Intellectual Property Office

BL O/208/14

16 May 2014.

PATENTS ACT 1977

BETWEEN

University of Warwick	Claimant
and	
Dr Geoffrey Graham Diamond	Defendant

PROCEEDINGS

Claim by University of Warwick under section 12 of the Patents Act 1977 in respect of US Patent Application 12/306505

HEARING OFFICER Phil Thorpe

Mr Varvill of Harrison Goddard Foote for the Claimant
Dr Diamond in person
Hearing date: 28th April 2014.

PRELIMINARY DECISION

1. This decision covers two preliminary issues that have arisen in an entitlement case. The first point is whether it is appropriate for Harrison Goddard Foote LLP (HGF), a firm of Patent Attorneys, to continue to represent one of the parties given an alleged conflict of interest. The second point is whether it is appropriate to deal with the first point by way of a telephone hearing rather than a hearing in person.

Background

2. The University of Warwick initiated proceedings under section 12 of the Patents Act against Dr Geoffrey Graham Diamond on 8th August 2013. In his amended counterstatement filed on 11th December 2013, Dr Diamond suggests that not only is the University of Warwick's representative, HGF a "party to these proceedings" but also that it should be disallowed from representing the University of Warwick because of an alleged conflict of interest.

3. The claimant filed submissions on these matters on 16th January 2014 arguing that there is no justification in the claim that HGF is a party to these proceedings and denying that any conflict of interest exists.

4. There was a further exchange of correspondence exploring whether the parties were content for me to decide the matter on the basis of the papers or whether they wished to be heard. Dr Diamond requested a hearing. The Office then informed both sides of my preference for a telephone hearing. This was contested by Dr Diamond who argued that a hearing in person was more appropriate.

5. In order to progress the case I decided to hold a telephone hearing but that that hearing would first consider the question of whether dealing with the substantive matter of HGF's standing in this case by a telephone hearing would be appropriate. I asked both sides to be prepared to discuss the substantive matter should in the event that I decided to deal with that in the same telephone hearing.

6. The matter subsequently came before at a telephone hearing on 28th April 2014. Mr Varvill of HGF represented the claimant and Dr Diamond represented himself.

7. Having first heard Dr Diamond's arguments about having a hearing by phone, I decided it was appropriate to hear arguments in the same telephone hearing on the matter of any conflict. Before I turn to that issue I will set out my reasons for proceeding with a telephone hearing.

The appropriateness of dealing with the matter by a telephone hearing

8. Dr Diamond's objections to dealing with this matter by telephone was that in additional to being a litigant in person; he also wished to submit documentary evidence and that examination of that evidence would not be "amenable" by phone. He stated that this would be in violation of the Overriding Objective. He referred me to Civil Procedure Rules (CPR) Practice Direction 23 A 6.3 (b) which reads:

> When a hearing is to be conducted by telephone
> 6.2 Subject to paragraph 6.3, at a telephone conference enabled court the following hearings will be conducted by telephone unless the court otherwise orders –
> (a) allocation hearings;
> (b) listing hearings; and
> (c) interim applications, case management conferences and pre-trial reviews with a time estimate of no more than one hour.
>
> 6.3 Paragraph 6.2 does not apply where –
> (d) the hearing is of an application made without notice to the other party;
> (e) all the parties are unrepresented; or
> (f) more than four parties wish to make representations at the hearing (for this purpose where two or more parties are represented by the same person, they are to be treated as one party).

9. Dr Diamond also referred me to the IPO's Hearings Manual[1] and specifically paragraph 2.65 which states:

> 2.65 A conference or review will usually be conducted using a telephone or video conferencing link, subject to the consent of the parties. If the parties are legally represented, it will be sufficient for the legal representatives to attend the conference, though the parties themselves may attend if they wish. Preliminary hearings will also be conducted in this way where possible; however, where the issues are complex or contentious, it may be preferable to hold a hearing in person.

10. He argues that in light of this, the complex and contentious nature of the issue and his lack of consent to a telephone hearing, it would not be appropriate to deal with matter without a hearing in person.

