



BL O/066/05

15 March 2005

## PATENTS ACT 1977

BETWEEN

British Numberplate Manufacturers  
Association

Claimant

and

Hills Numberplates Limited

Defendant

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PROCEEDINGS

Application under section 72(1) of the Patents Act 1977 in  
respect of patent number GB 2376437

HEARING OFFICER

R C Kennell

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## PRELIMINARY DECISION

### Introduction

- 1 Notice of grant of patent No GB 2376437 entitled “Identification plates” was published in the Patents and Designs Journal on 27 August 2003. The patent relates to vehicle licence or number plates and their manufacture. An application for revocation of the patent was filed on 10 February 2004 by British Numberplate Manufacturers Association (“BNMA”) together with a statement alleging under section 72(1)(a) of the Patents Act 1977 (“the Act”) that the invention was not new and/or did not involve an inventive step.
- 2 In their counter-statement filed on 14 April 2004, the defendant Hills Numberplates Limited (the proprietor of the patent) replied to the allegations made in the statement. However, the defendant disputed the entitlement of BNMA to make the application on the grounds that it was not a legal person within the meaning of the Act. In the letter accompanying the counter-statement the defendant asked as a minimum for security of costs because it understood that the BNMA had no resources.
- 3 It was the view of the Patent Office that the issues of entitlement to file the application and security for costs needed to be addressed before the evidence rounds were begun. Correspondence between the parties failed to resolve these matters, which came before

me at a hearing on 18 November 2004. Dr Peter Colley, instructed by Messrs Dummett Copp, appeared for the claimant. Miss Jacqueline Reid, instructed by Messrs Laurence Shaw & Associates, appeared for the defendant.

### **Whether the claimant is entitled to file an application for revocation**

#### The constitution of the BNMA

- 4 It is not disputed by the parties that the claimant is an unincorporated association, and a copy of its constitution and rules has been sent to the defendant and to the Office. Although the terms of the constitution itself were not in issue, I think it will be helpful if I set out those which appear to me to be significant.
- 5 Section 1 states that the BNMA was formed on 22 June 1990, a list of the 15 founder members being annexed. Section 2 states the objects of the BNMA, which are essentially concerned with the welfare and interests of the numberplate manufacturing industry; object (v) is “to borrow, raise, or secure the payment or repayment of money in such manner and on such terms as the association may think fit.” Section 3 limits membership to manufacturers of vehicle numberplates whose place of business is in the UK who have been trading for 2 years on their own account and have a turnover derived from numberplates of £300,000. Section 17 provides for the expenses incurred by the BNMA to be defrayed by levies upon the members. Section 18 requires a bank or building society account to be opened in the name of the BNMA into which all monies received by the BNMA are to be paid, and makes provision for the signature of cheques drawn on the account. Section 21 makes provision for dissolution of the BNMA by resolution of the members and either the distribution of any remaining assets or the meeting of any insufficiency in funds.
- 6 Together with the constitution there was enclosed a list of the nine current members of the BNMA (as at 10 February 2004). Both the original and the current list include the firm Bestplate Limited, the original list giving the name of Tony McNamee as the contact. The position of Bestplate and Mr McNamee is explained at paragraphs 54 - 57 below.

#### The nature of the dispute

- 7 The dispute hinges on the wording of section 72(1). The relevant parts of this (and of section 72(2) which also came into the argument) read (emphasis added):

*“72(1) - Subject to the following provisions of this Act, the court or the comptroller may on the application of **any person** by order revoke a patent for an invention on (but only on) any of the following grounds, that is to say -*

- (a) the invention is not a patentable invention;*
- (b) that the patent was granted to **a person who was not entitled to be granted that patent;***
- (c) the specification of the patent does not disclose the*

*invention clearly enough and completely enough for it to be performed by a person skilled in the art;*

- (d) the matter disclosed in the specification of the patent extends beyond that disclosed in the application for the patent, as filed, or, if the patent was granted on a new application ..... ;*
- (e) the protection conferred by the patent has been extended by an amendment which should not have been allowed.*

**72(2)** - *An application for the revocation of a patent on the ground mentioned in subsection (1)(b) above -*

- (a) may only be made by a person found by the court in an action for a declaration or declarator, or found by the court or the comptroller on a reference under section 37 above, to be entitled to be granted that patent or to be granted a patent for part of the matter comprised in the specification of the patent sought to be revoked; and*
- (b) may not be made if that action was commenced ....., unless it is shown that any person registered as a proprietor of the patent knew at the time of the grant or of the transfer of the patent to him that he was not entitled to the patent.”*

8 The defendant argues that despite the width of section 72(1) the claimant as an unincorporated association does not have the legal personality to bring such proceedings. The claimant on the other hand argues that an unincorporated association is a person for the purposes of section 72(1) and should be allowed to bring proceedings bearing in mind that the Office has an overriding duty to ensure that no invalid patent remains on the register longer than is unavoidable.

