**PATENTS ACT 1977**

IN THE MATTER OF a reference under
section 37 and an application under section 13
by Keith Parsons in relation to patent number
GB2323455 in the name of Trafford Limited

**DECISION ON COSTS**

1. This decision relates solely to the award of costs in respect of proceedings which were launched before the comptroller and then withdrawn before any formal evidence had been filed.

**Background**

2. On 16 December 1998 Keith Parsons initiated proceedings under section 13(1) in respect of patent application number GB9811313.7 (now granted as GB2323455), in the name of Trafford Limited, by filing the relevant form, a short statement and a short letter from the declared inventor, Mr Fiore, supporting the statement. He did this without professional assistance. There was some uncertainty about what he was really seeking, so the Office asked Mr Parsons to clarify the position before formally serving the application on the patent applicant. Mr Parsons then engaged the services of a patent agent, and the outcome was an amended, one page, statement filed on 22 January. This made clear that he was making both a reference under section 8, claiming to be entitled to the rights in the patent application, and an application under section 13(1) and (3) to be declared the inventor in place of Mr Fiore.

3. The application/reference was then formally served on Trafford Limited, and it duly responded with a counterstatement. Like the statement, this was quite short. It denied Mr Parsons' claims, asserted entitlement via the alleged employer of the inventor or inventors, but did not go into any details. Mr Parsons was then given two months to file evidence, but in less than a month he wrote back withdrawing from the proceedings.

4. That, in essence, is all that has happened (apart from the grant of the patent application part way through, which means that the original section 8 reference is now treated as having been made under section 37). Trafford Limited is now pressing for an award of costs which, it says, should be "exemplary" because of the way the matter has been handled. It asserts that Mr Parsons made no attempt to approach it before filing the application/reference to see whether it might be possible to resolve the issues in an amicable way, nor has he attempted to have any discussions with it subsequently. Mr Parsons has been given the opportunity to comment on this assertion, but has decided not to do so. Both sides have, though, agreed that I should decide the question of costs on the basis of the correspondence on file, without having an oral hearing.

**Award of costs**

5. When someone launches proceedings before the comptroller and then withdraws from them, it would normally be appropriate for the other side to receive an award of costs in recognition of the unnecessary trouble to which they had been put, unless there are special circumstances. There are no such circumstances here, so the only real question for me to decide is the level of the costs. It is the comptroller's normal practice to award a just a contribution towards costs, using as a guide a scale which is periodically announced in the Patents and Designs Journal. According to this scale, since the case was withdrawn at a relatively early stage, the appropriate award would be for £135. In inviting me to award "exemplary" costs, though, the patentee is clearly suggesting I should make a higher award.

6. The Comptroller certainly has the power to deviate from the published scale, and indeed frequently does so. The question is, should I do so in the present case? In *Rizla Ltd's Application,* [1993] RPC 365, the hearing officer decided to award compensatory costs, but he was overturned on appeal. The Deputy Judge agreed that departure from the normal practice required exceptional circumstances, and then went on:

> "Counsel was unable to refer me to any reported case where such a strong order for costs has been made by the Comptroller and therefore there is no established yardstick to measure what might be regarded as exceptional. I believe a case such as the present

can only be regarded as exceptional if it can be shown that the losing party has abused the process of the comptroller by commencing or maintaining a case without a genuine belief that there is an issue to be tried. In my view, this is not shown to be such a case. There are of course a large number of other circumstances such as deliberate delay, unnecessary adjournments *etc* where the Comptroller will be entitled to award compensatory costs, but it is unnecessary to attempt to define what is clearly a wide discretion."

7. Whilst the patentee has not actually asked for "compensatory" costs, I believe this sets out the principles I should adopt in the present case in deciding whether to go above the published scale. On that basis, even if I accept the patentee's uncontradicted assertion that Mr Parsons made no attempt to resolve the issues in an amicable way before launching these proceedings, I have no evidence whatsoever that he launched the proceedings with no genuine belief that there was an issue to be tried. Further, he appears to have dropped them as soon as he realised his case was not worth pursuing. I can therefore see no reason to award costs higher than the scale. I also observe that as the statement was so short and the counterstatement not much longer, the actual costs the patentee is likely to have incurred will not be that high, even allowing for the discussions with its legal advisors behind the scenes.

8. I therefore order Keith Parsons to pay Trafford Limited £135 as a contribution to its costs.

9. As this decision does not relate to a matter of procedure, any appeal must be lodged within six weeks.

Dated this 28th day of May 1999

P HAYWARD
Divisional Director, acting for the comptroller

**THE PATENT OFFICE**