11. I will deal first with the CPR and its associated Practice Directions. I advised both sides prior to the hearing that I did not consider myself bound by the CPR. That a Hearing Officer is not bound by the CPR or its associated Practice Directions was confirmed by Lewison J. in *Rhone-Poulenc Rorer International Holdings Inc v Yeda Research and Development Co Ltd*.[2] Rather proceedings before the Comptroller are governed by the Patents Act and the associated rules including the Patent Rules 2007 as amended. Notwithstanding that, one of the cornerstones of the CPR, the Overriding Objective, has been incorporated into rule 74 of the Patent Rules. This reads:

> **Overriding objective**
> **74.**—(1) The rules in this Part set out a procedural code with the overriding objective of enabling the comptroller to deal with cases justly.
> (2) Dealing with a case justly includes, so far as is practicable—
> (a) ensuring that the parties are on an equal footing;
> (b) saving expense;
> (c) dealing with the case in ways which are proportionate—
> (i) to the amount of money involved,
> (ii) to the importance of the case,
> (iii) to the complexity of the issues, and
> (iv) to the financial position of each party;
> (d) ensuring that it is dealt with expeditiously and fairly; and
> (e) allotting to it an appropriate share of the resources available to the comptroller, while taking into account the need to allot resources to other cases.
> (3) The comptroller shall seek to give effect to the overriding objective when he—
> (a) exercises any power given to him by this Part; or
> (b) interprets any rule in this Part.

[1] IPO Hearings Manual at http://www.ipo.gov.uk/p-manual-hearing-content.htm

[2] Rhone-Poulenc Rorer International Holdings Inc v Yeda Research and Development Co Ltd [2006] EWHC 160 (Ch)

12. Also relevant to this matter is Rule 82 of the Patent Rules which covers the general powers of the comptroller in relation to proceedings before him. This reads so far as is relevant to the issue here as follows:

> **82.**—(1) Except where the Act or these Rules otherwise provide, the comptroller may give such directions as to the management of the proceedings as he thinks fit, and in particular he may—
>
> (a) ...
>
> (b) require a party or a party's legal representative to attend a hearing;
>
> (c) hold a hearing and receive evidence by telephone or by using any other method of direct oral communication;

13. It is clear from Rule 82 that I do have the power to direct that a hearing be held by telephone. In exercising that power I need to clearly have regard to the overriding objective. In this instance I was of the view that a telephone hearing would, save the parties expense, be proportionate to the issue in hand and would not unnecessary require the allocation of a disproportionate share of the comptroller's resources. I should add that I considered the matter in issue here to be straightforward, notwithstanding Dr Diamond's view as to its complexity. The part of the Hearings Manual referred to me by Dr Diamond is primarily directed to case management conferences though it does indicate that the use of the telephone for hearings on preliminary matters may be appropriate. I do not necessarily read this paragraph as saying the consent of both sides is necessary for a telephone hearing. If it did then it would not be consistent with the law. In any event the Hearings Manual has no legal weight.

14. For completeness I should say that although I proceeded to hear arguments on the issue of any possible conflict of interest by phone, I adjourned the hearing for 20 minutes to allow Dr Diamond to consider the points raised by the other side. I then reconvened the telephone hearing to allow Dr Diamond to make further submissions.

15. I turn now to the substantive issue of any possible conflict of interest involving HGF and whether there is any basis for me to instruct the claimant to seek different representation.

The Comptroller's powers to interfere with how a party is represented

16. I will start by setting out what I consider to be my powers in this respect and how those powers should be exercised. Neither party addressed me specifically on this point. As I have already observed, proceedings before the comptroller are governed by the Patents Act and associated Rules. The relevant rule in this instance is Rule 82 which is set out above. This gives me broad powers to manage proceedings and that would include, in my opinion, giving directions in respect of how a party is represented. I would stress however that I would not expect to interfere with a party's right to choose who represents it unless there are compelling and strong reasons to do so.

17. The reasons put forward by Dr Diamond can be characterised as follows:

    a. HGF is already a party to the proceedings

b. HGF has a conflict of interest based on

i) its relationship with Dr Diamond and

ii) its possession of documents harmful to its client's case

c. HGF's conduct in the proceedings to date.

The current standing of HGF

18. Dr Diamond is of the view that HGF is already a party to these proceedings. His basis for this assertion is the apparent close association between HGF and him in what he describes as a "personal capacity". I will discuss that association more shortly but on the point of whether HGF is a party to these proceedings it is I believe simply not relevant.