### Arguments

9 The arguments before me at the hearing can I think be summarised under four headings (to some extent intertwined):

- (1) whether a contrary intention precludes the general definition of “person” in section 5 of the Interpretation Act 1978 from applying to section 72 ;
- (2) whether section 72 should be interpreted in the same way as section 7 of the Act;
- (3) whether the decision in *Oystertec plc’s Patent* [2003] RPC is relevant; and
- (4) whether an unincorporated association has the legal personality to allow it to bring proceedings;

and I will deal with them in this order.

*(1) Whether a contrary intention precludes the general definition of “person” in section 5 of the Interpretation Act 1978 from applying to section 72*

- 10 The Patents Act 1977 does not contain any definition of “person”, but Section 5 of the 1978 Act states (emphasis added):

*“In any Act, **unless the contrary intention appears**, words and expressions listed in Schedule 1 to this Act are to be construed according to that Schedule.”*

and Schedule 1 states:

*“ ‘Person’ includes a body of persons corporate or unincorporate [1889]”,*

the reference to “1889” indicating that the corresponding wording of the Interpretation Act 1889 was carried over.

- 11 Dr Colley argued that the BNMA was a “person” by virtue of this definition, and cited precedents (which I deal with under heading (4) below as part of the consideration of general law) to show that the term has been construed to include an unincorporated association under both the 1978 Act and its predecessor, the Interpretation Act 1889.

- 12 Miss Reid on the other hand thought this not to be the case, because a contrary intention did in fact appear from section 130(7) of the Patents Act 1977. Section 130(7) is declaratory that certain provisions of the Act, including sections 72(1) and (2),

*“are so framed as to have, as nearly as practicable, the same effects in the United Kingdom as the corresponding provisions of the European Patent Convention, the Community Patent Convention and the Patent Co-operation Treaty have in the territories to which those Conventions apply.”*

- 13 On the basis of the analogy drawn between revocation and EPC post-grant opposition proceedings (see the Enlarged Board of Appeal Decision G09,10/91 *Rohm & Haas* [1993] EPOR 485), Miss Reid argued that the corresponding provisions to section 72 were Articles 99(1) and 138 EPC. Article 138 deals with the grounds for revocation of a European patent under the law of a Contracting State. Article 99 is concerned with the procedure for opposition before the European Patent Office (“EPO”) following the grant of a European patent (Article 100 setting forth the grounds for opposition). It seems to me that the relevant parts of these Articles are the following:

***“Article 138 (Grounds for revocation)***

*(1) Subject to the provisions of Article 139, a European patent may only be revoked under the law of a Contracting State, with effect for its territory, on the following grounds:*

*(a) if the subject-matter of the European patent is not patentable within the terms*

*of Articles 52 to 57;*

*(b) if the European patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art;*

*(c) if the subject-matter of the European patent extends beyond the content of the application as filed or, if the patent was granted on a divisional application .....*;

*(d) if the protection conferred by the European patent has been extended;*

*(e) if the proprietor of the European patent is not entitled under Article 60, paragraph 1.*

*.....”*

**“Article 99 (Opposition)**

*(1) Within nine months from the publication of the mention of grant of the European patent, any person may give notice to the European Patent Office of opposition to the European patent granted. Notice of opposition shall be filed in a written reasoned statement. It shall not be deemed to have been filed until the opposition fee has been paid.*

*(2) The opposition shall apply to the European patent in all the Contracting States in which that patent has effect.*

*(3) An opposition may be filed even if the European patent has been surrendered or has lapsed for all the designated States.*

*(4) Opponents shall be parties to the opposition proceedings as well as the proprietor of the patent.*

*.....”*

**“Article 100 (Grounds for opposition)**

*Opposition may only be filed on the grounds that:*

*(a) the subject-matter ..... is not patentable .....*

*(b) the European patent does not disclose .....*

*(c) the subject-matter ..... extends beyond .....*”;

the grounds (a) - (c) in Article 100 being worded identically to grounds (a) - (c) in Article 138.

by the EPO Boards of Appeal. Thus, in T635/88 *De Erven G de Boyer BV* [1994] EPOR 358, the Board held (see paragraph 2 of the Reasons) that “any person” in Article 99 should be construed in line with Article 58 (Entitlement to file a European patent application), which states that:

*“A European patent application may be filed by any natural or legal person, or any body equivalent to a legal person by virtue of the law governing it.”*

It was established in that case that the consultancy firm in question was a legal person.

