BL O/007/07

8th January 2007

**PATENTS ACT 1977**

BETWEEN

Andrew David Lewis — Requester

and

The Sheffield Assay Office — Observer

PROCEEDINGS

Request under section 74B of the Patents Act 2004 for Review of an opinion issued on patent number GB2294790

HEARING OFFICER Peter Back

## DECISION

1 On 4th November 2005, Andrew David Lewis ("the Requester"), represented by Franks & Co Patent & Trade Mark Attorneys, requested an opinion under section 74A of the Patents Act 2004 ("the Act") on the infringement and validity of patent number GB 2294790. The initial request did not identify any persons of whom the Requester was aware who might have an interest in the question on which the opinion was sought although it appeared from the request that the Requester had a potential infringer in mind. The Requester was notified by the Patent Office that under Rule 77B(2)(a) of the Patents Rules 1995 (as amended) ("the Rules") the Requester is required to give details of any such person and the Requester then identified the Sheffield Assay Office ("the Observer"), represented by irwinmitchel solicitors.

2 The opinion was issued on 3rd February 2006 and on 27th April 2006 the Requester filed a request for a review of the opinion under Section 74B of the Act.

3 There followed the submission of statement and counter-statement and then several exchanges of correspondence regarding whether a review could take account of evidence not available to the examiner who issued the opinion.

4 In a letter dated 5th October 2006 the Patent Office advised both parties that under Rule 77H (5) the purpose of a review is to investigate whether the examiner arrived at a correct conclusion or conclusions in respect of the

validity of the patent and/or infringement of the patent and noted that neither party appeared to have made any substantial case in respect of how the examiner arrived at his conclusions and whether those conclusions were right or wrong. Rather, both submissions appeared primarily concerned with the submission of new evidence which was not before the examiner who issued the opinion.

5 After further exchanges of correspondence, the Requestor withdrew his request for a review of the opinion and the Observer asked for an award of costs against the Requester. Both parties have made submissions on costs and both have agreed that this issue should be decided on the papers.

**Costs**

6 I should say at the outset that this is the first time a request for review of an opinion has been withdrawn so there is little in the way of established practice. However, in Rule 77H a review is referred to as "proceedings" and in that context, proceedings are defined as proceedings before the comptroller. Accordingly it is appropriate that I should follow the standard procedure adopted in such proceedings.

7 As stated in the Patent Hearings Manual, where proceedings collapse before the substantive hearing because the claimant withdraws, the hearing officer may still need to decide whether to award costs against the claimant before the proceedings can be finally disposed of. I am satisfied that in this case the Requester is analogous to the Claimant referred to in the Manual.

8 It is long-established practice for costs awarded in proceedings before the comptroller to be guided by a standard published scale. The scale costs are not intended to compensate parties for the expense to which they may have been put but merely represent a contribution to that expense. This policy reflects the fact that the comptroller ought to be a low cost tribunal for litigants, and builds in a degree of predictability as to how much proceedings before the comptroller, if conscientiously handled by the party, may cost them.

9 The Observer has requested an award of costs made on the standard scale, the Requester has argued that he should not bear the costs of any other party and I will consider the Requester's arguments first. There appear to be three main arguments.

10 Firstly, as stated in paragraph 1 above, the initial request for an opinion did not identify any persons of whom the requester was aware who might have an interest in the question on which the opinion was sought although it appeared from the request that the requester had a potential infringer in mind. The Requester was notified by the Patent Office, in a letter dated 15 November 2005, that under Rule 77B (2) (a) the Requester is required to give details of any such person. In this respect the Requester's patent attorney has argued that the "*applicant did not invite the third party* [the Observer] *into these proceedings in the first place, but rather they were introduced effectively as a Patent Office requirement."* Thus he appears to be arguing that it was the Patent Office that introduced the Observer to these proceedings and, had it not

done so, no third party costs would have been incurred.

11 I do not find this at all convincing. The Patent Office has a clear responsibility to ensure that proceedings before the comptroller are conducted in accordance with the relevant provisions of the Act and Rules and it would be failing in its duty if it did not do so. The procedure for requesting an opinion under section 74A is set out in Rule 77B(2)(a) which states:

> *(2) The statement shall be accompanied by—*
>
> > *(a) the name and address of any persons, of whom the requester is aware, having an interest in that question; ….*

12 I note that the Patent Office letter dated 15th November 2005 actually said, "**it appears** from your request that you have a potential infringer in mind. Under Rule 77B(2)(a), you are required to give details of any such persons **of whom you are aware** that might have an interest in the question on which an opinion is sought." [Emphasis added].

13 If the Requester did not have "a potential infringer in mind" he was clearly free to say so. He did not. If the Requester was not aware of any person who "might have an interest in the question on which an opinion is sought" he was clearly free to say so. He did not. In fact, the Requester was clearly aware of such a person and duly identified the Observer as he is required to do by the Rules. The rules on requesting opinions are clear for all to see and the opportunity for an interested third party to make observations is fundamental.

