



17 June 2011

PATENTS ACT 1977

BETWEEN

Kenneth Farr

Claimant

and

Orbis Corporation

Defendant

PROCEEDINGS

Reference under section 37 of the Patents Act 1977
in respect of patent number EP(UK) 1268313

HEARING OFFICER

Phil Thorpe

DECISION

Introduction

- 1 This is a reference under section 37(1) of the Patents Act 1977 (the Act). The claimant, Mr Kenneth Farr claims that he should be named as the sole proprietor of EP 1268313 (the patent) currently in the name of the defendant, Orbis Corporation (Orbis).
- 2 The patent is derived from WO 01/76959 which was filed by Nucon Corporation (Nucon) on 5 April 2001. It claims priority from US 6416271 (the US patent) filed by Nucon on 7 April 2000. WO 01/76959 was republished in due course as EP 1268313 and granted to Orbis on 18 August 2004. Orbis was the parent company of Nucon. Nucon merged into Orbis on 19 December 2003. The patent names Mr Maurice J Pigott, Mr Peter S Pigott, Mr Brandon L Pigott, Mr Schuyler F Pigott and Mr Michel Trapp as the inventors.
- 3 I should note that the patent lapsed for non-payment of renewal fees on 5 April 2010. This is not fatal to Mr Farr's case. I am still able to make a variety of orders if I find in his favour.

- 4 Mr Farr first wrote to the Office requesting that he should be named as “the true inventor” of the patent on 10 January 2007. Mr. Farr initially applied under section 13(1) of the Act, however this was later amended to be what he really meant which was section 37. The basis of Mr Farr’s case is that he communicated to Nucon the key features of the invention. The defendant contends that Mr Farr has not put forward any real evidence to substantiate this claim and in addition the reference under section 37 was made more than two years after the date of grant of the patent and is therefore out of time.

The Proceedings

- 5 The case has taken longer than it should have. In part this was due to a significant pause in the proceedings whilst the parties attempted to settle their differences. There have also been a number of preliminary matters that had to be resolved. For example early in the proceedings Orbis had requested summary judgment/dismissal of the case. In a decision dated 11 June 2008¹ the Hearing Officer, Mr Peter Back decided that Mr. Farr did at least have a case to argue and that it would be wrong to conclude at this stage that he has no reasonable chance of success. Accordingly he refused Orbis’ request for summary dismissal. Mr Back retired in the course of these proceedings. The matter subsequently fell to me to decide.
- 6 Around this time Orbis also offered to surrender the patent. Following an objection from Mr Farr, I indicated that given the ongoing entitlement proceedings, I was not minded to accept the offer of surrender.
- 7 Later in the proceedings I raised the possibility of deciding separately the issue of whether the reference had been made out of time. I did this with a view to possibly saving costs since if Mr Farr failed on this point then his whole case was effectively dead. Mr Farr however argued that this issue was intrinsically linked to the substantive issue of entitlement and that both issues should be considered at the same time.
- 8 A substantive hearing was duly held on 7 January 2011 at which Mr Farr appeared in person. The defendant choose not to attend the hearing. It was entirely free not to do so as it was free to decide not to submit any evidence. This does not mean that the defendant is not contesting the reference. It simply means it is relying for its defence on Mr Farr’s inability to prove his case. The absence of evidence from the defendant against which to weigh up that from the claimant, together with Mr Farr’s understandable unfamiliarity with proceedings before the comptroller has made my job more difficult. I have however endeavoured in this decision to cover all of the issues raised by Mr Farr. I take this opportunity to also express my regret for the length of time it has taken to issue this decision.

The evidence

- 9 Only Mr Farr has submitted any form of evidence. This comprises a range of

¹ BL O/161/08

documents which in his view support his case. Mr Farr has also attempted to obtain witness statements from those at some of the key meetings however they had either declined or failed to respond to his request or sadly in one case had died. Mr Farr had enquired whether the comptroller had the power to subpoena witnesses but was informed that this power did not exist.

- 10 At the hearing Mr Farr presented the original, and in some cases more legible versions, of a number of the documents that he had already submitted. He also presented me with a number of additional documents. As I discuss in the body of the report none of this further evidence offered up by Mr Farr is considered relevant. If it had been then I would have invited comment from the other side.
- 11 Mr Farr also mentioned on a couple of occasions at the hearing that he may have further evidence. That may or may not be the case. The simple fact I must base this decision on the evidence that has been filed and on the various submissions made by the parties.
- 12 Although the defendant has not filed any evidence of its own it has highlighted that the events at the centre of this dispute occurred more than 10 years ago and that none of the key Nucon/Orbis employees was still with the company. It also noted that it no longer had any records relating to the R&D that occurred in Nucon over 10 years ago.

The law

- 13 This reference is brought under Section 37(1) of the Act which provides that:

After a patent has been granted for an invention any person having or claiming a proprietary interest in or under the patent may refer to the comptroller the question –

- (a) who is or are the true proprietor or proprietors of the patent,*
- (b) whether the patent should have been granted to the person or persons to whom it was granted, or*
- (c) whether any right in or under the patent should be transferred or granted to any other person or persons;*

and the comptroller shall determine the question and make such order as he thinks fit to give effect to the determination.

- 14 Also of relevance in this case is as section 37(5) which provides with added emphasis that:

*On any such reference no order shall be made under this section [section 37] transferring the patent to which the reference relates on the ground that the patent was granted to a person not so entitled, and no order shall be made under subsection (4) above on that ground, **if the reference was made after the end of the period of two years beginning with the date of the grant, unless it is shown that any person registered as a proprietor***

of the patent knew at the time of the grant or, as the case may be, of the transfer of the patent to him that he was not entitled to the patent.