- 15 The approach in *De Erven* was expanded upon by the Enlarged Board of Appeal in G03/99 *Howard Florey* [2003] EPOR 1, concerning the admissibility of an opposition filed in the joint names of the members of the Fraktion der Grünen (the German “Green Party”), where the linkage between Articles 99 and 58 was approved. As the Board stated in paragraph 9 of the Reasons:

*“The legal personality of a named entity under the EPC is decided on the same basis as before the national courts, namely the capacity to sue or to be sued in its own name and on its own account. The fact that “any person” has to be interpreted in line with article 58 EPC results in particular from Rule 55(a) EPC which refers directly to Rule 26(2)(c) EPC which lists the same entities.”*

- 16 The relevant part of Rule 55 reads:

*“The notice of opposition shall contain (a) the name and address of the opponent ...”*

whilst Rule 26(2)(c) requires the request for grant of a European patent to contain the name of the applicant and states how the names of natural persons and legal entities (as well as companies considered to be legal entities by reason of the legislation to which they are subject) are to be indicated.

- 17 Accordingly Miss Reid argued that since under English law an unincorporated association could not sue or be sued in its own name (which I deal with below) it could not bring proceedings under section 72. Since such a body could not enter into contracts, she suggested that it could not settle proceedings or bind its members in any proceedings.

- 18 Two questions to my mind arise: first, how strong is the analogy between Article 99 EPC and section 72, and, second, should Article 99 should be interpreted in the same way as Article 58 EPC.

*The analogy between Article 99 and section 72*

- 19 It is not in dispute that Article 99 and section 72 are not identical in wording. The case for their equivalence as argued by Miss Reid hinges on paragraph 2 of the Reasons for the Decision in *Rohm & Haas*. Noting that opposition under Article 99 takes place only after the grant of a European patent, the Enlarged Board observed:

*“Thus, the relief sought by the opponent is not, as in traditional pre-grant opposition, refusal of the patent application but revocation of the patent as granted (in its entirety or in part) with effect ex tunc in all designated Contracting States (Article 68 EPC). Furthermore, the grounds for opposition (Article 100 EPC) being limited to and essentially the same as the grounds for revocation under national law (Article 138 EPC), it appears that the concept of post-grant opposition under the EPC differs considerably from that of classical pre-grant opposition and in fact has several important features more in common with the concept of traditional revocation procedure ....”*

and, questioning the earlier decision of an Enlarged Board in G01/84 *Mobil Oil* [1986] EPOR 39, opined that such opposition proceedings were “in principle to be considered as contentious proceedings between parties normally representing opposite interests, who should be given equally fair treatment”.

- 20 In similar vein, Miss Reid drew attention to the decision of Pumfrey J in *Cairnstores Ltd v Aktiebolaget Hassle* [2003] FSR 35, one of the “men of straw” cases referred to in *Oystertec*. The case, although concerned with the interpretation of “any person” in section 72(1), was directed to the issue of whether the applicant for revocation, an “off-the shelf” company which did not trade, had no assets and declined to state the nature of its interest, was abusing the process, and did not mention unincorporated associations. However, referring to the Enlarged Board Decision G03/97 *Indupack* [2000] EPOR 81, Pumfrey J observed (paragraph 14) that section 72 “reflects” the provisions of Article 99.
- 21 Miss Reid pointed out that section 130(7) merely referred to “corresponding provisions” of the European Convention and did not identify specific Articles. Accordingly she considered it appropriate to look at provisions which were analogous, even if not exactly the same, in order to identify the person who can bring proceedings under section 72.
- 22 Dr Colley did not see things the same way, and put forward a number of reasons as to why Article 99 ought not to be regarded as a “corresponding provision” to section 72 for the purposes of section 130(7). In his view, having regard to the sections of the Act specified therein, it was clear that section 130(7) was directed to substantive, rather than procedural, matters - so that, for example section 7 dealing with the right to apply for a patent (discussed below) was not included. Article 99 he saw as governing procedures for opposition, in contrast to Article 100 which contained the substantive grounds for opposition, and he illustrated the absurdity (as he saw it) of trying to import the requirements of Article 99 into section 72 by reference to the nine-month time limit from grant under Article 99(1) for bringing oppositions. Further, Dr Colley took me to paragraph 130.10 of the CIPA Guide (5<sup>th</sup> edition) at page 1075, where corresponding provisions are tabulated, and it is Articles 138 and 139 EPC that are stated to correspond to sections 72(1) and (2).
- 23 Article 138, headed “Grounds for revocation” lists the grounds on which a European patent may be revoked under the law of a Contracting State, and it will be seen that, although the wording of the grounds and their order are not identical, the grounds (a) to (e) listed in Article 138(1) do correspond with the grounds (a) to (e) listed in section

72(1). Further, I observe that - notwithstanding the comments of the Enlarged Board in *Rohm & Haas* quoted above - the grounds for opposition under Article 100 are more restricted than those under Article 138 and section 72(1), omitting extension of protection and non-entitlement of the proprietor.

