



BL O/272/05

12 October 2005

PATENTS ACT 1977

BETWEEN

Shannon Biotechnologies Limited

Claimant

v

Dr John Anthony Walters and Shannon
Biotechnology Limited UK

Defendant

PROCEEDINGS

Reference under sections 8(1), 12 (1), 13 (1) and 13 (3) in respect of patent applications: GB0215532.3, GB0217130.4, GB0227595.6, GB 0229315.7 and GB0300052.8 (PCTGB/2003/002866 admitted in revised grounds).

HEARING OFFICER Peter Back

DECISION

- 1 On 22nd September 2003 the Claimant, Shannon Biotechnologies Limited (“SBL”), Limerick, Ireland referred to the comptroller the question of entitlement to and inventorship of each of above patent applications.
2. The defendant is Dr John Walters and his company, Shannon Biotechnology Limited UK (“SBUK”). He is designated as the sole inventor in each of the patent applications in suit. Subsequently, the Claimant was allowed to include a reference to a PCT application WO2004/004705 (filed 3 July 2003) published on 15 Jan 2004 that claims priority from each of the above GB patent applications.
- 3 The parties came before me at a hearing at which Benet Brandreth, Counsel, instructed by Jenson & Son appeared for the Claimant. Dr Walters appeared on his own behalf. Initially in the proceedings he had been represented by Page, White and Farrer but he represented himself from the filing of evidence-in-chief onwards.

The Parties

4 There are a number of entities referred to in this decision in addition to the parties and it will be useful to set them out here in an attempt to avoid confusion.

Shannon Biotechnologies Limited (“SBL”)

5 As I have indicated, this is the Claimant company. It was incorporated in Ireland on 25 Nov 2002 on the instruction of Mr Brendan O’ Mara. He was subsequently designated a co-director. His sister, Ann O’ Mara, is a co-director and company secretary. Mr O’ Mara, Ann O’ Mara, Dr Walters and a Guenter Schmidt were listed as the four initial shareholders. I have heard that the original intention was to call this company **Shannon Pharmaceuticals Limited** but that when it came to register that name it was not available and Shannon Biotechnologies was chosen instead.

Shannon Minerals Limited (“SML”)

6 This is a family-run soft-drinks business based in Limerick, Ireland. Brendan O’ Mara is the managing director and his sister Ann O’ Mara is also a director and company secretary. There is no dispute that Dr Walters was engaged with Shannon Minerals Limited during the period from March 2002 until 20 May 2003, although there is disagreement about the nature of this engagement.

Shannon Biotechnology Limited UK (SBUK)

7 Dr Walters set up Shannon Biotechnology Limited UK and it was registered in Cambridge on 13 December 2004. Dr Walters is the principal shareholder and authorized to act in all matters on its behalf. Dr Dianne Marshall is a co-director and company secretary.

Patent Technologies Limited (“PT”)

8 Dr Marshall also appears to have managed the day-to-day matters at least of the consultancy firm Patent Technologies Limited which invoiced Shannon Minerals Limited for Dr Walters’ work. A significant part of Dr Walters’ case is that he was employed by Patent Technologies Limited and not Shannon Minerals Limited. Shannon Biotechnologies Limited says Patent Technologies Limited administered Dr Walters’ payments for tax reasons. Dr Walters and Dr Marshall plainly have a close relationship. They are both connected with Patent Technologies Limited and Shannon Biotechnology Limited UK and Dr Marshall’s details were given as the original address for service on the 3rd, 4th and 5th patent applications in suit.

- 9 The relationship between Patent Technologies Limited and Shannon Minerals Limited, and, in turn, the relationship between Patent Technologies Limited and Dr Walters are significant factors in this case.

The Patent Applications

- 10 The filing details of each of the five patent applications differ and it seems appropriate to detail the information here:

GB0215532.3, “*Application and formula patent for process of manufacturing a ready-to-drink analgesic preparations*” filed on 3 July 2002 in the name of Mr John Anthony Walters, The Hermitage, Ballyedmonduff Road, Stepaside, Dublin 18, Co Dublin, Ireland.

GB0217130. 4, “*Application and formula patent for the process of manufacturing ready-to-drink analgesics for sale through general sales listing and over the counter routes to market*”, filed on 24 July 2002 in the name of John Anthony Walters, 46 Elm Vale, Riverside, Annacotty, Co Limerick Ireland. Address for correspondence: Shannon Pharmaceuticals Ltd, Upper Clare Street, Limerick, Ireland.

GB0227595.6, “*Ready to drink medicines*” filed on 26 Nov. 2002 in the name of Dr John A Walters, Shannon Pharmaceuticals Ltd, Upper Clare Street, Limerick, Ireland. Address for correspondence Dr Dianne Marshall Patent Technologies UK Limited, 18 Gordon Richards, New Market Suffolk, CB8 0BH, United Kingdom.

GB0229315.7, “*Process leading to ready to drink formulations of aqueously insoluble medicines including ibuprofen*” filed 17 Dec. 2002 in the name of Dr John A Walters, Shannon Biotechnologies Ltd, Upper Clare St, Limerick, Ireland. Address for correspondence Dr Dianne Marshall Patent Technologies UK Limited, 18 Gordon Richards, New Market Suffolk, CB8 0BH, United Kingdom.

GB0300052.8, “*Formulation manufacturing of RTD using aqueously insoluble medicines with particular respect to particle size*” filed on 3 Jan 2003 in the name of Dr John A Walters, Shannon Biotechnologies Ltd, Upper Clare St, Limerick, Ireland. Address for correspondence Dr Dianne Marshall Patent Technologies UK Limited, 18 Gordon Richards, New Market Suffolk, CB8 0BH, United Kingdom.

- 11 Admitted later was PCT Application GB/2003/002866 (WO2004/004705) which claims priority from each of the above five GB patent applications and was filed on 3 July 2003 on Dr Walters’ instructions by Page, White Farrer in the name of Shannon Biotechnology Limited. Dr John Anthony Walters is designated as the sole inventor. This application was published on 15 Jan 2004.

- 12 The cases were referred to in the proceedings in their chronological order and considerable confusion arose because the Claimant's running order was different from those held by the Patent Office and the defendant. Dr Walters alleged that the Claimant's copies were obtained improperly from Dr Walters' lap top. However they were obtained by the Claimant, they clearly had not seen the Patent Office versions because they remain unpublished. The confusion was resolved by comparing the Claimant's copies with those held by the Patent Office which were of course identical to Dr Walters' copies. It was clear to me that the content of the Claimants' copies and the official copies were the same and there was merely some confusion as to what application number applied to their copies. However, I consider that this confusion does not affect my decision and neither side made submissions to that effect.

