



element or elements when the temperature sensed by the sensor is at or above a predetermined minimum temperature.

- 4 The idea of sensing a threshold temperature before providing power to the heating elements is referred to by the parties as the “shiver mode”.
- 5 On 22 August 2013 I issued a preliminary evaluation setting out my view of the issues. Following the usual evidence rounds the matter came before me at a hearing in Leeds Magistrates Court on 13 and 14 October 2014.

### **Preliminary matters**

- 6 In the preliminary evaluation I identified a question regarding which patents from the family might be the subject of this dispute, since section 12 gives the comptroller a power to determine questions about entitlement to foreign patents at any time before a patent is granted. At the hearing the parties agreed that all of the patents have been granted and that the question before me therefore is limited to the GB patent, i.e. whether any right in or under the patent should be transferred to or be granted to Daletech (section 37) and whether a certificate should be issued to correct the list of named inventors (section 13).

### **Summary of evidence**

- 7 Messrs Dawson and Shenton from Daletech and Mr Overend formerly employed by Jemella all gave witness statements, along with Dr Moore, an employee of Jemella. Messrs Dawson and Overend and Dr Moore each provided two witness statements. All four men were cross examined at the hearing.
- 8 I should say at the outset that I found the testimony of Dr Moore of limited assistance. Not for any fault on Dr Moore’s part I must add, but simply because the events in question all took place prior to his involvement with Jemella.
- 9 Bearing in mind that those events took place almost ten years before the hearing, I found Messrs Dawson and Shenton to be honestly attempting to recall what had occurred.
- 10 Whilst overall I found Mr Overend to be an honest witness on matters of fact, there seemed to me to be some inconsistency in Mr Overend’s explanation of the expectation of ownership of intellectual property rights resulting from collaborative design and development work undertaken for Jemella. On the one hand under cross-examination he insisted that ownership of rights in the shiver mode would have gone to Daletech. On the other hand he confirmed that he was charged with ensuring that appropriate protection was put in place for his then employers Jemella, he worked with patent attorneys as an employee of Jemella on the application for the patent despite apparently believing that rights in the invention belonged to Daletech, and ultimately several patents were filed and granted in the name of Jemella. As a consequence, I have approached Mr Overend’s testimony with some caution.

### **Summary of arguments**

- 11 According to the witness statement of Mr Overend, Jemella began by selling hair styling irons imported from Korea and subsequently began to design their own products with the assistance of outside contractors for manufacture in Korea. At this

time Jemella were still essentially a sales and marketing company. One of their contractors was Daletech, who provided a variety of services to Jemella over a number of years, including testing and design work associated with faults identified in products and with meeting relevant standards.

- 12 As part of his product development duties for Jemella, Mr Overend assembled a development team and as part of that team Daletech was represented by Messrs Dawson and Shenton. The team considered solutions for problems with existing products and also potential new developments.
- 13 One such problem that arose was instances of failing products used by travelling hair stylists. The irons were failing after being left overnight in car boots and subsequent investigation by Daletech traced the problem to condensation forming inside the irons when brought indoors and causing short circuits. The solution to this problem was the basis of the invention for which the patent was granted.
- 14 In their statement of case and skeleton argument, Daletech assert that their business includes the design and development of electronic products and new products for suppliers to the hairdressing and hair care trade. They also suggest that companies such as theirs may operate on the basis of retaining the intellectual property rights arising from their work or they may assign those rights to the customer. In the latter situation they argue that a higher fee would be negotiated.
- 15 Daletech allege that the invention arises from work carried out in response to the purchase order dated 11 November 2004 signed by Mr Overend on behalf of Jemella and the quotation dated 8 November 2004. Neither the purchase order nor quotation refers to intellectual property rights.
- 16 Daletech say that after the problem of condensation forming on the circuit boards had been identified, Messrs Dawson and Shenton came up with the solution of preventing power supply to the heating element when a sensed temperature is below a predetermined minimum temperature. Daletech claim to be entitled to the patent by virtue of the inventors, Messrs Dawson and Shenton, being employees of Daletech.
- 17 Jemella agree that Messrs Dawson and Shenton were inventors, along with their then employee, Mr Overend, as part of ongoing work by the development team. However, they argue that by virtue of an earlier Commissioning Agreement between the parties dated 15 December 2003, any intellectual property rights arising from work commissioned from Daletech by Jemella was to be assigned to them.