24 This last point is made in *Buehler AG v Chronos Richardson Ltd* [1998] RPC 609 to which Dr Colley took me support of his argument. In this case, the Court of Appeal held the defendant not to be estopped by reason of a decision of the EPO Oppositions Division from challenging validity as part of its defence in an infringement action, but the case is of interest because of the observations of the court about the relationship between opposition and revocation. For present purposes it will suffice to summarise the reasoning of the court as it appears from headnotes (3) - (6):

*“(3) ... Before the Opposition Division of the European Patent Office the cause of action had been whether the patent should be maintained or revoked and infringement had not been decided. The defendant was therefore not estopped from challenging the validity of the patent as part of its defence in the infringement action. The fact that the grounds of revocation under section 72 were not the same as the grounds of opposition set out in Article 100 confirmed that the causes of action were not identical.*

*(4) More fundamentally, no cause of action estoppel arose because the decision of the Opposition Division had not been a final and conclusive judicial decision as to the validity of the patent. Validity was finally decided in revocation proceedings by the courts of the contracting states.*

*(5) The European Patent Convention, when read as whole, laid down a logical structure with the national courts having jurisdiction over revocation (Article 138) and the European Patent Office having the task of granting European patents (Article 4). Opposition was treated as part of the grant process. Article 114 and Rule 60 made it clear that the proceedings were not truly inter partes: they were not restricted to facts, evidence and arguments provided by the parties and could be continued despite withdrawal by one or all of the parties.”*

*(6) The court could revoke a European patent (U.K.) on the same grounds that had been raised in opposition in the European Patent Office. Conclusions in the opposition were not binding upon the parties in revocation proceedings.”*

25 It is notable that despite the reliance placed on it by Miss Reid, the court prayed *Rohm & Haas* in aid in reaching its conclusion that opposition proceedings were not inter partes. Specific reference was made to what is paragraph 18 in the EPOR report, where the “judicial” appeal procedure was contrasted with the “administrative” character of the opposition procedure.

26 Although Miss Reid considered that *Buehler* was of interest merely to show the differences between Articles 100 and 138, and that Dr Colley’s argument was based on commentary in the CIPA Guide which was not binding, I consider that the weight of authority is against her. Judgments of the UK courts are binding on the comptroller, whereas decisions of the EPO Boards of Appeal are persuasive at most. It therefore

seems to me that, on the question of whether section 72 corresponds to Article 99, any persuasive effect that *Rohm & Haas* might have had is negated by the court's judgment in *Buehler*. Even without this it would seem to me perverse to sideline Article 138 in favour of provisions which correspond less closely to section 72.

27 I do not therefore consider that Article 99 corresponds with section 72 for the purposes of section 130(7). However, in case I am wrong, and as the point has been argued before me, I will go on to consider the other limb of the argument

*Whether Article 99 should be interpreted in the same way as Article 58*

28 The Enlarged Board in *Howard Florey* thought that the interpretation of "any person" resulted "in particular from Rule 55(a) which refers directly to Rule 26(2)(c) which lists the same entities". Dr Colley thought that the point had not been properly argued in these cases, and that the use of subordinate legislation to interpret primary legislation did not accord with the approach of English law to construction. In his view, on no reasonable interpretation would anyone have considered Article 58 when looking for provisions equivalent to section 72.

29 I have considerable sympathy with this view, but I would agree with Miss Reid that I cannot simply ignore the judgments of the Boards of Appeal because they are not reasoned in the same way as the judgments of the courts in the UK. In the absence of binding authority, I would consider *Howard Florey* to be persuasive on the construction of "any person" in Article 99. However, this avails Miss Reid nought, given my finding that Article 99 does not correspond with section 72.

30 I am in the result not persuaded that any contrary intention under the Interpretation Act can be divined from the EPC. For this argument to have succeeded, Miss Reid would in any case have needed to go on to establish that an unincorporated association in the UK was not, paraphrasing the words of Article 58, a legal person or a body equivalent to a legal person under UK law. This I deal with below, but I will first consider the other two strands of the arguments concerning section 7 of the Act and *Oystertec plc's Patent*.

*(2) Whether section 72 should be interpreted in the same way as section 7 of the Act*

31 It would not seem to be in dispute that section 7 governing the right to apply for a patent corresponds to Article 58 EPC, but it is not one of those sections which is required to be interpreted in the same manner thereas by virtue of section 130(7). Nevertheless, Miss Reid contends that a similar interpretation having been put upon section 7 by the Patent Office, a similar interpretation should be placed on section 72 so as to exclude an unincorporated association such as the BNMA, which could not under English law own property, from applying for revocation under section 72.

32 Miss Reid drew my attention to section 7(1) of the Act which states (emphasis added):

*"Any person may make an application for a patent either alone or jointly with another."*

and to the established practice as explained in the Office's "Manual of Patent Practice". Paragraph 7.02 of the Manual states:

*"The term 'person' includes one or more individuals or a corporate body but not a firm, partnership or body which is unincorporate, although in such a cases application may be made by individual partners jointly. ... "*

and paragraph 7.03 states that trade associations are regarded as corporate bodies on evidence of incorporation.

