Mr Khemka for use of his share of the invention, because that would only be fair if Mr Khemka were also paying a cross royalty to Dr Osei.

Thus if the royalty is based on a percentage of sales, I would expect it to be considerably smaller than the 5-6% royalty that inventions of this nature generally attract when licensed to third parties. Dr Osei's licence should permit sub-licensing and assignment, because otherwise it will be useless to him. However, there should be no minimum royalty - if Dr Osei chooses to do nothing with the invention, thereby effectively handing it all over to Mr Khemka, he should not be expected to still have to pay Mr Khemka.

56 I am conscious, though, that this is not what either side has requested. I am also aware that drawing up an appropriate order and licence will require further work, since there will be a number of details to sort out, eg royalty rate, payment and accounting details, what happens if one side defaults, and what happens if Mr Khemka loses interest in the patent or doesn't bother to pursue infringers. Accordingly I will allow both sides six weeks to consider my conclusion, and let me know whether they wish to resist an order along these lines, and if so, why. If both are content and they can agree a suitable royalty between them, I will then ask Mr Khemka to draft an appropriate order and licence. If neither is content but they are able to agree some alternative between them, I shall be very happy to make an order reflecting what they have agreed. If there are disagreements, I will consider the submissions before deciding how to proceed. The responses should be filed in writing and copied to the other side.

57 There is one matter which so far I have glossed over, and that is the question of what to do about the incomplete performance of the "gentlemen's agreement" that has allegedly occurred so far, and in particular, Dr Osei's failure to pay his full share of the costs. Strictly one could argue that providing a remedy for breach of agreement is not a matter for the comptroller, but I do not feel such a purist approach would be very helpful here, where the whole case stems from the alleged breaches. Equally, I am not in a position to assess the extent and significance of the breach because the particulars I have been given as to non-performance are not sufficiently precise to come to any conclusion. Whilst Mr Khemka has put in evidence a letter from Mr Gold quantifying his professional charges on the PCT and other applications post-1997, there is no quantification of Mr Khemka's and Dr Osei's contributions before that; and it is impossible to determine and quantify Dr Osei's claim that he was at least partially excluded from decision-making. I think the pragmatic solution is to encourage the parties, when making their submissions to me (particularly on royalty rate), to take account of what has happened so far as well as what should happen in the future, so that my order can reflect the whole picture and avoid further litigation.

Dealing with the outstanding patent applications

58 Finally, I must turn to section 10. As I explained earlier, under section 10 I can give directions for enabling any of the applications that has not yet been granted to proceed in the name of just one of the parties. However, I have some difficulty in doing so for two reasons. First, I have no idea in which countries or regions patent applications are still pending. Second, even if I knew this, I cannot be sure my conclusions on rights to the European patent could be extended to the pending applications because I have been given no information on the laws of the countries concerned.

59 Against such an uncertain background, I am not at the moment prepared to make any

formal ruling under section 10. However, I would be prepared to do so if the parties were agreed that my proposed order in respect of the European Patent (UK) should extend to applications covered by section 10.

Summary

60 I think it will be helpful if I summarise my conclusions:

C I have thrown out for lack of jurisdiction the references under sections 8 and 37, the purported reference under section 9, and the reference under section 12 so far as it relates to patents that had already been granted at the time the reference was filed.

C I have considered the reference under section 13 so far as I have jurisdiction to do so - that is, in relation to the European patent (UK) only - but declined to issue a certificate on the grounds that Mr Khemka and Dr Osei are both correctly named as inventors.

C I have decided to make an order under section 12 (taking account of section 82) in respect of the European Patent (UK) but given the parties six weeks to make submissions on the details of the order.

C I have declined to make an order under section 12 in respect of any other patent applications, or an order under section 10, for lack of any information about the applicable law and state of play.

61 On the face of it, therefore, I have only been able to deal with one of the many patents and patent applications involved. In practice, I suspect my conclusions on the European patent (UK) will be equally applicable to most of the other patents and patent applications, and I hope the parties will have enough common sense to recognise this. Indeed, notwithstanding my inability, either for want of jurisdiction or for want of information, to impose any order in respect of these other patents and patent applications, I am happy to extend my order to them if the parties are agreed that I should do so.

62 Finally, I must stress that the invitation to make submissions on my proposed order in respect of the European patent (UK) is not an invitation to reopen argument or supply further evidence in respect of any of the other matters I have either decided or declined to rule on. If a party does not like my decision on any matter, the proper course of action is to appeal.

63 I must apologise for the delay in issuing this decision, but it has taken longer than normal to prepare because of the inadequacies in the material supplied to me by the parties.

Costs

64 Neither side has asked for costs and I therefore assume neither seeks costs. If that assumption is wrong, the parties should make submissions on costs when they file their

submissions on the proposed order and licence.

Appeal

- 65 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal must be filed within 28 days.

Dated this 19th day of September 2003

P HAYWARD

Divisional Director acting for the Comptroller

THE PATENT OFFICE