15 I will come on to the question of whether the reference was made in time later.

16 Relevant to the question of burden of proof is Section 7(4) which provides that

Except so far as the contrary is established, a person who makes an application for a patent shall be taken to be the person who is entitled under subsection (2) above to be granted a patent and two or more persons who make such an application jointly shall be taken to be the persons so entitled.

17 The consequence of this is that the burden of proof lies on Mr Farr to show that he is entitled to the patent and that Orbis is not.

18 The leading authority on entitlement is the House of Lords judgement in *Yeda Research and Development Co Ltd v Rhone-Poulenc Rorer International Holdings Inc*². Here Lord Hoffman notes that

“In my opinion, therefore, the first step in any dispute over entitlement must be to decide who was the inventor or inventors of the claimed invention...

19 He goes on to note that

“The inventor is defined in s.7(3) as “the actual deviser of the invention”. The word “actual” denotes a contrast with a deemed or pretended deviser of the invention; it means, as Laddie J. said in *University of Southampton's Applications* [2005] R.P.C. 11, [39], the natural person who “came up with the inventive concept.” It is not enough that someone contributed to the claims, because they may include non-patentable integers derived from prior art: see *Henry Brothers (Magherafelt) Ltd v Ministry of Defence* [1997] R.P.C. 693, 706; [1999] R.P.C. 442. As Laddie J. said in the *University of Southampton* case, the “contribution must be to the formulation of the inventive concept”. Deciding upon inventorship will therefore involve assessing the evidence adduced by the parties as to the nature of the inventive concept and who contributed to it. In some cases this may be quite complex because the inventive concept is a relationship of discontinuity between the claimed invention and the prior art. Inventors themselves will often not know exactly where it lies.”

20 So the question I need to decide is who were the actual devisors of the invention in the patent? Was it the currently named inventors as claimed by the defendant or was it, as he claims Mr Farr. To answer this I first need to determine what the inventive concept is.

² *Yeda Research and Development Co Ltd v Rhone-Poulenc Rorer International Holdings Inc* House of Lords [2007] UKHL 43

Identifying the inventive concept – principles to follow

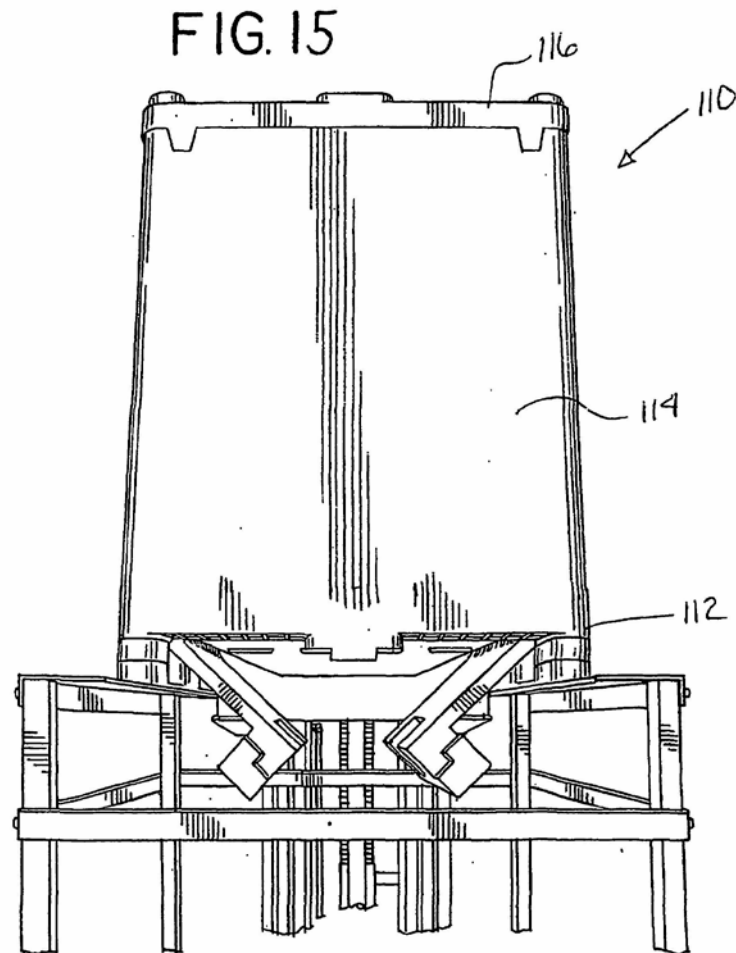
- 21 To identify the inventive concept or concepts, as there may indeed be more than one, I need to look at the information in the specification of the patent rather than simply looking at the monopoly claimed. This does not mean I mustn't look at the claims at all. Indeed as has been noted in previous decisions, there would be something very wrong if the main claims of a granted patent did not give a reasonable pointer to the "heart" of the invention. However, I cannot simply adopt them as a definition of the relevant subject matter for inventorship and entitlement purposes.
- 22 Support for this approach comes from the Court of Appeal in *Markem Corp v Zipher Ltd*³ where Jacob L J quoted with approval the following comment by Christopher Floyd QC, sitting as a Deputy Judge, in *Stanelco Fibre Optics Ltd's Applications*⁴ [2005] RPC 15:
- "It is clear that a mechanistic, element by element approach to inventorship will not produce a fair result. If A discloses a new idea to B whose only suggestion is to paint it pink, B should not be a joint inventor of a patent for A's product painted pink. That is because the additional feature does not really create a new inventive concept at all. The feature is merely a claim limitation, adequate to overcome a bare novelty objection, but having no substantial bearing on the inventive concept. Patent agents will frequently suggest claim limitations, but doing so does not make them joint inventors. Some stripping of a claim of its verbiage may be necessary to determine the inventive concept, and consequently the inventor. But one must keep in mind that it is the inventive concept or concepts as put forward in the patent with which one is concerned. . ."
- 23 The example of the pencil and the rubber has been referred to in one of the pieces of correspondence submitted by Mr Farr. This can perhaps usefully explain the nature of inventive concept and the relationship between inventorship and entitlement. Let us suppose that Inventor A has invented the pencil and inventor B the rubber. Inventor C comes along with the idea of combining the two in the form of a pencil with a rubber on one end. The inventive concept there is the combination of the two items. This was C's idea ie. he was the actual devisor of that concept and therefore he is entitled to apply for a patent for that idea. Although the pencil and the rubber are essential features of C's invention, neither A nor B is entitled to any part of C's invention. The position is the same even if A and B have obtained patents for their respective inventions. In that case anyone looking to use C's invention, and that includes C, may need the permission of A and B. But C would still be solely entitled to his invention of the combined pencil and rubber.
- 24 It is however somewhat unusual to have such a unique and clearly defined inventive concept. This case is no exception.

