



BL O/032/05

4 February 2005

PATENTS ACT 1977

BETWEEN

Tanktech Co. Ltd

Claimant

and

Emil Aarestrup Sorensen

Defendant

PROCEEDINGS

Application under section 71 for a declaration of non-infringement
of patent number EP(UK) 0460082

HEARING OFFICER

D J Barford

DECISION

Introduction

- 1 Patent number EP(UK) 0460082 (“the patent”) entitled “Pressure relief valve for pressure equalisation between a closed space and the surrounding atmosphere” was granted on 15 June 1994 to Emil Aarestrup Sorensen. On 1 May 1995 an exclusive licence under the patent was granted to Pres-Vac Engineering A/S, a company incorporated in Denmark.
- 2 On 14 May 2004 the claimant, Tanktech Co. Ltd (“Tanktech”), a company incorporated in South Korea, applied under section 71(1) to the comptroller for a declaration of non-infringement in respect of a valve (“the Tanktech valve”) that it proposed to manufacture. The defendant duly filed a counterstatement on 26 July 2004. The claimant’s next action, in a letter dated 15 September 2004, was to withdraw its application.
- 3 The defendant responded to the withdrawal in a letter dated 4 October 2004, submitting that the application had been brought in bad faith with no *bona fide* belief of success, and that in consequence the defendant should receive an award of costs representing the defendant’s actual costs rather than a sum based on the standard published Patent Office scale.
- 4 The claimant responded in a letter dated 3 November 2004 returning the allegation of bad faith and requesting that the claimant’s request for costs be dismissed. After further correspondence the parties agreed that a decision should be made on the papers,

both sides having put in detailed submissions as to costs. It is to that matter then that this decision is directed.

The issues

- 5 There was some initial uncertainty over who represents the defendant in these proceedings. However the problem was resolved without undue delay, and accommodated by an agreed short extension of time for filing the counterstatement. Neither side has referred to this uncertainty in the context of the dispute over costs, and I do not therefore intend to take any account of it.
- 6 I turn then to the issues that the parties have identified as material. The defendant points out that the claimant's withdrawal was made neither as part of a negotiated compromise nor with the defendant's consent, and argues that the award of actual costs should be made since the action was commenced with no *bona fide* belief in prospect of success. In support of this submission, the defendant argues firstly that the claimant's case was inadequately pleaded, and secondly that the claimant describes its valve as working in one way in order to distinguish it from the patent, but has argued that it works in a different way before regulatory authorities responsible for the safety of maritime equipment. The defendant submits that the claimant has withdrawn because it had no wish to contradict itself before a tribunal, and that this confirms the absence of any real desire to achieve a determination of the question of infringement.
- 7 The claimant's response is that, on the contrary, its decision to withdraw was based on its success in a Norwegian court in an action concerning Norwegian patent number 169915, which was derived from the same international patent application as the patent in suit. The claimant argues that, since the court found (in a decision dated 25 June 2004) that the claimant's valve did not infringe the Norwegian patent, the claimant was confident that its valve would not infringe the patent in suit, and decided to withdraw its action in order to save both parties from unnecessary cost. The claimant argues that the arguments for non-infringement are overwhelming and not directly related to the issue before the maritime authorities, and that it follows that any bad faith lies with the defendant.
- 8 There appears to be no dispute over the dates of the various events described by the parties, or over the substance of the decision of the Norwegian court, or over the fact that the claimant has argued successfully before certain maritime safety authorities on certain technical features of its valve. The location and constitution of these authorities has not been specified, but that is immaterial.
- 9 On the question of the adequacy of the claimant's statement of case, the defendant states that it exchanged detailed correspondence with the claimant but failed to obtain the necessary particularisation of the statement and so was obliged to concentrate on the issue of particularity in its counterstatement. It has not however provided any details of that correspondence. In its counterstatement the defendant baldly states that "the applicant's statement of case does not identify the features of the Tanktech valve alleged by the applicant to be relevant".
- 10 The claimant's response is that its case was fully set out in exhibit B to its statement.

This is a copy of a letter dated 19 April 2004 from the claimant to the defendant seeking a written acknowledgement that its valve would not infringe the patent. I have examined exhibit B and find that it includes a detailed drawing of the Tanktech valve, and an explanation of how that valve operates in comparison with what is set out in claim 1 of the patent. In addition the exhibit alleges invalidity and includes supporting argument. It is not my task here to determine whether or not those points are well made, but it does seem to me in the absence of any detailed argument or evidence from the defendant to the contrary, that the necessary degree of particularisation is there. I do not therefore find support for the defendant's allegation of bad faith here.

