

20th August 2007

PATENTS ACT 1977

BETWEEN

Microscience Technologies Ltd

Claimant

and

CRP Group Limited

Defendant

PROCEEDINGS

Reference under section 8(1) of the Patents Act 1977 in
respect of patent application number GB 0607356.3

HEARING OFFICER

P Thorpe

DECISION

Introduction

- 1 This reference under section 8(1) of the Act is made in relation to unpublished patent application GB 0607356.3 (“the application”) bearing the title “Coated microspheres and method and apparatus for manufacturing same”. The application was filed on 12 April 2006 in the name of CRP Group Limited (“CRP”). The reference has been made by Microscience Technologies Ltd. (“MST”) who claims that it should be named as either the sole applicant or a joint applicant with CRP.

Proceedings

- 2 At an early stage in these proceedings it was necessary for me to issue an Order regarding the disclosure and confidentiality of certain documents supporting the claimant’s case (decision BL O/016/07). In that decision I made the following Order:

“25. I order that MST submits to the Patent Office any documents referred to in its statement of case or supplementary statement of grounds that have not already been submitted together with the email referred to in its letter of 14 November 2006 within 2 weeks of this decision.

26. I also order that CRP files its counterstatement within 6 weeks of this decision.

27. I also order that CRP, and MST if it so chooses, submit further argument in support of the request that these documents be treated as confidential under Rule 94 within 6 weeks of this decision.”

3 MST subsequently furnished the relevant documents. CRP’s response to this was to file a short counterstatement which was accompanied with further arguments to support its request that the entirety of MST’s exhibits should be treated as confidential.

4 MST subsequently filed as evidence a number of witness statements together with a number of exhibits. No evidence has been filed by the defendant.

5 Further to the evidence rounds, it was agreed that the matter of confidentiality would be decided together with the substantive issue of entitlement on the basis of the papers. This decision deals with both.

Entitlement

Background

6 It is I believe useful to briefly set out the events leading up to this dispute. MST has submitted under the cover of three separate witness statements a timeline detailing the significant events over a 15 month period leading up to the filing of the patent application. Since this is essentially unchallenged by CRP I will make considerable use of it here.

7 MST has apparently been working in the field of microsphere technology since February 2003 and more specifically in the field of applying coatings to glass microspheres.

8 In February 2005 MST was approached by a representative from Emerson & Cuming Composite Materials, Inc (“E&C”) a company from which MST was sourcing hollow glass microspheres for its research. Dr Oldfield, Director of Research and Development at MST, was subsequently invited to deliver a presentation on MST’s research to E&C. The presentation, which MST contends was confidential, was delivered on 20 April 2005 and disclosed details of MST’s expertise in the area of coating hollow glass microspheres.

9 After hearing about the presentation of 20 April 2005, Mr Wood of CRP asked to meet MST to discuss its technology. The precise status of CRP at that time is not entirely clear. MST submits CRP and E&C are part of the same Trelleborg group and have provided various documents to support this assertion. Dr Oldfield gave a guided tour of MST’s laboratories to Mr Wood on 17 May 2005 and delivered a repetition of his earlier presentation which again MST contends was in confidence.

10 Mr Wood disclosed that CRP was interested in the coated microsphere technology developed by MST. In May 2005 a further meeting was arranged

involving Mr Alan Wilson, the executive chairman of Trelleborg CRP Limited and Mr Wood at MST's Laboratories. Dr Oldfield delivered a further repetition of the presentation, again allegedly in confidence. Mr Wilson expressed an interest in MST's technology and suggested that CRP wished to investigate the possibility of purchasing MST.

- 11 In June 2005 a confidentiality agreement was signed between E&C and MST in order, according to MST, to allow free discussions to take place.
- 12 In July 2005 Dr Oldfield gave a further presentation at E&C's Offices in the USA. Again MST asserts that the presentation was confidential in nature.
- 13 In August 2005, CRP introduced MST to Cyclops Technologies Ltd ("Cyclops"), a company involved with developing radar reflectors. Cyclops expressed an interest in obtaining coated microspheres. Following this meeting Dr Oldfield and Dr Banks, Head of Chemistry at MST, began a literature review of the art related to coatings. The conclusion from the literature search was that prior art processes for preparing the required coating would not be suitable for use on microspheres of the size used by MST. MST sought to use its existing knowledge of coating microspheres to devise a new process of coating microspheres.
- 14 In September of 2005 MST supplied Cyclops with Coated Microspheres created by a process that MST submits was a new process. Shortly afterwards MST contacted ProsCon Limited ("ProsCon"), a company with chemical engineering expertise, to seek advice on building a pilot plant for producing coated microspheres according to the process developed by MST.
- 15 According to MST, in October of 2005 Dr Banks carried out an experiment (the MST reference is MT00039) which was found to produce coated glass microspheres with the desired physical properties relevant to the Cyclops application, and which also provided conditions that made the process economically viable.
- 16 There then followed a series of meetings and exchanges of correspondence involving MST, ProsCon and CRP that considered aspects of the design of the pilot plant.
- 17 On 13 April 2006, CRP Group Limited filed UK Patent Application No. 0607356.3. In September of that year MST initiated entitlement proceedings before the Comptroller under section 8.

