



BL O/056/04

27<sup>th</sup> February 2004

**PATENTS ACT 1977**

BETWEEN

KFL (Floor Services) Limited

Claimant

and

Brian Lawson and Philip McGarry

Defendant

PROCEEDINGS

Reference under section 8 of the Patents Act 1977 in  
respect of patent application number GB 0204306.5

HEARING OFFICER

D J Barford

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**DECISION**

**Introduction**

- 1 Patent application No. GB0204306.5 (“the patent application”) was filed on 23 February 2002, claiming no earlier priority date, and was published on 27 August 2003 as GB2385551A. The application was made in the names of Philip McGarry and Brian John George Lawson, naming Mr Lawson as sole inventor.
- 2 This reference under section 8 was filed by the claimant on 24 October 2002 seeking an order that the application proceed in the name of KFL (Floor Services) Limited (“KFL”). The reference was opposed by the defendants, Messrs McGarry and Lawson, in a counterstatement filed on 10 December 2002.
- 3 The usual evidence rounds followed. During these rounds, the defendants requested an order for security of costs against the claimant, a request which was resisted by the claimant and settled in a preliminary decision issued on 11 July 2003 in favour of the claimant.
- 4 The substantive matter came before me at a hearing on 2<sup>nd</sup> December 2003, at which KFL was represented by Mr Henry Ward, instructed by Whiskers Solicitors, and Messrs McGarry and Lawson were represented by Mr Richard Lieper, instructed by patent agents Sanderson & Co.

## **The law**

5 This reference is made under section 8(1)(a) of the Act which reads as follows:

### ***Section 8(1)***

*At any time before a patent has been granted for an invention (whether or not an application has been made for it) -*

- (a) any person may refer to the comptroller the question whether he is entitled to be granted (alone or with any other persons) a patent for that invention or has or would have any right in or under any patent so granted or any application for such a patent;*

6 The claimant is relying on the following provisions of sections 7 and 39 of the Act:

### ***Section 7(2)***

*A patent for an invention may be granted -*

- (a) primarily to the inventor or joint inventors;*
- (b) In preference to the foregoing, to any person or persons who, by virtue of any enactment or rule of law, or any foreign law or treaty or international convention, or by virtue of an enforceable term of any agreement entered into with the inventor before the making of the invention, was or were at the time of the making of the invention entitled to the whole of the property in it (other than equitable interests) in the United Kingdom;*
- (c) ...*

### ***Section 39(1)***

*Notwithstanding anything in any rule of law, an invention made by an employee shall, as between him and his employer, be taken to belong to his employer for the purposes of this Act and all other purposes if -*

- (a) it was made in the course of the normal duties of the employee or in the course of duties falling outside his normal duties, but specifically assigned to him, and the circumstances in either case were such that an invention might reasonably be expected to result from the carrying out of his duties; or*
- (b) the invention was made in the course of the duties of the*

*employee and, at the time of making the invention, because of the nature of his duties and the particular responsibilities arising from the nature of his duties he had a special obligation to further the interests of the employer's undertaking.*

