



BL O/267/05

30 September  
2005

**PATENTS ACT 1977**

BETWEEN

Michael Wayne Crabtree

Claimant

and

Ralph Barclay Ross

Defendant

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PROCEEDINGS

Reference and application under sections 8, 10, 12, 13 and 37 of the Patents Act 1977  
in respect of patent application numbers  
GB 9901474.8 and PCT/GB 00/00176 (WO 00/43295 A1),  
UK patent GB 2363373 B and other corresponding foreign applications

HEARING OFFICER      R C Kennell

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**DECISION**

**Introduction**

- 1 The patents and applications in suit relate to apparatus for handling elongate objects, especially drill pipe and downhole tubulars for drilling boreholes at an offshore location, which uses “packing members” in the form of spacers mounted in a frame to sandwich and constrain the pipes against movement. The packing members each comprise elastomer bonded to a rigid interior element that resists deflection or bending parallel to cargo pipe length, the elastomer exterior surface profile enabling the surface to locally deform at points of contact with cargo pipe so that a range of cargo pipe diameters can be handled.
- 2 The parties were unable to reach a settlement on the basis of the findings in my decision BL O/188/04 of 2 July 2004. In the light of their subsequent submissions, I set out in my decision BL O/185/05 of 1 July 2005 the “core” terms of a declaration and order to meet those findings. As well as the patents and applications in suit the declaration and order

embraced a parallel series of patents and applications filed by Mr Crabtree in his sole name (patent GB 2361909 B and international application PCT/US00/00887, published as WO 00/43235 A1, and applications derived therefrom) which were not formally within the proceedings, although belatedly made the subject of separate proceedings by Mr Ross.

- 3 I gave the parties an opportunity to make submissions on any further matters, of which I gave examples, which would be necessary to make the order effective. Each party replied via his patent agents, Mr Crabtree on 28 July 2005 and Mr Ross on 29 July 2005. The parties' arguments are summarised below under the relevant terms and further matters (here shown in italics) in my earlier decision.

### **The terms of the declaration**

*That Mr Crabtree and Mr Ross are the joint inventors of the invention in each of UK patent application GB 9901474.8, international applications WO 00/43235 A1 and WO 00/43295 A1 and patents GB 2363373 B and GB 2361909 B, insofar as that invention relates to non-uniform surface profiles; and*

*That Mr Crabtree and Mr Ross are prima facie entitled to be regarded as the joint owners of the above patent applications and any patents resulting therefrom, subject to the appropriate national or regional law.*

- 4 Although Mr Crabtree maintains that I ought not to have brought the "Crabtree family" of patents and applications into the declaration and order, he does not propose to re-open the argument. He contends that I can go no further than the Crabtree UK patent and PCT application, which I accept; this is provided for by the above.
- 5 Mr Crabtree suggests that the latter term goes beyond my finding and should relate to "any patents resulting therefrom as they relate to non-uniform surface profiles"; I agree this would be an appropriate restriction.

### **The terms of the order**

#### Proposed terms

*That patent GB 2363373 B should remain in, and patent GB 2361909 B should be transferred into, the joint ownership of Mr Crabtree and Mr Ross, and for the latter an entry to that effect should be made in the register.*

- 6 Mr Crabtree suggests that a better alternative would be for each of the patents to be in sole ownership with cross-licensing, as this would leave each party separately able to defend or enforce his own patent without requiring the cooperation of the other, and to

that end suggests that the “joint” patent GB 2363373 should be transferred into the sole ownership of Mr Ross with Mr Crabtree retaining sole ownership of GB 2361909. He says that Mr Ross has been consulted but does not agree, and indeed Mr Ross has not suggested any changes here. However, having carefully considered this possibility - which indeed has some attractions for the reasons suggested by Mr Crabtree - I have decided against it. I am still of the opinion that it is preferable to equalise the ownership between the parties as far as possible on the two patents, so as to minimise the risk of them going in different directions and to at least leave open the possibility of a common approach to their defence or enforcement (for which see below).