Statement of grounds

- 13 I allowed both parties to submit amended statement of grounds. Originally, the Claimant pleaded sole ownership of each of the patent applications and any 'overseas application claiming priority therefrom' and that Brendan O' Mara be designated as the sole inventor of each application. Their revisions essentially made reference to the PCT application and pleaded joint inventorship of the applications apart from the first application, GB0215532.3.
- 14 In the initial stages of the proceedings, Dr Walters sought security of costs against the Claimant because it was located outside the jurisdiction of the UK. The Patent Office was of the opinion that in the absence of evidence of difficulty in enforcing costs in Ireland such an order was not appropriate.
- 15 Dr Walters submitted six further exhibits after the formal evidence rounds had closed. The Patent Office gave preliminary decisions, uncontested at the hearing, indicating that two of these were admissible: JW205 which consisted of three emails and JW301104 which related to Shannon Biotechnologies Limited Companies Registration Office documents and the Memorandum of Association.

Preliminary hearing

- 16 The original hearing date had been postponed because it was not clear whether Dr Walters would attend since it emerged that he was in prison. Shortly before the substantive hearing was due to take place Dr Walters requested it be adjourned on the grounds that he had not received official notification that Mr O' Mara was available to him for cross-examination. Accordingly, I heard both parties on this and three other points and gave an oral decision on each point as follows:

- 17 Whilst I had some sympathy with the Claimant's objections to a second postponement, in the overriding interests of conducting a fair hearing I decided to allow Dr Walters primary request and postponed the substantive hearing for four days.
- 18 Dr Walters submitted that he was not entitled to represent Shannon Biotechnology Limited UK as he was barred by a court order dated 6th September 2004 from holding directorships. Mr Brandreth pointed out that section 102 of the Patents Act expressly provides that a company can authorize anyone to act on its behalf in patent proceedings. In saying this Mr Brandreth directed me to a letter of 26 April 2004 by the company secretary of Shannon Biotechnology Limited UK authorizing Dr Walters to act in all matters of the company, with particular reference to its patent applications and Dr Walters did not dispute this. I took the view that Dr Walters was not seeking to avoid this issue being heard, rather he was genuinely concerned that he was barred from doing so. Accordingly, I held that Dr Walters was eligible to represent Shannon Biotechnology Limited UK in the proceedings.
- 19 Dr Walters attempted to submit two further pieces of evidence and indicated he wished to file further exhibits relating to details of the companies concerned, in particular letters from an auditor verifying accounts which he had on CD-ROM. The two exhibits provided in the week preceding the hearing were: (i) an alternative copy of a confidential disclosure agreement (BOM21) already contained in the exhibits of both parties; (ii) a sub-contractor agreement between Dr John Bott Walters and Patent Technologies UK dated 31 October 2001. I disallowed both exhibits and indicated that no further material from the CD-ROM records could be admitted as there had already been more than ample time to file this evidence and the Patent Office had reminded Dr Walters on more than one occasion of the need to file his evidence on time.
- 20 Shortly before the hearing the Patent Office had pointed out to the Claimant that the first page of a three-page exhibit of the Claimant (BOM10) was not on its file. The Claimant submitted the page. Dr Walters objected as he had not seen it before. The Claimant submitted that it should be allowed *de bene esse*. I agreed to admit it on this basis and explained to Dr Walters what this means.
- 21 The Claimant submitted that it should be awarded wasted costs for the inconvenience of the second postponement. I agreed with counsel that I would consider this in my order for costs in my decision.

The Applications

- 22 The applications relate to ready-to-drink medicinal beverages. Their main theme is to provide a drink with a medicine, usually a painkiller, already dissolved in it. Throughout these proceedings these beverages have been referred to as Ready-to-Drink medicines ("RTD medicines"). The first application filed on 3rd July 2002 claims

acetaminophen (paracetamol) in different amounts dissolved or suspended in spring water. There was agreement between the parties that the subsequent applications were directed to alternative or additional features of this main theme. In addition to the formulation aspect of the inventions, a significant feature of one application, GB0227595.6, and the PCT application was a container comprising an integrated closure in which a medicinal powder, such as aspirin, could be stored. The user could then dispense the powder into solution by a simple ‘drop-release’ mechanism. A third aspect of this theme to which GB229315.7 and the PCT application are directed concerns solutions comprising mixtures of carbohydrate and proteins as stability promoters for the medicinally active ingredients.

23 I should point out that in deciding the question of entitlement it is not necessary for me to consider whether the inventions are patentable inventions.

Witnesses

24 For the Claimant, Mr O’ Mara, Ann O’ Mara, Matt Hartigan (production manager of Shannon Minerals Limited) and Michael Morrissey of Morrissey McCrann, the O’ Mara’s accountants firm, made written witness statements. Mr O’ Mara also gave oral evidence and was cross-examined by Dr Walters.

25 Although Mr O’ Mara was sometimes not able to accurately recall precise details of some events he nevertheless gave his answers in a straightforward manner, with little hesitation. There was however one point in his answers that gave me some cause for concern. Central to the dispute is who was the first to come up with the idea of RTD medicines, Mr O’ Mara said he did. When cross-examined he indicated that he probably had made written notes of his idea because he said “*I make diary notes of everything I do*”. However, no such notes have been advanced in these proceedings.

26 Mr O’ Mara’s answers together with his witness statement and accompanying exhibits gave me an impression of Shannon Minerals as a family concern, run on informal grounds but perhaps lacking a degree of rigour with regard to documentation practices. Overall, I considered Mr O’ Mara to be a reliable witness.

27 I think it is important to give my thoughts about Dr Walters’ conduct of his cross-examination of Mr O’ Mara. Presumably Dr Walters has no training in the art of cross-examination. Nevertheless he is clearly an articulate and intelligent man. I sometimes I had to pick him up on procedural aspects of cross-examination, for example his tendency to sometimes mix up his questions with his own submissions. He put his questions clearly and with some force to Mr O’ Mara. The relevance of some of his questions is different matter. One issue that I do need to highlight briefly here though, because Dr Walter’s has made a claim of perjury against Mr O’ Mara in

relation to it, is the ownership of a lap-top used by Dr Walters at Shannon Minerals. However, I do not believe this issue is germane in forming my decision.

- 28 Dr Walters was cross-examined by Mr Brandreth and he answered questions in a coherent manner but sometimes there was hesitation and he was apt to become quite tense and emphatic on some points. However, I should take into account the fact that his cross-examination lasted for over three hours.
- 29 Mr Brandreth pressed Dr Walters on his lack of documentary evidence supporting his claim as the inventor. However, in contrast to Mr O' Mara's evidence, Dr Walters indicated in his witness statement which he repeated in emphatic tones at the hearing that he had documentary evidence regarding the research leading up to his invention of RTDs. He said he did not think it worthwhile filing it because he considered the case to be a mockery and didn't want to waste time on it. These reasons for not advancing what would undoubtedly be critical evidence were not at all convincing. This together with some inconsistencies in Dr Walters' answers during cross-examination, especially where he varied his approach from his witness statement on some points, and the manner in which he replied to some points caused me to have doubts about the credibility of some of his evidence.
- 30 At this point I should perhaps mention that at times both parties attempted to cast doubt on the honesty and integrity of the other side. Dr Walters alleged that a document purporting to be the minutes of a meeting was a fabrication and that Mr O' Mara had forged his brother's signature and had altered details on an expenses sheet. He also suggested that details of his invention had been improperly obtained from his computer. As will emerge, Dr Walters was unable to substantiate these claims and accordingly they give me no cause to doubt the integrity of Mr O' Mara.
- 31 Mr Brandreth drew attention to the fact that Dr Walters was presently serving a ten month prison sentence for obtaining money by deception and had just been released on licence. Mr Brandreth presented a copy of the certificate of conviction to Dr Walters.
- 32 I will approach my decision from the standpoint of the three questions put by the Claimant in his skeleton and summarized by Mr Brandreth in his opening as follows:

(1) The "Agreement" Question

- 33 *"Was there, as the applicant contends, an agreement between Mr O' Mara and Miss O' Mara and Dr Walters the effect of which was that a company would be created and that the company would be the proprietor of intellectual property rights in the core invention and any subsequent developments?"*

(2) The “Employee” Question

34 *“Was Dr Walters an employee of SBL? If he was we say the consequence of the Patents Act is that because those inventions were made during the course of his duties, in which either the invention was expected to be the outcome of those duties or he had some special duty to further the interests of the company, SBL owns those inventions also for that reason”*

(3) The “True Inventor” Question

35 *“Who is the true inventor? I think we need to bear in mind that there is a clear distinction between the earlier applications and the subsequent applications. It is in relation to the very first application that we say Brendan O’ Mara is the true deviser of the invention.”*

36 Mr Brandreth put it to me more than once that I must make a decision as to which of the two parties is lying. Of course, the Claimant’s case is that Dr Walters is not telling the truth and therefore, Mr Brandreth implied that the default consequence of this is that the Claimant’s submissions stand unless they too are of questionable integrity. I would disagree that this is rationale I should adopt. My task is to look at the evidence and decide, on the balance of probabilities, if the Claimant’s plea is substantiated whilst taking into account the strength of the defendant’s evidence and submissions on a particular point.

The Law

37 I will review the relevant parts of the Patents Act 1977 here before I deal with each of the Claimant’s three questions because some sections are relevant to more than one question.

38 Section 7 concerns the right to apply for and to obtain a patent. The Claimant referred me to two subsections, 7(2) parts (a), (b) and (c), and 7 (3) in its submissions regarding the questions of inventorship and whether an agreement existed. These read as follows:

Section 7(2)

“A patent for an invention may be granted-

- (a) primarily to the inventor or joint inventors;*
- (b) in preference to the foregoing, to any person or persons who, by virtue of any enactment or rule of law, or any foreign law or treaty or international convention, or by virtue of an enforceable term of any*

agreement entered into with the inventor before the making of the invention, was or were at the time of the making of the invention entitled to the whole of the property in it (other than equitable interests) in the United Kingdom;

- (c) *in any event, to the successor or successors in title of any person or persons mentioned in paragraph (a) or (b) above or any person so mentioned and the successor or successors in title of another person so mentioned; and to no other person."*

Section 7(3)

"In this Act "inventor" in relation to an invention means the actual deviser of the invention and "joint inventor" shall be construed accordingly."

- 39 Regarding the Claimant's first question of who is the true inventor submissions were made under section 13 of the Act which is as follows:

Section 13(1)

The inventor or joint inventors of an invention shall have a right to be mentioned as such in any patent granted for the invention and shall also have a right to be so mentioned if possible in any published application for a patent for the invention and, if not so mentioned, in accordance with the rules in a prescribed document.

- 40 The employee question resides in the provisions of sections 39(1) and (2) of the Act which reads as follows:

Section 39(1)

Notwithstanding anything in any rule of law, an invention made by an employee shall, as between him and his employer, be taken to belong to his employer for the purposes of this Act and all other purposes if-

- (a) *it was made in the course of the normal duties of the employee or in the course of duties falling outside his normal duties, but specifically assigned to him, and the circumstances in either case were such that an invention might reasonably be expected to result from the carrying out of his duties; or*
- (b) *the invention was made in the course of the duties of the employee and, at the time of making the invention, because of the nature of his duties*

and the particular responsibilities arising from the nature of his duties he had a special obligation to further the interests of the employer's undertaking.

Section 29(2)

Any other invention made by an employee shall, as between him and his employer, be taken for those purposes to belong to the employee.

41 In respect to the determination of inventorship, there is very little direct evidence from either side, save obviously the patent applications in suit. In this regard cross-examination becomes particularly significant and I shall address this question first because, although Mr Brandreth places it last in his submissions, the questions of an agreement and employment only become relevant once there was an “invention”.

The Inventor Question

42 Mr Brandreth referred to section 7(3) of the Act which requires me to determine who was the true deviser of the invention. As I have said above, the central theme underlying the patent applications is quite a simple one. Indeed, unlike most other aspects of this case, there was agreement between the parties about the inventive concept lying at the heart of the dispute. The inventive concept was stated as thus: *"Medicinal active component(s) presented in such a way that they are dissolved and dispersed in water as Ready-to-Drinks without the additives normally used to formulate tablets, capsules, effervescent tablets, syrups, liquid filled capsules."*

43 Unfortunately there is very little in the way of evidence relating to the question of inventorship. Mr O' Mara says he thought of the idea and expressed it to his sister towards the end of 2001 and told Dr Walters about it in a trip to Jersey on the weekend of 5/6th May 2002. He says his company had produced some calcium enriched products. In a nutshell, Mr O' Mara's case is that on account of being in the soft drinks industry he was thinking of expanding his business to include functional beverages and came up with the idea.

44 Dr Walters put the point to me that Mr O' Mara has a law degree and is an accountant who had a magnificent idea but did not commit in writing. I have some sympathy with this point and think it not unreasonable to expect someone of Mr O' Mara's standing to have recorded his idea. While Mr O' Mara's conduct under cross-examination gave me no reason to question his integrity I have to look for evidence of the genesis of the inventive concept but find he has submitted none save his own testimony. He is however supported by the witness statement of his sister, Ann O' Mara, who says that in the final quarter of 2001 he *"first mentioned to me his idea of including*

pharmaceuticals in a drink, which he described as the ultimate functional drink.”
Nevertheless, I find it surprising that there is no documentary record of this idea.

