

24th April 2007

PATENTS ACT 1977

BETWEEN

Ingenico (UK) Limited

Claimant

and

Pendawell (2007) Limited

Defendant

PROCEEDINGS

Application under section 72 of the Patents Act 1977 for the revocation of
patent number GB 2360867

HEARING OFFICER

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SECOND PRELIMINARY DECISION

- 1 Notice of grant of patent no GB 2360867 was published in the Patents and Designs Journal on 24 July 2002. The claimant applied to revoke the patent on 25 June 2004 on the grounds of one or more of lack of novelty, lack of inventive step and exclusion under section 12) of the Act from patentability.
- 2 The subsequent progress of this litigation has not been smooth with extensions being granted to each side for the filing of statements and evidence, and a disagreement over the adequacy of the claimant's statement which was dealt with in a previous decision BL O/022/06. However, statements and counterstatements have now been filed, as has the claimant's evidence-in-chief (signed versions 8 August 2006), the defendant's evidence (17 October 2006, amended 21 November 2006), and the claimant's evidence-in-reply (6 December 2006). A substantive hearing date has been set of 30 April 2007.
- 3 The original proprietor and defendant in this case was Newt Limited but in March 2007 the patent was assigned to Pendawell (2007) Limited, who are consequently the present defendants.
- 4 A letter of 4 April 2007 from the defendant's agents, David Keltie Associates,

requested that the defendants be allowed to file further evidence to deal with the claimant's position on the "skilled addressee" as put forward in their evidence in reply. The claimants objected to this in their agents' (Murgitroyd and Company) letter of the same day, indicating that this was not a new issue and there was no justification for filing new evidence at all or in any event not this late in the proceedings.

- 5 There has been significant further correspondence prior to this decision on whether the decision should be made on the papers; the claimants have indicated throughout that they were content for this to happen, but the defendants were initially uncertain. The defendants submitted their additional evidence on 19 April 2007 in advance of a decision being made. The Office issued a preliminary letter on 19 April giving a preliminary view that the defendants request might be allowed but without coming to a final decision in the matter. After further communications, both sides have now indicated that they are content for this matter to be decided on the papers.

The positions of the parties

- 6 The defendants argue in their letters that prior to filing their evidence-in-reply, the claimants had not stated explicitly their characterization of the skilled addressee and that therefore the defendants had to advance their case without knowing the claimant's position. They believe they should have the opportunity to comment on this aspect of the claimant's case and propose to file evidence to do so by 16 April 2007.
- 7 The defendants apologise for filing this request at this relatively late stage in the proceedings but indicate that it was unavoidably caused by negotiations over the rights in the patent between December 2006 and March 2007 and the transfer of the patent to the present owner. They have indicated they have no objection to the claimant filing evidence in response to their new evidence.
- 8 The claimants argue in their letters that the defendants should not have the opportunity to submit new evidence because the identity of the skilled addressee is not a new issue, assertions having been made in the defendant's evidence on this point; and because the negotiations over the rights or lack of funds are not good reasons to justify the filing of additional evidence *per se* or secondly to justify it at this late stage. They further argue that it will not be possible for them to properly respond to the evidence within the available time before the hearing.

Assessment

- 9 I will state at the outset that I have not considered the contents of the defendant's additional evidence in advance of making this decision.
- 10 In deciding this issue I think it appropriate for me to go to Rule 3.9(1) of the Civil Procedure Rules as set out in the Patent Hearings Manual paragraph 1.44 which gives a useful checklist of factors which should be considered. Those factors are:-
- (a) the interests of the administration of justice;
 - (b) whether the application for relief has been made promptly;

- (c) whether the failure to comply was intentional;
- (d) whether there is a good explanation for the failure;
- (e) the extent to which the party in default has complied with other rules, practice directions and court orders and any relevant pre-action protocol;
- (f) whether the failure to comply was caused by the party or his legal representative;
- (g) whether the trial date or the likely date can still be met if relief is granted;
- (h) the effect which the failure to comply had on each party; and
- (i) the effect which the granting of relief would have on each party.

I appreciate that some of these factors relate to a “failure to comply” with a requirement where I am faced with a request for exercising discretion to allow additional evidence to be filed. Nevertheless, the issues are similar.

- 11 Of course, none of these factors are decisive on their own, it is a matter of striking a balance and I will consider each factor in turn.
- 12 With regard to (a), the interests of the administration of justice, it is clearly best for all the evidence to be presented in order for the hearing officer to be able to make a judgment soundly based on the facts. The identity of the skilled addressee may clearly be a crucial factor in the determination of inventive step. Equally, I need to be careful to ensure that by giving one party another “bite at the cherry” I do not deprive the other party of addressing issues that may thus arise.
- 13 On (b), the request for allowing new evidence to be filed was made nearly four months after the claimant’s evidence-in-reply which occasioned it and less than a month before the hearing is due to be held. I accept the defendant had difficulties occasioned by the transfer of the patent, but the situation is far from satisfactory.
- 14 Considering factors (c) and (d) the defendant is clearly trying to answer evidence the claimant has put forward and I have no reason to think they did not try to put forward their best case while not being sure of the claimant’s position on this point.
- 15 Turning to factor (e), there have been various extensions sought and granted by both sides in these proceedings thus far but the defendant does not appear to have failed to comply with any final directions.
- 16 On point (f) there appears to be no suggestion that the defendant’s legal advisors were in any way at fault.
- 17 As to point (g), the claimants argue that they would have insufficient time to respond if I were to grant the request. I believe that although tight, there is still sufficient time before the hearing for the claimants to respond.
- 18 Regarding points (h) and (i), if I refuse the request, the claimant will have what they have asked for. The defendant will not have an opportunity to file additional evidence and so may feel unable to fully address the claimant’s position on the

skilled addressee. Conversely, if I allow the request the defendant will have this opportunity but the claimant will have very little time to consider the defendant's additional evidence.

- 19 Taking all of these factors into consideration, and noting in particular the importance of the identity of the skilled addressee to the determination of inventive step, I consider that on balance I should grant the defendant's request, but give one further opportunity to the claimant to submit observations and/or evidence in response before the hearing. I note there is only one week remaining before the hearing so the defendants will have little time to consider anything the claimant says. As this is primarily due to the lateness of the defendants in seeking to file further evidence I do not consider this unjust.

Order

- 20 I therefore allow the defendant to accept the additional evidence filed on 19 April into the proceeding insofar as it is on the point of the identity of the skilled addressee. I note that I have not yet considered this evidence. I also allow the claimant to submit observations on this evidence and/or further evidence in response to this by the time of the hearing on 30 April 2007, which will be considered at the substantive hearing.

Costs

- 21 Neither party has asked for costs at this stage and I make no order at this time.

Appeal

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

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Divisional Director acting for the Comptroller