Identifying the inventive concept or concepts in the patent in issue here

³ *Markem Corp v Zipher Ltd* [2005] EWCA Civ 267 [2005] R.P.C. 31

⁴ *Stanelco Fibre Optics Ltd v Bioprogress Technology Ltd* [2004] EWHC 2263 (Pat); [2005] R.P.C. 15

- 25 EP 1268313 relates to a drop-box container for transporting and automatically discharging solid bulk materials. The container, as can be seen from figure 15 below taken from the patent, comprises a base having hinged openings, a supporting a sleeve 114 mounted on the base frame and providing the side walls of the container and a lid 116.



- 26 The introductory paragraphs of the patent identify a number of shortcomings with known drop-box containers. In particular it notes that

“Other prior art devices teach mechanical manipulation of a chute or locking mechanism to permit the contents discharge. Such devices are complex, with many moving parts which may become jammed, damaged, or otherwise inoperable over time.”

- 27 It goes on to discuss other prior art designs noting that

“Williams, have a single pair of simple hinged doors which swing open to discharge the contents of the container. However, because each of the doors is capable of a complete 90 degree pivot, there is a great possibility for the contents to be spilled from the opening. International Publication

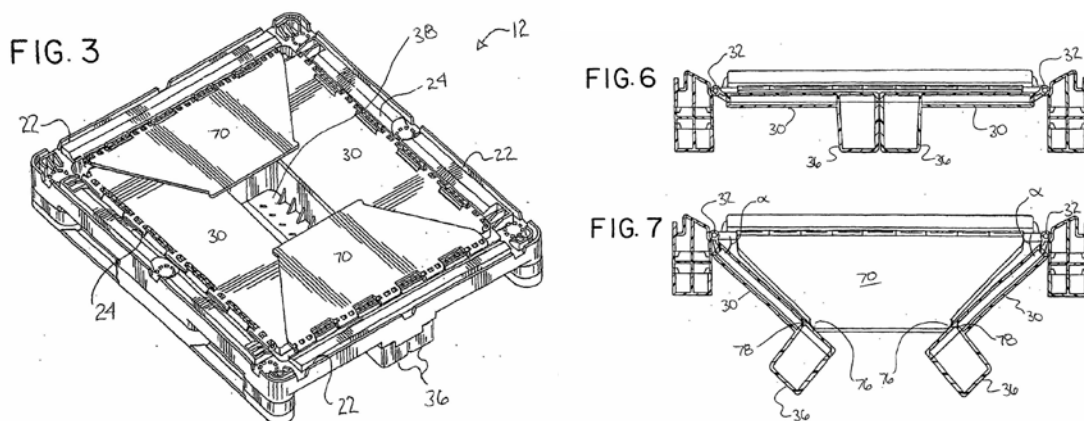
No. WO 99/19219 of PCT/GB98/03028 shows a pallet base having downwardly opening doors of less than 90 degrees. However, the invention disclosed is limited to a mechanical base and does not provide the numerous advantages of an integrated assembly as disclosed herein.”

28 The introduction concludes by noting that:

“The present invention provides bins constructed to be light and compact so as to be capable of stacking and economically shipping. These bins also facilitate handling with a minimum of equipment and maneuvering, and are capable of automatically discharging the contents of the bin by gravity into a wide variety of receptacles, vehicles, and the like. Further, the bins are capable of compaction into a small, substantially flat unit when emptied for return shipping.”

29 Turning to the specific technical features of the design that provide these claimed advantages, the specification states that the invention provides

“a new drop box container having a base frame, a pair of runners to elevate the base frame from a surface, a first pair of door panels attached along one edge to the base frame, a sleeve having a plurality of sidewalls, and a top frame is disclosed. The base frame is preferably designed with a plurality of side members configured to define an opening, and a channel seated within the side members and circumjacent the opening—an upper surface of each side member being sloped away from the channel and toward the opening. “



30 These features are evident in figures 3, 6 & 7 (above) and are unsurprisingly included in the only independent claim in the granted patent which is claim 1. This reads:

Claim 1

A modular drop box container for bulk items comprising:

a base frame (12) having a plurality of side members configured to define an opening, a channel (22) seated within the side members and circumjacent the opening, and wherein an upper surface (24) of each side member is sloped away from the channel and toward the opening;

at least one runner to elevate the base frame from a surface and thereby allow engagement of the container by a forklift or the like;

at least one door panel (30) attached along one edge to the base frame (12) for opening and closing across the opening (20); and a sleeve (14) having a plurality of sidewalls (15) and two outer edges defining opposed open ends with one outer edge configured to be seated within the channel of the side members of the base frame to cover the open end.

