

21 November 2012

PATENTS ACT 1977

BETWEEN

Linstol UK Limited

Claimant

and

David Huang

Defendant

PROCEEDINGS

Application for revocation under section 72
in respect of patent number GB2417385

HEARING OFFICER

A C Howard

DECISION**Introduction**

- 1 UK Patent GB2417385 (hereafter “the patent”) was filed on 16 August 2005 in the name of David Huang (hereafter “Mr Huang”), claiming a priority date of 17 August 2004. The patent was granted on 21 November 2007. The invention relates to an acoustic device comprising a noise reduction unit for combating noise in a resonance chamber of the device and finds particular use in the context of noise-reducing headphones.
- 2 An application for revocation of the patent on the grounds of lack of novelty, inventive step and sufficiency was made by Linstol UK Limited (“Linstol”) on 30 September 2010. This included a request that the Comptroller should make an order for Mr Huang to give security for costs as he is a resident of Taiwan and thus falls under the conditions of rule 85(1)(a). After due consideration of arguments from both sides, the application for security for costs was granted on 30 March 2011.
- 3 The application for revocation came before me at a hearing on 20 September 2011 and in my interim decision dated 19 January 2012 (BL O/015/12) I found that the claims as granted were invalid for want of either novelty or an inventive step. However, I also agreed, for reasons set out in that decision, to allow Mr Huang the opportunity to offer amendments to the claims with a view to rectifying the defects I had found. I additionally granted a request by Linstol that Mr Huang should provide further security for costs.

- 4 On 9 February 2012 Mr Huang filed an amended counterstatement incorporating a request under section 75 of the Act to amend his claims. This was advertised in the Official Journal on 9 May 2012.
- 5 In the meantime an order for further security for costs was made on 15 March 2012. This stated that Mr Huang had provided security for £500 with an additional £1000 or £1500 to be given if the application proceeded to a telephone or oral hearing respectively, the additional security to be provided four weeks in advance of the appointed hearing date.
- 6 Linstol filed a supplementary statement on 21 May 2012 opposing the amendments on several grounds including added matter, lack of novelty and lack of inventive step. Mr Huang responded with a supplementary counterstatement on 14 August 2012 denying Linstol's grounds.
- 7 Following a case management conference conducted by telephone on 30 August 2012, an oral hearing was appointed for 11 October 2012.
- 8 Up until this point, Linstol had been represented by Mr James Robey of Wilson Gunn, and Mr Huang had been represented by Mr Robert Games of Albright Patents LLP.
- 9 However Mr Games, in a letter dated 13 September 2012, stated that Albright Patents LLP had been unable to obtain instructions from their client or payment to cover the security for costs required as "the senior person instructing [them at their] client's company [was] on leave for a business trip and [was] not returning to the office for a month". The letter mentioned that the person in question's assistant had asked Albright Patents to negotiate with the Office with the aim of trying to delay proceedings for a month, and concluded by saying that "[w]ithout instructions, I regret that Albright Patents LLP can take no further part in these proceedings".
- 10 In response Linstol sought clarification as to whether Albright Patents LLP was in fact representing Mr Huang. This was followed on 21 September 2012 by an Office letter indicating that I was not minded to allow a postponement of the hearing and requesting clarification from Albright Patents LLP as to whether they were still acting for the defendant and of their position as to security for costs.
- 11 Mr Games responded on 28 September 2012 that they were not acting for Mr Huang and that they were not in a position to offer security for costs. Subsequent correspondence established that Albright Patents LLP were acting as the European Economic Area (EEA) address for service for Mr Huang albeit that they could not represent Mr Huang at the hearing or provide security for costs.
- 12 Mr Huang was warned in an Office letter dated 4 October 2012 that the provisions of section 107(4) of the Patents Act 1977 allowed the Comptroller to consider whether to treat the request to amend the patent as abandoned, and both sides were invited to make submissions on this point. The letter made clear that it would be assumed that the parties were content for the matter to be decided on the papers if no response was received within one week, and in this event the hearing planned for 11 October 2012 would be cancelled.

- 13 No response was received from Mr Huang and as a result the hearing was cancelled leaving a decision to be made on the papers.

The matter at issue

- 14 As a result of the above I have to decide whether Mr Huang's request to amend the patent should now be treated as abandoned. In the event that I should so decide, I also have to decide on the question of revocation of the patent as raised in the main proceedings.

The Law

- 15 The relevant section of the Patents Act 1977 is section 107(4) which states:

(4) The comptroller may make an order for security for costs or expenses against any party to proceedings before him under this Act if –

- (a) the prescribed conditions are met, and
- (b) he is satisfied that it is just to make the order, having regard to all the circumstances of the case;

and in default of the required security being given the comptroller may treat the reference, application or notice in question as abandoned.

Discussion

- 16 The use of the word "may" in section 107(4) clearly establishes that there is discretion to treat the reference etc as abandoned where security for costs is not forthcoming. It is not an automatic consequence (contrary to what might be thought from paragraph 107.12 of the Manual of Patent Practice). Nevertheless, this is in practice the only sanction available in such a situation and accordingly must in my view be the usually expected outcome in the absence of good reasons to the contrary.
- 17 Mr Huang can have been in no doubt as to his need to provide security for costs. He had, through his representatives, been fully engaged with these proceedings and everything up to the point where the further security for costs became due under the terms of my order dated 15 March 2012 suggested that he wished to proceed with the case.
- 18 However after that things changed. Mr Huang failed to provide the required further security for costs. He left apparently without authorising anyone to act for him or providing any means for contacting him despite the upcoming hearing date. Neither has he made any submission on the present question with regard to whether his request to amend should be treated as abandoned. The strong inference I draw from this is that Mr Huang has lost all interest in these proceedings and I can find no reason why I should come to any conclusion other than that I should treat the request as abandoned.

- 19 A consequence of abandonment of the request to amend is that the patent remains in its as-granted state. Since I have previously found that to be invalid, it follows that the patent must be revoked as foreshadowed in my interim decision dated 19 January 2012.

Conclusions

- 20 For the reasons set out above, I direct that the request to amend UK Patent number GB24117385B under section 75 of the Patents Act 1977 be treated as abandoned, and that the said patent be revoked in accordance with section 72(1) of the Patents Act 1977.

Costs

- 21 Linstol have won and are entitled to an award of costs. My interim decision of 19 January dealt with costs up to that date, which means that I need to consider only the proceedings since then. Taking into account the fact that this case was heading for an attended hearing up to the point where it became apparent that Mr Huang was not going to provide the required additional security for costs, I award Linstol the sum of £500 as a contribution towards their costs. This sum should be paid within seven days of the expiry of the appeal period below. In the event of an appeal, payment may be suspended.

Appeal

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

A C HOWARD

Divisional Director acting for the Comptroller