*That Mr Crabtree and Mr Ross should respectively bear the costs of maintaining GB 2361909 and GB 2363373, and should copy to the other any receipts from the Patent Office for the payment of renewal fees.*

- 7 Mr Ross says that he is prepared to bear the cost of maintaining both patents if Mr Crabtree is agreeable; Mr Crabtree has not specifically commented (but I suspect would be unlikely to agree given his desire to maintain sole ownership of 2361909). I will make no change here.

*That each of them should be free to assign or otherwise dispose of his share in either patent with the permission of the other.*

- 8 Mr Ross thinks the other party should be offered first refusal, and I agree that this would be appropriate. Mr Crabtree does not agree with the above requirement of consent as presently proposed and thinks that if any party is to be allowed to freely license they should also be allowed to freely dispose. He argues that either party may wish to put the patent into the name of a company so as to be able to count it as a company asset, and that this should be allowable without requiring consent, so long as the terms of the declaration and order apply to such a successor in title. I am not convinced that what applies to granting a licence should necessarily apply to disposing of a share in the patent. Cooperation between the parties proving elusive, my main concern is to minimise the difficulties that each can cause the other, and I am not convinced that it would be sensible to allow an unfettered right of disposal to an associated company in the absence of any clear and agreed line between the parties as to what might be acceptable. I do however agree that the terms of the order should apply to any assignee.

*That the separate entitlement proceedings initiated by Mr Ross and currently stayed should be withdrawn.*

- 9 Mr Crabtree suggests that I should not withdraw these proceedings without a token costs award of, say, £300 against Mr Ross in respect of the need to have reviewed and filed comments on the procedure for dealing with the second reference, raised at a very late stage in an unsatisfactory form. I do not propose to make any order against Mr Ross,

because the reference was immediately stayed without requiring Mr Crabtree to consider it in any depth and I doubt that there have been any substantial expenses involved in the preparation of comments to date.

#### Questions raised in the decision

*What happens if one party does not want to renew, or wishes to surrender, a patent?*

- 10 Mr Ross says that if he does not wish to renew then he will make the option available to Mr Crabtree, and that if one party wishes to surrender his share he should offer it for assignment, without consideration, to the other party. Mr Crabtree thinks that neither party should be able unilaterally to surrender (or amend) a patent part-owned by another and that either party wishing to cease paying renewals should give notice to the other. I agree that something along these lines needs to be included, although I do not see why any assignment to the other party should necessarily be without consideration. Mr Crabtree also thinks that the licence of any party ceasing to renew should likewise terminate. Although my order does not provide for a licence to the parties, I accept that a party who surrenders his share or fails to renew should thereafter have no rights or obligations in respect of the patent.

*What provisions are necessary in respect of challenges to validity?*

- 11 Mr Ross thinks the parties should consult and that if they are agreeable they should jointly resist the challenge to validity, sharing the associated costs; but if one party chooses not to resist the challenge, the other may do so and the “other party” (presumably the party not resisting the challenge) shall then not be liable for any costs or expenses. Mr Crabtree agrees only to the extent that each party should have the sole right to defend the patent that they are responsible for renewing. I do not think it is appropriate to confine the right to defend the patent in the way that Mr Crabtree suggests if the parties are joint owners, and I prefer Mr Ross’ suggestion.
- 12 Mr Crabtree also thought it necessary that neither party should be permitted to attack the validity of either patent and that each should be required to inform the other of any challenge to validity by a third party. I agree.
- 13 Mr Crabtree in suggesting sole ownership (see above) refers to both defending and enforcing the patent. It seems to me that for the purposes of this order enforcement should be treated in a similar way to defending the patent.

