



BL O/198/05

15 July 2005

PATENTS ACT 1977

BETWEEN

Biofresh Limited

Claimant

and

Greenvale AP Limited

Defendants

and

International Controlled Atmospheres Limited

PROCEEDINGS

Application under section 72 of the Patents Act 1977
for the revocation of patent no. GB 2394882

HEARING OFFICER R C Kennell

PRELIMINARY DECISION

Introduction

- 1 The grant of patent no. GB 2394882 entitled “Method for controlling sprout growth in a root vegetable” was notified under section 18(4) of the 1977 Act on 12 October 2004. The claimant filed the present application for revocation on 9 November 2004, one day before the notice of grant was published in the Patents and Designs Journal on 10 November 2004.

- 2 The revocation proceedings have got as far as the filing of a statement and counter-statement, but the defendants want the proceedings stayed to allow amendments filed under section 75 with the counter-statement to be considered. The claimant disagrees and the parties are content for me to decide the matter on the basis of the papers on file.

The proceedings to date and the arguments advanced

- 3 It will be helpful to explain how the present impasse has arisen. On receipt of the application the Patent Office objected that the accompanying statement did not sufficiently set out the facts on which the applicant relied and was not accompanied by copies of the documents referred to, as required by rules 75(1) and 112 respectively of the Patents Rules 1995. The claimant was given until 29 December 2004 to deal with these matters and the statement was merely copied to the defendant for information.
- 4 The claimant submitted an amended statement by fax on 29 December 2004, but the covering letter explained that the copies of documents referred to and the duplicate copy of the statement would follow by post. These were deemed under rule 97 as received on 5 January 2005. On 18 January 2005 the Office sent the amended statement to the defendants and gave the usual six-week period (expiring on 1 March 2005) to file a counter-statement in accordance with rule 75(3).
- 5 The defendants replied on 24 February 2005 pointing out that the reference documents, which were sent by post only, had not been furnished within the same period as the statement as required by rule 112. Accepting that this was a technicality, the defendants nevertheless thought the application for revocation should be struck out, and that the claimant would not be prejudiced by this since it could always file a new application. Their reasoning was that, although the claimant had informed the defendant that it intended to file the application for revocation, it had declined requests to identify the prior art on which its objections were based. As a result, the defendants said, they had only become aware of this art when the application was filed. The defendants were considering amendment, but because of the unavailability of one of the inventors through illness, and the need to consider various documents of which they had recently become aware, a response by 1 March 2005 was not feasible.
- 6 Failing strike out of the revocation proceedings, the defendants sought their suspension to allow them to file amendments, or, failing that, a one-month extension of the period to file a counter-statement. The claimant was willing to entertain such an extension, but the defendants wrote on 3 March 2005 raising a number of new considerations.
- 7 The defendants now submitted that their rights had been prejudiced by the claimant's failure to give appropriate notice of the prior art before filing the application for revocation, which they considered was contrary to the requirements of the Civil Procedure Rules (which I quote below). They now wanted the application to be withdrawn or suspended to allow them to amend the patent under section 27 of the Act rather than section 75, so that they could agree amendments with the Office before giving the claimant an opportunity to oppose the amendments or apply for revocation. They thought that this would be simpler than dealing with the amendments as part of

the revocation proceedings, because it would not involve the claimant in the discussions, and because the costs relating to the amendment could be separated from costs relating to the revocation.

