BL O/291/06

16 October 2006

COPYRIGHT, DESIGNS AND PATENTS ACT 1988

PARTIES

P J International Leathercrafts Limited — Applicant

and

Peter Jones (ILG) Limited — Licensor

PROCEEDINGS

Application under section 247 to settle the terms of a licence of right available under section 237 in respect of certain design rights

HEARING OFFICER P Hayward

Introduction

1 In a decision dated 25 August 2006[1] I settled the terms of a licence of right available under section 237 of the Copyright, Designs and Patents Act 1988 (the Act) in respect of certain design rights which Peter Jones (ILG) Limited ("Peter Jones") claimed ownership of. I indicated that any appeal against that decision lay under section 249 of the Act to the Registered Designs Appeal Tribunal and that as the decision was not a matter a procedure any appeal must be lodged within six weeks.

2 In a letter dated 6 October 2006 Hugh James, solicitors acting for Peter Jones, requested that I extend the deadline for lodging an appeal by 14 days. The reason put forward in that letter was that:

> "our client is currently in the process of considering the above decision and the comments that were made by the hearing officer. Our client is not yet in a position to determine whether or not it is appropriate to pursue this matter further and, as such, would like to reserve its position with regards to making an appeal".

1 BL O/239/06

3 The Patent Office in response wrote to Peter Jones requesting more details as to why it was not in a position to decide whether to pursue the matter further. The Office also invited submissions from P J International Leathercrafts Limited ("PJL") on the issue. Both sides subsequently filed further submissions and both agreed that I should decide the issue on the basis of those submissions without the need for a hearing. That is what I will now do.

The Law

4 Both sides have assumed that I have the power to extend the appeal period. However, the legal position is not crystal clear, and although I have come to the conclusion they are right, I think I ought to explain why.

5 As I have noted, appeals from decisions of the comptroller in relation to settling the terms of licences of right in design right cases are governed by section 249 of the Act which reads:

> (1) An appeal lies from any decision of the comptroller under section 247 or 248 (settlement of terms of licence of right) to the Appeal Tribunal constituted under section 28 of the Registered Designs Act 1949.
>
> (2) Section 28 of that Act applies to appeals from the comptroller under this section as it applies to appeals from the registrar under that Act; but rules made under that section may make different provision for appeals under this section.

6 Section 28 of the Registered Designs Act 1949 so far as is relevant reads:

> (1) Any appeal from the registrar under this Act shall lie to the Appeal Tribunal.
>
> …
>
> (8) Subject to the foregoing provisions of this section the Appeal Tribunal may make rules for regulating all matters relating to proceedings before it under this Act, including right of audience.

7 To date the Appeal Tribunal has not made any rules under section 28(8) specifically in respect of section 249 of the Copyright Designs and Patents Act 1988. Indeed, the Tribunal's rules do not mention design right at all. The Tribunal operates under the Registered Designs Appeal Tribunal Rules 1950, and these were last amended in 1970, several years before design right came into existence. The parts relating to the time for lodging an appeal read:

> 1. - (1) Any person who desires to appeal to the Registered Designs Appeal Tribunal from a decision of the Comptroller-General of Patents, Designs and Trade Marks (in these Rules referred to as "the Registrar") in any case in which a right of appeal is given by the Registered Designs Act 1949 (in these Rules referred to as "the Act") shall file with the registrar of the Appeal Tribunal at the Royal Courts of Justice, London, a notice of appeal in the form set out in the schedule to these Rules.
>
> (2) The notice of appeal shall be filed-
>
> (a) in the case of a decision on a matter of procedure, within 14 days after the date of the decision; and
> (b) in any other case, within six weeks after the date of the decision.
>
> (3) The Registrar may determine whether any decision is on a matter of procedure and any such determination shall itself be a decision on a matter of procedure.
>
> …
>
> 4. Except by leave of the Appeal Tribunal, no appeal shall be entertained unless notice of appeal has been given within the period specified in rule 1(2) or within such further time as the Registrar may allow upon request made to him prior to the expiry of that period.

