



BL O/293/05

28 October 2005

PATENTS ACT 1977

BETWEEN

British Numberplate Manufacturers
Association

Claimant

and

Hills Numberplates Limited

Defendant

PROCEEDINGS

Application under section 72(1) of the Patents Act 1977 in
respect of patent number GB 2376437

HEARING OFFICER R C Kennell

SECOND PRELIMINARY DECISION

Introduction

- 1 The patent in suit, No GB 2376437 entitled “Identification plates”, relates to vehicle licence or number plates and their manufacture. An application for its revocation was filed on 10 February 2004 by the British Numberplate Manufacturers Association (“BNMA”). Section 72(1) of the Act allows “any person” to apply for revocation, but the defendant Hills Numberplates Limited (the proprietor of the patent) argued that BNMA had no right to apply because, as an unincorporated association, it was not a legal person within the meaning of the Act.

- 2 In my preliminary decision BL O/066/05 of 15 March 2005 following a hearing on this point, I found that BNMA was not entitled to make the application in its own name. I gave them a period in which to make submissions as to how it wished the application to proceed, and to provide a guarantee for costs already incurred if anyone substituted as applicant for revocation; the defendant was to have a right to respond before I made

any order. The form which the guarantee for costs should take is now in issue, and the parties have agreed that I should decide the matter on the basis of the papers on file.

Background

- 3 To explain how this point has arisen, I need to go back to a statement made by counsel for BNMA at the hearing that, if I found against BNMA, then Mr Tony McNamee and/or Bestplate Limited (“Bestplate”) would seek to adopt the application “in the spirit of *Moore’s Patent O/25/92*.” It is not in dispute that Bestplate is one of BNMA’s constituent firms and Mr McNamee is a director of Bestplate.
- 4 In a preliminary decision in *Moore* the hearing officer accepted the substitution of the original applicant for revocation in view of the delay that would be entailed by requiring the new applicant to start again from scratch. However, he first sought and received a guarantee in relation to the payment of any possible costs incurred by the original applicant up to the time of substitution. The guarantee that was accepted in *Moore* was a letter from the financial director of the substituting company undertaking on its behalf to guarantee “costs for the revocation of patent 2152169 incurred both before and after the date of substitution of the applicant for revocation”.
- 5 By the time the preliminary decision was given in *Moore* the normal evidence rounds had been completed (although supplementary evidence rounds were in progress) and 4½ years had elapsed since the application for revocation was first made. In my preliminary decision, the proceedings were nowhere near as advanced not having proceeded beyond the filing of a statement and counter-statement. However, by then over a year had elapsed since the proceedings were launched and I considered that the principle of avoiding delay was just as applicable as in *Moore*. I therefore saw no objection in principle to the present application proceeding with the substitution of the BNMA as claimant by either Mr McNamee or Bestplate Limited (or indeed any other corporate member of the BNMA or representative thereof), subject to a guarantee in relation to costs already incurred in the proceedings and the payment of costs in respect of the preliminary hearing (for which I made an award of £500 to the defendant).

Arguments

- 6 In their letter of 11 April 2005, the claimant’s agents Dummett Copp proposed that Bestplate would adopt the application for revocation and said that BNMA would pay the above costs to the defendant on or before 18 April 2005. However, Bestplate saw no reason to go further than accepting liability for such of the defendant’s costs as they were ultimately ordered to pay and the letter stated accordingly:

“Bestplate Limited therefore undertakes to accept liability for such contribution to Hills Numberplates Limited’s costs (if any) as the BNMA or Bestplate are adjudged liable to make at the conclusion of the proceedings.”

- 7 The defendant’s agents HLBBshaw replied on 6 June 2005 stating that in their view if BNMA was not entitled to file the application then in effect, and unlike *Moore*, no application had ever been filed. However, they were not minded to object in principle to the substitution, and I do not think that I need to consider this point further.
- 8 Even so, they objected to the undertaking as not being “in the spirit” of *Moore*. This was because (i) the guarantee did not cover costs incurred before, and (ii) in comparison with *Moore*, where it was stated that there would be no addition to the evidence already filed (which the defendant took to include the statement of case), Bestplate had provided no undertaking that it would accept BNMA’s statement and not seek unilaterally to amend it.
- 9 In subsequent correspondence the parties elaborated their arguments but were unable to bridge the gap between them. To summarise, on point (i) Dummett Copp thought that Bestplate’s undertaking, although making no explicit reference to costs incurred before substitution, did refer to costs for which BNMA might be found liable and therefore had the same practical effect. In their view, the defendant should be in the same position in relation to costs as if there had been no substitution, and they thought that an undertaking to pay “any costs ...” could be interpreted as going beyond the comptroller’s usual contribution to expenses. HLBBshaw stressed the requirement in *Moore* for the guarantee to cover any costs incurred up to the time of substitution.
- 10 On point (ii), Dummett Copp did not think that any undertaking had been given or any order made in *Moore* to restrict future pleadings and evidence. HLBBshaw thought the fact that the proceedings are not as advanced as in *Moore* was irrelevant. In their view, substitution was intended to avoid the delay that would be caused by a new applicant starting afresh and this required Bestplate to accept the statement of case which BNMA had submitted. Dummett Copp said that Bestplate did not seek to obtain advantage from the fact of substitution, but it saw no reason why it should not be subject to the same freedoms and restrictions as regards amending the statement that the original claimant possessed.