### **The issues**

- 7 KFL was incorporated in 21 May 1997 with two directors, Mr Lawson and Mrs Christine Kent, having equal shareholdings. The company was in the business of laying floors, in particular wooden and laminate floors. Mrs Kent's responsibilities included running the office and Mr Lawson's laying the floors.
- 8 The patent application is essentially concerned with the problem, when laying floor panels, of cutting the final panel to size to butt up against the edge of an adjacent wall, and relates to a tool for use in marking a cut line on such a panel and to methods of using such a tool. There is no dispute that Mr Lawson is the sole inventor of the subject matter of the patent application ("the invention"); although there is a dispute as to *when* he made the invention.
- 9 Mr McGarry was involved in financing the development of the invention through a company he runs called GMT, with Mrs Kent's knowledge, and it was he in conjunction with Mr Lawson who made the patent application.
- 10 In its statement of case the claimant argues that the invention was made during Mr Lawson's time at KFL under circumstances which satisfy the terms of sub-section 39(1)(a) and/or of sub-section 39(1)(b), that in consequence the invention belongs to KFL as Mr Lawson's employer, and that pursuant to section 7(2)(b), only KFL is entitled to be granted any patent for the invention. Accordingly KFL seeks an order under section 8 that the patent application proceed in its name
- 11 The defendants argue that the circumstances of the case do not satisfy the terms of either section 39(1)(a) or of section 39(1)(b), that the invention was actually made in 1994, prior to Mr Lawson's time at KFL, and that should I find that KFL does indeed have an interest in the invention, then KFL shares that interest with Mr McGarry by virtue of an agreement between Mr Lawson and Mr McGarry.
- 12 The key issues that I have to decide then are:
  - firstly, if the invention was made during Mr Lawson's time at KFL, do KFL have any rights in it under section 39? If the answer to that is no, then that is the end of the matter, since the claimant has not argued that it has any rights other than by virtue of section 39;
  - if the answer to that question is yes however, then secondly I will need to decide whether or not the invention was made during Mr Lawson's time at KFL;
  - if the answer to that question is also yes, then it would follow that KFL does have rights in the invention; and that would give rise to a third question, namely does KFL share those rights with Mr McGarry?

## **Evidence**

- 13 Evidence was submitted on behalf of the claimant in the form of two witness statements by Mrs Kent, and witness statements by Mr Peter Botterwell, the proprietor of a business located near to KFL's premises, and Mrs D M Riley, Mrs Kent's mother. Evidence was submitted on behalf of the defendants in the form of witness statements by Mr Lawson, Mr McGarry and Mr John Trendall, a friend of Mr Lawson.

## **Assessment of witnesses**

- 14 At the hearing Mrs Kent and Messrs Lawson, McGarry and Trendall were cross examined on their evidence.
- 15 The evidence of Mrs Kent and Mr Lawson as joint directors of KFL is clearly of particular significance. I found Mrs Kent careful but straightforward in her responses; doing her best to understand the questions put to her and holding firm to her evidence under cross-examination. Equally I found Mr Lawson to be careful if a little truculent in his responses; standing by his evidence under prolonged cross-examination. It is clear from the evidence of both that this small company was run on a fairly informal basis day to day, and I think it highly probable in these circumstances that personal and business matters will become mixed at the margins; and that recollections of who decided to do what will become blurred with time and with hindsight. For this reason, that Mrs Kent and Mr Lawson differed in their perception of a number of events and situations I find largely unsurprising, and despite differences between their testimonies I found them both to be credible witnesses.
- 16 Of crucial importance as to when the invention was made is the evidence of Mr Trendall. He too stood by his evidence under challenging cross-examination, and I found him a credible witness. I shall return to this below.
- 17 For completeness I should add that I also found Mr McGarry to be a reliable witness, albeit that in the event his evidence was less central to the key issues.

## **Argument**

### ***KFL's rights under section 39***

- 18 There are two important matters to take into account at the outset. Firstly, whether or not Mr Lawson was an employee, as well as a director, of KFL. Mr Ward in his skeleton argument referred to the decision in *Ultraframe UK v Fielding & Ors* [2003] RPC 23 in support of his contention that Mr Lawson was an employee. Although Mr Lieper in his skeleton disputed this, he made it clear at the hearing that he conceded the point. Secondly, although in its statement, KFL put forward a case under both sub-section 39(1)(a) and sub-section 39(1)(b), at the hearing Mr Ward indicated that he intended only to pursue the case under section 39(1)(b).

19 The claimant's case under section 39(1)(b) is that Mr Lawson made the invention in 2001 in the course of his duties at KFL, and that as a director of and one of the controlling minds behind KFL, he had a special obligation to further the interests of KFL. The defendants' case is that the invention was developed (if not in 1994) during Christmas 2001/2002 at Mr Lawson's home rather than at work, that is to say not in the course of his duties at KFL. The defendants admit that Mr Lawson in his role as a director was under an obligation to further the business of KFL, but deny that his duties whether as an employee or as a director include inventing or developing inventions. They also argue that the activities of KFL never extended beyond floor laying; and that it was no part of KFL's activities to develop new products for fitting floors.