- 33 Dr Colley did not see this as sufficient to exclude the operation of section 5 of the Interpretation Act 1978. It therefore followed in his view, either that the Patent Office was wrong to exclude unincorporated associations from the ambit of section 7, or that a "purposive" construction should be applied to the Act to distinguish those sections which did relate in some way to the ownership of property from the rest.
- 34 This led to some exchanges between Dr Colley and Miss Reid as to how if at all such a purposive construction could be effected. Dr Colley discerned a "portcullis" which came down somewhere around section 60, with references to a "person" before that relating in some way or another to the ownership of property (a patent being personal property under section 30), but not afterwards - as he pointed out, anyone applying for revocation under section 72 will not end up owning anything. Miss Reid doubted that any such distinction could be drawn and saw a consistent connection with property throughout the Act. She pointed out that Dr Colley's portcullis, having come down to accommodate section 72(1)(a), would have to rise again to take in those parts of section 72 which governed applications for revocation on the grounds of lack of entitlement - sections 72(1)(b) and 72(2). In her view this reinforced the argument that section 72 could not have been intended to apply to a body that could not own property.
- 35 I have to say that I find these arguments somewhat surreal, and in my view the fallacy in them is to take the Office's practice under section 7 as a starting point for what Parliament might have intended. I take no view as to the correctness or otherwise of this practice. Dr Colley observed that it might have more to do with administrative convenience since a property test is relevant to whom a patent should be granted to, rather than to who may apply for it. Be that as it may, I note that no authority is quoted in either the Manual or the CIPA Guide to justify the practice, and neither side were able to direct me to any.
- 36 In my view the intention of Parliament as to whether "person" in the Patents Act 1977 Act includes an unincorporated association is to be ascertained primarily from the Interpretation Acts and from any context in the 1977 Act which suggests a meaning different from those Acts. In consequence, I do not think that Parliament can have necessarily intended to exclude unincorporated associations altogether from the workings of the Act, or that such a conclusion follows from the fact that certain sections of the Act, such as sections 72(1)(b) and 72(2) clearly apply only to persons who can legally own property. I would agree with Dr Colley that these sections are not determinative of the meaning of "person" in section 72(1)(a), but are directed to a specific class of persons within the generality of "any person" in that section. I believe

therefore that to decide whether an unincorporated association may apply to the comptroller for the revocation of a patent under section 72 I need to look more closely at the extent to which unincorporated associations are constrained by the general law.

(3) Whether the decision in *Oystertec plc's Patent* is relevant

- 37 In the course of the correspondence leading up to the hearing, the Office drew the parties' attention to *Oystertec plc's Patent* [2003] RPC 29 where it did not appear to have been in dispute that a firm of patent agents could constitute a person for the purposes of section 72(1). Miss Reid did not believe the judgment to be of assistance, since the case was concerned essentially with the issue of whether the applicant for revocation could act for an undisclosed principal. In any case, she distinguished the case on the ground that, although under English (but not Scottish) law a firm had no legal existence separate from its partners, the partners in a firm could sue or be sued in the name of the firm by virtue of RSC Order 81. Rule 1 of that Order states:

*“Subject to the provisions of any enactment, any two or more persons claiming to be entitled, or alleged to be liable, as partners in respect of a cause of action and carrying on business within the jurisdiction may sue, or be sued, in the name of the firm (if any) of which they were partners at the time when the cause of action accrued.”*

- 38 Dr Colley did not dispute Miss Reid's explanation of the legal status of a partnership, and I do not therefore need to consider that point further. However, Dr Colley maintained that *Oystertec* was supportive of the claimant's position, having regard to the view of Jacob J (as he then was), summarised in headnote (2), that

*“There was no sufficient connection between the alleged procedural unfairness and the entitlement of ‘any person’ to bring proceedings for revocation. Parliament had intentionally made a patent vulnerable to attack from anyone.”*

Dr Colley also drew attention to related cases, including *Cainstores Ltd v Aktiebolaget Hassle* [2002] FSR 35 under section 72, and G03,04/97 *Indupack* [2000] EPOR 81 and T798/93 *Road Train* [1998] EPOR 1 under Article 99, in which “men of straw” apparently acting on behalf others had been allowed to bring actions, and asked how, therefore, it could be right that the members of the BNMA should be shut out from acting in concert. Miss Reid's view was that there was nothing stopping the members from applying for revocation either individually or together, but the BNMA could not do so because it was not a legal person. As she saw it, there was a distinction between the BNMA as an association and the members of the BNMA.

- 39 In order to decide which of these conflicting views is correct, I need to look more closely at what an unincorporated association can or cannot do as a matter of law, and in particular whether it can bring proceedings in its own name. All roads therefore lead me back to a consideration of the general law on this matter.