- 8 The Office replied on 9 March 2005 pointing out inter alia that no amendment could be allowed under section 27(2) while revocation proceedings were pending; that although procedure before the comptroller was necessarily influenced by the Civil Procedure Rules it was governed primarily by the Patents Acts and Rules; and that costs before the comptroller were no more than a contribution towards expenses. It asked the defendants to file a counter-statement by 1 April 2005 if the proceedings were to continue.
- 9 The defendants duly filed a counter-statement on 1 April 2005 requesting maintenance of the patent in amended form under section 75. However they wanted the revocation proceedings to be stayed because they would have no relevance to some of the claims as proposed to be amended, and because, for the reasons previously given, they thought they should have an opportunity to agree amendments with the Office before giving the applicant an opportunity to object “eg by seeking to expand their Statement of Grounds”. The Office replied on 18 April 2005 saying that it was not apparent how the amendments could be agreed in this way since it was for the hearing officer acting for the comptroller to determine the allowability of the amendments.
- 10 In subsequent correspondence between the parties and the Office, the parties put forward differing views of the circumstances leading up to the filing of the application for revocation. The claimant also pointed out in its letter of 13 May 2005 that the amendments sought still limited the main claim to features of a subsidiary claim for which revocation had been sought, and so it did not seem sensible to separate the issues of amendment and revocation. It saw no reason for the application not to continue normally.

Analysis

- 11 It seems to me that the defendants’ argument is flawed in several areas, and reveals some lack of understanding of the nature of proceedings before the comptroller. First, there is no way in which amendments under section 75, or section 27 for that matter, can be “agreed” with the Patent Office as the defendants propose. Under section 75, as explained at paragraphs 72.11 and 72.12 of the “Manual of Patent Practice”, the Office goes no further than a prima facie view as to whether the amendments comply with the requirements of section 76 and nothing that is said at that stage should purport to derogate from the hearing officer’s authority to decide the allowability of the amendments. Although the consideration given by the Office under section 27 is more extensive than that given under section 75, since it involves a consideration of the reasons given for seeking the amendment and whether the amendments do in fact cure

the defect, the Office still only comes to a prima facie view as to allowability, as explained at paragraph 27.15 of the Manual. Further, neither under section 75 nor under section 27 would the allowability of any amendment of substance be determined by the comptroller before it had been advertised and any opposition dealt with.

- 12 Second, although the defendants assert that it will be simpler to deal with the amendments first, I have nothing to go on other than the mere assertion by the defendant that this will be so. It seems to me that the defendants are focussing exclusively on what would suit them best, to the exclusion of any wider considerations. Unless the claimant is also prepared to stay the revocation proceedings, then in the absence of some more compelling argument I fail to see why the course proposed by the defendants should of necessity save expense for both parties or enable matters to be dealt with more expeditiously than the usual procedure before the comptroller. Under this procedure (as explained in paragraph 72.13 of the Manual) the revocation proceedings run in parallel with consideration of the amendments towards a single determination by the comptroller. As the defendant points out, this will indeed allow the claimant the opportunity to submit an amended or supplementary statement to take account of the proposed amendments; but it may well be necessary then to give the defendant an opportunity to submit an amended or supplementary counterstatement. I see no reason why this should work against the defendants' interests.
- 13 Finally, I do not think that the problem of distinguishing between the costs of the revocation and amendment proceedings is something that is going to arise in proceedings before the comptroller. As explained in paragraphs 5.45 - 5.46 of the Office's "Patent Hearings Manual" (March 2005 edition), costs before the comptroller are guided by a standard scale which is not intended to compensate the parties for their expenses, but merely to represent a contribution to them and to produce an average award of the order of £2000. If the case followed the usual procedure explained above, the comptroller would be most unlikely to separate out costs relating to the two aspects.
- 14 To my mind the above matters undermine the basis of much of the defendants' case, and ultimately leave me with the question of whether, as suggested in the defendants' letter of 9 May 2005, it is equitable for them to be given an opportunity to amend the patent before the Office, in some way separate from the revocation proceedings. Here the defendant has referred to the practice of the courts under "Practice Direction - Protocols" concerning the manner in which approved pre-action protocols are to be interpreted by the courts. Paragraph 4 of this Direction covers cases where there is no such approved protocol (this includes intellectual property cases) and states at 4.1 and 4.2:

"4.1 In cases not covered by any approved protocol, the court will expect the

parties, in accordance with the overriding objective and the matters referred to in CPR 1.1(2)(a), (b) and (c), to act reasonably in exchanging information and documents relevant to the claim and generally in trying to avoid the necessity for the start of proceedings.