20 I was referred by counsel to three further authorities, *Harris' Patent* [1985] RPC 19, *Unitec Systems' Application* (BL 0/143/94), and *Greater Glasgow Health Board's Application* [1996] RPC 207. *Harris' Patent* and *Unitec* are of particular relevance to the circumstances of the present case, since each deals *inter alia* with how the role of company director stands against the terms of section 39(1)(b). However I found no great assistance from the *Greater Glasgow Health Board* decision which is directed principally to a consideration of what is meant by "normal duties" under sub-section 39(1)(a).

21 In *Harris' Patent*, Falconer J said (at page 37):

"Under paragraph (b) [of section 39(1)] for an employee's invention to belong to his employer two conditions have to be fulfilled, namely that:

(i) the invention was made in the course of the duties of the employee

(ii) at the time of making the invention, because of the nature of his duties and the particular responsibilities arising from the nature of his duties he had a special obligation to further the interests of the employer's undertaking."

and went on to say:

"Under paragraph (b), the question is whether Mr Harris' duties were such as to place him under such "a special obligation to further the interests of his employer's undertaking" ... The wording of the paragraph under condition (ii) clearly envisages that the extent and nature of the "special obligation to further the interests of the employer's undertaking" will depend upon the status of the employee and the attendant duties and responsibilities of that status. Thus plainly the position in this regard of a managing director whose obligation to further the interests of his employer's undertaking of which he is the managing director will, no doubt, extend across the whole spectrum of the activities of the undertaking"

22 In *Unitec* the comptroller's hearing officer said:

"Thus, Joint Managing Directors would usually have such a broad range of duties and owe a special obligation to the employer's undertaking of such a magnitude

for it to be exceptional for any invention they might make not to be the property of their employer if it lies in their employer's line of business."

He went on to say:

"While I accepted earlier that the referrer had not shown that at the relevant time Unitec as a company was in the business of design or invention, I do not consider that this means that anything connected with design or invention is therefore unconnected with the interests of the company."

and then

"However, it seems to me while the invention may have been made outside the company's premises, it nevertheless lies squarely in the field of carton filling machines in which Unitec's commercial activity lay and Unitec's interest in which it was the opponent's special obligation as Joint Managing Directors to further."

- 23 Mr Ward submitted that KFL was central to the development of the invention; a lot of work having been done in company time using company resources and company money. Much of the evidence given by Mrs Kent is directed to that point, and to establishing that Mr Lawson had consistently led her to understand that the invention belonged to KFL; evidence which was disputed by the defendants who argue that Mrs Kent was fully aware that any patent on the invention was to be the property of Mr Lawson and Mr McGarry.
- 24 In her first witness statement, Mrs Kent describes how Mr Lawson had originally thought of an idea for holding laminated flooring in position for gluing using suction cups, and had purchased some cups using KFL funds. Mr Lawson explained that this idea made use of a known glazier's tool, and confirmed under cross-examination that such a device had indeed been purchased using KFL funds, though he had not pursued it upon advice from Mr McGarry that the idea had no commercial potential. Mr Lawson also said that, since the suction cup idea had occurred to him whilst he was working on a KFL job, the idea belonged to KFL and not to him personally. Mr Lieper argued that this did not demonstrate that Mr Lawson was in the habit of making inventions during the course of his duties. He maintained that Mr Lawson had made no invention here; all he had done was to take a pre-existing object (the suction cup device) and apply it to his trade.
- 25 Mrs Kent described Mr Lawson's use of pieces of flooring and tools (in particular a tool handle) belonging to KFL in developing a prototype of the invention, the purchase by KFL of a website for selling the invention and of a T-shirt for advertising the invention, and the use of company time and money for demonstrations, for instance visiting Canada to that end. Mr Lawson agreed that he occasionally used KFL's office facilities in relation to the invention, and that he had used some wood left over from a job to make a portable floor for demonstration purposes, but he denied using KFL materials to develop a prototype, or that he had asked Mrs Kent to set up a web site or create a T-shirt and said that he took his trip to Canada as holiday. Mrs Kent maintained that the Canada visit was not taken by Mr Lawson as holiday, but she agreed that he had not charged KFL for the flights.