Analysis and conclusions

- 11 Authority on the point in issue is sparse. Only *Moore* has been cited as to what form of guarantee might be acceptable, but I think that there is a limit to the reliance which I can place on the case for guidance. To my mind, Dummett Copp are right to say (in their letter of 12 September 2005) that *Moore* cannot be followed to the letter, and

having considered the opposing arguments, I do not agree with the defendant's view. Rather than seeking to rely on the "spirit" of *Moore*, it seems to me that by divorcing that case from its particular facts they are attempting to confine any new claimant unduly tightly in a strait-jacket.

- 12 In *Moore*, although the new applicant had undertaken not to add to the evidence on file beyond what had already been agreed, the hearing officer did not actually make any order about the evidence, let alone the statement. Being persuaded that he could allow substitution, he required satisfaction only in relation to "costs which may have been incurred up to the date of substitution". I do not therefore think that *Moore* is any authority for the proposition that a new claimant should necessarily be prevented from seeking to amend the statement at a later stage should it consider it necessary to do so. In any case, I note that Dummett Copp in their letter of 11 April 2005 are suggesting that no amendment is necessary to the pleadings beyond a change of name, and I do not think I need any further satisfaction on that point.
- 13 However, I am not entirely satisfied by the guarantee given by Bestplate. Whilst I broadly agree with Dummett Copp's reasoning, in particular that the award of costs will implicitly include costs incurred before substitution, I do not think a guarantee limited to costs awarded at the conclusion of the proceedings is sufficient. Costs can be awarded at any stage of the proceedings, as was the case with my earlier preliminary decision. It may well be unlikely that after substitution any further costs would be awarded against BNMA, but I think that the guarantee should protect the defendant against this possibility, however remote, and that it is reasonable for the defendant to require certainty on this point. I do not therefore accept the guarantee that has been given, but would be content to accept the same wording with replacement of "the conclusion" by "any stage".

Next steps

- 14 It may well be that Bestplate have merely overlooked the above point on when costs may be awarded. If Bestplate are willing to give a guarantee as in the above paragraph, they should do so within the appeal period specified below. For the avoidance of doubt, I am content for it to be given in a letter from their agents.
- 15 I will then make an order substituting Bestplate for BNMA as the applicant for revocation, making consequential amendment to the pleadings and giving directions for the future proceedings; any such order would be suspended in the event of an appeal. It seems to me that only minor amendment of the pleadings will be necessary and can quite easily be made in the Office in order to avoid further delay. Dummett Copp has suggested that the amendment should be of the form "Bestplate Limited, hereinafter referred to as the BNMA" but I do not think that accurately describes the position and is potentially misleading, and BNMA are not in any case referred to in the body of the

statement. Subject to any comments within the appeal period I therefore propose to order:

- Bestplate's name and address (210 Watson Road, Blackpool FY4 3EF according to the copy of the BNMA's constitution on file) should be given in place of BNMA on Form 2/77;
- the wording "(but now proceeding in the name of Bestplate Limited as applicant)" should be added at the end of the headings "In the matter of" to both the statement and counter-statement; and
- in the counter-statement, since BNMA will no longer be a party, sections I and II should be deleted, and "III In the alternative the" should be replaced by "The".

- 16 I think it is now imperative to minimise any further delays in sorting out the matter of substitution and progressing the case to the evidence rounds. Therefore, if Bestplate is unwilling to offer a guarantee in the form that I have indicated, I do not propose to embark on another lengthy round of correspondence between the parties on the wording of the guarantee. Any dissatisfied party is of course free to appeal from my decision. However, if the parties are able to jointly agree on a form of wording which meets the terms of my decision, it is open to them to submit it for my consideration within the appeal period.
- 17 Having seen the copy of Bestplate's accounts up to 30 June 2003 which Dummett Copp supplied with their letter of 11 April 2005, the defendant does not intend to pursue the issue of security of costs, but reserves its right to do so if the circumstances change. I do not therefore need to consider this point, and I do not think that there are now other matters outstanding from my earlier decision.

Costs

- 18 Neither side emerges a clear winner. I have not accepted the defendant's arguments but neither do I accept the guarantee offered by Bestplate Limited. I direct that each side should bear its own costs in this preliminary matter.

Appeal

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

R C KENNEL

Deputy Director acting for the Comptroller