

PATENTS ACT 1977

IN THE MATTER OF an application
under section 72 by Radiuscrown Limited
for the revocation of Patent No 2240559
in the name of Ash & Lacey Building
Products Limited

PRELIMINARY DECISION

Introduction

- 1 The patent in suit, GB2240559, was granted to Ash & Lacey Building Products Limited in March 1994. It is concerned with structural members on which sheet materials are supported for use in building. On 26 April 2001 Radiuscrown Limited initiated an application for revocation of the patent under section 72 of the Patents Act 1977.
 - 2 The statement of case filed on that date stated that revocation was being sought on the grounds that:
 - C the invention claimed was not patentable because it was not new and/or lacked inventive step “having regard to the teaching of GB1298957 *et seq* and the common general knowledge in the art”; and
 - C the protection conferred by the patent had been extended by a pre-grant amendment which should not have been allowed.
- On 11 June 2001 the patentee filed a counterstatement which, amongst other things, requested that full particulars be given of the common general knowledge asserted and how it is to be combined with the teaching of the GB patent, and objected that the second part of the statement did not disclose any ground for revoking the patent.
- 3 There followed a number of rounds of correspondence, during which an amended statement and a re-amended statement were filed. I will return to the detail of these below. During this correspondence, the defendant made clear that it was considering whether to continue contesting the application, and indeed in its letter dated 8 October 2001 indicated that if it were awarded costs against the claimant, it would agree to the admission of the re-amended statement and would offer to surrender the patent or not continue contesting the proceedings.
 - 4 There followed an attempt by the two parties to come to an agreement about costs, but in the event this was not found possible. A letter from the defendant dated 10 December 2001 therefore maintained its objection to the admittance of the re-amended statement of case. Further, it also raised a new issue - whether the Comptroller should certify under section 72(7)(b) that it appears to her that the question as to whether the patent should be revoked is one which would more properly be determined by the

court. It also reiterated its submission that a costs order should be made now.

5 Thus we are now at the position where a preliminary decision is needed on three points, viz:

- 1) Whether to admit the re-amended statement.
- 2) If yes, whether to issue a certificate under section 72(7)(b)
- 3) Again if yes to 1), whether to make a costs order now in respect of the period up to the date of filing of the re-amended statement.

Both sides were given the opportunity to be heard on these points, but neither asked for this. It thus falls to me to decide these three points on the basis of the papers on the file, all of which I have considered and taken into account.

Whether to admit the re-amended statement

6 Whether or not to allow amendment to a statement of case is a matter for the comptroller's discretion, taking into account all the factors. In the present case those factors should, in my view, include:

- C the nature and relevance of the amendments;
- C the diligence of the applicant for revocation in preparing its case and requesting the amendment;
- C the grounds on which the defendant objects to the amendments and whether allowing amendments at this stage might be unjust to the patentee;
- C the public interest;
- C the effect of refusing to allow the amendments.

7 I will first consider the nature of the changes to the statement. As I have said, the original statement filed on 26 April 2001 raised the two grounds I have mentioned in paragraph 2 above. It did say a little more about the second ground than is in my short statement above, but said nothing material about the first ground beyond the clause I have quoted. There is little doubt in my mind that this was a totally inadequate statement. It is impossible to work out the basis of the case in respect of novelty and inventive step, especially as it depends on "common general knowledge" which is completely unspecified. Further, the argument that protection had been extended by a pre-grant amendment is manifestly untenable.

8 Following the patentee's understandable objections to the adequacy of this statement, an amended statement was filed on 23 July 2001. This did not alter the second ground (protection extended by amendment), but expanded the patentability ground by identifying more prior disclosures - another patent publication GB1566702, a brochure said to be published by British Gypsum Limited, and a drawing of a profile made on

behalf of a Swedish company. The defendant again complained, in a letter dated 9 August, that further particulars were essential for a proper consideration of the attack, but also argued that the addition of the new documents amount to the addition of new grounds. In my view the first of these complaints was justified. The amended statement did not indicate how the documents demonstrated lack of novelty or inventive step, and it still relied on unspecified common general knowledge, and so it still failed to identify adequately the matters in issue and all the facts to be relied on. Whether the addition of new documents was adding new grounds I cannot say because without looking at the extra documents in detail - and I do not need to do that at this stage - I do not know whether they are merely exemplars of the “common general knowledge” mentioned in the original statement or whether they go beyond this.