- 11 For completeness I should add that both sides have referred to actions by the Patent Office in the context of this issue. The claimant points out that the statement would have been checked by the Office before it was served on the defendant, and the defendant notes that an official letter was addressed to the claimant stating that it would be appropriate for the claimant to give careful consideration to the points on particularity made in the counterstatement. In my view neither of those actions can be taken as determinative. On the one hand, the fact that the Office served the statement on the defendant can be no guarantee of its sufficiency; and equally the fact that the Office invited the claimant to comment on the defendant's submissions as to deficiencies in the statement cannot be taken as support of those submissions.
- 12 The other main area of dispute is whether or not the claimant has run one argument on how its valve, the Tanktech valve, works before the Office and a conflicting one before the maritime authorities. The valve described in the patent, and the Tanktech valve as described in the statement, each comprise a valve housing having an opening which may be closed by a closure body, and inside the housing a stem extending downwards from the closure body to what is described as a lifting disc. The claimant states that the issue before the maritime authorities, which has now been resolved, concerned the provision of a shoulder on the valve stem below the lifting disc, whereas the issue on infringement is that in the Tanktech valve the lifting disc can move independently of the stem, in contrast to the patented valve. In response, the defendant states that the maritime authorities were concerned with a safety check which requires the disc to rise when the valve stem is lifted, ie that these two parts do not move independently.
- 13 The description of the Tanktech valve in exhibit B of the statement states (omitting reference numerals) that “.. the disc can move independently of the valve stem during normal operation. There is a shoulder on the valve stem below the disc, so that when the valve is manually opened, the disc is lifted with the stem by the shoulder”. This passage seems to me to be consistent with the claimant's submission. That said, it also seems to me from the drawing that once the valve starts to open, movement of the stem independently of the disc will be extremely limited due to the close proximity of the shoulder and disc, and that these two parts will then indeed move together. I conclude, on the limited argument and documentation before me, that the claimant's arguments before the Office and the maritime authorities are not in conflict, but that it was a legitimate point for the defendant to advance in these proceedings; and in short that the allegations of bad faith from both sides on this issue are unfounded.
- 14 In conclusion I am not persuaded that the claimant acted in bad faith in bringing this application; if it had failed before the Norwegian court then it seems to me that it could have pursued this application before the Office. Indeed, the fact that it succeeded

before the Norwegian court seems to me to provide support for its submission that it had a *bona fide* belief in its prospects of success in its action here.

- 15 Finally, the defendant points out that the date present proceedings were brought, which was 12 May 2004 (the statement was received on 14 May, but it is dated 12 May), was the final day of the trial in Norway, the judgement being reserved and delivered on 25 June 2004. The defendant argues that if a successful outcome was going to be decisive as far as the claimant was concerned, then a more reasonable course of action on the claimant's part would have been to have waited until the judgement issued before initiating these proceedings, or at least to have withdrawn promptly after the judgement instead of agreeing to a limited extension of time of one week (from 19 July 2004 to 26 July 2004) for the counterstatement to be filed.
- 16 The claimant has pointed out that both sides would have incurred additional expense if it had not withdrawn when it did. However the fact remains that the court issued its decision on 25 June 2004, but the claimant did not withdraw its application until 15 September 2004 with the consequence that the defendant filed a counterstatement in the interim. It is also the case that if the claimant had chosen to wait a short time for the Norwegian judgement to issue before deciding whether or not to launch these proceedings there might have been no expense at all to either side.

Conclusions

- 17 Either way, the defendant has been put to expense in proceedings from which the claimant has chosen to withdraw, and in my view, taking all of the above factors into account, the defendant is entitled to an award of costs.
- 18 I have not however been persuaded by the allegations of bad faith and conclude therefore that the circumstances are not such as would justify departing from the standard published scale of costs. Guided by that scale, I award the defendant the sum of £500 to be paid by the claimant not later than 7 days after the expiry of the appeal period. If an appeal is lodged, payment will be automatically suspended pending the outcome of the appeal.

Appeal

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

DAVID BARFORD

Deputy Director acting for the Comptroller