- 45 Next, I turn to Dr Walters’ submissions that he was the true deviser of the invention(s). Dr Walters not only portrayed himself as a rigorous, careful biochemist of considerable years of experience but also as someone well versed in business in the functional drinks and medicines industry. However, like Mr O’ Mara he too could not advance any documentation specifically relating to the development of the invention. Indeed Mr Brandreth submitted it was extraordinary that a scientist claiming to have laboratory notebooks, development note emails, preparatory drafts did not submit them in evidence. A further line of Mr Brandreth’s argument was that the GB applications had the look of something drafted after a conversation, not the look of a product developed after “years of leading research in medicines in the functional drinks industry”. Mr Brandreth also submitted that Dr Walters was inconsistent in his evidence about when he revealed the invention to Mr O’ Mara. During cross-examination Dr Walters suggested that he did not reveal the idea of RTD medicines until after a confidentiality agreement was in place on 29 June 2002 while he also said that the purpose of the “Jersey trip” in May of that year was to develop the RTD business.
- 46 Dr Walters advanced three exhibits relating to a product called “Verve” as proof of numerous functional beverages that he said he had developed. In his written evidence he says Verve was Superdrug^{RTM} product of the year in 1998 and outsold its competitors such as Alka Seltzer^{RTM}. He took me to three exhibits in his closing submissions. The first is a picture of a bottle with “Verve” written on it and two one-page sales literature documents. The third is an indecipherable copy of something looking like a paper cutting and shows a box labelled “Verve”.
- 47 Paradoxically, the Claimant’s exhibit in evidence-in-reply is the clearest in these proceedings that show what very much appears to be box of tablets branded with “Verve” in a web-page article and supporting Dr Walters’ claim that it was indeed Superdrug^{RTM} product of the Year in 1998.
- 48 However, the relevance of the submissions regarding Verve is limited because it was common ground between the parties that it is a “drug-free” hangover cure.
- 49 Dr Walters submitted a confidentiality agreement between himself and Mr O’ Mara in support of his case that he developed and owned the IP in the RTD medicines. There was some disagreement about the date of Mr O’ Mara signature on this document; Dr Walters’ alleged that Mr O’ Mara has forged the signature of the counter-signatory, Frank O’ Mara, his brother. I find it more appropriate to concern myself with detail of the confidentiality agreement, in particular, the definition of the products to which it relates and what information it was expected to cover. In the header it refers to RTD

medicines along with a series of other products. However, there is no specification of what information the confidentiality agreement covered. I found Dr Walters' submissions regarding this document together with his responses to questions about it somewhat complicated and inconsistent. To my mind, the confidentiality agreement does not advance his submissions that he developed or owned IP in RTD medicines.

- 50 Another significant exhibit that was raised in relation to the determination of both inventorship and also to the question of whether there was an agreement in place between the parties was a licence agreement. The licence agreement, submitted in evidence by Dr Walters, was between himself and Shannon Minerals Health Foods Ltd dated 27 July 2002. It was signed by Mr O' Mara. Throughout it refers to inventions and is indeed drafted to licence those inventions which it says are detailed in patent applications. However, when one turns to the schedule to find what those applications are it is spectacularly blank. Dr Walters' eventual statement during cross-examination that the agreement did not cover the patent applications was at odds with his witness statement in which he said it did. I am not sure whether the licence agreement has a bearing on the questions before me. The Claimant submitted that because it clearly lacked reference to the patent applications it did so for two reasons: (i) that Dr Walters did not think he had the right to licence the invention and (ii) that he thought they were already owned by Shannon Biotechnologies Limited. That might be the case but my view is that because the licence agreement lacks critical information it is not clear why Dr Walters submitted it in the first place. Certainly it does nothing to promote his submissions that he owned the intellectual property in the inventions under consideration.
- 51 Mr Brandreth submitted that where Dr Walters thought he did own IP he licenced it and in the absence of detail in the licence agreement in question it follows that Dr Walters did not think he owned the IP in the RTD medicines. While this point has some validity I do not put significant store in the relevance of the licence agreement to the questions before me.
- 52 Thus, I am faced with the notion that Mr O' Mara simply had an idea which he told his sister about. If this is correct then his shortcoming was that he was not diligent in recording it. In contrast, Dr Walters claimed he had actually performed experimental development work leading up to the invention in his spare time. From indicating in his original statement of grounds that evidence would be filed in support of it, none ever was, despite the fact that on several occasions he pursued requests to file other late exhibits.
- 53 Having attempted to unravel the evidence, notwithstanding that some it is inconsistent, it is not unreasonable to come to the conclusion that Dr Walters had a professional history in the development of functional beverages. Indeed, the Claimant does not

dispute this- they say that they first met Dr Walters in the summer of 2000 precisely in connection with the soft drinks business.

- 54 It is not at all clear what was the nature of the conversations between Mr O' Mara and Dr Walters in the spring and summer of 2002, before the first application was filed. What is common ground between the parties is that both men knew of the RTD medicines by 5 and 6 May 2002. As to when the invention(s) of the patent applications was actually made, the only clear evidence we have is the patent applications themselves, the first of which was filed on 3 July 2002.
- 55 What is clear is that neither party has filed any convincing documentary evidence to support their respective claims that the idea originated with them.
- 56 Thus, on the inventor question I am faced with both parties claiming to be the inventor but neither of them being able supply any documentary evidence to directly support that claim. Mr O' Mara is supported to some extent by his sister's witness statement. Dr Walters has presented some evidence of his professional history in the development of functional beverages and the Claimant does not dispute that they first met Dr Walters in the summer of 2000 precisely in connection with the soft drinks business. Thus, the Claimant has done little to support his claim and the Defendant has done little to refute it. However, the onus of proof is on the Claimant to show that they are entitled to the relief sought. After careful consideration and for the reasons set out above, I find that they have failed to do so and I cannot accept that Mr O' Mara is entitled to be named as sole or joint inventor of the first application. I will return to the issue of joint inventorship of the other applications after I have considered the nature of Dr Walters engagement with Mr O' Mara.

The Agreement Question

- 57 The Claimant's case is that under section 7(2)(b) Shannon Biotechnologies Limited owns the patent applications because an agreement was in place to that effect.
- 58 The nub of the question as to whether there was an agreement in place is two-fold: (i) did as the Claimants maintain, a meeting take place on 21 June 2002 at Shannon Minerals with Dr Walters and Mr O' Mara present and (ii) did that meeting record an agreement to set up a company to develop RTD medicines.
- 59 The minutes dated 21 June 2002 of the alleged meeting detail four attendees, Brendan O' Mara, Matt Hartigan (production manager of Shannon Minerals Limited), Ann O' Mara and Dr Walters. Item 3 reads as follows:

“The formation of a company was discussed to facilitate the RTD medicine drinks project. It was agreed that the company would be called Shannon Pharmaceuticals

Ltd and that SP would own the concept and intellectual property of the products and processes including the patent for these. The shareholding would be broken down as follows AOM - 1 third, BOM -1 third, JW- 1 third. It was agreed that if we need to bring other people on board for outside expertise at a later date (sic) that would be dealt with as it arose. Shannon Minerals will fund the project for the foreseeable future. A grant application will be made to Shannon Development for funding in the name of Shannon Minerals but once the funding is in place the monies funded would be transferred to SP to enable company to progress to R & D work and the purchasing of equipment etc. BOM is to contact Michael Morrissey regarding the formation of the above company.”

60 One thing which I should address here is that the above alleged agreement refers to the formation of a company to be called Shannon Pharmaceutical Ltd (“SP”). As we have seen, the Claimant is actually called Shannon Biotechnologies Limited (“SBL”). I have heard that when Mr O’ Mara came to register Shannon Pharmaceuticals that name was unavailable and Shannon Biotechnologies Limited was chosen instead. There appears to be no dispute on this point. Accordingly, for the purposes of this dispute the difference between the two names is of no significance.