- 26 Mrs Kent also explains in her first witness statement that in response to a suggestion by Mr Robin Wilson, KFL's accountant, she and Mr Lawson drew up a schedule of costs involved in the development of the invention with a view to offsetting £10,000 against tax for research and development. This schedule is exhibited (at CK1) to Mrs Kent's first witness statement. It was not disputed that a list was produced and that list included the writing of both Mrs Kent and Mr Lawson. Mr Lawson stated however that this was Mr Wilson's idea, and that although he (Mr Lawson) was keen to help KFL, he felt that such a claim would be dishonest since the real expenses were incurred by Mr McGarry's company, GMT. In support Mr McGarry stated that by the end of December 2002 GMT's expenditure on the invention had exceeded £28000, without any allowance for his time or for that of his staff. Under cross-examination Mrs Kent confirmed that KFL had nothing like those resources and agreed that Mr McGarry had funded the manufacture of prototypes in China, and had paid for packaging and patent agents together with a number of specific items on the list, namely market research, a trade mark application, administration costs and the costs of a shipment to China. On the other hand Mr Ward pointed to references on the list to 300 hours labour and 250 hours electricity, which he argued indicate the amount of company time Mr Lawson had spent on the invention.
- 27 Mrs Kent also states that it was clearly understood that she and Mr Lawson would share any profits from the invention, but that Mr Lawson subsequently told her that she was being cut out. In her second witness statement, Mrs Kent exhibits the transcript of a telephone conversation with Mr Lawson with a view to confirming this change of mind. Mrs Riley, in her witness statement, describes a meal at which Mr Lawson said that he would try to obtain £50,000 for the business of KFL through the invention; and a subsequent telephone conversation in which Mr Lawson challenged this version of events. Mr Lawson states that his position on the ownership of the invention was that it was his, but that he intended to make Mrs Kent a gift if the invention was successful; in particular of a car. He confirms that is no longer his position, but denies telling Mrs Kent that he was cutting her out. Mr Ward drew attention to a passage in the transcript of the telephone conversation where Mr Lawson clearly states that he told Mrs Kent that she would get nothing; Mr Lawson responded that he was referring to the gift of a car.
- 28 In support of the claimant, Mr Botterell states that he was always under the impression that Mr Lawson's work on the invention was on behalf of KFL, and Mr Wilson in a letter dated 30 June 2003 (exhibit CK2 to Mrs Kent's second witness statement) states that he (Mr Wilson) understood the invention to be a KFL asset.
- 29 The defendants argue that Mrs Kent was fully aware that any patent on the invention was to be the property of Mr Lawson, through his role as inventor, and Mr McGarry, by virtue of an agreement between him and Mr Lawson. Mr Lawson states that, in response to a request by Mr McGarry at the time the patent application was in preparation, he (Mr Lawson) asked Mrs Kent to type a document concerning their joint application, which he signed and dated 22 February 2002. Mr McGarry required something more detailed and so Mrs Kent typed a second document which confirmed the existence of a joint undertaking between the defendants "for the patent .. and all matters concerning this project". This second document was signed by both Mr Lawson and Mr McGarry and dated 25 February 2002. Copies of these documents are included in exhibit BL1 to Mr Lawson's witness statement.