### **The law**

- 18 There is no dispute between the parties as to the relevant law. Sections 7 and 37 of the Act deal with the right to apply for and obtain a patent and with determining questions of entitlement after grant, the relevant parts of which read as follows:

*7(1) Any person may make an application for a patent either alone or jointly with another.*

*7(2) A patent for an invention may be granted -*

*(a) primarily to the inventor or joint inventors;*

*(b) in preference to the foregoing, to any person or persons who, by virtue of any enactment or rule of law, or any foreign law or treaty or international convention, or by virtue of an enforceable term of any agreement entered into with the inventor before the*

*making of the invention, was or were at the time of the making of the invention entitled to the whole of the property in it (other than equitable interests) in the United Kingdom; (c) in any event, to the successor or successors in title of any person or persons mentioned in paragraph (a) or (b) above or any person so mentioned and the successor or successors in title of another person so mentioned; and to no other person.*

*7(3) In this Act "inventor" in relation to an invention means the actual deviser of the invention and "joint inventor" shall be construed accordingly.*

*7(4) Except so far as the contrary is established, a person who makes an application for a patent shall be taken to be the person who is entitled under subsection (2) above to be granted a patent and two or more persons who make such an application jointly shall be taken to be the persons so entitled.*

*37(1) After a patent has been granted for an invention any person having or claiming a proprietary interest in or under the patent may refer to the comptroller the question -*

*(a) who is or are the true proprietor or proprietors of the patent,  
(b) whether the patent should have been granted to the person or persons to whom it was granted, or  
(c) whether any right in or under the patent should be transferred or granted to any other person or persons;*

*and the comptroller shall determine the question and make such order as he thinks fit to give effect to the determination.*

*37(2) Without prejudice to the generality of subsection (1) above, an order under that subsection may contain provision -*

*(a) directing that the person by whom the reference is made under that subsection shall be included (whether or not to the exclusion of any other person) among the persons registered as proprietors of the patent;  
(b) directing the registration of a transaction, instrument or event by virtue of which that person has acquired any right in or under the patent;  
(c) granting any licence or other right in or under the patent;  
(d) directing the proprietor of the patent or any person having any right in or under the patent to do anything specified in the order as necessary to carry out the other provisions of the order.*

*37(3) If any person to whom directions have been given under subsection (2)(d) above fails to do anything necessary for carrying out any such directions within 14 days after the date of the order containing the directions, the comptroller may, on application made to him by any person in whose favour or on whose reference the order containing the directions was made, authorise him to do that thing on behalf of the person to whom the directions were given.*

- 19 Section 13 of the Act states that the inventor or inventors of an invention shall have a right to be mentioned as such in any published application or granted patent. If a person alleges that someone has been named as inventor that ought not to have been, then that person may ask the comptroller to decide the matter and to have the situation corrected.
- 20 The parties refer to two relevant cases: *Yeda Research and Development Company Limited v Rhone-Poulenc Rorer International Holdings Inc [2008] RPC 1* and *Markem Corp v Zipher Ltd [2005] EWCA Civ 267*. It is clear from these two cases that an enquiry into entitlement to a patent involves identification of the invention concept(s) contained in the specification and then an examination of fact to determine the

deviser(s) of the inventive concept(s). I must then decide whether any other party is entitled to the patent via the inventor(s), for example through a contract of employment or other agreement.

### **Arguments and analysis**

- 21 In my earlier preliminary evaluation I identified the inventive concept in the patent as an electric hair iron which overcomes the problem of condensation associated with operating an iron in low temperatures, the iron having a control circuit which prevents the supply of power to the heating elements when a temperature sensor detects that the temperature is below a minimum threshold. There seems to be no dispute over this.
- 22 Consistent with the information on the published patent, Messrs Dawson, Shenton and Overend all claim to be devisers of the invention: Mr Overend says that he identified the problem and Messrs Dawson and Shenton say that they came up with the solution using a temperature sensor and some additional software code.
- 23 Jemella essentially agree with this: they do not deny the inventive involvement of Messrs Dawson and Shenton and insist that Mr Overend collaborated in the devising of the invention. Daletech argue that Mr Overend had no part to play in devising the invention.
- 24 According to Mr Dawson's witness statement, Mr Overend relayed the problem of faulty hair irons being reported by mobile hairdressers at a meeting on 28 October 2004. He says that Mr Overend asked whether Daletech could find a solution. According to Mr Shenton's witness statement at paragraph 27, it was he who carried out the tests which ascertained that condensation was the cause of the problem. He states at paragraph 27 that "*At no time did any employee of Jemella carry out these tests at our premises*". Mr Overend's statement is less specific, saying at paragraph 22 "*Upon investigation we determined that condensation was forming on the circuit board ...*". Mr Overend clarified this in cross-examination, saying that by "we" he meant Jemella. He then says that this problem was relayed to the development team and that Messrs Shenton and Dawson presented the shiver mode solution at the next meeting.
- 25 Mr Shenton explains that in the tests carried out by him, it appeared that when the ambient temperature was below 5°C there was the possibility of condensation forming on the electronic components which was likely to be causing electrical leakage. He says that the tests involved putting the hair irons in the fridge in their staffroom to simulate the cold ambient temperature and identifying the temperature at which the electrical leakage did not occur. From these tests, Daletech were able to design a control circuit employing a negative temperature coefficient sensor to prevent power being applied to the hair irons below a particular temperature.
- 26 On the basis of this evidence it appears that two scenarios are likely. Jemella may have realised that the problem with the hair irons was being caused by condensation and then asked Daletech to develop a solution or, alternatively, the condensation problem only became apparent after testing by Daletech. Daletech were clearly the devisers of the solution, but who was responsible for identifying the condensation problem that led to Daletech's solution? If it was Mr Overend then I believe he would have contributed to the devising of the invention and is rightly named as inventor. If Daletech was responsible for identifying the condensation problem then Mr