*Is a license restricted to non-uniform surface profiles sufficient?*

- 14 Mr Ross thinks it would be an unnecessary complication to go any further. Although Mr Crabtree, commenting on the recent case law to which I referred in O/185/05, suggests that

the order should be constrained to what I did decide on - non-uniform profiles - he nevertheless thinks that he should be entitled to grant licenses under either patent in respect of non-uniform surface profiles. His view is that this matter is of more than academic importance, since he contends that claim 1 of 2363373 extends to certain uniform profiles and I have made no finding to the contrary. He also draws attention to a discussion of uniform profiles in the last paragraph of 2361909.

15 In my decision O/188/04 (see paragraphs 82 - 83) I expressly made no finding in respect of non-uniform profiles, noting that they had not been embraced by the pleadings and being doubtful in any case that they were within the scope of 2363373. As regards 2361909 the claims are restricted to the use of a “non-uniform object-receiving surface, as herein before defined”. This is defined (at page 10 lines 17 - 23) a “contact surface or surface profile that is characterised by one or more features that, collectively, disrupt the uniformity of the contact surface”, contrasting it with “a relatively featureless/smooth surface such as the curved but otherwise featureless pipe-receiving surface” of an illustrated prior art construction. The concluding passage at page 15 merely mentions the possibility of the object-receiving surface being uniform, with the resilience or density of the material underlying the surface varying regionally, eg by forming holes or pores. However, no further explanation is given, and no embodiment of such a construction is described.

16 It seems to me that whilst I made have made no finding on uniform profiles, it is questionable whether the patents do embrace uniform profiles. I do not therefore think it right to go beyond the specific finding that I made, especially when extending that finding to the Crabtree family. I therefore remain of the view that I should make no specific provision for uniform surface profiles, although I will define the term “non-uniform surface profiles” more clearly. If either party is seriously contemplating manufacturing or granting a licence for a construction involving a uniform profile surface, it is open to them to ask the comptroller for a variation in the terms of the order (see above), provided they can convince him that the construction is within the ambit of the patent.

*Ought any restrictions to be placed on the parties' freedom to dispose of their share of the invention?*

17 This is discussed above at paragraph 8.

*Is anything further necessary in respect of foreign patents?*

18 Neither party has suggested anything else. Mr Ross says that he may approach Mr Crabtree separately in respect of the latter's US patent which is outside the scope of the reference, and will not seek to interfere or restrict Mr Crabtree's exploitation of the joint invention in the US or any other country; but I do not think these are matters for me to

order.

### Other matters

- 19 Mr Ross suggests that any licence should permit the free movement of the apparatus throughout the world, since a geographical restriction on movement would be impractical. Since such a provision must be subject to the law of any country through which the apparatus moves, I think this would be best left for the parties to any licence to negotiate.
- 20 Mr Crabtree believes there is an error of fact in paragraph 3 of my decision O/185/05, in that the amendment to the international application left the US national phase in joint names, and not in the sole name of Mr Crabtree. I observe that no objection was taken to a similar statement in O/188/04, and in any case it makes no difference to the terms of the order that I am making.
- 21 Finally, with the parties remaining at loggerheads, I believe that I should further minimise the potential for one party unreasonably to block a course of action proposed by the other. In drafting my order I have aimed to take account of the likely areas of difficulty, but it is impossible to foresee every problem which may arise. I will therefore provide, first, that, where there is a requirement for consent in the order, that consent should not be unreasonably withheld; and, second, that either party should be free to refer to the comptroller any future dispute between the parties about the application of this order in particular circumstances.

### **Conclusion**

- 22 The final terms of my declaration and order are set forth in the Annex to this decision. I do not propose to enter into further correspondence or to accept further submissions about these terms. If either party is unable to accept them, it is open to him to appeal from my decision.

### **Costs**

- 23 Having declined Mr Crabtree's request for an order of costs in respect of Mr Ross' later reference in respect of the Crabtree family of patents and applications, I make no further award of costs.

### **Appeal**

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

**R C KENNEL**

Deputy Director acting for the Comptroller.