31 Only Mr Farr has in any way sought to identify the inventive concept. The evidence that he puts forward to support his assertion that it is the slope and the channel that distinguish the patent from the prior art consists of a report from a Mr K Norcliffe who is a patent attorney. The report, which was commissioned by Mr Farr and was apparently completed in August 2002 examines any possible conflict between Nucon's US equivalent to the patent in issue here and an earlier patent granted to Mr Farr. The report notes that:

“Nucon's claim 1 is allowable only because it is restricted to additional details of a minor nature, namely peripheral channel in the base frame in which the lower edge of the frame is seated, and the upper surface of the frame inboard of the channel sloping away from the channel towards the opening in the frame.”

32 Mr Farr claims that this supports his contention that it is the slope and the channel that distinguish Nucon's patent from that of his earlier patent.

33 I will take this opportunity to also mention that Mr Farr has highlighted a further paragraph in this report that repeats Mr Farr's assertion that he suggested the channel and slope to Nucon. However this has no evidential value here as it offers nothing to substantiate the entitlement claims – it merely repeats them.

34 Returning to the issue of the inventive concepts, I conclude on the basis of the limited evidence and on the basis of the specification as a whole including the claims, that there is no single inventive concept. Rather there are a number of inventive concepts that contribute to the overall design of the container. One is the design of the base frame that allows the container to fully discharge its contents automatically and in a controlled manner when it is neither supported by the tines of a forklift or the warehouse floor. Central to this is the design of the doors and also the sloped upper surface of the side members of the base that facilitate complete discharge.

35 Another inventive concept is the design of the sleeve and the releasable connection of that to the base that allows the container to be dismantled and then

collapsed when not in use. The provision of the channel to hold the sleeve is part of this.

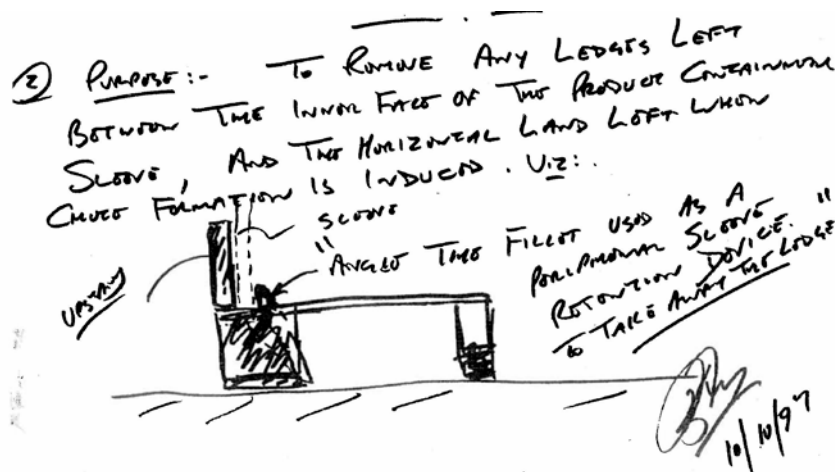
36 Mr Farr claims that he was the actual devisor of the channel for seating the sleeve and also the slope on the upper surfaces of the side members.

37 It is of course not sufficient for Mr Farr to show that he actually devised these two features since that on its own does not necessarily mean that the currently named inventors didn't also devise these features independently of Mr Farr. If they had then they would have been perfectly entitled to the patent. What Mr Farr must also show is that the inclusion of these features in the patent stemmed not from any independent creative activity by these named inventors but rather as he claims from information that he conveyed to them. To determine if this is indeed what happened, it is necessary to consider Mr Farr's involvement with the defendant.

Mr Farr's alleged involvement with the invention

38 Mr. Farr sets this out in some length in his statement of case. What seems clear from the material provided by Mr Farr, and what has not been challenged by the defendant, is that Mr Farr has been involved in the design of drop box containers for some time.

39 In the context of the design in issue here, Mr Farr starts his account of events on 25 September 1995 when he approached Continental PET concerning the exploitation of a drop box design he was then working on. Mr Farr has provided a number of copies of photographs and sketches of various prototype drop boxes. The following sketch included in a letter that Mr Farr sent to a manufacturer, NEFAB, on 10 October 1997 shows for example a channel for the sleeve and the outlines of a slope that according to the text takes away the ledge.



40 In December 1997 Continental PET was taken over by Schmalbach-Lubeca. Schmalbach-Lubeca subsequently asked Mr. Farr to work exclusively with them with regards to his drop box design.

41 On 8 October 1998 Mr. Farr filed patents GB 2 330 128 & WO 99/19219. Both relate to his drop box design and claim a priority of 9 October 1997 from an earlier, unpublished, GB application. The technology disclosed in these patents is broadly similar to that of the patent in question though I could find no mention of slopes on the side members nor is there clearly any explicit disclosure of a channel. Figures 11-14 of Mr. Farr's GB patent illustrate one of a range of embodiments of drop-box containers.

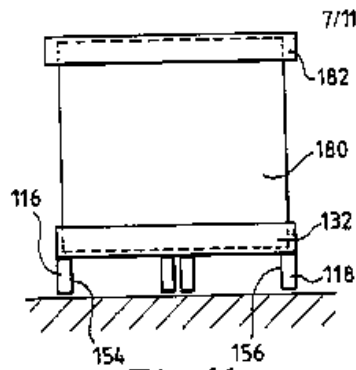


Fig.11.