Overend's role appears to extend only to commissioning Daletech to find a solution to the reported faults and should not be named as inventor.

- 27 Given Mr Dawson's and Mr Shenton's accounts of the meeting with Gemella on 28 October 2004 when the environmental conditions in which hair irons were kept immediately before developing a fault were considered, i.e. they were kept in the boot of a car in the early morning, it appears to me very likely that the problem of condensation was known to Gemella at this time. Mr Dawson and Mr Shenton do not say that they conducted any other tests to establish the cause of the faults, and the testing conducted by Mr Shenton appears to be aimed only at establishing the threshold temperature for condensation faults. This would be consistent with Mr Overend's statement that Gemella determined that condensation was a problem and then tasked Daletech with finding a solution. Therefore, taking all the evidence into account, I find that all three of the named inventors, i.e. Mr Overend, Mr Dawson and Mr Shenton, each contributed to devising the invention.
- 28 Section 7 of the Act primarily entitles the inventor to the patent for his invention. However, this presumption may be overridden for example where the inventor enters an agreement with another person before the making of the invention. Such an agreement might be a contract of employment; so, for example, Daletech would be entitled to any patent for any invention devised by Messrs Dawson and Shenton, and the same would be true for Gemella in the case of Mr Overend. The patent, however, was granted to Gemella alone.
- 29 Clearly Messrs Dawson and Shenton were not directly employed by Gemella and so Gemella cannot derive sole entitlement via that route. However, they do point to a Commissioning Agreement dated 15 December 2003 between the parties, where they say that clauses 2.1.6 and 5.1 make clear reference to intellectual property rights arising as a result of the agreement should be held by Gemella. The Commissioning Agreement is specifically concerned with an earlier project, the so-called "retro-circuit", which required Daletech to develop a more reliable circuit for fitting into an existing hair styler, although the wording of clause 2.1.6 says "*including but not limited to all intellectual property rights in and in connection with the Retro Circuit and Product Documentation ...*".
- 30 It seems to me that this agreement was solely concerned with work on the retro-circuit and not with other work that Daletech undertook for Gemella. The documentation relating to work on the shiver mode, that is to say the purchase order dated 11 November 2004 and quotation 40082 dated 8 November 2004 with the attached project specifications, makes no mention of intellectual property rights.
- 31 In the absence of any written terms explicitly relating to intellectual property rights in the shiver mode, what am I to conclude regarding the arrangements between the parties governing intellectual property rights? There are several documents that do make some reference to such rights. I have already mentioned the Commissioning Agreement. There is also a single page document headed GHD Design Brief prepared by Mr Overend and dated 3 November 2003, and according to Mr Dawson this document acted as an agenda for a meeting between Daletech and Gemella to discuss resolving some issues with the existing products. Point 9 of the document says "All design copyright to be exclusive property of GHD.". As with the Commissioning Agreement, this design brief is well separated in time from the work on the shiver mode and cannot, I believe, be said to directly relate to the work that was done later that led to the invention.

- 32 However, all of this appears to be illustrative of Jemella's intentions regarding intellectual property generally. Given Mr Overend's description of being tasked by Mr Martin Penny of Jemella with ensuring that appropriate intellectual property protection was put in place, the references in the Commissioning Agreement and design brief of 2003 and the subsequent filing of patents in the UK and abroad, it seems clear that at the relevant time securing intellectual property protection was Jemella's normal way of conducting business. Mr Overend sought to put this in the context of dealing with problems of counterfeiting rather than seeking rights in underlying technology. While I do not doubt Mr Overend's evidence that Jemella was troubled by counterfeiting and sought to address the problem using intellectual property rights, I do not feel that there is anything to back up his distinction between the approaches taken by Jemella in relation to dealing with counterfeiting and dealing with contractors such as Daletech.
- 33 There seems to be much less evidence of Daletech's interest in intellectual property rights. There appear to be no documents originating from Daletech that make reference to intellectual property rights nor any evidence that Daletech sought any intellectual property rights resulting from their work. In their statements of grounds launching this action, Daletech refer to alternative practices regarding intellectual property that businesses such as Daletech might follow. Specifically they contend that such businesses retain the intellectual property in the intellectual assets that they create for their customers except where they contract expressly to the contrary, usually in return for a higher fee. There is no evidence that this is the practice that Daletech were following. Indeed, under cross-examination, Mr Dawson gave the following answers to questions from Mr Cantrill:

*Mr Cantrill: No; but we have agreed that it was an item which you knew before you went into the meeting, and it was an item that was not discussed. Therefore, I suggest, by default, it was accepted by you and, therefore, the quote you gave, despite the fact you say you wouldn't have done, must have been under the understanding of the assignment passing to Jemella, the intellectual property passing to Jemella?*

*Mr Dawson: It would be as an assumption, but it was not discussed.*

*Mr Cantrill: But it clearly is a term and condition of the purchase order? It must be.*

*Mr Dawson: I don't read it as that.*

*Mr Cantrill: How would you read it, then?*

*Mr Dawson: Because it was not a discussed item —*

*Mr Cantrill: But it was written down.*

*Mr Dawson: ... it was not a matter of concern. It was the technical challenge and the brief that we were interested in. As far as the patent or the copyright is concerned, we have some ground rules in that regard. We have no interest, under normal circumstances, in patent, copyright or intellectual rights.*

*Mr Cantrill: Oh, you have no interest?*

*Mr Dawson: No. Hence, that is why we didn't broach the subject. We assumed that if the customer pays for the service, then the rights belong to the customer, under normal circumstances.*

*Mr Cantrill: Thank you for that explanation. But how does that stand, then, with the statement you make at paragraph 3 on page 2 of the Statement of Grounds? The paragraph says: "Where a customer desires the intellectual property in a new product as opposed to a licence to make and sell it, the creator/designer will try to negotiate a higher fee." I will put it in context. You acknowledge that it was part of the design brief, you acknowledge that the default position was that if the customer pays, the customer owns the intellectual property?*

*Mr Dawson: Yes.*

- 34 It seems clear from this exchange that Mr Dawson believed that the customer, Jemella, owned the intellectual property.
- 35 Jemella refer to drawings forming part of two different manufacturing document packs prepared by Daletech and showing circuit boards marked either "(c) JEMELLA LIMITED" or "COPYRIGHT 2005 JEMELLA LIMITED" and suggest that these demonstrate that Daletech did not intend to retain rights in their work for them. For their part Daletech point out that these drawings were prepared by a contractor rather than by Daletech themselves. The fact that it was a contractor that prepared the drawings might suggest that this was simply an oversight of Daletech's part who failed to notice a minor feature in one sheet within a much larger document pack. Consequently I find this to be a relatively minor indicator of the business practices of Daletech, but in so far as it shows anything it reinforces my view that Daletech believed that Jemella were entitled to the intellectual property rights in the work Daletech performed for Jemella.
- 36 In the absence of any written terms explicitly relating to ownership of intellectual property rights in the shiver mode invention, it seems from all of this that both Jemella and Daletech assumed that Jemella would be entitled to any intellectual property rights arising from work carried out by Daletech on Jemella's behalf. Furthermore, it seems that both parties' behaviour was entirely consistent with this assumption:
- Mr Overend initiated the application that led to the patent and worked with a patent attorney in its preparation. In an e-mail dated 9 November 2006, Mr Overend agreed with the attorney's description of the manner of Jemella's entitlement as being by virtue of employment in the case of Mr Overend and by assignment on the part of Messrs Dawson and Shenton;
  - Messrs Overend, Dawson and Shenton all signed power of attorney forms and Messrs Dawson and Shenton signed forms declaring themselves to be inventors for the US Patent and Trademark Office in June 2008 without apparently querying them.
- 37 Thus it seems that both parties' stated positions and their behaviour are entirely consistent with Jemella being entitled to the patent. I should add that I would arrive at

the same conclusion even if I had found that Mr Overend was not a deviser of the invention.

### **Conclusions**

- 38 Daletech have failed to establish that they were entitled to the patent and I conclude that Jemella are rightly entitled to it. Messrs Dawson, Shenton and Overend are correctly identified as the inventors.

### **Costs**

- 39 Jemella have succeeded in defending their entitlement to the patent and are entitled to costs. In proceedings before the comptroller costs are usually awarded on a standard scale, and in his closing statement Mr Cantrill requested costs from that scale. In view of the hearing taking place in Leeds for the convenience of the parties, of the fact that the hearing took less than two days and given the relatively straightforward nature of the statements and evidence, I am minded to make a slightly lower award of costs. Therefore, I order that the claimant pays the respondent a sum £2500 as a contribution to its costs in these proceedings, this sum to be paid within seven days of the expiry of the period for appeal.

### **Appeal**

- 40 Any appeal must be lodged within 28 days.

### **H Jones**

Deputy Director acting for the Comptroller