61 Brendan O’ Mara, Ann O’ Mara and Matt Hartigan of Shannon Minerals Limited made witness statements to the effect that the minutes are true record of the meeting. Ann O’ Mara states specifically that Dr Walters was present at the meeting and that the minutes are complete and accurate. Mr Hartigan confirms that the minutes are “*complete and accurate to the best of my recollection*”, but perhaps surprisingly he does not specifically state that Dr Walters was present given that this meeting and Dr Walter’s presence or otherwise are such significant issues. Dr Walters did not take the opportunity to cross-examine Miss O’ Mara or Mr Hartigan.

62 Dr Walters claims he never attended the meeting. In fact, he originally submitted in his witness statement that the minutes were fabricated. He had also indicated that he would file evidence to prove he was not at the meeting. None was filed. I would note here that in his written submissions, Dr Walters referred on several occasions to evidence he intended to file and on these occasions the Patent Office wrote to him pointing out that such evidence must be filed within stipulated time limits. During cross-examination Dr Walters moved somewhat from his original position and submitted that he hadn’t seen the minutes or ever agreed to their terms and that he could not recall attending any such meeting. In his cross examination of Mr O’ Mara, Dr Walters appeared to be attempting to show that he (Dr Walters) could not possibly have attended the meeting because of timing issues and commitments. Dr Walters implied that he was at a different meeting some two or more hours drive away at 2:00pm on the day of the meeting (although this is not supported by any evidence) but under cross examination, Mr O’ Mara indicated that he recalled the meeting in question taking place in the morning between about 9:00 and 10:30 and that it would have lasted

for about 10 or 15 minutes. On this issue, Mr Brandreth in his closing submission pointed out to me that Dr Walters did not say that he had to be at a meeting at 2:00pm until after Mr O' Mara had given his evidence of when the meeting took place so there can be no question of Mr O' Mara making up the time to suit his case. Having listened carefully to this I formed the view that neither Dr Walters or Mr O' Mara could remember such details with sufficient clarity to assist me very much.

63 Nevertheless, the minutes exist, their accuracy has been confirmed by Ann O' Mara and Mr Hartigan. Dr Walters cannot recall attending the meeting and denies that the agreement recorded in the minutes actually took place. Dr Walters claimed to have documentary evidence of his movements on the day but he has not supplied any such evidence or any other evidence which leads me to doubt that the meeting took place and in the absence of any significant contrary evidence I accept the minutes as they stand in so far as they record a meeting which did in fact take place on 21 June 2002.

64 As to whether I accept Dr Walters' assertion that he did not attend the meeting I have little to go on. As I understand it his current position, as it emerged under cross examination, is summed up by the following exchange between Mr Brandreth and Dr Walters:

Mr Brandreth: *"You say it (the minutes) is a forgery because you do not remember the meeting, you do not remember agreeing any of this. That is right, is it not?"*

Dr Walters: *"That is exactly right, yes."*

65 Mr Brandreth then went on to push Dr Walters on this point by saying that the implication was that Mr O' Mara was lying when he said the meeting took place and that the minutes are accurate, Dr Walters replied *"He has to be, yes"*. Dr Walters also said that he thought Ann O' Mara was lying about the meeting for the same reasons and because *"Ann O' Mara will do anything Brendan O' Mara tells her to do."* Which he set out as his reason for not seeking to cross examiner Ann O' Mara and he said much the same about Mr Hartigan.

66 Having considered the matter very carefully I have come to the conclusion that the minutes are not a fabrication and that they record accurately a meeting that took place on 21 June 2002. From Mr O' Mara's oral evidence at the hearing and from the length of minutes themselves I am inclined to believe Mr O' Mara's assertion that the meeting would have lasted about 10 to 15 minutes. Dr Walters cannot remember attending the meeting but I am not convinced that means that he did not in fact attend. It is clear from the evidence that there were many meetings between Dr Walters and Mr O' Mara and it is inevitable that such meetings would have discussed issues relating to the development of RTD medicines. In the circumstances, that Dr Walters

- cannot recall that particular rather short meeting several years ago is not particularly surprising.
- 67 Dr Walters submitted that if the minutes were accepted then in any case they did not represent an agreement but merely amounted to an agreement to agree and therefore there was no contractual agreement.
- 68 Mr Brandreth submitted it was clear from the wording “it was agreed” that the minutes in question record an agreement, and that this is corroborated by the witness statements of Ann O’ Mara and Matt Hartigan. Mr Brandreth also referred to the witness statement of Shannon Minerals Limited’s accountant Mr Morrissey, which reads “*Brendan O’ Mara first approached me in July 2002 [that is within a matter of weeks of the meeting] about setting up a new company that he wanted to call Shannon Pharmaceuticals Ltd for a new venture he was developing in the area of ready to drink pharmaceuticals or functional waters*”. Mr Brandreth says this supports the notion that an agreement was in place. When invited to do so, Dr Walters did not question Mr Morrissey’s integrity.
- 69 The distinct impression given by Dr Walters is that he knew nothing of Shannon Biotechnologies Limited until mid January 2003 and that he was not a director of it nor had any obligation to it. I am bound to say that in this respect Dr Walters was not at all convincing and plainly some of his answers were at odds with some of the evidence. Even if I accept that Dr Walters knew nothing of Shannon Biotechnologies Limited’s incorporation prior to January 2003, this is not really the point. The agreement relates to the setting up of Shannon Pharmaceuticals Limited (which ultimately ended up as Shannon Biotechnologies Limited) and Dr Walters was clearly aware of the intention to set up Shannon Pharmaceuticals. The address for service of the 2nd patent application GB0217130.4 filed on 24 July 2002 by Dr Walters is Shannon Pharmaceuticals of Upper Clare Street, Limerick Ireland (the address of Shannon Minerals Limited). In November 2002 he exhibits in his own evidence an e-mail from himself to Mr O’ Mara dated 12 November 2002 in which he says “*Shannon Pharmaceuticals incorporation and allocation - this will need to be completed prior to the Wyeth contract*”. Further, in an e-mail to Mr O’ Mara dated 24 October 2002 he says “*Has Shannon Pharmaceuticals Ltd been incorporated yet?*” In addition there is a letter dated 20 November 2002 from Dr Walters referring to Shannon Minerals and Shannon Biotechnologies in which he signs himself as “Commercial Director”. There is an e-mail dated 27 February 2003 from the Shannon Biotechnologies Limerick address in which Dr Walters styles himself as CEO as he also does in an e-mail dated 25 February 2003. There is a confidentiality agreement in which Dr Walters again signs himself as CEO.
- 70 As I see it, what emerges from this is that Dr Walters must have become aware at some time prior to 24 July 2002 that the intention was to set up a company called Shannon Pharmaceuticals as foreshadowed in the agreement referred to above and that he

appeared to be actively urging Mr O' Mara to get on with it. Thus even if he did not attend the meeting on 21 June 2002 he appears to have been in agreement with the intention to set up a company called Shannon Pharmaceuticals. In this respect his reference referred to in the paragraph above to the need to complete this "prior to the Wyeth contract" is significant. The Claimants have submitted the minutes of a meeting with Wyeth Consumer Healthcare which Dr Walters attended on 17 October 2002 in which the main topic under discussion was the production of RTD medicines. Thus it would appear that Dr Walters was in agreement that Shannon Pharmaceutical would be set up to "*to facilitate the RTD medicine drinks project.*" This effectively just leaves that part of the agreement which refers intellectual property rights.

