



PATENTS ACT 1977

BETWEEN

Alan Tredwell Neath and Irmgard Neath

Claimant

And

Peter Neath

Defendant

PROCEEDINGS

Reference under sections 12(1) and 37(1) of the Patents Act 1977 in respect of
GB0902490.2 and PCT/GB2009/001121

HEARING OFFICER

P R Slater

DECISION

- 1 Patent application GB0902490.2 entitled "Tool handle" was filed in the name of Peter Neath ("the defendant") on 16 February 2009 claiming an earliest priority date of 7 May 2008. The application was subsequently published as GB2459912 on 11 November 2009 and granted with effect from 9 June 2010. The corresponding international application PCT/GB2009/001121 was filed on 6 May 2009 and was published as WO2009/136150 on 12 November 2009.
- 2 On 31 May 2013, Alan Tredwell Neath and Irmgard Neath ("the claimants") filed a reference under sections 12(1) and 37(1) of the Patents Act 1977, and an application under section 13(3) of the Act and rule 10(2) in respect of the aforementioned patents.
- 3 Proceedings were subsequently suspended as the parties entered into mediation on 29 November 2012. The correspondence which has followed suggests that an agreement has been reached and was duly signed on 10 January 2013. However, it has not been possible to say with any degree of certainty whether both parties are in possession of a entirely complete and signed copy of the agreement and will abide by its terms. The claimants have also indicated that they are not willing to withdraw their claim. There are clearly issues outstanding regarding the terms of the aforementioned agreement which make it difficult to proceed with this action. I am therefore of the view that I should consider exercising the comptroller's discretion to decline to deal with these proceedings under Sections 12(2) and 37(8) of the Act.

The parties were informed of this preliminary view and invited to make submissions which they have done.

- 4 The defendant has indicated that he is content for me to decline to deal with this reference and believes that this matter can no longer be resolved without court intervention. However, the claimants have requested that proceedings before the comptroller should continue.

The Law

- 5 Even where the comptroller has jurisdiction to hear an issue, in some instances he has the power to decline to deal with it. This power is available in patent proceedings under sections 8, 12 or 37 of the Patents Act 1977. In each case, the test laid down in the Act is whether it appears to the comptroller that the issue involves matters which would "more properly be determined by the court"
- 6 The questions to be considered by the comptroller in declining to deal with entitlement cases under sections 8 and 12 of the Patents Act 1977 were dealt with by Warren J in *Luxim Corp v Ceravision Ltd* [2007] EWHC 1624 (Ch), [2007] RPC 33. The comptroller had hitherto declined to deal only where the issues were so difficult and complex that the hearing officer felt he could not address them effectively. The *Luxim* judgment found that this was the wrong approach, and that the question to be considered by the comptroller was whether the court could "more properly" determine the issue. The comptroller should consider exercising discretion to decline to deal whenever a case was complex and should not do so "sparingly" or "with caution". In making the determination, it was necessary to consider the technical, factual and legal aspects of the case and judge these against the expertise and experience of a hearing officer as compared with that of a judge. Technical matters, expert witness evidence, English or foreign patent law would not indicate transfer to the court. Fraud, breach of fiduciary duty, and legal issues falling outside patent law, for example, might do so.

Conclusion

- 7 It is established that both parties entered into mediation on 29 November 2012 and that an agreement of some sort was reached on 10 January 2013. However, it is clear that there are still some outstanding issues which have not been entirely resolved regarding execution of that contract. Whilst I have not been privy to those negotiations and have no knowledge of the terms of the agreement, I find it highly likely that the agreement covers ownership of the patents in suit. It would therefore seem wholly inappropriate for me to deal with this claim and to decide on ownership when this has potentially been resolved by a contractually binding agreement. Indeed, the dispute would now seem to centre around issues of a contractual nature which I have no doubt would be more properly determined by the court. I therefore decline to deal with this action pursuant to sections 12(2) and 37(8) of the Act.

Costs

- 8 I have not yet received any detailed submissions on the question of costs as such and accordingly I make no order in that respect. However, I note that the claimants in their original statement of grounds sought an award of costs, so I feel obliged to

invite both parties to file submissions on the question of costs within two weeks of the date of this decision. Given that there have been no formal evidence rounds and no hearing, and the matter seems to have been resolved via mediation, I do not envisage a significant award if any being made. In the absence of any such submissions, I will consider the case closed.

Appeal

- 9 Any appeal must be lodged within 28 days

P R SLATER

Deputy Director acting for the Comptroller