4) Whether an unincorporated association has the legal personality to bring proceedings

40 On this point, Miss Reid's argument is founded on the judgment of O'Connor LJ in the unreported Court of Appeal case of *Currie v Barton* (11 February 1988) where, in regard to unincorporated associations, he stated that the law

*"... does not recognise that those bodies have any corporate or separate legal existence. They cannot sue or be sued in their own names. You cannot make a contract with the body, because in law it does not exist. It consists of all its members."*

As will be seen, this is echoed by the decision of the Enlarged Board of Appeal in *Howard Florey*.

41 Although I am of course bound by decisions of the Court of Appeal, I observed at the hearing that this statement, clear and to the point though it is, appears almost as an *obiter dictum*. The point in issue in *Currie v Barton* appears to have been whether the disciplinary committee of the Essex Lawn Tennis Association were bound by the rules of natural justice in taking a decision to ban a player from representing the county. However, O'Connor LJ's comment arose as part of speculation as to whether there was a contractual nexus between the player and the Association via the club of which he was a member, which does not appear to have been necessary to decide the point actually in issue.

42 Nevertheless, this dictum has been adopted as a statement of legal principle by the High Court in *Artistic Upholstery Ltd v Art Forma (Furniture) Ltd* [2001] FSR 311. In this case one of the members of an unincorporated association (the Long Eaton Guild of Furniture Manufacturers) was allowed to sue in a representative capacity to protect, via an action for passing off, goodwill which the association owned through its members. The judgment of Lawrence Collins QC, sitting as a Deputy Judge, analysed the position of unincorporated associations at paragraphs 31 to 40, from which I quote selectively as follows:

*"33. Since there are substantial associations with a large (and changing) membership holding property in the form of subscriptions or donations or association premises, it has been necessary to develop a legal analysis which will provide a practical solution to the problem that an unincorporated association as such has no capacity to hold property. ... But the prevailing view is that, at least where there are no appointed trustees to hold the property of the association, or where a transfer of property has not been accompanied by a valid declaration of trust, personal property will be held under the express or implied terms of the contract inter se . .."*

.....

*40. Since the Guild itself has no standing to sue in its own name, it can only sue through its members, and in the present case one of its members sues in a representative capacity. In my judgment that is the appropriate course, since the*

*claimant and those whom it represents have the same interest in the proceedings, namely to protect the reputation and goodwill which they have as members of the Guild. ... .”*

43 At bottom, this case is fundamentally concerned with the way in which property held by an unincorporated association through its members can be protected. As Dr Colley pointed out, there is a difference from the present case since neither the BNMA nor its members will end up owning property in a patent as a result of an application for revocation. However, Miss Reid thought that these judgments to be determinative of the position of the BNMA, suggesting that as it had no legal existence, it would be impossible for it to enter into correspondence, issue instructions or settle proceedings or to have costs order enforced against it. As she saw it, property did at the end of the day come into it.

44 Dr Colley however considered that *Currie v Barton* and *Artistic Upholstery* held water only in the context of property ownership. He agreed that O'Connor LJ's statement was indeed an *obiter dictum* and should not be taken as generally determining what an unincorporated association could or could not do - merely what it could do for the particular purpose under consideration. He considered that, in the light of *Oystertec*, the removal of locus supported the broadest possible interpretation of "any person" in section 72 in the public interest of removing invalid patents from the register. Also, he thought that the difficulties suggested by Miss Reid did not necessarily arise, since the BNMA was perfectly capable of entering into correspondence (and had indeed being doing so in the course of these proceedings), and that the courts could if necessary make a non-party costs order against its members. Thus in Dr Colley's view O'Connor LJ's dictum did not trump the Interpretation Acts.

45 I note that *Artistic Upholstery* is quoted in "Civil Procedure" at paragraph 19.6.2 as authority for the proposition that one or members of an unincorporated association can act for it in a representative capacity. However, there would seem to be a dearth of authority on the extent to which the reasoning in *Currie v Barton* and *Artistic Upholstery* might be applicable outside the context of property ownership. Neither Dr Colley nor Miss Reid directed me to any case in it had been considered whether an unincorporated association could make an application to the court under section 72. However, I should consider the cases of *Davey v Shawcroft* [1948] 1 All ER 827 and *Worthing RFC Trustees v Inland Revenue Commissioners* [1987] 1 WLR 1057 relied on by Dr Colley to show the recognition of unincorporated associations under the Interpretation Acts.

46 In *Davey v Shawcroft* [1948] 1 All ER 827, an old case concerned with the post-war rationing of coal, the appellant was the secretary of a committee of employees which he had registered as a licensed merchant under the Coal Distribution Order 1943. He was charged with unlawfully supplying coal contrary to Article 2 of that Order. The case turned on whether, although not himself registered, he fell within the definition of "licensed merchant" under Article 78 of the Order as (emphasis added)

*"... any person carrying on an undertaking and whose name is entered ..... and shall include the servant or agent, acting in the course of his employment, of any such person."*