14 The Requester's patent attorney has argued that "*Since the introduction of the interested third party was at the initiation and instigation of the Patent Office, it is unfair that Mr Lewis* [the Requester] *should pay any costs for that third party, since he initiated ex parte proceedings and the Patent Office turned these into inter partes proceedings.*" I can find no merit in this line of argument. The Requester did not "initiate ex parte proceedings", he filed a request for an opinion under Section 74A of the Act. It is clear from Rule 77B (2) (a) that such a request must give details of any such persons of whom the Requester is aware, having an interest in the question on which an opinion is sought. The Patent Office, as it was bound to do, informed the Requester of that requirement and he complied.

15 Accordingly, I cannot accept that the fact that the Patent Office had to remind the Requester of the requirements of Rule 77B (2) (a) absolves the Requester of any liability for costs.

16 Secondly, the Requester's patent attorney further argues that the Patent Office, not the Requester, was responsible for introducing the interested third party to the review proceedings. To the extent that I follow this argument, it appears to be based on the fact that the Patent Office immediately forwarded a copy of the request for review to the Observer. All I can do here is draw attention to the relevant provision of the Act and Rules. The Requester filed a request for review under Section 74B of the Act. The procedure for such a request is governed by Rule 77I of the Rules which states:

***Procedure on review***

*77I.-(1) Upon receipt of the application, the comptroller shall send a copy of the form and statement filed under rule 77H—*

(a) to the requester (if different from the applicant); and
(b) to all persons who filed observations under rule 77F.

17 The Observer falls into the category of "persons who filed observations under Rule 77F". Again the Patent Office was following the clearly defined procedure set out in the Rules. If the Requester was not aware of the Rules, he or his adviser should have been. I cannot accept that the fact that the Requester did not appear to appreciate to consequences of Rule 77i-(1) (b) absolves the Requester of any liability for costs.

18 This brings me to the third of the Requester's arguments. The Requester's patent attorney appears to be arguing that the Patent Office should have told the Requester that the "*request for review was inadmissible at the outset*" and had it done so, the Observer "*would not have incurred any costs at all in the application for review under section 74B procedure*". Leaving aside that to rule a submission inadmissible "at the outset" without giving the parties a chance to comment would be high-handed and would perhaps be seen as denying the Requester access to justice, it is worth considering what actually happened.

19 Firstly I will look at the relevant provisions of the Act and Rules in respect of reviews noting that it is reasonable to assume that represented parties will have familiarized themselves with those provisions. The relevant section of the Act is section 74B:

***Reviews of opinions under section 74A***

*74B.-(1) Rules may make provision for a review before the comptroller, on an application by the proprietor or an exclusive licensee of the patent in question, of an opinion under section 74A above.*

The relevant Rule is Rule 74H-(1) (5)

*The application may be made on the following grounds only—*

*(a) that the opinion wrongly concluded that the patent was invalid, or was invalid to a limited extent; or*

*(b) that, by reason of its interpretation of the specification of the patent, the opinion wrongly concluded that a particular act did not or would not constitute an infringement of the patent.*

20 As noted above in paragraph 4, submissions from both parties appeared primarily concerned with the submission of new evidence which was not before the examiner who issued the opinion. Given that this is untested legislation, the

Patent Office took the view that it would be necessary to consider whether Rule 74H-1 (5) relates only matters that were before the examiner issuing the opinion or whether fresh evidence could be submitted. The Patent Office took the view that it should not decide this significant issue without giving the parties the opportunity to be heard on the matter. Accordingly, the Patent Office wrote to the parties informing them that they should *"be prepared to address the Hearing Officer on the question of whether he can consider this new evidence in the light of the wording of Rule 77H-1(5)."*

21 There were several further exchanges of correspondence which culminated in the Requester withdrawing his request for a review. I am satisfied that where there is doubt about the admissibility of a submission and/or evidence, and there undoubtedly was in this case, it is entirely appropriate for the Patent Office to give the parties the opportunity to make submissions on the issue and, if necessary, to be heard. I am equally satisfied that in such circumstances it would be entirely inappropriate to rule the submission inadmissible "at the outset". I fail to see how any of this can be construed as relieving the Requester of any obligation for costs.

22 That seems to me to be the sum of the Requester's arguments. As I have said, where proceedings collapse before the substantive hearing because the claimant (Requester in this case) withdraws, the hearing officer may still need to decide whether to award costs against the claimant. Thus where a request has been withdrawn and the Observer has incurred expense and has asked for costs, it is entirely normal for an award to be made against the Requester in favour of the Observer. I have found nothing in the arguments put forward by the Requester's patent attorney that persuades me that there is any case whatsoever to depart from this norm for the reasons set out in some detail above.

23 The Observer has asked for an award of costs on the standard scale and, for the reasons given above, I am satisfied that it is entitled to such an award. Accordingly I award the Observer the sum of £1000 to be paid by the Requester not later than 7 days after the expiry of the appeal period. If an appeal is lodged, payment will be suspended pending the outcome of the appeal.

**Appeal**

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

**Peter Back**
Divisional Director acting for the Comptroller