

PATENTS ACT 1977

IN THE MATTER OF

a reference under section 8

by Furfix Products Limited

in respect of Patent Applications Nos GB9509562.6 and GB9609921.3

in the name of Harold John Andrews

FINAL DECISION

Introduction

1. In an interim decision of 12 March 1998 issued following a hearing, I made a number of findings in respect of the inventorship in and entitlement to patent applications nos GB9509562.6 and GB9609921.3, both of which relate to joist hangers. My findings as to GB9509562.6, and those in respect of the inventorship of GB9609921.3, I felt able to translate into appropriate orders, declarations or directions. However, while I also made a finding as to the entitlement in GB9609921.3, it seemed to me for reasons I gave in the decision that before I made any order to give effect to that particular finding the parties ought to be given an opportunity to negotiate an agreement between themselves, and failing that at least an opportunity to make submissions to me on the form of order I should make. It was in this respect that the decision was an “interim” one, and it is therefore principally to that issue, namely the order to be made as to the entitlement in GB9609921.3, to which this final decision relates. The matter of costs is a secondary one also remaining to be settled now.

2. My finding in the interim decision as to entitlement in GB9609921.3 was that Mr Andrews is entitled to the benefit of what I labelled feature (b), and that Furfix Products Limited (“Furfix”) is entitled to the benefit of what I labelled features (c) and (d). These labels referred to three of what seemed to me to be the four key features of the joist hangers under consideration, which were:

- (a) a partially open base formed by turned-in edges, which edges in use provide support for the joist;
- (b) a fully open base which provides no support for the joist, the joist being in use secured by fasteners (eg nails) extending through apertures in the side portions of the hanger;
- (c) a fold line formed at the juncture of the bearing and abutment portions and extending beyond the width of the abutment portion;
- (d) manufacture by bending a single piece of sheet metal.

Of these, (b), (c), (d) are features disclosed in both the patent applications in suit, while (a) is not but is relevant to the submissions made to me.

Submissions

3. In response to the opportunities given to them to make submissions following my interim decision, Mr Andrews filed letters dated 24 March 1998 and 28 April 1998, and Furfix filed letters dated 21 April 1998 and 7 May 1998.

4. Mr Andrews states in his letters that he remains willing to sell the rights in GB9609921.3 for the costs involved in filing the application to date. Furfix rejects this offer as having been made too late to be a satisfactory solution. Furfix goes on to state that it has no intention of paying Mr Andrews for his application, and does not wish to proceed with the present application in its own name. Furfix suggests that GB9609921.3 should be withdrawn and Furfix be awarded its costs in this dispute. Furfix argues that, at the very least, under any patent granted to Mr Andrews, Furfix should have a royalty-free licence, with the right to sub-licence. It also submits that it would be completely unjust for Mr Andrews to obtain any licence under features (c) and (d), and, perhaps not entirely consistently, also argues that Mr Andrews should pay Furfix half any royalty he receives from any licensee of his relating to products which include features (c) or (d).

Refusal

5. As indicated by Furfix, one course of action open to me is to order refusal of GB9609921.3 under section 8(2)(c). However, Furfix has to my mind not made out the argument in support of this proposal. More importantly, given my finding that both parties are entitled to a certain benefit from the patent application, this would not seem to me to be an appropriate approach in this case.

Division of rights

6. The task before me then is to divide the rights in GB9609921.3 equitably between the parties in accordance with my findings as to entitlement and the submissions made by the parties subsequent to the issue of the interim decision. Given the explicit wish of Furfix that the application should not proceed in its own name, I make no order under section 8 (2)(a). In other words, I find that application GB9609921.3 should continue to proceed in the name of Mr Andrews alone. Given my finding that Furfix is entitled to the benefit of features (c) and (d), however, I believe Furfix ought to have the benefit of an appropriate licence. Mr Andrews has not argued against Furfix's submission that such a licence, if awarded, should be exclusive and with the right to sub-license. However, the question arises as to whether any royalty should attach to it.

7. Insofar as Furfix under the proposed licence will not derive any benefit from feature (b), the only feature to which I have found Mr Andrews is entitled, I conclude that no royalty is due to Mr Andrews. Furfix has said that Mr Andrews should pay Furfix half any royalty he receives from any licensee of his relating to products which include features (c) or (d). No argument or evidence has, however, been put forward in support of this proposal. On this basis, I am not persuaded that, in all the circumstances, any royalty is due here either.

Order

8. Having found that application GB9609921.3 should proceed in the sole name of Mr Andrews, I order under section 8(2)(d) that Mr Andrews shall grant Furfix an irrevocable,

exclusive, royalty-free licence, with the power to sub-license, in respect of joist hangers incorporating one or both of features (c) and (d), but not having feature (b), these features being defined as follows:

- (b) a fully open base which provides no support for the joist, the joist being in use secured by fasteners (eg nails) extending through apertures in the side portions of the hanger;
- (c) a fold line formed at the juncture of the bearing and abutment portions and extending beyond the width of the abutment portion;
- (d) manufacture by bending a single piece of sheet metal.

Costs

9. Furfix but not Mr Andrews originally asked for costs, although Mr Andrews in his letter of 28 April 1998 says he assumed this would be determined by the comptroller. As I acknowledged in my interim decision, Mrs Spence argued at the hearing that Furfix probably would not have entered into this dispute if Mr Andrews' applications had not covered what Furfix thought was its invention, and in addition that, in contrast to Mr Andrews, Furfix had filed a minimum of evidence hoping for a quick hearing. In my interim decision, I indicated at that time that on balance I was inclined to make no order for costs, but noted that the matter may depend on the outcome of the remainder of the action and therefore deferred settling the question until the issue of my final decision.

10. In the letter dated 21 April 1998 Furfix draws attention to an offer made to Mr Andrews in a letter dated 22 February 1996; however, in his letter dated 28 April 1998 Mr Andrews responds with a reference to a counter-offer to Furfix made in a letter dated 4 April 1996. On the basis of the evidence before me, it is not clear to me what the precise terms of each offer were, and I therefore feel I can take little account of them.

11. I find the arguments on costs well balanced. However, it is indisputable that Furfix has launched references under section 8 on two patent applications and obtained findings in its favour

on both, although it is also the case that Mr Andrews has retained certain rights following findings in his favour. In all the circumstances I believe Furfix is due a small contribution to its costs. I therefore award the referrer, Furfix Products Limited, the sum of two hundred and fifty pounds (£250) as a contribution to its costs, and order that this sum be paid to it by the patent applicant, Mr Andrews.

Appeal

12. This being a decision other than on a matter of procedure, any appeal against this decision shall be filed within six weeks after the date of this decision.

Dated this 8th day of July 1998

S N DENNEHEY

Superintending Examiner, acting for the comptroller

THE PATENT OFFICE