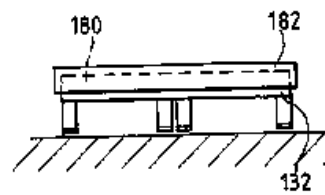


Fig.12.

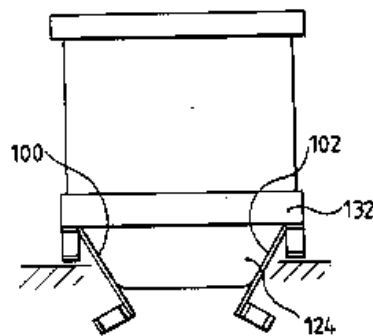


Fig.13.

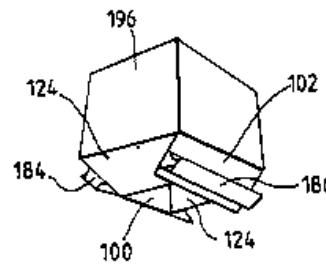


Fig.14.

42 Mr. Farr further states that on 28 October 1998 he met with Schmalbach-Lubeca as represented by Mr John Gillison and Mr Geoff Williams. During that meeting Schmalbach-Lubeca revealed to Mr. Farr a drop box design that they had commissioned from Nucon. Nucon was a supplier of plastic pallets to Schmalbach-Lubeca at that time. Later the same day Schmalbach-Lubeca introduced Mr. Farr to Mr Denis Brain, a representative of Nucon UK.

43 The Nucon design that was shown to Mr Farr at this meeting, which for convenience I shall refer to as the first Nucon design is shown below:



NUCON CORPORATION

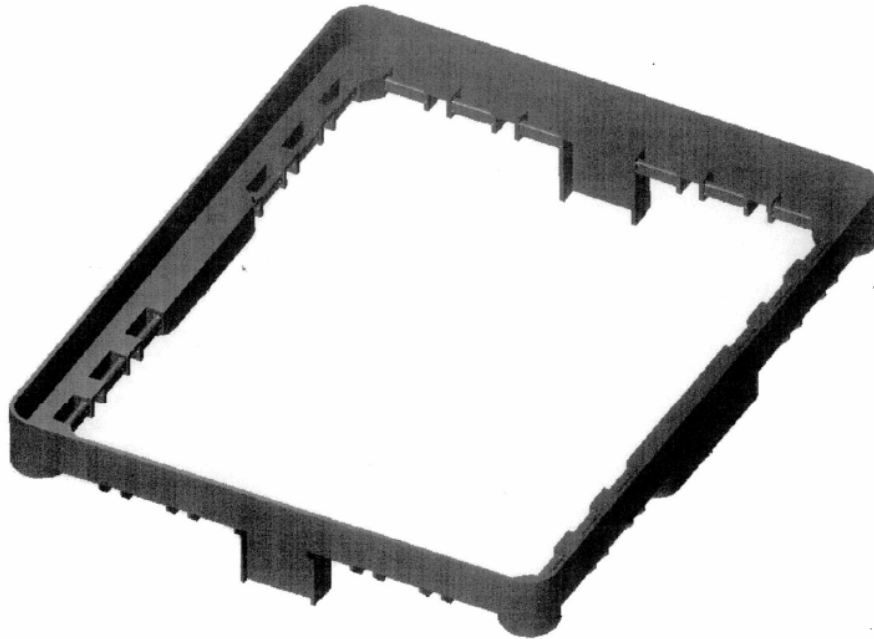


Figure 3. The Rectangular ring houses 6 hinges per edge. The hinges are simple ovals, (see fig. 4). Also note the mid supports at front and rear resting on the floor.

- 44 Although it is not immediately apparent from the reproduction above, it is clear from the original drawings provided by Mr Farr that there is no slope on the upper faces of the side members of the base. The coloured A3 sized version provided by Mr Farr at the hearing reinforces this.
- 45 Mr Farr argues that it was at these two meetings on 28 October 1998 that he explained first to Schmalbach-Lubeca and then to Mr Brain of Nucon of the need for the slope on the upper surfaces of the side members.
- 46 On 11 November 1998 Mr Farr states he again met with Schmalbach-Lubeca and was introduced to Mr. Peter Pigott and Mr Michel Trapp of Nucon USA and Mr Denis Brain of Nucon UK. Mr. Peter Pigott and Mr. Michel Trapp are named as inventors both on the US patent and the patent in question here. At this meeting Mr. Farr states that he was shown an updated version of the Nucon design, now incorporating a slope inside the frame.

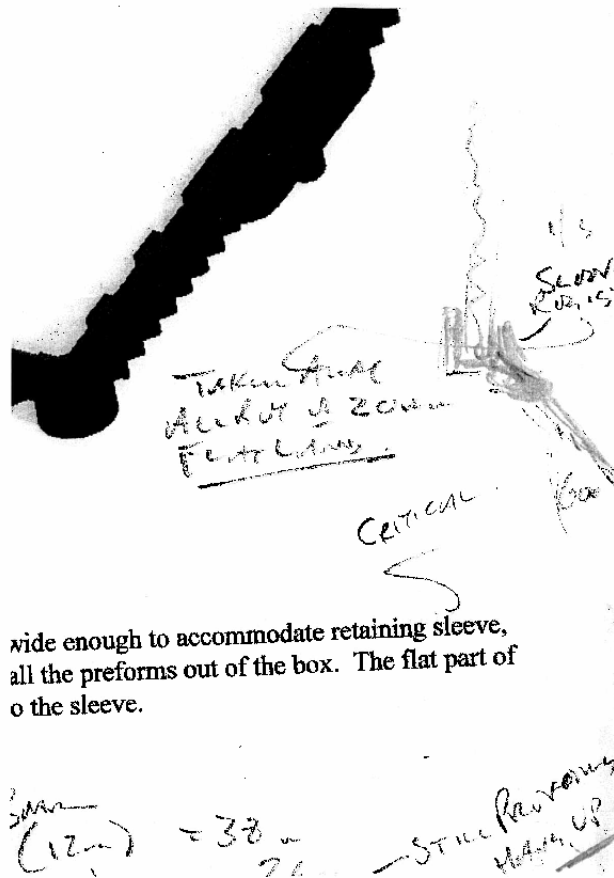
copied to to Mr Harold Smethills, President of Menasha Material Handling (MMH) who had acquired Nucon.