The law

- 18 The law relating to the right to apply for and obtain a patent is set out in section 7 which reads so far as is relevant as follows:

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) in any event, to the successor or successors in title of any person or persons mentioned in paragraph (a) or (b) above or any person so mentioned and the successor or successors in title of another person so mentioned; and to no other person

Section 7(3)

In this Act "inventor" in relation to an invention means the actual deviser of the invention and "joint inventor" shall be construed accordingly.

Section 7(4)

Except so far as the contrary is established, a person who makes an application for a patent shall be taken to be the person who is entitled under subsection (2) above to be granted a patent and two or more persons who make such an application jointly shall be taken to be the persons so entitled.

19 This reference is made under section 8(1) of the Act which provides that:

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; or

(b) any of two or more co-proprietors of an application for a patent for that invention may so refer the question whether any right in or under the application should be transferred or granted to any other person;

and the comptroller shall determine the question and may make such order as he thinks fit to give effect to the determination.

Arguments

20 The essence of the MST's argument is that the application in question relates to processes for coating microspheres that have been developed by MST, and that CRP obtained the information provided in that application in confidence from MST and by the nature of that confidence was not entitled to file the application.

21 MST has filed a total of 41 exhibits to support its case, the bulk of which are emails with attachments that were exchanged between representatives of the two sides. I am also provided with a copy of the protocol for the experiment, reference MT00039 and a copy of the initial presentation made by MST, both of

which I have already referred to. Also filed are six witness statements and a copy of the confidentiality agreement signed by representatives of MST and E&C.

22 E&C, like CRP is now part of the Trelleborg Group thus it is argued that the obligations placed upon E&C by the confidentiality agreement extend to CRP.

23 CRP's response is contained solely in a very short counterstatement which in its entirety reads as follows:

“Your attention is drawn however to the wording of the claims in particular claim 1, line 5: claim 2, line 5; claim 15 line 7 and claim 19, line 7, which relate to an industrial-scale process developed by CRP, and not by MST.”

24 Hence I must presume on the basis of this limited statement and in the absence of any argument or evidence to the contrary that CRP does not contest the claims of MST other than in respect of who developed the industrial scale process allegedly set out in the claims of the application.

Entitlement to what?

25 Before I consider who has contributed what to the invention and who may be entitled to it, it is necessary for me to determine what the underlying inventive concept of the application is. Neither side has really sought to assist me in this. I should perhaps stress that it is entitlement to the invention as set out in the application that I am concerned with. Hence any document submitted as evidence or any argument advanced that does not relate to that invention is not really of any relevance to the issue before me.

26 To determine what the invention is I need to look at the application as a whole rather than looking solely at the claims. This is a well established principle perhaps best put in *Markem v Zipher*¹ where Jacob LJ says:

So what then about s.8? Does "invention" there mean what is claimed or does the context otherwise require? We think it must have some more general meaning than what is in the claims. The most obvious reason for that is that s.8 applies to situations where there are no claims at all – indeed even prior to a patent application. And applications themselves are not required to have claims. The question of entitlement can therefore arise before any claims exist – and in principle must remain the same whatever claims later emerge. Moreover, as the Deputy Judge observed, it is often the practice of patent agents to put in first drafts which are wider than they expect to end up with so as to draw a wide search. As for the final claims in the patent as granted, their form and content will depend upon a number of individual factors – what has turned up in the prior art forcing reduction in scope, what subsidiary claims the patent agent has formulated based on the description and what monopoly is actually thought to be valuable (there is no point in claiming wider).

Accordingly we think one is driven to the conclusion that s.8 is referring essentially to information in the specification rather than the form of the claims. It would be handy if one could go by the claims, but one cannot. s. 8 calls for identification of information and the rights in it. Who contributed what and what rights if any they had in it lies at the heart of the inquiry, not what monopolies were actually claimed.

