

PATENTS ACT 1977

IN THE MATTER OF an offer under section 29 to surrender patent no. GB 2317817

DECISION

Introduction

- 1 Dyson Limited, the proprietor of patent no. GB 2317817 relating to a vacuum cleaner and granted on 3 November 1998, gave notice to the comptroller on 1 February 2002 of an offer to surrender the patent. Rule 43(1)(a) of the Patents Rules 1995 requires the proprietor either to declare that no action is pending before the court for infringement or revocation, or to give full particulars of any action, and accordingly the notice was accompanied by a statement that:
 - an action for revocation (claim no. HC 01C04626) was pending before the High Court in which the claimants Hoover Limited were claiming that the patent was invalid in view of prior art in the form of their Hoover TurboPower 2 vacuum cleaner, the claim form having been issued on 22 October 2001 and served on 24 October 2001; and
 - no further actions for infringement or revocation of the patent were pending before the court.
- 2 In accordance with rule 43(1)(b) the offer was advertised in the Patents and Designs Journal on 6 March 2002. No notice of opposition was given within the two month period prescribed by rule 43(2).

Analysis

- 3 Surrender of a patent is not retrospective, and does not automatically terminate revocation proceedings or (in contrast to the position under the Patents Act 1949) lead to an order revoking the patent. A patent will therefore still have been in effect from grant until surrender, unless it is separately revoked, revocation then being retrospective to grant.
- 4 In the absence of any statutory provision to allow an offer under section 29 of the Act to be determined by the court (such as is given by sections 8(7) and 37(8) in the case of entitlement and section 72(7) in the case of revocation), there would seem to be no *vires* for the comptroller to decline to deal with the offer to surrender so as to allow it to be decided by the court as part of the revocation proceedings. However section 29 and rule 43 are silent as to how the comptroller should proceed.
- 5 Precedents in this area of law are sparse, but I am mindful that, where proceedings for revocation are already in being before the comptroller when an offer to surrender is

made, it is her practice first to determine the revocation action. I am also aware that in *Connaught Laboratories Inc's Patent* [1999] FSR 284 Laddie J revoked a patent where, one day before the trial of the petition to revoke, the respondent gave notice to the petitioner of its intention to surrender the patent. In assessing the impact of section 29, Laddie J said at page 288:

“An order for revocation may have a different effect to an acceptance of surrender, for example in relation to the royalty provisions in third party licenses”

Having quoted the notes on section 29 in the Chartered Institute of Patent Agents' Guide to the Patents Act 1977, including the statement (my emphasis added):

“Thus a proprietor can no longer evade a finding of invalidity by offering to surrender his patent as he could under the 1949 Act, *though it is understood that the Comptroller is prepared to accept an offer to surrender when this is made during revocation proceedings before the court.*”,

Laddie J then said:

“It is open to me therefore to order revocation of the patent if, having regard to what is pleaded and the material which I have seen, that is the appropriate course. Alternatively, I can allow the offer to surrender to be further processed through the Comptroller. The latter course will involve advertisement, the possible involvement of third parties, delay and additional expense.”

- 6 I do not think this takes away the comptroller's powers of decision under section 29 where a revocation action is before the court. It does however suggest that, where the court is aware of an offer to surrender, it will consider in all the circumstances of the case whether it is preferable to go ahead with the revocation action or to leave the offer of surrender to take its course before the comptroller. If revocation were ordered, there would of course be no patent left to surrender.
- 7 I do not think that the factors which weighed with Laddie J in *Connaught* are especially pertinent to the present case, since the offer of surrender has already been advertised and has not been opposed. No question of further delay and expense would therefore seem to arise. Nor do I think that the passage which I have emphasised from the CIPA Guide - whose basis I am unaware of - is of any assistance to me, since it gives no guidance as to the circumstances in which the comptroller should be prepared to accept a surrender.
- 8 However in my view the above practice before the comptroller and the decision in *Connaught* illustrate the desirability of bringing the offer of surrender into the same forum as the revocation action so that the appropriate course of action can be considered in the light of all the circumstances of the case. I am not aware of what has prompted the proprietors to offer to surrender the patent (rule 43 does not require reasons to be given), or how the offer might impact on the revocation proceedings before the court. Therefore, even though there has been no opposition to the surrender - particularly from those whose interests might be affected by revocation of the patent, namely the claimants in the revocation action (Hoover Limited) and any licensees under the patent - I believe that I should stay further consideration of the matter to await the

outcome of the revocation proceedings.

- 9 I should of course take care that in ordering a stay I do not simply delay the overall settlement of the revocation proceedings or prejudice the position of the proprietors. On the facts before me I cannot see that any such delay is likely. Further, any deferral of the surrender would not seem to prejudice the proprietors' position: it is still open to them, if they have no interest in the patent and there are no third parties with an interest in it, not to defend the revocation action.

Order

- 10 I therefore order that the proprietors Dyson Limited should, if they have not already done so, notify the court of the offer to surrender. They should notify the comptroller, within 14 days of their conclusion, of the outcome of the court proceedings; or, within 14 days of its making, of any order from the court that the surrender proceedings should continue before the comptroller. The comptroller will then consider the matter further.

Appeal

- 11 This decision does not relate to a matter of procedure and the period for appeal is therefore six weeks.

Dated this 18th day of July 2002

R C KENNEL

Deputy Director acting for the Comptroller

THE PATENT OFFICE