- 50 Mr Farr also wrote directly to Mr Harold Smethills on 5 November 2002 informing him of his decision to terminate “the enabling licence between Nucon and Farr of 11 April 2000” and to recommend to Amcor, who had taken over Schmalbach-Lubeca that Amcor and Farr move to have the Nucon patent revoked.
- 51 On 19 December 2002 Mr. Farr states that he produced a graphic proposing an association between himself, Amcor and Menasha Material Handling to exploit the drop box technology. MMH were subsequently renamed Orbis. Mr. Farr revised this graphic on 1 March 2004 adding Orbis.
- 52 Mr Farr goes on to say that on 30 May 2003 he met with Mr. David Parry, lawyer for Amcor, and Mr. Martin Hargreaves and Mr. Trevor Long, also of Amcor. At this meeting Mr. Farr states that he made it clear that he considered that “Nucon had obtained its (patent) grant by theft”. Further, Mr. Farr states that Mr. Long responded by stating that Nucon had explained it to Amcor/ Schmalbach-Lubeca as “the analogy: given you have a patent on a pencil, if you added an eraser tip to it it becomes a new patent”.
- 53 On 10 January 2007 Mr. Farr wrote to the Office requesting that he should be named as the true inventor of the patent.
- 54 I should mention that Mr Farr has also provided a copy of a letter dated 6 March 2004 that he wrote to Amcor. This letter states that the Nucon patent is invalid. I do not consider that this letter adds anything of substance to Mr Farr’s case.

Was Mr Farr the original deviser of the slope and the channel?

The slope

- 55 Mr Farr argues that the inclusion of the slope in the patent was the result of his suggesting the need for this feature to Mr Dennis Brain of Nucon at the meeting on 28 October 1998.
- 56 Mr Farr also submits that he advised that the slope in the second Nucon design was insufficient. He has as I have mentioned provided copies of drawings of this second design with annotations which he claims he made at the second meeting on the 11 November. These annotations read in the context of the 45 mm wide ledge “STILL TOO MUCH”. The annotations also include the following sketch which Mr Farr claims to have also made at the time



wide enough to accommodate retaining sleeve, all the preforms out of the box. The flat part of the sleeve.

- 57 The text alongside the sketch reads “Taken away all but \approx 20mm Flat....(the remainder is not discernible)”. Mr Farr does not clearly remember whether he gave Nucon a copy of this document. He still apparently has the originals. In the event I do not believe that anything turns on these annotations at least in respect of the slope since, by the time they were made, the feature of the slope had already be added to the Nucon design. Mr Farr notes that the use of the word “STILL” in the context of the slope not being sufficient indicates a continuance of the discussion that he started at the earlier meeting.
- 58 The defendant has not disputed that the meetings between the Nucon representatives and Mr Farr did take place as claimed by Mr Farr and that Mr Farr did see the two Nucon designs.
- 59 Clearly the evidence that Mr Farr has submitted is not as strong as it could have been if for example he had been able to secure witness statements from some of the other people at these two meetings. Mr Farr has not been able to produce any written records taken at the time to show what was discussed or agreed at either of these meetings. The evidence that he has submitted is essentially his recollection of what happened together with copies of three drawings produced by Nucon showing two of its designs for dropbox containers. One of these drawings includes annotations which Mr Farr claims to have made and to have communicated to Nucon at the second meeting. There is however no evidence to corroborate this. At the hearing Mr Farr did offer up further evidence consisting allegedly of copies of his diaries. Since it is not disputed that these meetings took place that additional evidence is not necessary.

60 So where does this all leave me. It is I believe significant that there was a second meeting between Nucon personnel and Mr Farr (the 11 November 1998 meeting). This suggests to me that Nucon was clearly interested in seeking the input of Mr Farr. The Nucon design had clearly been modified almost certainly between the 28 October 1998 and 11 November 1998 to include a slope. Mr Farr is adamant it was his suggestion to include the slope but he has been unable to corroborate that. The defendant has not put forward any evidence of its own to show that the named inventors arrived at the idea of the slope independently of Mr Farr. However I do not believe it would be right to infer anything from this lack of evidence from the defendant given the considerable passage of time.

61 Weighing up the evidence I have, I believe that that Mr Farr has not done quite enough on the balance of probabilities to show that the inclusion of the slope in the Nucon design and subsequently in the patent stemmed from his contribution.

The channel

62 The evidence in respect of the channel is I'm afraid even less convincing. Mr Farr does not claim that he discussed the issue of the channel with Nucon in the way that he discussed the need for the slope. There is in this respect no discernable change in the design of the sleeve between the two Nucon designs. Indeed neither of the two Nucon designs that were discussed in the relevant meetings shows a clear channel. Rather they both show ledges with only an outer wall to retain the sleeve.

63 Mr Farr claims that Nucon got the idea for the channel from his earlier patent and from his prototypes. He claims that Mr Brain was aware of Mr Farr's prototypes and that he subsequently took the information from these prototypes and this led to its incorporation in the patent in issue. Mr Farr has however not put forward any evidence to support this.