It is not possible to be very specific about how this is to be done. But as a general rule

¹ *Markem Corporation & Anor v Zipher Ltd* [2005] EWCA Civ 267

one will start with the specific disclosure of the patent and ask whether that involves the use of information which is really that of the applicant, wholly or in part or as joint owner.”

- 27 The description begins by noting that the invention relates to coated microspheres and to a method and apparatus for manufacturing such microspheres. According to the application, one method of coating microspheres that has been proven on a lab-scale (ie. production volumes of a few grams of coated microspheres) has a “major problem” in that it is difficult to scale up production to industrially useful levels. Another problem with scaling up the lab-scale process is that it is difficult to scale up proportionally the quantities of microspheres, solvents, reagents etc to encourage bulk reactions to take place.
- 28 The application notes that the invention “aims to provide a solution to one or more of the above problems”.
- 29 There are 35 claims. Five of these are independent claims; two directed to a method of producing coated microspheres (claims 1 and 2); two directed to apparatus for use in the method (claims 15 and 19); and one directed to a coated microsphere (claim 31).
- 30 Having identified what the invention is I now need to determine who devised it.

Who devised what?

- 31 I start with the underlying process. The counterstatement of CRP seeks to claim only that CRP developed the “industrial-scale process” set out in the claims. But as the application itself makes clear the underlying process was first proven “on a lab scale”. This is supported by the evidence submitted by MST. For example the protocol for experiment MTO0039 clearly sets out the process. Numerous witness statements from various MST employees attest to this experiment having been run by Dr Banks. I am also presented with a witness statement from Mr Ken McIlreavy, a Mechanical Engineer/Process Manager with ProsCon which states that all the discussions he was involved in related to a process for coating glass microspheres which was developed by MST. Although the statement does not describe the process nor does it make clear how Mr McIlreavy was aware that the process was developed by MST, it does nevertheless lend some weight to the other evidence.
- 32 In contrast CRP has not made out any case that it devised the underlying process. Hence I am satisfied that this part of the invention was devised by MST.
- 33 I turn now to the other two aspects of the invention which relate in my opinion more to the scaling up of the underlying process. It is these two aspects that are specifically identified in the counterstatement as having been devised by CRP. As MST points out, CRP has not filed any evidence to support this assertion. However section 7(4) clearly places the onus in this case on MST. So what evidence has it put forward?
- 34 As noted previously, MST has submitted a considerable volume of evidence. From this evidence it is clear that the development of the pilot plant involved

contributions from more than just MST. MST initially utilised the consultancy services of Mr Ian Renilson of Sunrise Engineering to assist in designing a pilot plant. It then sought further assistance from ProsCon and there are numerous examples of MST referring issues relating to the design of the pilot plant to ProsCon to action. However I view ProsCon's contribution as very much geared to the physical aspects of the plant designed to run the process. On issues relating to the chemistry it is clear that both ProsCon and CRP relied on MST.

- 35 The invention so far as it relates to scaling up the lab tested process resides in adapting that process. In other words the invention does not subsist in the hardware or plant required to run the process but rather in the adaptation of the process and this is an area where in my mind the contribution clearly came from MST and MST alone. Indeed the experimentation protocol set out in exhibit 11 discloses extensively one of the strands of the invention that I have identified.
- 36 The evidence in respect of one of the other strands of the invention is perhaps not so clear cut. MST has not directed me to any specific piece of evidence to demonstrate that it devised this part of the invention. I note however that the experimentation protocol does provide a teaching that points towards this strand of the invention.
- 37 In addition I am also presented with a witness statement, filed by Dr Oldfield after the counterstatement had been filed, refuting the assertions of CRP and insisting that "all technical details required for scaling up the chemistry of the process was provided by MST". The statement claims ownership of any invention set out in the application.
- 38 CRP has not sought to challenge any of this either through evidence of its own or through cross examination of MST's witnesses. Rather all I have is its brief assertion in its counterstatement. Weighing up the two sides cases it is clear that I must find in favour of MST and conclude that it devised these two further aspects of the invention.
- 39 In summary I have found that MST devised the invention set out in the application.

Who is entitled to the invention?