8 Read literally, this text does not cover design right appeals. However, given the language of section 249(2) of the Copyright, Designs and Patents Act 1988, I am prepared to accept that, absent any specific provision for design right, the Tribunal's pre-existing rules must be assumed to apply to a design right appeal as if it was a registered design appeal. It follows from rule 4 that I have the discretion to extend the period for appeal upon a request made to the comptroller prior to the expiry of the original appeal period. The present request was made within the relevant period.

Exercising the Comptroller's discretion: the principles

9 Whilst both sides have put forward arguments in relation to the facts of this case, neither has made any submissions on the general principles I should apply in deciding how to exercise my discretion. I therefore feel I should say a word about those principles before looking at the details.

10 Tribunal Practice Notice 3/2000[2] explained how the comptroller would exercise his discretion to extend appeal periods. Much of that Practice Notice is obsolete because many appeals from the comptroller are now governed by

2 Tribunal Practice Notice (TPN 3/2000) http://www.patent.gov.uk/patent/p-decisionmaking/p-law/p-law-tpn/p-law-tpn-2000/p-law-tpn-2000-tpn32000.htm

Part 52 of the Civil Procedure Rules. However, the Notice is still valid in the present context. It suggests that in deciding whether to grant an extension I should have full regard to the overriding objectives of rule 1.1 of the Civil Procedure Rules 1998, one of which is to deal with cases expeditiously and fairly. Thus extensions should only be granted if there is a reason which is sufficiently strong to outweigh the potential harm to other parties and the public that may be caused by further delay.

11 As the Notice explains, this approach is reinforced by *Whiteline Windows Limited v. Brugmann Frisoplast GmbH* (unreported). Mr Simon Thorley Q.C. sitting as the Appointed Person on a trade marks appeal commented that whilst he accepted that the Registrar had the power to extend the appeal period, it was a matter which must be approached with the greatest caution. He stated that caution was necessary to ensure that the exercise of discretion did not undermine the purpose underlying the statutory provision. He further commented that appeals create uncertainty and as such it was in the interests of everyone to ensure that appeals are disposed of timeously. Mr Thorley concluded by stating that extensions of time in which to enter notices of appeal are therefore not to be encouraged.

12 I would additionally observe that 6 weeks is in any case 2 weeks longer than the period allowed under Part 52 of the Civil Procedure Rules for appeals in respect of, say, patents. That suggests the reasons for granting an extension in the present circumstances need to be even more convincing.

Arguments

13 Peter Jones initial argument was simply that, notwithstanding the 6 weeks it had already had, it was still "not yet in a position to determine whether it wished to pursue the matter further". That would have given me no basis whatsoever for exercising my discretion in their favour because it fails to explain why they hadn't been able to reach a decision. That is why Peter Jones were asked to provide further details.

14 Before Peter Jones responded to that request, PJL intervened, objecting to any extension and noting that Peter Jones had had ample time to consult with their representatives in respect of an Appeal. PJL went on to note that in the six weeks since the substantive decision Peter Jones had filed two submissions in respect of costs, one of which was prepared by Counsel. If consultation was possible regarding costs, they argued, then it was possible to consult regarding an appeal. I think these are valid points.

15 Peter Jones then made a further submission in a letter dated 6 October 2006. I think it will be helpful to quote the relevant passage of that letter in full :

> "At the hearing, it was agreed that the Hearing Officer should defer consideration of the issue of costs until that parties had had an opportunity to consider the decision and make submissions in the light of it (see paragraph 41).