- 30 Under cross-examination, Mrs Kent confirmed that she had typed both of these documents, and agreed that neither referred to KFL and that both bore Mr Lawson's address rather than that of KFL. However she said that she saw no significance in this as she understood Mr Lawson to be signing in his role as a joint director of KFL just as Mr McGarry was named personally rather than his company GMT.
- 31 What conclusions should be drawn from this? There are unresolved differences between the testimony of Mrs Kent and that of Mr Lawson - notably, as to who was responsible for the website and T-shirt, whether or not the Canadian trip was holiday or business, and on what basis Mrs Kent was to benefit if the invention was commercially successful.
- 32 As to how Mrs Kent might benefit, it is clear from the telephone transcript that Mr Lawson told Mrs Kent that she would get nothing, but whether that was a reference to a share of the profits or to a one-off gift has not been established. The £50,000 referred to by Mrs Riley could have been a share of the profits or equally could have been a one-off gift. I am unable to draw any firm conclusions from this. Regarding the signed agreement between Mr Lawson and Mr McGarry, I am prepared to accept Mrs Kent's view that she saw no significance in the fact that the agreement was drawn up between Mr Lawson and Mr McGarry rather than between their respective companies, but in any case this does not go to the key question of what was Mr Lawson's entitlement in the first place relative to that of KFL.
- 33 Equally, the views of Messrs Botterell and Wilson, whilst supportive of the claimant's case, are largely if not wholly unsubstantiated, and therefore of limited weight.
- 34 Returning to the suction cup idea, I am not persuaded by Mr Lieper's argument that because the suction cup device itself was well known, there was no invention in applying it to floor laying, it seems to me that there might well be invention in a new application of this known device. I conclude that Mr Lawson did indeed turn his mind to new ideas during the course of his duties, and I note that Mr Lawson himself felt that if he had such an idea whilst working on KFL business, it belonged to KFL and not to him.
- 35 There can be no doubt that the major investment in the development of the invention was made by Mr McGarry and not by KFL. The list of expenses drawn up with a view to offsetting KFL's tax liability has to be taken with a large pinch of salt in my view, including as it does a number of items that Mrs Kent freely admits were paid for by Mr McGarry; and the fact that in the event no claim against tax was made. That said, I note that Mr Lawson himself readily conceded that he made occasional use of KFL office facilities and that he used some KFL owned materials in connection with the invention.
- 36 Mr Ward submitted that, *almost irrespective of this evidence*, Mr Lawson as a director of KFL owed a duty of care such that the invention should fall to KFL under the terms of sub-section 39(1)(b). Mr Lieper responded that someone may be a director, but that does not mean that *every* invention he makes falls within section 39(1)(b); to do so an invention must fall within the "spectrum of the activities of the undertaking" described by Falconer J in *Harris' Patent*. Mr Lieper argued that it was essential to



determine, as a matter of fact, what was the line of business of KFL and whether or not the invention lay within that line of business. I agree with him and it is to that matter that I now turn.

- 37 In Mr Lieper's submission, the activities of KFL never extended beyond floor laying, and it was no part of KFL's activities to develop new products for fitting. He argued that the invention was not needed by experienced floorers, it was not something that would help the business; rather it was designed to help people starting out in the trade or for the DIY enthusiast; and in that sense it was in fact diverting trade away from the company. Mr Leiper felt that to say that the invention was something which fell within the spectrum of the activities of KFL did not reflect the reality of this small two person business.
- 38 Mr Ward argued that since KFL is a floor-laying business and the invention, although of wider application, is essentially directed to making the laying of floors more straightforward, it lies slap bang in the middle of the spectrum of activities of KFL. He contrasted this with the invention of a coffee machine which would clearly not fall within that spectrum. He argued that it is almost impossible for a director of a floor-laying company to escape his duties to that company in the case of an invention which has its roots in floor laying and felt that the invention was not simply of use by DIY enthusiasts but had applications for professional floor layers as well.
- 39 It was also argued by the claimant and disputed by the defendants that the business of KFL included an element of design work and that Mr Lawson's duties included the design of floor plans. Mrs Kent described this aspect of the work as involving advising clients on the size, pattern and layout of borders; and although I understood Mr Lawson not to dispute this, he said in his evidence that it is not what he regarded as design work. I think the point is a straightforward one, and that it is clear that KFL was involved in design work in the narrow sense described by Mrs Kent, but not in the wider sense of design as invention.
- 40 It seems to me that *Unitec* is of particular relevance here. In that case, the hearing officer found that, although it had not been established that Unitec was in the business of design or invention, the invention lay squarely in the field in which Unitec's commercial activity and hence interest lay; and that the directors of the company had a special obligation to further that interest. In my view the present case is on all fours with that. The commercial activity in which KFL is engaged is floor laying. I agree with Mr Lieper that it was no part of KFL's activities to develop new products, but that was also the case in *Unitec*. I also accept Mr Lieper's submission that the invention is directed to people starting out in the trade or to the DIY enthusiast rather than the experienced floorer. However I see no inconsistency between that and Mr Ward's contention that the invention is essentially directed to making the laying of floors more straightforward, and for that reason it seems to me that it does indeed lie squarely in the middle of the spectrum of activities of KFL.
- 41 In summary then, it is not in dispute that Mr Lawson was an employee as well as a director of KFL. He himself accepts that if he had an idea whilst working on KFL business, then that idea would belong to KFL. This seems to me to indicate that Mr Lawson saw his responsibilities as extending more widely than just laying floors, which is entirely consistent with his duty as a director to further the interests of KFL.

