

**PATENTS ACT 1977**

CLAIMANT Mrs Gillian Taylor

DEFENDANT Lanarkshire Health Board

ISSUE Application for Variation of Order  
under section 12

HEARING OFFICER H Jones

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**DECISION**

- 1 The claimant requests that I consider varying, or possibly clarifying, the terms of the order I made in decision [BL O/157/22](#) because there had been material changes in the circumstances since it came into effect. The “material” changes are set out in their letter dated 28 November 2022, which I summarise below.
- 2 The claimant explains that there is only a single licence relating to the invention which simply grants the licensee the right to sell products implementing the invention without the risk of infringement actions by the defendant in return for a single royalty fee. The single licence does not refer to any specific (granted) rights in specific jurisdictions and there is only a single royalty fee due regardless of where the products are sold. The claimant says that in the subsequent negotiations aimed at agreeing the claimant’s share of royalties arising from the applicable applications, the defendant has taken a position that the majority of the royalty it receives stems from sales in the UK, which they (the defendant) assert falls solely under the rights of the granted GB patent. [In my main decision [BL O/556/21](#), I found that the claimant’s claim to entitlement to the GB patent was time-barred by section 37(5). This was not a technicality, as the claimant suggests, but a requirement of the law]. The claimant says that the defendant is therefore refusing to split the single royalty rate 50:50 with the claimant and is instead excluding a portion of the single royalty based on the share of sales in the UK.
- 3 The claimant says that they still have a right to the full royalty in the UK as they are co-applicants of a pending EP application that designates the UK, which is one of the applicable applications. They say that they could, as an alternative, force grant of a patent in the UK (as co-proprietor of the pending EP application), which would result in the comptroller revoking the GB patent, thereby leaving only a single right in the UK with both the claimant and defendant as co-proprietors. The claimant suggests that I can avoid this longwinded and expensive alternative by taking the pragmatic approach of ordering the defendant to split the royalty in the UK equally.

- 4 In their reply dated 7 December 2022, the defendant has provided copies of correspondence between the parties aimed at resolving the rate of royalty due to the claimant arising from sales of the products in the UK. An offer was made in August 2022 that 40% of the UK royalties be allocated to the EP application, and a further offer in September 2022 in which it was proposed that 100% of future royalties be allocated to the EP application. The defendant suggests that the claimant now wants 100% of the backdated and future UK royalties to be allocated to the EP application and none to the UK patent.
- 5 A question arises as to whether the circumstances summarised above amount to a material change such as to justify a variation of the order made in *BL O/157/22*. In that decision I found that the comptroller had only limited power to specify a royalty rate in section 12 disputes, that being in situations where the commercial exploitation of an invention is being stifled by a disagreement over the terms of a licence. The claimant has provided no evidence that commercial exploitation of the invention is being stifled in this case. Instead, what the claimant sets out is an explanation of how and why the commercial negotiations over the royalty rate arising from patent rights in the UK have reached an impasse. This is not a material change in the circumstances that warrants a variation of my order, so the claimant's request is refused.
- 6 I should note that in the claimant's reply dated 18 January 2023, it is suggested that the claimant was originally entitled to be named as co-proprietor of the original patent application and that it was only due to the defendant's negligence that the claimant was forced to start these proceedings. The claimant says that it is my duty to ensure that I amend my order to ensure that the claimant's position is improved. I totally reject the claimant's characterisation of the defendant's actions in establishing a clear understanding of entitlement - I addressed this issue at paragraphs 104-119 of my main decision and concluded that the claimant had not shown that the defendant knew it was not entitled to the patent at the time of its grant.

### **Appeal**

- 7 Any appeal must be lodged within 28 days after the date of this decision.

**Huw Jones**

Deputy Director, acting for the Comptroller