

24 May 2007

PATENTS ACT 1977

BETWEEN

Ian Popeck Claimant

and

Runaway Technology, Inc. Defendant

PROCEEDINGS

Application under section 72 of the Patents Act 1977 for the
revocation of patent number EP(UK) 0852363

HEARING OFFICER

R C Kennell

SECOND PRELIMINARY DECISION

Introduction

- 1 In my preliminary decision BL O/345/06 of 14 December 2006, I deferred a decision on whether to order the claimant to provide security for costs and stayed the proceedings to allow either party, should it so wish, to request a written opinion under section 74A of the Act. Whilst I thought there was reason to believe that the claimant would be unable to pay costs if ordered to do so, I was concerned to avoid injustice to him if a requirement to provide security might prevent him from pursuing a meritorious case. It appeared to me that a written opinion might assist my decision on security by providing a view of the strength of the claimant's case.
- 2 In the event the claimant requested an opinion and the proceedings were further stayed to allow it to be given. It is fair to say that this was not without reservations on the part of the defendant (see its letter of 6 March 2007 and the Office's reply of 23 March 2007). The opinion (no. 01/07)¹ issued on 4 May 2007 and I must now decide whether the proceedings should resume and whether I should order the claimant to provide security.

¹ <http://www.ipo.gov.uk/op0107.pdf>

Analysis and conclusions

- 3 The claimant's statement in the revocation proceedings raised issues of novelty and inventive step under sections 1(1)(a) and (b) and of patentability under section 1(2). His request for an opinion made essentially the same case, albeit relying on some further documents apparently to amplify the arguments. The opinion was confined to the issues of novelty and inventive step in accordance with section 74A(1)(b); it concluded that all the claims lacked novelty over a document RSE-1, but were novel and inventive over the remaining documents submitted in the request. Document RSE-1 is a thesis by the inventor of the patent in suit, Robert E Silvers, and the opinion on novelty turned on a finding that on the limited evidence submitted the patentee had not discharged the onus of proving that a duty of confidentiality lay on the thesis adviser to whom the document had been shown (see paragraphs 53 - 64 of the opinion).
- 4 The opinion therefore clearly suggests that the claimant's case is not without merit. I note in particular that the opinion found all claims to lack novelty over RSE-1 - although it also found that none of the other documents referred to gave rise to any objection. (The opinion does not of course give any pointer as to the strength of the case under section 1(2).) I take these findings at face value, and in the light of them I believe that the claimant's case has sufficient merit at this stage for him not to be forced into a premature withdrawal from the proceedings through lack of funds as admitted in his letter of 17 October 2006.
- 5 The same findings in the revocation proceedings would suffice for the patent to be found invalid and revoked. However the opinion is not binding and the claimant should not conclude from it that the hearing officer will necessarily find the patent invalid if the claimant pursues the revocation proceedings, even if (and this is not mandatory) they are based on the same evidence as that before the opinion examiner.
- 6 I therefore propose to re-open the proceedings but not to make any order for security for costs at this stage. This is without prejudice to the defendant seeking a further order at a later stage if the circumstances change (for instance if the defendant was to succeed on a review of the opinion under section 74B and rule 77H).
- 7 However, although as I have explained the opinion is not binding, in the light of its findings I would invite the claimant to consider whether he still wishes to base his application for revocation on any documents other than RSE-1. If he agrees with the opinion and wishes to abandon this part of his case he should seek leave, within the period specified below, to amend his statement accordingly. The principles governing such amendment are explained in paragraphs 2.40 – 2.47 of the Patent Hearings Manual²: as paragraph 2.42 explains, a party seeking to abandon any aspect of its case should do so at the earliest opportunity so that the other side does not have to waste time in countering it. If the statement is amended, the defendant will be given an opportunity to amend its counter-statement.

² <http://www/ipo.gov.uk/hearings-chapter02.pdf>

8 Further to paragraph 15 of my earlier decision, it remains to be clarified whether the application for revocation is to proceed in the name of Mr Popeck, the applicant currently named on the application form 2/77, or Landmark Mosaics Ltd. My conclusions above follow irrespective of which of them is the claimant.

Order

9 I therefore order as follows:

- The proceedings are re-opened as from the date of this decision and the claimant has a period of six weeks from that date to file evidence in support of his case if he so wishes.
- The claimant shall send a copy of any such evidence to the defendant, and thereafter the evidence rounds shall continue in accordance with rules 75(5) – 75(7) of the Patents Rules 1995, which allow for the filing of evidence by the defendant and of evidence in reply by the claimant.
- The claimant has a period of 28 days from the date of this decision to request amendment to the statement if he so wishes.
- Within that period of 28 days the claimant shall make clear in whose name the proceedings are to continue.

(If either party wishes to rely on evidence filed in the opinion proceedings, it will need to be filed afresh for the revocation proceedings.)

10 I make no order at this stage for the claimant to provide security for the costs of the revocation proceedings.

Costs

11 I make no award of costs in respect of the application for security, for the reasons stated in paragraph 16 of my earlier decision.

12 I also make no award in respect of the defendant's request of 23 November 2006 for a "wasted costs" order by reason of the claimant's amendment to his statement to reflect the claims of the granted patent rather than the application as filed. The amendment corrects what in my view is an honest mistake by the claimant who is clearly unfamiliar with patent documentation, and was in fact prompted by the filing of the counter-statement. The defendant does not appear to have been misled by the mistake and has seen no need to amend its counter-statement in response to the amendment. Further, in an earlier letter of 26 October 2006, the defendant said it had no comment on the request to amend. I cannot see that there have been any significant costs to the defendant arising out of the amendment.

Appeal

13 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal

must be lodged within 28 days. In the event of an either an appeal, or of an application for review of the opinion by the defendant (for which it has a period until 4 July 2007 under rule 77H), the proceedings and my order above will be stayed until the outcome of the appeal or the review.

R C KENNEL

Deputy Director acting for the Comptroller