He also acknowledges that he made limited use of KFL resources in developing the invention, but argues that if the invention was made during his time with KFL, it was made outside company time. That he worked at home or on holiday might in my view have been significant if he was in a more junior position in the company, but he was a director. I have concluded that as a director Mr Lawson had a special obligation to further the interests of KFL such that any invention he made whilst with KFL is the property of KFL if it lies within the spectrum of the company's activities. Having found that the invention does indeed lie firmly within that spectrum, I conclude that if the invention was made during the period in which Mr Lawson was a director of KFL, then the conditions of section 39(1)(b) are met and KFL has rights in the invention.

42 Having so found, I have to turn to the second question, which is whether or the invention was indeed first made during Mr Lawson's time at KFL

***When was the invention made?***

43 In his witness statement, Mr Lawson describes the evolution of the invention as follows.

44 Whilst employed by a company called Vigers, firstly as a floor layer and then as a warehouseman, he was aware of the problems associated with laying the last panel of a wooden floor and had the idea of making a marking device. This device comprised two pieces of MDF for use singly or together as markers of different widths. He made a version of this ("the first prototype") at home in about 1994; and a photograph of one of the pieces is shown at exhibit BL1 to Mr Lawson's witness statement. There is no dispute that this first prototype does not embody the invention.

45 Mr Lawson then moved on to the idea of using a single block of MDF with two through holes, and an arm slidable in each hole, the arms being securable in position to provide a fully adjustable marking device. This device does embody the invention. Not having the tools to make this device himself, he described it to his friend Mr Trendall who made a prototype in metal ("the second or metal prototype"). A photograph of this is shown at exhibit JTE1 to Mr Trendall's witness statement.

46 It was not until some years later, whilst at KFL, that Mr Lawson returned to his invention, after initially spending some time on the suction cup idea referred to above. Mr McGarry recommended against pursuing the suction cup idea, but suggested that Mr Lawson make a prototype of the invention good enough for its practicality to be assessed. Mr Lawson now had a fully equipped workshop in his garden shed and, over the Christmas holidays in 2001, made a prototype ("the third prototype") using a block of MDF, two sliding arms securable by bolts and a handle from an old trowel. A photograph of this is shown at page 1 of exhibit PG1 to Mr McGarry's witness statement. Mr McGarry agreed to take things forward and had further prototypes made in China. These are shown at pages 2 and 3 of exhibit PG1.

47 Mr McGarry, in his witness statement, confirms his part in above the proceedings as described by Mr Lawson.

48 I turn next to the evidence of Mr Trendall, who in his witness statement, describes the

following events. In 1994/5 Mr Trendall spent time working on a model traction engine. Mr Lawson came to visit him during that period, although Mr Trendall cannot remember exactly when, and described the invention. Mr Trendall made a sketch of it (to be made in wood) on the back of one of the formal engineering drawings for the model traction engine, and then suggested a metal version, which he would be able to make more quickly, which he sketched on the back of the same drawings. He subsequently went ahead and made the metal version, the second prototype. Photographs of the engineering drawings are included in exhibit JTE1, and the actual drawings were handed up at the hearing.