- 47 The court held that he was indeed the servant or agent of a licensed merchant, since, although the committee could not itself be prosecuted, it was nevertheless a person within the meaning of Article 78 by virtue of the Interpretation Act 1889. The court however observed that it was inconvenient to register an unincorporated body as such, and thought it preferable to register one or two members specifically, eg “A, B, C, D and others trading as ... “
- 48 More recently, in *Worthing RFC Trustees v Inland Revenue Commissioners* [1987] 1 WLR 1057 the Court of Appeal held that by virtue of the Interpretation Act 1889, no contrary intention appeared in the Development Land Act Tax 1976 or elsewhere to exclude unincorporated associations from liability for the tax, and that indeed there were indications in that Act of a general intention to treat corporate and unincorporated bodies on the same footing. The club was therefore liable in respect of the development value of land disposed of it by its trustees.
- 49 I have to say that I find these two cases difficult to reconcile with O’Connor LJ’s broad statement in *Currie v Barton* that such bodies have no legal existence at all, or, as Miss Reid puts it, that they are not legal persons. However, I do not think I need to decide whether an unincorporated association is or is not a legal person, and I would agree with Dr Colley when he urged me not to be seduced into looking at the meaning of “legal person” when what the Interpretation Act 1978 is concerned with is the meaning of “person”. What I think I have to decide is the different - if related - question of whether there are any circumstances in which an unincorporated association might be able to bring proceedings in its own name. On this I do not think that *Davey* and *Worthing* are of assistance, since to my mind they merely show that there are circumstances in which action can be taken against an unincorporated association.

### Conclusion

- 50 I have considered the opposing arguments very carefully, and I have some sympathy with the points made by Dr Colley. In particular I am mindful of the public interest in removing invalid patents from the register and the comments in *Oystertec* that Parliament has intentionally made a patent vulnerable to attack from anyone. Nevertheless, whatever the legal personality of an unincorporated association might or might not be, I do not consider that I can ignore the clear view of the courts as expressed in *Currie v Barton* and *Artistic Upholstery* that such a body cannot sue in its own name. In my view section 5 of the Interpretation Act 1978 has to be read subject to this interpretation of the law by the court, and I do not therefore think that it extends to allowing an unincorporated association to make an application under section 72. I am satisfied that any public interest or Parliamentary intent is adequately served by the ability of the members to seek revocation in their own names, either individually or jointly.
- 51 I therefore find that the BNMA is not entitled to make the present application in its own name. I do not think that this is a mere matter of form, because it seems to that, as Miss Reid argues, an unincorporated association is not legally the same as its members, even though it may act through its members. Dr Colley suggested that the *Howard Florey* case before the EPO, where a number of legal persons were allowed to

bring a single opposition under Article 99, was in effect allowing an unincorporated association to bring proceedings, but I do not think that this gets round the point.

- 52 Miss Reid suggested that the practice under section 72 should be the same before the comptroller as the court. As mentioned above, I have not specifically been directed to the practice of the court on applications for revocation, and I do not base my decision on that point. I observe however, that there are in any case differences in practice between the court and the comptroller: for instance, it is settled that the comptroller may continue an action under section 72 in the public interest after the withdrawal of the applicant, whereas the court will not.
- 53 Taking up what Dr Colley saw as an inconsistency, I accept that my finding may be seen to draw a distinction between the positions of an unincorporated association and a “man of straw” in the *Oystertec* line of cases as regards the ability to bring an application under section 72. I note the observations of Pumfrey J in paragraph 13 of *Cairnstores* that the proprietor in the latter case can be protected by requiring security for costs. In the present case, security has been offered (although the comptroller would appear to have no power under section 107(4) to order it in this particular case, that section being limited to the situation where the applicant neither resides nor carries on business in the UK). I also note that the comptroller does have the power, under section 107(1) of the Act, to direct how and by what parties costs are to be paid. These factors might be seen as affording some protection to the defendant, but I do not think they should override what I see as the fundamental inability of an unincorporated association to bring an application for revocation under section 72. It seems to me that the possibility of the application being made instead by its members in their own names distinguishes the position of the unincorporated association from the “man of straw” in a case such as *Cairnstores*.

#### **The future course of the proceedings**

- 54 Dr Colley, in his skeleton argument submitted before the hearing, said that if I found against him, Mr McNamee and/or Bestplate Limited would seek to adopt the application “in the spirit of *Moore’s Application O/25/92*.” In *Moore* the hearing officer accepted the substitution of the original applicant for revocation after the evidence rounds had been completed, being mindful of the delay that would be entailed by requiring the new applicant to start again from scratch. However, before allowing substitution the hearing officer sought and received a guarantee in relation to the payment of any possible costs incurred by the original applicant up to the time of substitution.
- 55 Miss Reid had no problem in principle with this, provided, first, that a similar guarantee was provided in relation to the costs already incurred in relation to the proceedings, including an assurance of the speedy payment of costs from the preliminary hearing, and, second, that the members of the BNMA agreed to be bound, in like manner to a representative action under Part 19 of the Civil Procedure Rules, by the eventual decision of the comptroller so as to prevent the defendant from being worn down by a series of proceedings against it.
- 56 There was some discussion at the hearing as to the claimant’s intention on substitution,

since the correspondence prior to the hearing referred only to Mr McNamee and did not mention Bestplate Limited as an alternative. However, as I understood it from Dr Colley, the intention is that Mr McNamee would take over the action as his own, rather than seek to act in a representative capacity for the BNMA.