- 71 On that point Mr Brandreth was keen to submit a number of indirect reasons why the agreement was tenable. For example, he argued that the absence of an agreement would give rise to an "inherently implausible business agreement" in which the O' Mara's would have invested in a venture but have no rights in it. Further, he submitted that the absence of reference to RTD medicines or the patent applications in the license agreement is very telling because, he said, Mr O' Mara did not need a licence for the inventions because they were already owned by the company. The company documentation shows that Dr Walters owned a third of Shannon Biotechnologies Limited shares. In another vein, Mr Brandreth put it to me that Dr Walters' submission that he developed RTD medicines in his spare time sits unhappily with the fact Dr Walters represented Shannon Minerals Limited in October 2002 and later Shannon Biotechnologies Limited publicly in connection with RTD medicines.
- 72 The evidence is distinctly inclined to make me believe that Dr Walters worked on a joint venture to develop RTD medicines from June 2002 at the latest with the O' Mara's at Shannon Minerals. Indeed Dr Walters says in cross-examination that he worked closely with Mr O' Mara. Shannon Minerals Limited is a family business. The summation of remarks both in writing and orally indicate that the relationship was not distant or particularly formal. There was an informality characteristic of a close working relationship. In these circumstances, I think it most unlikely that Dr Walters pursued the development of the invention(s) independently. More likely is that the parties were working together but then fell out.
- 73 Particularly relevant to this question is the fact that the O' Mara's indicated that they would fund the RTD development work and indeed it could reasonably be assumed that they endured some costs given that it was operating from within Shannon Minerals Limited premises.
- 74 Throughout these proceedings Dr Walters has presented himself as a man who knows about intellectual property and its importance. Mr O' Mara presented himself as a man who had come to recognise that patents could play an important part in the development of his business.

- 75 In summary, Dr Walters appears to be asking me to accept that there was no agreement to set up a company to facilitate the RTD medicines project and no agreement that that company would own the intellectual property in that project, yet only a month after the date of the agreement which Dr Walters says did not exist, he filed a patent application entitled “*Application and formula patent for the process of manufacturing ready-to-drink analgesics for sale through general sales listing and over the counter routes to market*” which is clearly in the field of RTD medicines and gives as the address for correspondence “Shannon Pharmaceuticals Ltd, Upper Clare Street, Limerick, Ireland” which is the name of the company referred to in the agreement and the address of Shannon Minerals Limited. This together with Dr Walters dealings with Wyeth and the way in which Dr Walters appeared to urge Mr O’ Mara to get on with setting up Shannon Pharmaceuticals as outlined above leads me to the conclusion that Dr Walters position on the agreement is simply not credible. Having considered all of the evidence and the arguments put to me, I am satisfied that the meeting of 21 June 2002 did take place and that the minutes are an accurate record of that meeting. I think it likely that Dr Walters attended that meeting but cannot now recall it rather than that he is being untruthful on this point. Even if Dr Walters did not attend the meeting, I am satisfied that at some point between 21 June and 24 July 2002 he must have become aware of the intention to set up Shannon Pharmaceutical to facilitate the RTD medicines project. I am satisfied that both parties appreciated the importance of intellectual property rights and it is accordingly most unlikely that an agreement to set up Shannon Pharmaceuticals to develop RTD medicines would be silent on the ownership of such rights which in effect is what Dr Walters must be implying.
- 76 Accordingly, I find that a valid agreement existed between the parties from the 21st June 2002 onwards and that agreement is as set out in the minutes of the meeting held on 21 June 2002.
- 77 Mr Brandreth put it to me that a consequence of this finding is that pursuant to section 7(2)(b) of the Act the owner of the patent applications is therefore Shannon Biotechnologies Limited. I do not think that the fact that the agreement actually refers to Shannon Pharmaceuticals rather than Shannon Biotechnologies makes any difference to that for the reasons I have set out above.
- 78 This brings me to Mr Brandreth’s submission that the agreement was formed before the invention. The statute in section 7(2)(b) states that an enforceable agreement is “any agreement entered into with the inventor **before the making of the invention**” [emphasis added]. A key aspect of the Claimant’s submission is that RTD were known before the 21st June, they say devised by Mr O’ Mara. Nevertheless, as I have found in my decision on inventorship, the only firm evidence there of the invention being devised is indeed the first patent application filed on 3rd July 2002 and I have not been persuaded that Mr O’ Mara is the inventor. In this regard, I can accept Mr Brandreth’s

submission that the agreement was entered into before any of the inventions were made.

79 I have found that a valid agreement was reached on 21 June 2002 and that as a consequence of that agreement, the Company now known as Shannon Biotechnologies was set up to develop RTD medicines and that as stated in that agreement, this company “*would own the concept and intellectual property of the products and processes including the patent for these.*” At the time Shannon Biotechnologies was incorporated on 25 November 2002, two such patent applications were in existence, referred to in this dispute as the first and second applications namely: GB0215532.3 filed on 3 July 2002 and GB0217130.4 filed on 24 July 2002. It is a consequence of this finding that these two applications at least should rightfully belong to the Claimant. Which brings me to Mr Brandreth’s “employee question.”

The Employee Question

80 The Claimants’ submission is that Dr Walters was an employee of Shannon Biotechnologies Limited from the date of its incorporation of 25 Nov 2002 until his dismissal (or as Dr Walters puts it, his resignation) on 20th May 2003. Consequently, the applicant submits, Shannon Biotechnologies Limited owns the 3rd, 4th, 5th applications and also the PCT application.

81 As stated above, the question of ownership by employment is governed by Section 39 of the Act. The Claimant has to overcome two hurdles. Firstly it must prove that Dr Walters was an employee. If successful on this point then they must show that the invention was made in the normal course of his duties or that because of the nature of those duties he had a special obligation to further the interests of Shannon Biotechnologies Limited.

82 So I turn to the first question of whether Dr Walters’ was in fact an employee of Shannon Biotechnologies Limited. The statute makes no definition of what the qualifying criteria for an employee are and Mr Brandreth referred me to a number of authorities in his pleading on this point.