- 40 For MST to displace CRP as the applicant it is necessary for MST to show that it is entitled to the application and that CRP is not.
- 41 As LJ Jacob noted in *Markem*:

77. We begin by observing that it is conceded that if A is to be entitled to a patent or part of a patent applied for by B, then there must be some sort of link between the two. If A makes an invention but does not apply for a patent, and B independently comes up with the same idea and applies first, A cannot either complain or claim any part of B's patent. Like nearly all countries (save for the USA) we operate on a first to file system.

78. It follows that it is not enough for A to assert that the invention or concept (we use the expression loosely at this stage) was known to its employees and that that itself gave A an entitlement to make an application under s.7. What has to be shown is that A is *entitled to B's application* or part of it. In the usual run of case, such an entitlement will arise by reason of the operation of some independent rule of law, such as contract, breach of confidence or the like. So, for example, if an employee in breach of confidence takes a trade secret consisting of an invention and applies for a patent in his own name, the employer can properly say the employee was not entitled (i.e. had no right) to apply for the patent by reason of the fact that the invention (i.e. the right to deal with and use the relevant information) belonged to the employer. Or, where two people co-operate in making an invention, there will be some agreement express or implied about who is to own any corresponding patent. Probably there will be joint ownership. There may be an inquiry as to who actually contributed relevantly to the concept, but that inquiry will not alone determine the matter. In the end the question is always "who was to own the invention and the corresponding patent?" The question is about "title" and that involves a question of legal rights.

79. We think it follows that, whether or not A is entitled to apply for a patent pursuant to s.7 is, as such, irrelevant to whether or not he can claim an entitlement to an application by B. For the latter he must be able to show that in some way B was not entitled to apply for the patent, either at all or alone. It follows that A must invoke some other rule of law to establish his entitlement – that which gives him title, wholly or in part, to B's application.

42 Here MST argues that CRP obtained the invention in confidence from MST and then breached that confidence in filing the application. CRP's response is merely that it devised the invention. CRP has put forward nothing to suggest that it was in any way entitled to any invention that was devised by MST and which MST subsequently communicated to CRP. The evidence available to me clearly points to MST having communicated information on the invention to CRP in confidence. MST argues that the nature of this confidence, which is prescribed in the confidentiality agreement, prohibits CRP from acquiring any rights in information received from MST. This has not been challenged by CRP. Hence since I have already found that MST devised the invention and that this information was communicated in confidence to CRP, it follows that I must also find that CRP is not entitled to file the application. The right to the application lies with MST and MST alone.

43 Having dealt with entitlement I turn now to the question of confidentiality.

Confidentiality

44 In my earlier preliminary decision which considered the issue of confidentiality I invited both sides, but especially CRP to put forward further submissions as to why some or all of the documents submitted by MST in these proceedings should be treated as confidential. I prefaced that invitation by noting that:

"it is not just the views of the parties that I need to take into account. This is made clear in paragraph 3.37 of the Patents Hearing Manual which reads:

As explained by the Court of Appeal in *Lilly Icos Ltd v Pfizer Ltd (No2)* [2002] EWCA Civ 2, [2002] 1 WLR 2253, the starting point should be that very good reasons are required for departing from the normal rule of publicity, and a simple assertion of confidentiality, even if supported by both parties, will not suffice.

At present the only reasons put forward by CRP why these documents should be kept confidential is that they contain “confidential and/or commercially sensitive information, including confidentially sensitive information unrelated to the subject matter of United Kingdom Patent application No:0607356.3”.

Such vague statements as this are I am afraid simply not good enough. They certainly do not provide sufficient justification for me to place a blanket confidentiality order on the whole contents of what is not an insignificant number of documents. I am therefore not prepared to make any order under Rule 94 at this time but will instead invite further submissions on this matter. Any such submissions should take into account the guidance provided in Section 118 of the Manual of Patent Practice and the corresponding sections of the CIPA Guide to the Patents Act.”

45 Further submissions were received from both sides. In its submission CRP maintains its position that the “whole content of MST’s Annexes be kept off the public record”. It notes in particular that:

i) discussions between the parties were meant to be treated as confidential, as supported by the confidentiality agreement submitted by MST;

ii) MST should not be allowed to use these proceedings to curtail or circumvent the confidentiality agreement, noting especially clause 4c thereof;

iii) the exhibits and parts of the exhibits being relied upon relate to unpublished technical content;

iv) certain subject matter contained in MST’s submissions relates to subject matter not included in the application and may be the subject of further patent applications.

In support of its position CRP draws my attention to an earlier Office decision, BLO/265/06.