64 He also argues that the idea of using a channel to retain the sleeve was common knowledge, including from his earlier patent, by the time Nucon produced its design. Mr Farr has again not provided any evidence to substantiate this and in event this is something that is relevant to the novelty or obviousness of Nucon's patent rather than to entitlement.

65 The sketch that Mr Farr claims to have made at the second meeting which is reproduced above does show something akin to a channel. It is possible that this sketch was the catalyst for Nucon to include the channel however for me to conclude that it was Mr Farr who provided this feature rather than Nucon I need more than a possibility. With regard to the slope there was at least some evidence to show an iterative design process where a design is shown to Mr Farr for comment. The design is modified as a result of that and the modified design again presented to Mr Farr for his input. There is nothing like that in respect of the channel. All I basically have from Mr Farr is supposition.

66 I therefore conclude that Mr Farr has not proved, on the balance of probabilities, that he contributed either the slope or the channel.

67 This is basically the end of the matter. But for completeness, and just in case I am wrong on the above I will also consider whether the reference was made in time.

Is the reference out of time?

68 What does Mr Farr need to show? The reference was clearly filed by Mr Farr more than two years after the patent was granted. Hence it is not possible for me to make an order transferring the patent to him, as he has requested, unless Mr Farr can show, that any person registered as a proprietor of the patent knew at the time of the grant or, as the case may be, of the transfer of the patent to him that he was not entitled to the patent.

69 In the earlier hearing on strike out the defendant highlighted in respect of section 37(5) two decisions by the Comptroller, specifically: *Darenth Vending Services/Parr's Patent* (BL O/46/94), where on page 5 the hearing officer states:

It is an overriding requirement of section 37(5) that a reference under section 37 must be made within two years of the grant of the patent unless it is shown that the person registered as the proprietor knew at the time of the grant that he was not entitled to the patent. However, the mere unsupported assertion in paragraph 7 of the declaration dated 22 October 1993 that Mr. Parr was an experienced director "who would have known or ought to have known that he was not entitled to the Patents in suit" does not appear sufficient to satisfy the above requirement, notwithstanding the submissions on the interpretation of that section contained in that declaration

and also page 13 of *Peart's patent* (BL O/209/87) where the hearing officer stated that:

Firstly of course it is not sufficient for Mr. Bates' case that Pass knew he was disputing their proprietorship before the patent was granted, it must be established that Pass knew they were not entitled to the grant, and in my opinion the evidence does not do that.

70 The comptroller has also held that "knew" as used in section 37(5) does not encompass "ought to have known"⁵. Hence what matters is what the proprietor knew at the time of grant.

71 The hearing officer in his preliminary decision concluded that the hurdle of section 37(5) is certainly a high hurdle to overcome. I agree.

72 In that earlier decision the hearing officer then went on to state that

"31. In this case the hurdle is further complicated by the fact that Mr. Farr's alleged disclosure of key technical details was to Nucon but the patent in

⁵ Lockheed Martin Corporation and Hybrid Air Vehicles Ltd 2008 BL O/235/08

question was granted to Orbis. Thus to succeed at a full hearing, Mr. Farr would not only have to prove that Nucon knew that the key inventive features of the patent were contributed by himself, he would then have to go on to prove that Orbis knew this as well.

32. However, I am also aware that a summary judgment, striking out Mr. Farr's reference at this preliminary stage, is not something to be done lightly. It is at least arguable that Orbis, as parent company to Nucon, should have been aware of Nucon's issues at, or before, the merger. Additionally, I am conscious that not all of the evidence rounds have been completed and that Mr. Farr claims to have further evidence showing that he contacted Orbis concerning the patent in question. Even the evidence to date, as confusing and non-contemporaneous as some of it may be, invites the deeper consideration a full hearing will allow."

- 73 In addition to Nucon and Orbis referred to above, there is also Menasha Corporation which is I understand a holding company of which Orbis is a subsidiary, and Menasha Material Handling which has at times been the parent company within Menasha of Orbis as well as being at other times the name of the subsidiary into which the activities of Orbis were entirely subsumed.

So who knew what and when?

- 74 Mr Farr argues that by virtue of what he communicated to the representatives of Nucon at the two meetings on 28 October 1998 and 11 November 1998 that Nucon "must have" known that it was not entitled to the patent.
- 75 He also argues that the two letters he subsequently wrote confirmed this. I will first look at the letters. The first letter sent to Mr Trapp and Mr Pigott of Nucon on 4 August 2002 appears to be primarily about initiating discussions about how Nucon (or Menasha), Amcor and Mr Farr's company could jointly work together. Mr Farr notes in respect of the patent that:

"I intend today to open up the still sealed copy of your patent application which I have to hand and examine it for inventive height of any novelty; breadth of territorial coverage and inclusion of appropriate references to the Farr patent.

I will then consider the learning and construct the case I will wish to present to Amcor towards any retaliatory action against Nucon, should it be needed, to protect the value of my patent against spurious or irrelevant but damaging inclusions"

- 76 In my opinion this is at best a warning that the author of the letter is minded to probe the validity of the patent. Indeed it seems clear that Mr Farr had not at that point read the patent so he would be unsighted as to precisely what it discloses.
- 77 The second letter of the 5 November 2002 was sent to Mr Harold Smethills of Menasha. The tone of this letter is certainly more serious. In it Mr Farr notes that

“After serious consideration and taking of appropriate legal advice I am now engaging in actions against Nucon”.