**ANNEX TO DECISION O/267/05** in respect of  
proceedings between

Michael Wayne Crabtree

Claimant

and

Ralph Barclay Ross

Defendant

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**DECLARATION AND ORDER**

**I declare that**

1. The parties Michael Wayne Crabtree and Ralph Barclay Ross are the joint inventors of the invention in each of UK patent application GB 9901474.8, international applications PCT/GB00/00176 (WO 00/43295 A1) and PCT/US00/00887 (WO 00/43235 A1) and patents GB 2363373 B and GB 2361909 B (“the UK patents”), insofar as that invention relates to non-uniform surface profiles.
2. The parties are prima facie entitled to be regarded as the joint owners of the above patent applications and, insofar as they relate to non-uniform surface profiles, any patents resulting therefrom, subject to the appropriate national or regional law.

**I order that**

1. The proceedings under sections 12, 13 and 37 of the Patents Act 1977 filed at the Patent Office by Mr Ross on 3 August 2004 in respect of patents and applications in the sole name of Mr Crabtree, and currently stayed, shall be terminated by the comptroller without either party being liable for costs. The fee paid by Mr Ross to the Patent Office for initiating these proceedings shall not be refunded.
2. Patent GB 2363373 B shall remain in, and patent GB 2361909 B shall be transferred into, the joint ownership of the parties. For the latter patent an entry to that effect shall be made in the register.
3. An addendum shall be prepared by the Patent Office in respect of GB 2361909 to reflect the addition of Mr Ross as a joint inventor.



4. In respect of non-uniform surface profiles either party may grant a licence under either of the UK patents (with the freedom to sub-license) without the consent of the other and without any obligation to account to the other.

5. Mr Crabtree and Mr Ross shall respectively bear the costs of maintaining GB 2361909 and GB 2363373, and shall copy to the other any receipts from the Patent Office for the payment of renewal fees. If either party does not wish to renew he shall notify the other party in sufficient time to allow that other party to continue paying renewal fees if he so wishes. A party who does not renew shall thereafter have no rights or obligations in or under the respective patent.

6. No application to surrender or amend either of the UK patents shall be accepted unless it is made jointly by the parties.

7. If either party wishes to surrender his share in either of the UK patents he shall first offer it for assignment to the other party, but if the parties are unable to reach agreement on the terms of an assignment, the first party may then assign or otherwise dispose of his share with the consent of the other party. Any third party acquiring that share shall take over the rights and responsibilities in respect of the patent that the first party previously had under this order.

8. Neither party shall bring an action in his own name to attack the validity of either of the UK patents, and each shall inform the other of any challenge to validity by a third party of which he becomes aware.

9. Subject to paragraph 10 of this order, both parties shall if so requested by the other join their names in any action brought by the other (i) to enforce either of the UK patents against a third party or (ii) to defend either of the UK patents against attack by a third party. Subject to any agreement between the parties, each party shall bear its costs in any such action, and any costs, damages or other penalties awarded against the third party shall be split between the parties according to the relative proportions of the legal costs incurred by each party.

10. Notwithstanding the above paragraph, each party shall have the right to decline to participate in and to incur any costs in pursuing or defending such an action, but he shall not then receive any part of any costs or damages awarded.

11. Neither party shall settle any action mentioned in paragraphs 9 and 10 without the consent of the other, unless that other has declined under paragraph 10 to participate in the action.

12. Where this order requires the consent of a party, that consent shall not be unreasonably withheld.

13. After this order takes effect, either party may apply to the comptroller either (i) to vary its terms if there is any material change in circumstances, or (ii) to settle any dispute between the parties about the application of the order in particular circumstances.

### **Interpretation**

In the above order, the term “non-uniform surface profiles” is restricted to non-uniformity in the shape of the surface itself.

### **Entry into force**

If there is no appeal against my decision, this order shall take effect at the end of the appeal period specified in the decision. In the event of an appeal the order shall be stayed pending the determination of the appeal, but if the appeal is abandoned without any such determination, the order shall then take effect.

**R C KENNELL**

Deputy Director acting for the comptroller

30 September 2005