> Both parties filed submissions on costs on 22 September 2006. In its submission, the Applicant invited the Hearing Officer to depart from the default presumption that there should be no order as to costs, and to instead make an award of full compensatory costs in its favour. On seeing the Applicant's submission, our client sought leave to file reply submissions. Leave was duly granted and our client filed reply submissions on 28 September 2006. The purpose of this reply was, inter alia, to contest a number of the assertions that the Applicant made in its original submission and to invite the Hearing Officer to follow the normal position by making no order as to costs. As far as we are aware, the Hearing Officer has not yet reached a final decision on the costs position.
>
> The existing costs position is clearly a matter that our client will need to consider before coming to a decision as to whether or not it will pursue this matter further. It is hoped that an extension of 14 days, or such other period as is deemed appropriate, will give the Hearing Officer sufficient time to reach a decision as to the costs position, thus enabling our client to make an informed decision as to whether or not it wishes to lodge an appeal.
>
> We hope that following the above course of action will allow the matter to be dealt with in accordance with the Overriding Objective, in particular by ensuring that unnecessary expense is avoided, and that the matter is managed in a way that is fair to both parties. It is submitted that a small extension will not prejudice the position of either party, given that this matter has been ongoing for some considerable time."

16 This produced a further response from PJL in which it noted:

> "We have now read the letter from Stuart Cliff, trainee solicitor, Hugh James. This letter makes it clear that the reason for seeking an extension of time for filing an appeal is in order to have the opportunity to appeal should a costs order be made against the Licensor. We do not consider that a decision to appeal based on the decision of the Hearing Officer as to costs is appropriate, or a proper use of the Patent Office or court process. We therefore continue to oppose the application for leave to appeal on the basis that such leave may prejudice the Applicant in that the Applicant may as a result of the leave and only by reason of having a costs award in its favour face an unmeritorious appeal."

17 I am not in the least persuaded by the further arguments put forward by Peter Jones. As is often the case both in the High Court and before the Comptroller, the original substantive decision deferred the issue of costs pending further submissions on that issue. The decision that I will issue shortly on the matter of costs will be a wholly separate decision which can be appealed within an entirely new time limit that will be set out in that decision. If Peter Jones does not like the decision on costs then it will have an opportunity to appeal it. That opportunity is not dependent on it obtaining an extension to the period for appealing the substantive decision.

18 Peter Jones have not put forward any argument to explain why they felt unable to decide whether to appeal the substantive decision without first hearing the decision on costs, nor have they put forward any other explanation for being unable to lodge an appeal on time. Even without the objections from PJL, that leaves me with no basis for exercising my discretion in their favour. Accordingly, and in line with the principles I have set out above, I decline to do so. If Peter Jones wishes to pursue an appeal at this late stage, they will have to seek leave from the Tribunal itself.

Costs

19 There remains the matter of costs. In my original decision I gave both sides the opportunity to make submissions on costs by 22 September. They did so, but in their submissions PJL opened up the playing field by claiming compensatory costs. Both sides have subsequently filed further submissions commenting on the other side's submissions. However PJL now seek leave to respond to Peter Jones' second round of submissions.

20 The guillotine has to fall somewhere, otherwise we will go on with a never-ending sequence of submissions and counter-submissions. The two rounds of submissions we have already had ought to have been enough. However, I am conscious that the second round from Peter Jones has raised a few specific issues on which I may well be helped by a response from PJL. Accordingly – and in the hopes that it will avoid the need for a hearing – I will allow PJL one week from today to make further submissions limited strictly to replying to new points raised by Peter Jones in their submissions dated 28 September. Both sides should also, within the same period, say whether they wish to be heard on the question of costs.

21 So far as the costs of dealing with the request to extend the appeal period are concerned, I am minded to make an award to PJL in accordance with the comptroller's normal scale. If either side wishes to make submissions to the contrary, they should do so within the same one week period.

Appeal

22 The present decision is on a matter of procedure. Strictly it is appealable. However, appealing wouldn't seem a very sensible procedure when Peter Jones can still go direct to the Tribunal to seek leave to appeal my original decision out of time.

P HAYWARD
Divisional Director acting for the Comptroller