- 9 I should say in passing that the claimant did at one stage argue in correspondence that there was no obligation on it to identify the common general knowledge on which it relied, following the 1948 judgement in *Walton v Hawtins Ltd* 65 RPC 69. This point has not been fully argued before me and so I do not want to say much about it, but I do note that the claimant in that case was not relying on completely unspecified common general knowledge - the general nature of the relevant knowledge had been spelt out.
- 10 The re-amended statement that is now in issue was filed on 6 September 2001. It is a much fuller document than the previous two attempts. The “protection extended by amendment” ground is replaced by a more-detailed argument that most of the claims are not entitled to their claimed priority date, the novelty and inventive step grounds are separated and each spelt out in much more detail, and the nature of the common general knowledge identified. More prior art is also cited, including a further patent specification.
- 11 The amendments made to the statement, therefore, do much to clarify the matters in issue, and to that extent they are highly desirable. However, that is by no means sufficient reason for allowing them, because I also need to consider the other factors I have mentioned above. First, diligence. From the criticisms I have made of the claimant’s original statement and their first attempt at amending it, it should be clear that I am not going to award them any brownie points for diligence in terms of taking care to ensure their case was properly pleaded. Indeed, their original statement was lamentable. However, they just pass muster in terms of timeliness, in the sense that once their efforts had been criticised there was no excessive delay before amended versions were supplied.
- 12 I turn now to the patentee’s objections to admitting the amendments, and what strikes me here is that it has not objected on substantive grounds, eg complaining that their admission would be unjust to it. Its sole complaint is that it wants its costs. That complaint can be dealt with by a costs order; it does not in my view provide a sound reason for refusing the amendments.
- 13 I must now consider the public interest. It is not in the public interest for bad patents to remain on the Register, and it follows from this that if a patent is challenged and that challenge is not simply a vexatious one with no substance, it is in the public interest for that challenge to be considered properly. It may be, of course, that the patent will survive the challenge, but it is still in the public interest for it to be considered. In the

present case - and I am making no judgement at this stage as to whether or not the present patent is bad - the patentee has reacted to the challenge by suggesting they may well not fight for the patent. That clearly implies there is at least an arguable case to be answered, so the challenge cannot be totally lacking in substance. Public interest, therefore, points to allowing the amendments.

- 14 Finally, consideration of what would happen if I refused the amendments also points to allowing them. The claimant put it succinctly in a letter dated 11 December 2001, where it said "... there can be no point in seeking to reject the re-amended Statement of Grounds unless the intention is to force the Applicant to reapply for revocation upon precisely the same grounds...". I agree. The interests of speedy justice and minimising the period of uncertainty for the public at large would be better served by admitting the amendments than by requiring everything to start all over again.
- 15 Taking all these factors into account, I allow the original statement filed on 26 April 2001 to be replaced by the re-amended statement filed on 6 September 2001.
- 16 I should emphasise that I have not at this stage considered the content of any of the cited documents or of the specification or priority document. That belongs to a later stage, if these proceedings do in fact continue.

Whether to issue a certificate under section 72(7)(b)

- 17 I now turn to the second issue I have to decide: should I certify that the matter is one that would more properly be determined by the court . Section 72(7) states:

Where the comptroller has not disposed of an application made to him under this section, the applicant may not apply to the court under this section in respect of the patent concerned unless either -

- (a) the proprietor of the patent agrees that the applicant may so apply, or*
- (b) the comptroller certifies in writing that it appears to him that the question whether the patent should be revoked is one which would more properly be determined by the court.*

- 18 The defendant has only advanced one reason for issuing such a certificate, and that is because, it says, the grounds in the re-amended statement might require cross-examination. The claimant resists this, but I need not go into the details of its response. The comptroller's jurisdiction allows of cross-examination of witnesses, and her hearing officers are well-used to this. Accordingly the mere fact that cross examination might be necessary is not, in my view, sufficient reason for issuing a certificate. The comptroller is as well-placed as the court to deal with this matter, and of course, proceedings before the comptroller are likely to be more expeditious and less expensive than proceedings before the court. I therefore decline to issue a certificate under this section.