4.2 Parties to a potential dispute should follow a reasonable procedure, suitable to their particular circumstances, which is intended to avoid litigation. The procedure should not be regarded as a prelude to inevitable litigation. It should normally include -

- (a) the claimant writing to give details of the claim;*
- (b) the defendant acknowledging the claim letter promptly;*
- (c) the defendant giving within a reasonable time a detailed written response;*
- and*
- (d) the parties conducting genuine and reasonable negotiations with a view to settling the claim economically and without court proceedings.”*

(Paragraphs 4.3- 4.10 go on to expand on these general provisions in some considerable detail, but I do not think it necessary to recite them here.)

- 15 The referenced parts of rule 1.1 of the Civil Procedure Rules refer to the overriding objective to deal with cases justly; and to the need, in accordance with that objective, to ensure that the parties are on an equal footing, to save expense, and to deal with matter proportionately to the amount of money involved, the importance of the case, the complexity of the issues and the financial position of each party.
- 16 It is the defendants’ contention that, by the claimant failing to give appropriate notice of the prior art before filing the application for revocation, they have been deprived of an opportunity to amend the patent, and that this does not constitute reasonable behaviour within the terms of paragraph 4. I accept that paragraph 4 indicates the sort of behaviour which the courts now expect from lawyers and potential litigants, and that litigation even before the comptroller should be regarded as a last resort. However, the Civil Procedure Rules and their associated Practice Directions are not binding on the comptroller, and in considering the extent to which I should be bound by them, I need to bear in mind the generally less formal and cheaper nature of the proceedings before the comptroller as compared with the courts - as explained above in relation to amendment in revocation proceedings.
- 17 These do in fact give the defendants an opportunity to submit amendments. It may not be what the defendants would prefer, but I do not think it follows from paragraph 4 of the Practice Direction - which as can be seen from paragraph 4.2 is no more than a statement of what should be the normal pre-action practice in relation the courts and is dependent on the particular circumstances of the parties - that there is some equitable right over and above the provisions of the Patents Act and Rules for a proprietor to be

able to amend a patent under section 27 before a potential claimant files an application for revocation.

- 18 In any case, I do not think this line of argument is of any relevance to the question of whether the revocation proceedings should be stayed to consider amendments under section 75. I do not therefore think that I need to go into the conflicting arguments which the parties put forward in correspondence as to whether or not the claimant was justified in filing the application without giving the defendant notice because it expected the defendant to sue for infringement. Conceivably these arguments could have a bearing on the costs to be awarded by the comptroller if it were established that the claimant had acted unreasonably, but I do not think that is something for me to decide at this stage, especially in the absence of pleadings and evidence on the matter.

Conclusion; Next steps

- 19 In the result I do not think the defendants have made out any case for the revocation proceedings to be stayed at the present time to allow for consideration of the amendments under section 75. It seems to me that their arguments have confused this question with the rather different question of whether they had a right to apply for amendment under section 27 before the application for revocation was made, and I do not think these are linked in the way that the defendants appear to be suggesting.
- 20 The proceedings should therefore continue in the usual manner, with the revocation and amendment proceedings running in parallel. I will therefore remit the case to the action officer in the Patent Office for the usual preliminary scrutiny and advertisement of the amendments, and for the claimant to be given an opportunity to file evidence in support of its case and an amended or supplementary statement.

Costs

- 21 I consider this to be case where I should make an award of costs in relation to the preliminary matter at this stage of the proceedings. The defendants Greenvale AP Limited and International Controlled Atmospheres Limited have lost, and I therefore direct them to pay the claimant Biofresh Limited the sum of £200 within 7 days of the date of expiry of the appeal period below. Payment will be suspended in the event of an appeal.

Appeal

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

R C KENNELL

Deputy Director acting for the Comptroller