- 49 Mr Ward submitted that Mr Lawson was lying in saying that the invention was made in 1994 or 5, and raised the following questions - why if Mr Lawson had indeed thought of the invention in 1994 or 1995 did he wait so long before taking it forward, why did he not mention this idea to anyone for all those years, and why when the invention came up again in 2001 did he fail to tell Mrs Kent, his partner and confidante, that he'd actually thought of it long before. For completeness I should add that Mr Ward also briefly raised the issue of the validity of any patent granted on the application in suit. However that is not an issue for these proceedings and I do not intend to pursue it.
- 50 Under cross-examination, Mr Lawson agreed that he was a "DIY fanatic", had tools of every description, and had collected power tools since 1970. When Mr Ward contrasted this with Mr Lawson's statement that he had approached Mr Trendall because he (Mr Lawson) "did not at the time have the tools I needed to make a prototype", Mr Lawson responded that he did not have a bench saw or a router at that time. When Mr Ward put it to Mr Lawson that all that was needed was a hammer and a chisel, Mr Lawson insisted that the way he had envisaged making the prototype was with a bench saw or router.
- 51 In response to Mr Ward's question as to why, given that the invention would speed up floor laying and hence benefit KFL, Mr Lawson had failed to use it for so long, Mr Lawson stated that the metal prototype was just a model stored in his loft; he had left the idea on the back-burner, since he had been preoccupied with personal problems at the time, and since the existing way of laying floors was no problem to him in any case. As to why, when the idea was first mentioned in a telephone conversation to Mr McGarry and he had asked to see a prototype, Mr Lawson had not shown him the metal prototype, Mr Lawson repeated that this was a model not a working prototype. On this point Mr McGarry under cross-examination recalled that Mr Lawson did say during that telephone conversation that he had been working on something some years ago that might still be in his shed.
- 52 Under cross-examination, Mr Trendall said that he had known Mr Lawson for over 20 years; they were acquainted socially and had worked together on flooring jobs at weekends. Mr Ward, referring to the engineering drawings on which Mr Trendall had made his sketches, pointed out that a watermark had caused the formal drawing to fade, but that a pencil mark of Mr Trendall's sketch where it crossed the watermark had not been subject to the same fading. Mr Trendall replied that the drawing was over 40 years old and that the watermark had been there before he had made his sketches. Mr Ward did not pursue the point which I assume went to the authenticity of the sketches. Finally Mr Trendall denied that his evidence that the metal prototype

was made in 1994 or 1995 was given as a favour to Mr Lawson as an old friend.

- 53 On the other side, the only part of Mrs Kent's evidence that might be said to put in question the actual date of the invention was her view that the invention was a development of Mr Lawson's suction cup idea. She stated that the suction cup idea was not thought of until 2000, and that the invention in suit was "the final developed version". Mr Lieper pressed her as to whether or not there was any creative link between the suction cup idea and the invention, and although at one point Mrs Kent agreed that they were separate products, she continued to maintain that the invention "followed on" from the suction cup idea. However, there is no case in my view to support the argument that the invention, which essentially relates to marking a cut line on flooring, is a development of the suction cup idea, which relates to holding flooring in position. All that these two concepts have in common is that they are both applied to floor laying and they were both devised by Mr Lawson. I therefore agree with Mr Lieper's submission that there is no creative link between the two.
- 54 Mr Ward warned that in entitlement cases it is necessary to be extremely wary of an argument that an invention was made at an earlier date in the absence of contemporaneous evidence; an assertion which I accept. However he also acknowledged that the onus lay with the claimant to undermine the defendants' witnesses. Mr Lieper submitted that it had been Mr Ward's duty to undermine the credibility of Mr Lawson and Mr Trendall, but that they had been consistent throughout. I note that there is no independent verifiable evidence to support their story; the drawing on which the sketches of the invention were done is undoubtedly old but that does not mean that the drawings themselves were old; and there is nothing on the drawing to date the sketches. The metal prototype produced by Mr Trendall appears to have been known only to himself and Mr Lawson. On the other side the claimants were unable to produce any witnesses to establish that the invention was not made in 1994 or 1995. The case therefore hinges on whether or not I believe Mr Lawson and Mr Trendall; and Mr Ward put forward a number of reasons why I should not.
- 55 He questioned Mr Lawson's assertion that in not having a bench saw or router he was unable to make the channels for the arms of the invention. Mr Lieper argued that Mr Lawson's making his first prototype in his loft in 1994 was wholly consistent with his not having any large power tools. That may be so, but the manufacture of a prototype in wood rather than in metal seems to me to be easily within the competence of a person of average DIY skill with the bare minimum of tools, let alone with the level of skill and experience and the extended range of tools that Mr Lawson boasted. That said however it also seems to me entirely plausible that Mr Lawson had in mind only certain ways of making a prototype and that once Mr Trendall offered to take things out of his hands and make a metal version for him, that was an end of the matter.
- 56 Mr Ward also questioned the circumstances of Mr Lawson's initial conversation with Mr McGarry - why, on being asked to produce a further prototype, had he not mentioned that he already had the metal prototype in his loft, and was his testimony consistent with Mr McGarry's recollection that Mr Lawson had said that he might have something in his shed? Again I found credible Mr Lawson's distinction between a model, which is how he said he regarded the metal prototype, and a working prototype, which is what he thought was required for Mr McGarry's purposes. Moreover I do not