83 The first was *Market Investigations Ltd v Minister of Social Security 1968* ((3) All ER 732) in which Cooke J, dismissing an appeal from the Minister holding that a consultant was regarded as an employee, said:

“Since control, although a matter for consideration, was not decisive, the fundamental test in determining whether a person was performing services under a contract of service or for services was whether the person engaged to perform those services was performing them as a person in business on his own account and thus under a contract for services, but that no exhaustive list of the relevant

considerations or their weight could be compiled; that, in the present case, the extent of control exercised by the company was so extensive as to be consistent with the interviewer being employed under a contract of service, notwithstanding that she had a discretion as to when to do the work; and that, having regard to the nature and provisions of the contract looked at as a whole, the interviewer was not in business on her account, but was employed by the company under a series of contracts of service, the right to work for others not being inconsistent with the existence of a contract of service, and was accordingly, in insurable employment."

84 Mr Brandreth took me to another case concerning the question of employee-employer, in *Re. Ferguson v John Dawson and Partners (Contractors)* 1976 Court of Appeal All ER 817. Mr Brandreth quoted from Lawton LJ dissenting:

"Notwithstanding the label which the parties had put on their relationship to the effect that the plaintiff was to be, or was to be deemed to be, "a self-employed labour only subcontractor," there were other terms necessarily to be implied into the contract between them, including, on the evidence, that the defendants' site agent could dismiss the workmen, including the plaintiff, that he could move men from site to site, that it was for the defendants to provide necessary tools, that it was for the defendants' site agent to tell the workmen, including the plaintiff, what work they were to do and that the men, including the plaintiff, were employed on an hourly basis and the money paid to them was correctly described as "a wage"; and that those terms indicated that the reality of the relationship between the defendants and the plaintiff had been that of employer and employee."

Mr Brandreth also took me to the words of Megaw LJ in the same case who said:

*"In my judgment, on the tests laid down in the authorities, all of this indicates beyond doubt that the reality of the relationship was of employer and employee - a contract of service. I do not propose to lengthen this judgment by examining afresh the criteria, so fully discussed in so many cases. The judge, as I have already said, based himself on the judgment of MacKenna J. In *Ready Mixed Concrete*. Another judgment which I have found very helpful is that of Cooke J. in *Market Investigations Ltd*. My own view would have been that a declaration by the parties, even if it were incorporated in the contract, that the workman was to be, or was to be deemed to be, self-employed, an independent contractor, ought to be wholly disregarded - not merely treated as not being conclusive - if the remainder of the contractual terms, governing the realities of relationship, showed the relationship of employer and employee."*

85 A fundamental aspect of Mr Brandreth's submission was that I should look at the economic reality of the relationship between the O' Mara's and Dr Walters rather than the labels that have been applied to it.

86 There is broad agreement between the parties that Dr Walters was engaged at Shannon Minerals Limited for a period of about fourteen months. His case is that he was employed by Patent Technologies Limited and not by Shannon Minerals Limited. Further, his submission is that Shannon Minerals Limited engaged him as a consultant through Patent Technologies Limited for business development purposes rather than to develop RTD medicines. In support of this he says that Shannon Minerals Limited paid Patent Technologies Limited for his services at Shannon Minerals Limited throughout that period. He states that there was no written contract of employment between him and Shannon Minerals Limited. Moreover, Dr Walters submits that he was engaged by Shannon Minerals Limited on a part-time basis and maintained throughout the proceedings that the inventions were developed in his spare time. On the other hand, Mr O' Mara says in his witness statement that Dr Walters was a full time employee from June 2002. However under cross-examination Dr Walters admitted to working for Shannon Minerals Limited for four days a week and in the circumstances I do not think the distinction between part-time and full-time status has a particularly significant bearing on the questions to be decided.

87 Dr Walters submitted several pieces of evidence to support his point that he was an independent contractor:

(i) invoices ranging from March 2002 to May 2003 from Patent Technologies Limited to Shannon Minerals Limited in which the product description states "*Consultant: wrt export business*";

(ii) an expenses sheet signed by Mr O' Mara detailing employee name "*Dr Walters (Contractor)*";

(iii) an email from a third party referring to Dr Walters as an external consultant.

In relation to the ownership of the invention Dr Walters provided a copy of Patent Technologies Limited's terms and conditions which includes a paragraph saying in effect that any goods supplied (including IP) is the property of Patent Technologies Limited. Dr Walters' submission is therefore that these represent the express conditions of the business relationship between Patent Technologies Limited and Shannon Minerals Limited and establish that he was employed by Patent Technologies Limited not Shannon Minerals Limited.

88 I have already dealt with Dr Walters' claim that he did not know of Shannon Biotechnologies Limited's incorporation until mid January 2003 so I do not I have to deal with that issue again here.

89 The Claimant says that Dr Walters had requested that they pay him through Patent Technologies Limited merely for tax purposes. During cross examination, Mr Brandreth

pressed Dr Walters hard on this issue of payment to Patent Technologies Limited. He submitted that Dr Walters had debts such that it would have suited him “*to keep his income technically separate by relating it to a third party*”. The Claimant also submits that they paid Dr Walters through the vehicle of Shannon Minerals Limited and that this does not have a bearing on Shannon Biotechnologies Limited’s entitlement as an employer. Also submitted in evidence was a medical questionnaire and induction record signed by Dr Walters. The significance of these two documents is that they are designed for employees. The medical Screening Questionnaire states “*To comply with current Health and Hygiene Regulations all **employees** [emphasis added] are required to fill in this form*”. The induction record says “*As part of our training programme, each new **employee** has an induction meeting ..*” and this is signed by Dr Walters over the heading “Signed New Starter”. The Claimants say this indicates that Dr Walters must have known he was an employee when he completed these documents. Dr Walters says that were placed on his desk to sign and he signed them without taking much notice of them.

90 Whether Dr Walters was a director of Shannon Biotechnologies Limited was a point of particular disagreement between the parties. The Claimant submits that Dr Walters became incorporated as a director of Shannon Biotechnologies Limited because he held himself out as a commercial director and CEO, as documented in their exhibits. Dr Walters submits that a director registration form (B10) was never filed and therefore he cannot have been a director. The Claimant does not dispute that the B10 was never filed.

91 In addressing the issue of how Dr Walters presented himself during the period in question, Mr Brandreth questioned him a some length about a meeting on 17 October 2002 with Wyeth Consumer Healthcare which was attended by Dr Walters and Diane Marshal. In the minutes of that meeting which are submitted in evidence, Dr Walters and Diane Marshall are presented as representing Shannon Minerals Limited and Mr Brandreth asked Dr Walters if that was correct. He agreed that it was but implied that that was merely a convenient way of presenting themselves to Wyeth rather than an indication that he was employed by Shannon Minerals Limited. Mr Brandreth pointed out to Dr Walters that the minutes indicated that the meeting was about the development of RTD medicines and Dr Walters agreed. In this respect, Mr Brandreth submitted that Dr Walters was clearly representing Shannon Minerals Limited to Wyeth at least, on the development of RTD medicines and that this goes beyond him being engaged by Shannon as a consultant for export business development as Dr Walters claims. This Wyeth meeting certainly does not in my mind coincide with Dr Walters suggestion under cross examination that “*The relationship [between him and Mr O’ Mara] was not based on anything to do with the RTD medicines other than the patents.*”