19. This case is an entitlement case where the University of Warwick is seeking entitlement to US Patent Application 12/306505. The defendant in the case is one of the currently named applicants on that patent, Dr Diamond. There is no claim to entitlement by or against HGF and nothing to suggest that HGF has any proprietary interest in the patent. HGF standing in this case is at present simply that of the representative of the claimant, the University of Warwick. HGF is not a party to these proceedings.

Conflict of interest

20. Dr Diamond claims that HGF "took explicit and precise written instructions" from him "in his private capacity". These instructions related to the filing of patent application GB 0613165.0 which is the priority document of the PCT application giving rise to the patent in issue here. He claims to have had several face-to-face meetings with HGF, again in his private capacity, during which he instructed and advised on the drafting of GB 0613165.0. He claims to have written large parts of that application. He also claims that the accounts staff at HGF were "often in direct communication" with him again in a private capacity regarding settlement of invoices associated with the filing of the GB application and the subsequent PCT application. He goes on to note that the association between him and HGF was so close that he received Christmas Cards from them, this being something they apparently do with all paying clients.

21. In support of his position Dr Diamond has submitted copies of correspondence that he had with HGF. These include an email to Dr Diamond, addressed "Dear Geoff", from Ms Sarah-Jo Hall of HGF in which she reminds Dr Diamond of an impending deadline for requesting the examination on Chinese Patent Application No 200780024348.2. This application is the Chinese equivalent application to the US application in issue here. GB 0613165.0 is the priority application for both the US and Chinese applications. The email, which is dated 22nd May 2009, goes on to request "instructions" from Dr Diamond. A further email on the same subject has also been submitted again from HGF seeking instructions from Dr Diamond in respect of that Chinese patent application.

22. Dr Diamond has also submitted another email entitled “RE: Request to Transfer of Files” that he received from Mr Christopher Vaughan, a Partner at HGF. The email dated 16th April 2010, which is again, addressed “Dear Geoff” thanks Dr Diamond “for your payment of XXX (figure removed) which has now reached our bank account”. It goes on to note that “As far as HGF is concerned, all of the G-Tronix/Inspection Technologies matters were transferred to Yeadon IP last week. This was in accordance with your instruction, and you will recall that I acted swiftly and without complaint”.

23. G-Tronix Ltd is a spin-out company from the University of Warwick. Dr Diamond is a Director of G-Tronix. The involvement of Dr Diamond with Inspection Technologies Ltd is not wholly clear though when I asked him about this at the hearing he indicated that he had done some consultancy work for them but was not a Director.

24. HGF is adamant that Dr Diamond has himself never been a client of, or has he been invoiced by HGF in its current guise or in any former guise. HGF accepts that when it was instructed to take the priority application forward as a PCT application, it sought information about the invention from Dr Diamond. This was done by Mr Mark Yeadon of HGF after he had been put in touch with Professor Hutchins and Dr Diamond, both named inventors on GB 0613165.0, by the University of Warwick.

25. In its submission HGF notes that “Apart from technical input from Diamond/Hutchins, all instructions of a general nature, and all the strategic decisions, were given by Mr D Calvert of the University” and also “All HGF’s invoices were sent by HGF to Mr D Calvert of the University”.

26. So where does this leave me? There is no suggestion from either Dr Diamond or from HGF that Dr Diamond is now, or has ever been himself a client of HGF. There is also nothing before me to clearly show that either G-Tronix or Inspection Technologies is, or was, a client of HGF. There is for example no letter or agreement of engagement between either of these companies and HGF or any invoices from HGF to these companies. It is possible that one of these companies was tasked by the University of Warwick with dealing with HGF and also that HGF’s fees were paid by one of these companies on behalf of the University of Warwick. This would explain the acknowledgement from a partner of HGF in the correspondence referred to above. That does not however in my view necessarily make either of these companies or Dr Diamond a client of HGF. Notwithstanding that, it is clear that HGF had some form of relationship with at least G-Tronix and its Director Dr Diamond. But the existence of such a relationship does not necessarily mean there is a conflict of interest. Indeed even if Dr Diamond was a former client of HGF then that would not necessarily prevent HGF from representing the University of Warwick. What matters is whether the relationship between HGF and Dr Diamond is, or was, such as to give rise to a conflict of interest. That there was a relationship is on its own not sufficient.