46 I have taken these arguments to be in addition to its previous arguments which I outlined in my earlier decision, namely that “the communications in question contain confidential and/or commercially sensitive information, including confidential and/or commercially sensitive information unrelated to the subject matter of United Kingdom Patent Application No: 0607356.3”.

47 In its submission MST has somewhat reversed its earlier position where it did not appear to object to the documents being treated as confidential. It now argues that CRP has not provided any specificity about the parts of the documents that for example relate to unpublished technical content. Rather CRP seeks to rely on sweeping statements. It also notes that in BLO/265/06 the request for certain emails to be made confidential included an indication of the specific portions of those emails that were considered confidential. In addition MST notes that redacted emails were filed, with the confidential content removed.

48 I have given careful consideration to all these arguments. I believe that I have

clearly indicated to CRP what it must do if it wishes to have certain documents or parts of documents treated as confidential. It must identify which out of the more than 40 or so documents submitted, which extend to over 100 pages, contain confidential information. I have obviously in the course of producing this decision carefully considered all of these documents. It seems to me that a not insignificant number of these document contain no confidential information whatsoever. Indeed some disclose information already freely available, for example exhibit 7 which merely shows an extract from the Trelleborg website showing a breakdown of the companies within the group. In the light of this and the unwillingness of CRP to provide the specificity necessary I have decided to decline to issue confidentiality orders in respect of any of the documents submitted in these proceedings. I would however note that none of these documents will be available for public inspection until such time as the patent application is published.

Conclusions & Order

- 49 I have found that MST and MST alone is entitled to the invention in the application.
- 50 MST has asked for an order that the application proceed in the sole name of MST and if the application is refused or withdrawn before the Comptroller has disposed of the reference, but after publication of the application, an Order that MST can make a new application.
- 51 However, although the application has not yet been treated as withdrawn, it is due to be so treated for failure to file a Statement of Inventorship and a Request for Search within the periods prescribed by rules 15(1) and 25(2) respectively of the Patents Rules 1995. The dates by which these requirements were meant to have been met were 12 August 2007 for the Statement of Inventorship and 12 April 2007 for the Request for Search.
- 52 The periods in both rule 15(1) and 25(2) can be extended by virtue of rule 110(3) and (4) however both rule 15(1) and 25(2) are specified in Part 4 of Schedule 4A of the Rules and, as such, are also subject to rule 110(10) which states:
- No extension may be granted in relation to the periods of time prescribed by the rules listed in Part 4 of Schedule 4A after the expiry of the period of two months starting immediately after the period of time as prescribed (or previously extended) has expired.*
- 53 Whilst rule 110(10) does not appear to prevent MST from filing the required Statement of Inventorship, it will apparently prevent the Request for Search being filed. As such the application will be treated as withdrawn.
- 54 I have considered carefully whether the general powers that I have under section 8 would allow me to grant an extension to the time prescribed in rule 25(2) however I have concluded that such a general power cannot override such a specific provision. I have also considered the general powers that the Comptroller

has under rule 100 to alter time periods. I am conscious that there has been some delay in issuing this decision, for which I apologise. However even if this delay could be considered as an “omission” by the Office within the meaning of rule 100(2)(b), I am not convinced that the failure to file the request for search within the prescribed period, including any extension, can be considered as an irregularity that would be attributable wholly or in part to any such omission. Consequently it would not seem possible to rely on general powers provided to the Comptroller under rule 100 to extend the period prescribed by rule 25(2).

- 55 Obviously one option for MST would be to withdraw the application and file afresh albeit with no claim to any earlier priority. Another possible alternative might lie within section 20A. This is a matter for MST. If however it concludes that it requires a further order to give effect to this determination then it can come back to me.
- 56 For the present I will order that patent application GB0607356.3 shall proceed in the name of Microscience Technologies Ltd instead of CRP Group Limited.
- 57 In relation to the request by CRP for an order under rule 94 that all documents submitted by MST be treated as confidential, I decline to make any such order.

Costs

- 58 Costs awarded in proceedings before the Comptroller are guided by a standard published scale. The scale costs are not intended to compensate parties for the expense to which they may have been put but merely represent a contribution to that expense. In general costs should be awarded to whichever party was successful, although the level may need to be reduced if it was only partially successful. Costs should only be awarded to a party if that party has requested an award. In this instance, MST is the successful party and has sought an award for costs. I therefore order CRP to pay MST the sum of £1000 as a contribution to its costs.

Appeal

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

Phil Thorpe

Deputy Director acting for the Comptroller