- 92 What I am confronted with is evidence that Dr Walters plainly held himself out as an executive of Shannon Biotechnologies Limited and/or of Shannon Minerals Limited at various times. He clearly did so at the Wyeth meeting and he has at various times used the titles “Commercial Director” and “CEO” in connection with Shannon Minerals and Shannon Biotechnologies. When his relationship with Shannon Biotechnologies ended, he resigned as a director of it. My feeling is that Dr Walters freely used such titles when it suited him to do so but is now seeking to persuade me that this was a merely a matter of temporary convenience which did not reflect the reality of the arrangement. I do not find that convincing. Dr Walters was paid regularly by the O’ Maras, even if that payment was late on occasions. The evidence as I have already indicated above in relation to the agreement, points to the fact that Dr Walters was carrying out a range of duties for Shannon Minerals Limited and Shannon Biotechnologies Limited, after its incorporation. Of particular relevance is that the evidence leads me to believe that Dr Walters was specifically engaged in the development of RTD medicines. In this regard I have no trouble in finding that Dr Walters may be regarded as having been employed by Shannon Minerals Limited and Shannon Biotechnologies Limited.
- 93 If, as I have found above, Dr Walters was an employee I must consider whether the invention was made during the course of his normal duties or because of the nature of his duties whether Dr Walters had special obligations to further Shannon Biotechnologies Limited’s interests. The Claimant submitted that the invention(s) were devised in the course of Dr Walters’ normal duties for Shannon Biotechnologies Limited. If they were then the Claimant says they belong to Shannon Biotechnologies Limited by virtue of S.39(1)(a). This raises the question about Dr Walters’ “normal” duties. The Claimant has satisfied me that Dr Walters was employed by Shannon Biotechnologies Limited but their submissions relate to his function in an executive capacity. Dr Walters says his function was even more remote than that as it only concerned business development.
- 94 For the purposes of S.39(1)(a) I would need to consider whether in the performance of his normal duties as an executive of Shannon Biotechnologies Limited, Dr Walters would be expected to devise inventions. It could be argued that company executives would not normally be expected to be involved in creating technical inventions. However, Shannon Minerals is a small concern and Dr Walters worked within it, had a close relationship with Mr O’ Mara and was acknowledged to have expertise in the technology of beverages, indeed he held himself out to be an expert in his own submissions. There is evidence that in the specific circumstances of this case, inventing things was precisely what Dr Walters was there for. However I consider I do not have to come to a definitive conclusion on this point because S.39(1)(b) of the Act dictates that if Dr Walters had made the invention(s) in course of his duties and because of the nature of his responsibilities he owed Shannon Biotechnologies Limited special obligation to further their interests then it follows from S.39 that the invention(s) belongs to Shannon Biotechnologies Limited.

95 Thus, I can direct my attention to determining whether Dr Walters had a special obligation to further the interests of Shannon Biotechnologies Limited. The evidence relating to press releases, Dr Walters representations to Wyeth on behalf of Shannon Minerals Limited, email correspondence, and signed legal documents that refer to Dr Walters as commercial director or CEO of Shannon Biotechnologies Limited all point to the fact that Dr Walters was a leading player in Shannon Biotechnologies Limited. It is clear to me therefore than anyone in his position, regardless of questions of formal directorship appointment, would naturally be expected to have an obligation to further the interests of the company.

96 In summary, the Claimant pleads entitlement by virtue of an enforceable agreement and also by virtue of employment. From a pragmatic standpoint if the Claimant succeeds on one plea then the claim in respect of the other becomes less relevant. Even if I am wrong in my decision regarding entitlement by virtue of the agreement the fact remains that the Claimant has successfully pleaded entitlement by virtue of Section 39(1(b).

97 Accordingly, I hold that each of the five GB patent applications belong solely to Shannon Biotechnologies Limited.

98 Next, I turn to the PCT application. In addressing this I should point out that my jurisdiction concerning the PCT contracting states is limited.

99 Evidently the PCT was filed some two months after Dr Walters' relationship with Shannon Biotechnologies Limited was terminated. Dr Walters says he made further developments in the inventions after he parted company with the O' Mara's. There was some discussion during cross-examination about the precise nature of these further developments which centred on the disclosure of blending and sieving and the nature of carbohydrate additives. The Claimant admits that reductions to practice could have taken place after Dr Walters resigned from Shannon Biotechnologies Limited. In this event it seems appropriate for me to conclude that whilst the PCT application largely contained the disclosures of the GB patent applications it also contained further elements. The Claimant did not make any submissions to the effect that these further elements arose from Dr Walters duties as an employee of Shannon Biotechnologies Limited. In this event it is common ground between the parties that PCT has elements contributed by Dr Walters and no submissions were made to the effect that these contributions were not made after Dr Walters parted company from the O' Mara's.

100 Accordingly, I find that Dr Walters and Shannon Biotechnologies Limited are entitled to joint ownership of the PCT application. However, I am acutely aware that joint ownership causes problems at the best of times, and is a recipe for disaster if the joint owners are at daggers drawn. I would therefore strongly urge the parties, in their own interests, to try and negotiate some settlement or compromise in the light of my findings. There are a number of options which I am sure their legal advisors will discuss

with them, but they include giving ownership to one with a right to work to the other. I will allow the parties **six weeks** to consider this and come back to me. I am allowing a fairly long time so they have adequate opportunity to consider the commercial consequences of the various options. If they agree on an option, I will happily make an order that gives effect to it. If they are unable to agree, I will consider their separate submissions but may, if all else fails, be forced to order joint ownership.

- 101 This leaves me with the Claimants submission that Mr O' Mara should be named as joint inventor on all but the first application. Given my findings on entitlement above this may now be of less importance to the Claimants. I have already found that Mr O' Mara is not entitled to be named as sole or joint inventor of the first application primarily because he was not able to demonstrate that his was the idea behind it. Most of what I have heard about the subsequent development of RTD medicines after the first application has centred on Dr Walters' work. I am satisfied that in doing that he was employed by Shannon Minerals and/or Shannon Biotechnologies and that this work was funded by the O' Maras. I have not heard that Mr O' Mara made any active contribution to the technical development of these RTD medicines. Accordingly as with the question of inventorship in the first application, the Claimant has done little to support his claim and the Defendant has done little to refute it. However, as with the first application, the onus of proof is on the Claimant to show that they are entitled to the relief sought. After careful consideration and for the reasons set out above, I find that they have failed to do so and I cannot accept that Mr O' Mara is entitled to be named as joint inventor on the remainder of the applications.

Order

- 102 I direct that each of the five GB applications namely GB0215532.3, GB0217130.4, GB0227595.6, GB 0229315.7 and GB0300052.8 shall proceed in the sole name of Shannon Biotechnologies Limited.

Costs

- 103 As agreed at the hearing I will make an order as to costs once I have heard the submission of both parties regarding this decision. Those submissions must also be made within six weeks of this decision.

Appeal

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

PETER BACK

Divisional Director acting for the Comptroller