HGF’s alleged possession of documents harmful to its client’s case

27. Dr Diamond's also suggests that HGF may be in possession of material which might be harmful to its client's case. I use the word "possibility" as Dr Diamond has not identified what this material might be. Dr Diamond appears to suggest that HGF is under some sort of an obligation to disclose this material. He refers to CPR Rule 31.6(b)(i) which relates to standard disclose.

28. I have already explained the relevance of the CPR. In proceedings before the comptroller there is no general duty of disclosure on the parties or their representatives. If a party believes that there is material relating to the case that it is unable to obtain a copy of, it can request a disclosure order from the comptroller. Before approaching the comptroller for such an order, the party requesting it should have attempted to reach voluntary agreement with the other party as to what documents should be disclosed. In keeping with its aim to be a low cost tribunal, it is unlikely that the comptroller would ever order "standard" disclose but would instead order disclosure of specific documents or specific classes of documents (specific disclosure). A party applying for specific disclosure should explain its reasons in full and should identify the documents or classes of documents that it seeks as clearly as possible.

29. Given that disclosure is available to Dr Diamond, I fail to see how HGF's possession of any material harmful to its client case or helpful to Dr Diamond's case, can give rise to any conflict of interest or in any way conflict with its duties to its client or this tribunal.

HGF's conduct to date in these proceedings

30. Dr Diamond also claims that HGF's conduct in these proceedings has been in the least unprofessional and that this is a further reason why it should not be allowed to represent the University of Warwick. He refers in particular to its failure to adequately disclose the extent of the relationship he had with HGF. HGF's submission on its relationship with Dr Diamond did not in my opinion present the full picture. It did not reflect the evidence provided by Dr Diamond which clearly shows that was he was also being asked for instructions on the patenting of the invention at issue here in at least some jurisdictions.

31. Mr Varvill sought to argue that it was not entirely clear to HGF what Dr Diamond was accusing it of. He notes that the nature of Dr Diamond's case appears to have changed from when he first raised the issue of a possible conflict of interest in the counterstatement. There is I believe some truth in this. However I believe that it was sufficiently clear from an early stage that the nature and extent of the relationship between HGF and Dr Diamond was going to be important. Mr Varvill also suggests that the correspondence Dr Diamond refers to took place after the events that might be significant to the question of entitlement to US12/306505 and that they were not necessarily in relation to that application but involved related applications. That may be correct. But even with the lack of precision and specificity in Dr Diamond's case, it was I believe clear that he was basing this, rightly or wrongly, on his general relationship with HGF and not on the basis of any dealings he had with HGF at any particular time and in respect of any particular application. I would have therefore expected any submissions on this from HGF to fully reflect that relationship. I would have expected it to include that HGF had not

only sought technical information from Dr Diamond but that it had also liaised with him on more general matters including seeking instructions on the prosecution of related applications. That HGF's submission did not do this is unfortunate but on the basis of the material before me that is all it is. There is nothing for me to conclude that HGF has acted unprofessionally, dishonestly or in a way that was intended to deliberately mislead this tribunal.

Conclusion and finding

32. I explained earlier that I would need strong and compelling reasons if I am to interfere with the claimant's choice of representative. Having carefully considered all the arguments put forward by Dr Diamond, I am unable to find any reason, let alone a compelling reason, for me do so. I there refuse Dr Diamond's request that I disallow Harrison Goddard Foote LLP from representing the University of Warwick.

33. Dr Diamond indicated in the Hearing that he was minded to pursue a complaint against HGF with the relevant supervising body, which in this instance would appear to be the Intellectual Property Regulation Board (IPReg). That is a separate matter between Dr Diamond and HGF which at the moment does not concern me. I would however expect the parties to inform me of any developments that might have a bearing on the conduct of these proceedings.

Costs

34. The University of Warwick has requested costs on this matter and as the successful party then a cost award in its favour seems appropriate. I indicated at the hearing that I would not be seeking submissions on costs at this stage but would rather roll up any such submissions at the substantive hearing stage. This is not usual practice before the comptroller – the preference being to deal with costs as they arise. In this instance however I am keen to get the proceedings back on track and moving forward. Should further preliminary points arise then that may also provide an opportunity to consider costs incurred to that point.

Appeal

35. Any appeal must be lodged within 28 days

Phil Thorpe
Acting for the Comptroller