- 78 He goes on to say that the first two actions he is taking is to terminate “the enabling licence between Nucon and Farr of 11 April 2000” and to recommend to Amcor, who had taken over Schmalbach-Lubeca that Amcor and Farr move “to have the Nucon patent revoked.”
- 79 It is slightly surprising since it was apparently based on appropriate legal advice that this letter did not specifically refer to a lack of entitlement to the patent or possible entitlement action. There are a number of grounds on which a patent can be revoked. Given that the November letter refers to the earlier letter of August, it is more likely in my view that the reader took the threat of revocation to have a basis in a lack of novelty or inventive step rather than a lack of entitlement.
- 80 Even if either or both of these letters had clearly stated that Mr Farr was intending to contest entitlement to the patent, which they didn't, then that on its own would not have been sufficient. All that would show was that Mr Farr did not believe that Orbis was entitled to the patent. It would not necessarily follow that Orbis would then know that they were not entitled to the patent.
- 81 So the evidence of these two letters is certainly not enough. I should mention that given the lack of relevance of the content of these letters, it has not been necessary for me to go on and consider the significance of who they were directed to in relation to the “proprietor” referred to in the law.
- 82 The second limb of Mr Farr's argument on this point is that Mr Brain, Mr Trapp and Mr Pigott of Nucon knew that it was Mr Farr who had contributed the slope and therefore they and hence Nucon knew that it was not entitled to the patent. Hence Mr Farr is effectively arguing that if I find that Mr Farr was entitled to all or part of the patent on the basis of information that he had communicated to the Nucon inventors then it would follow automatically that Nucon knew that it was not entitled to the patent.
- 83 I do not think that can be the case. Firstly it is entirely conceivable that Nucon thought at the time that the patent was granted that it was entitled to the patent. It might for example have considered that the inventive concept lay in the combination of features in particular the slope and the channel. It might have thought that that it was the channel that was significant and it may have believed that it was the deviser of that. It is also possible that, as Mr Farr claims, Nucon knew fully that it was not entitled to the patent. All of those are possibilities. The fact that some 7 years later and following an examination of the issues I might have found that Mr Farr did indeed contribute to the invention claimed in the patent does not in my view eliminate any of these possibilities. Nor do I believe that any such finding that Mr Farr did in fact contribute to the invention would tip the balance sufficiently in favour of the scenario advanced by Mr Farr. If it had then that would have meant that the hurdle presented by section 37(5) would not have been a particularly high one. And consequently the sort of legal certainty that the provision is designed to achieve would simply not be realised.

- 84 So to overcome the limitation provided by section 37(5) something more is needed. The burden for finding that something more rests with Mr Farr. What he needed to show was clear evidence that Nucon knew at the time of the grant that it was not entitled. I fully accept that this was not an easy task. I have no reason to doubt his claim that he has gone to great lengths and expense to try and obtain witness statements from some of the key players in particular the named inventors. It is possible that these may have provided the necessary evidence of what Nucon knew at that time. Unfortunately Mr Farr has not been able to obtain that evidence nor indeed any other evidence to show what Nucon knew at the time. His only argument is that it must have known it was not entitled. That I am afraid is not enough. Therefore I must conclude since the reference was made more than two years after the date of grant of the patent, it is out of time. Consequently even if I had found that he contributed to the invention, which I didn't, then I would still have been prevented from making any order of the type requested by Mr Farr transferring rights in the patent to him.
- 85 For completeness I should also mention two other lines of argument advanced by Mr Farr relating to whether the reference was made in time.
- 86 The first is the argument that in accepting the Form 2 that Mr Farr filed to commence these proceedings the IPO had in fact accepted that this was a validly filed reference. I can deal with this fairly quickly. Section 37(5) does not state that a reference cannot be filed more than 2 years after grant. Rather it restricts the sort of remedy requested by Mr Farr, in other words an order transferring the patent to him, from being made if the reference filed more than two years after grant. So the IPO was correct to accept the reference but that in itself does not overcome the restriction on the remedies available set out in section 37(5).
- 87 The second argument is that he raised the issue of entitlement in the opposition proceedings before the EPO which took place immediately after grant of the patent and consequently less than two years from the date of grant. Again I can be brief. Section 37(5) refers to "the reference" being made within two years. The term "reference" clearly refers back to section 37(1) which states that any person may "refer to the comptroller" the question of entitlement. Hence the reference referred to in 37(5) is clearly the reference to the comptroller. References to other bodies for example the EPO are not references to the comptroller.

Conclusion and Findings

- 88 I find that Mr Farr has not proved that he made any contribution to the invention set out in EP 1268313. In particular I am not persuaded that he contributed the sloped upper surface of the side members or the channel to mount the removable sleeve.
- 89 Furthermore I also find that the reference by Mr Farr was made more than two years from the date of grant of the patent and that Mr Farr has not shown that the proprietor knew at the time of grant that it was not entitled to the patent. Therefore by virtue of section 37(5) even if I had found in his favour on entitlement I would not have been able to make any order transferring any rights

in EP 1268313 in whole or in part to Mr Farr.

Costs

- 90 I indicated to Mr Farr at the hearing that I would invite submissions on costs once I had determined the substantive question. **I therefore give each side 4 weeks from the date of this decision to make submissions solely on the issue of costs.** For the benefit of Mr Farr I would note that since he has been unsuccessful with his reference then the defendant would normally be entitled to a cost award in its favour. As I also explained at the hearing costs before the comptroller are normally awarded on the basis of a published scale though the comptroller is able to depart from the scale if the circumstances warrant it. Further guidance on costs before the comptroller can be found in the IPO's Hearings Manual⁶ .

Appeal

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

Phil Thorpe
Deputy Director acting for the Comptroller

⁶ IPO Hearings manual- <http://www.ipo.gov.uk/p-manual-hearing.htm>