Costs

- 19 The defendant has pressed for costs in respect of the period up to the date of filing of the re-amended statement to be awarded to it. As the defendant has pointed out, the comptroller made clear in paragraphs 12 - 14 of Tribunal Practice Notice 2/2000 that costs orders are now much more likely to be made as the cause of them arises, rather than waiting until the proceedings are finally disposed of, and I consider this is a case where it is appropriate for me to consider a costs award now.
- 20 Given the criticisms I have made of the claimant's first two attempts at pleading its case, it seems to me that the defendant has been put to extra work that would have been avoided if the claimant had pleaded its case properly at the outset, or even when it first amended its statement. I therefore agree with the defendant that it is entitled to costs in respect of the proceedings up to the filing of the re-amended statement. Indeed, in a letter dated 28 September the claimant conceded those costs, though only in the event that the proceedings are no longer to be contested.
- 21 The comptroller normally only awards a contribution towards costs, based on a published scale, and I can see no reason for departing from that scale in this case. On that basis, I order the claimant, Radiuscrown Limited, to pay the defendant, Ash & Lacey Building Products Limited, the sum of £500 as a contribution to their costs in respect of the period up to the filing of the re-amended statement. However, I am going to stay payment of that amount, for reasons I will explain in a moment.
- 22 For the avoidance of doubt, I am aware that the claimant has said that it has already offered the defendant rather more than this sum in their attempts to settle costs between them, but that this offer was rejected. However, the fact that the claimant may have been willing to be more generous is not, in my view, a good reason for me to depart from the scale.

Future course of the proceedings

- 23 In the normal course of events, the next step would be to allow the defendant to submit an amended counterstatement in response to the re-amended statement. Since they have had plenty of time already to consider the re-amended statement, I would allow them four weeks for this. However, as I said earlier, the defendant has indicated that it would either not continue contesting the proceedings or offer to surrender the patent if the re-amended statement were admitted. I must point out that these two are not the same - surrender is not retrospective whereas revocation is, so if the claimant has indeed made out a *prima facie* case, it is likely that an offer to surrender would not be accepted - but either way no amended counterstatement would be needed.
- 24 Accordingly, I allow the defendant four weeks from today to (a) confirm that it intends to continue contesting the proceedings and to submit an amended counterstatement if it so wishes, or (b) confirm that it does not wish to continue contesting the proceedings, or (c) offer to surrender the patent. If the defendant opts for (a), the normal evidence rounds will then follow. If the defendant opts for (b) or (c), I will then consider whether to revoke the patent.
- 25 I must now return to the costs award. I have decided to stay it because it seems to me there is a high probability I might end up making a costs award in the opposite

direction in the near future, and in that case it would be appropriate to offset one award against the other. A costs award to the claimant might well arise for two reasons. First, of the three issues with which this decision is concerned, the defendant has lost the two main ones and only won on the one that was not contested anyway (*viz* costs). *Prima facie*, therefore, the claimant is entitled to costs in respect of the proceedings since the filing of the re-amended statement to the date of this decision. Second, if the defendant opts for (b) or (c) and I go on to revoke the patent, the claimant will have won on the substantive issues and *prima facie* will be entitled to a contribution to its costs for this reason too. It would not be appropriate for me to make a decision on either of these now, partly because the parties have not been given a chance to make any submissions on the matter and partly, in respect of the second, because we don't yet know which way the defendant will jump.

- 26 Nevertheless I do not want to leave the costs award I have already made hanging in mid air for a prolonged period. Accordingly, I direct that if either side wishes to make any submissions about costs in respect of the proceedings since the filing of the re-amended statement to the date of this decision, it should do so within the four week period I have allowed in paragraph 24 above. Further, if the defendant opts for (b) or (c) it should at the same time make any submissions it may wish to make on costs in respect of the substantive issues. The claimant will, of course, then also be given a chance to make submissions. Either way, in the light of the submissions (if any) from both sides, I will either confirm the costs award I have made above or modify it to reflect any further costs award I am minded to make, and set a deadline for payment. This is subject to neither side demanding a hearing on costs, but I sincerely trust they will both be content with written submissions.

Appeal

- 27 As this decision relates to matters of procedure, any appeal against it must be lodged with 14 days.

Dated this 7th day of February 2002

P HAYWARD

Divisional Director, acting for the comptroller

THE PATENT OFFICE