57 Bearing in mind that no locus needs to be shown for an application to be made under section 72, I see no objection in principle to the present application proceeding with the substitution of the BNMA as claimant by either Mr McNamee or Bestplate Limited (or indeed any other corporate member of the BNMA or representative thereof), subject, as in *Moore*, to a guarantee in relation to costs already incurred in the proceedings and to the payment of costs in respect of this preliminary hearing as assessed below. The proceedings are nowhere near as advanced as they were in *Moore*, but I consider that the same principle should apply.

58 As to whether the members of the BNMA should be bound by the decision of the comptroller, Miss Reid hinted at the possibility of a series of actions intended to wear down the defendant, but provided nothing by way of argument or evidence to suggest this might be likely. Dr Colley in any case refused to give such an assurance, because he believed that it would prevent individual members under section 72(5) from alleging invalidity in subsequent proceedings for infringement. Section 72(5) states:

*“A decision of the comptroller or on appeal from the comptroller shall not estop any party to civil proceedings in which infringement of a patent is in issue from alleging invalidity of the patent on any of the grounds referred to in subsection (1) above, whether or not any of the issues involved were decided in the said decision.”*

59 Miss Reid did not think that the rights of the members under section 72(5) would be affected since infringement was not likely to be in issue in a series of actions for revocation before the comptroller. However, I think there may be some merit in Dr Colley’s argument. In any case, even if I have the power to do so by analogy with Part 19 of the Civil Procedure Rules, I am not satisfied that any reason has been shown which would justify me in making an order requiring the members of the BNMA to be bound by any subsequent decision of the comptroller in these proceedings.

60 I do not think it is sensible at this stage for me to direct how the application should proceed, save that it cannot proceed in the name of the BNMA. Before making any order in this respect, I will, subject to any appeal against this decision, allow the claimant a period in which to make submissions as to how it wishes the application to proceed, and to provide any guarantee for costs in line with my findings above. I will give the defendant an opportunity to comment on any such submission before making any order.

## **Costs**

### Costs in relation to the preliminary hearing

61 The defendant has succeeded in this preliminary point and is entitled to an award of costs in relation to it. It was suggested at the hearing that costs had been wasted

because the claimant had waited for an adverse decision before agreeing to substitute the applicant. However, in all the circumstances, I do not consider that this justifies a departure from the comptroller's normal scale of costs. Having regard to the need for preparation for and attendance at the preliminary hearing, I award costs of £500 to the defendant.

### Security for costs

62 The claimant has offered £2000 as security for costs, but the defendant believes this to be inadequate and that a sum of £3000 should be ordered, being the average costs now awarded in revocation proceedings before the comptroller. Miss Reid bases this calculation on three recent awards (all from the same hearing officer) - one of £1500 in a case where there was little evidence and the hearing was short, and two of £3000 for more substantial proceedings - and her estimate, having regard to the scale amounts at each stage, of £5000 as the likely maximum scale cost for a single day hearing.

63 I am not satisfied that this is a sufficient basis for uprating the average of £2000 stated in Tribunal Practice Notice 2/2000 [2000] RPC 598 (to which I drew the parties' attention) as the likely average of costs under the present scale. In the absence of evidence, as opposed to assertion, that the costs are likely to be above average, and bearing in mind the possibility that the applicant for revocation may be substituted, I see no reason to insist on a higher amount at this stage. However, before making any decision I will give the defendant an opportunity to make further submissions on this point in response to any submissions from the claimant in accordance with paragraph 60 above.

### **Findings and orders**

64 For convenience, I summarise these:

(1) I find that the BNMA is not entitled to make the present application in its own name.

(2) Subject to any appeal against this decision (see below), I allow the claimant has a period of 28 days to make submissions as to how it wishes the application to proceed, and to provide a guarantee for costs already incurred if anyone substitutes as applicant for revocation.

(3) If the proceedings do continue, I decline to make an order requiring the members of the BNMA to be bound by the eventual decision of the comptroller.

(4) I see no justification at this stage to insist on higher security for costs than the £2000 already offered.

(5) Before I make any order as to how the application should proceed I will allow the defendant an opportunity to make submissions in response to any submissions at (2) from the claimant, which may then include a further submission about the level of security for costs.

(6) I order the claimant (or any person who may substitute the claimant) to pay the sum of £500 to the defendant Hills Numberplates Limited within 7 days of the period for appeal specified below. Payment will be suspended in the event of an appeal.

**Appeal**

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

**R C KENNELL**

Deputy Director acting for the Comptroller