attach any great weight to what I think it is fair to describe as minor differences between Mr Lawson's recollection of the telephone conversation and that of Mr McGarry

- 57 Mr Ward questioned why Mr Lawson had waited so long before taking the invention forward, and why he had not mentioned it to anyone, or made use of the prototype produced in 1994 or 1995. Again I was comfortable with Mr Lawson's response that it was just an idea on the back burner, and that professionally he had no need for the device.
- 58 I have to say that my acceptance of Mr Lawson's explanation of events is very much bolstered by the testimony of Mr Trendall, who I found to be an entirely convincing witness. I take particular note of the fact that he was not prepared to be more precise than his memory permitted in recalling when he made the metal prototype; stating only that it was some time in 1994 or 1995, when a more precise indication might have added strength to Mr Lawson's case. Although undoubtedly apprehensive under cross-examination, he did not seem to me to be uncomfortable; he was not fazed for instance when Mr Ward's sprang on him the point concerning the watermark on the drawings.
- 59 In conclusion then, it seems to me that, although open to challenge in a number of respects, Mr Lawson's account is credible, is wholly supported by the evidence of Mr Trendall, and is not set against any material evidence as to the date of the invention from the claimant. In consequence, having carefully considered all of the evidence and argument before me, I do not find that the claimant has discharged the onus on it to establish that the invention was made during Mr Lawson's time at KFL, and I conclude that the invention was made in 1994 or 1995, prior to the formation of KFL.

### **Conclusion**

- 60 Of the key issues identified above, I have found that, if the invention had been made during Mr Lawson's time at KFL, then KFL would have succeeded in its case under section 39(1)(b). However I have also found that the invention was made by Mr Lawson prior to the incorporation of KFL. As I have already mentioned the claimant does not claim any rights beyond those that would flow from the invention being made whilst Mr Lawson was at KFL. In consequence I find that the invention properly belongs to the defendants. Having so found there is no need for me to consider the third question of whether KFL and Mr McGarry share any rights to the invention. Accordingly I dismiss the claim under section 8.

### **Costs**

- 61 An issue over costs remains outstanding from the preliminary decision of 11 July 2003 referred to above, namely whether an award is due to the defendants in view of some initial confusion as to whether the reference was made by KFL or by Mrs Kent in person. However Mr Leiper stated at the hearing that the defendants did not intend to pursue the matter, and therefore I make no award in that respect.
- 62 As to costs in respect of the substantive issues, the defendants have won and so are in

principle entitled to costs. Counsel agreed at the hearing that any award should be based on the published Patent Office scale and I see no reason in the circumstances of this case to depart from that scale. Taking into all factors into account, I award the defendants the sum of £2200 to be paid by KFL not later than 7 days after the expiry of the appeal period. If an appeal is lodged, payment will be automatically suspended pending the outcome of the appeal.

### **Appeal**

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

**DAVID BARFORD**

Deputy Director acting for the Comptroller