



PATENTS ACT 1977

BETWEEN

Rosie Vernon

Claimant

and

Christopher Ebejer and Paul Wickens

Defendants

PROCEEDINGS

Reference under Section 37 of the Patents Act 1977
in respect of patent number GB 2466902

HEARING OFFICER

Phil Thorpe

Christopher Ebejer and Jane Ebejer represented the defendants.
The claimant chose not to participate

Hearing date: 05 March 2018

DECISION

Introduction

- 1 This decision deals with the question of who is entitled to patent GB 2466902 (“the patent”). The patent was granted to Mr Christopher Ebejer on 16th March 2011. Mr Ebejer is also the only named inventor.
- 2 There is no dispute that Mr Ebejer is the inventor of the invention. Mr Ebejer explains that he came up with the idea for the invention, which relates to baby clothing comprising a thermo-chromic material that gives a visual indication if a baby is too hot, in 2004. He worked on the idea for four years before seeking patent protection.
- 3 According to Mr Ebejer in early 2016 he was introduced by an associate of his, Mr Paul Wickens, to Mr Charles Carter. Mr Ebejer at the time was looking for funding to develop and commercialise the invention. Mr Carter indicated that he might be able to secure some investment for that purpose. Mr Ebejer, Mr Wickens and Mr Carter agreed to form a company, Baby Glow UK Ltd, as a vehicle to market the invention. Mr Carter suggested that they use an employee of his, Mr John Ellis, to draw up the necessary documentation.
- 4 A meeting was held on 4th July 2016 which was attended by Mr Ebejer, Mr Carter and Mr Ellis. At that meeting Mr Ellis produced two documents; a Bill of Sale dated

3rd July 2016 and a Purchase of Business and Patent Agreement dated July 4th 2016 that transferred the patent to Baby Glow UK Ltd. The documents were pre signed by Ms Rosie Vernon on behalf of Baby Glow UK Ltd. According to Mr Ebejer, Mr Carter had informed him that Ms Vernon was at the time the girlfriend of Mr Ellis. Mr Carter had apparently enquired why Ms Vernon was named on the documents. Mr Ellis explained that because Mr Carter had been busy, and that he did not have Mr Ebejer's details, to save time he had gone ahead and formed the company using Ms Vernon as the sole director and shareholder. Mr Ellis, it is claimed went on to say that he could easily change the names of the directors and shareholders. Mr Ebejer duly signed the documents.

- 5 An application to register the transfer of ownership of the patent from Mr Ebejer to Baby Glow UK Ltd was subsequently filed with the IPO on 16th August 2016.
- 6 There were then two further changes to the registered owner of the patent. The first registered an assignment of the patent from Baby Glow UK Ltd to Ms Vernon whilst the second registered an assignment of the patent from Ms Vernon to Mr Ebejer and Mr Wickens.
- 7 The current registered patent proprietors are therefore Mr Christopher Ebejer and Mr Paul Wickens.

8 The claimant in this case, Ms Rosie Vernon, claims entitlement to the patent in a reference filed under section 37 on 10th May 2017.

9 Section 37 reads so far as is relevant:

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.

- 10 The defendants have also filed their own reference under section 37. That reference does not give rise to any new grounds or issues and hence has been stayed pending the outcome of these proceedings.
- 11 The substantive hearing took place via video conference on 23rd March 2018. Mr Christopher Ebejer, Mrs Jane Ebejer and Mr Paul Wickens appeared in person for the defendant. Though Mr Ebejer had requested cross-examination of Ms Vernon and Mr Ellis, in the event none of the witnesses who had provided witness statements were cross-examined. Further despite being the claimant in these proceedings Ms Vernon choose not to attend the hearing.
- 12 During the course of the hearing a legal point arose for the first time and I allowed both sides an opportunity to make written submissions on the point after the hearing. I discuss this further below.

The Hearing

- 13 I need first to say something about the hearing. From the outset of these proceedings Ms Vernon has expressed a concern for her personal safety. It was for this reason that she indicated that she would not be prepared to attend a preliminary hearing on 5th March 2018 to consider a request by Mr Ebejer to strike out this reference. In response the IPO sought to explain the nature of hearings, offering the possibility of joining via phone or video. Ms Vernon was also given the opportunity to visit the IPO site at Newport in advance of the hearing to familiarise herself with the layout and to learn about the arrangements for the hearing. It was however made clear that if she did this then she would not meet anyone involved in the dispute especially the hearing officer. In the event Ms Vernon did not take up this offer nor did she participate in the preliminary hearing¹.
- 14 A similar situation arose in respect of the substantive hearing. In advance of the hearing both sides were asked to confirm which of the other side's witnesses they wished to cross examine. I advised both sides of the purpose of cross examination and the sort of factors that I would take into account if the need for a particular witness to be cross examined was contested. I also explained that if a witness refused to be cross examined then I would have no option but to discount any written evidence that person had provided unless the other side agreed otherwise. I also explained the powers that I had to order a person to attend a hearing under rule 82 of the Patent Rules 2007. I further went on to explain that provision could be made for the parties to be kept separate at the substantive hearing and for cross examination to be conducted by video conference.
- 15 Mr Ebejer responded seeking the opportunity to cross examine Ms Vernon and Mr Ellis.
- 16 Ms Vernon made no request for cross-examination. Further she indicated that she would not agree to be cross examined as she feared for her safety and "did not wish to be put in such a dangerous position". She noted that the office had said that the arrival and departure time of the parties could be staggered however she did not believe this to be sufficient to guarantee her safety. She also questioned why her written evidence would be discounted if she did not attend for cross-examination. She also noted that she was no longer in contact with Mr Ellis hence "he will not be attending the hearing".
- 17 In a letter of 16th March 2018 which was copied to the defendant, I explained again to Ms Vernon that the purpose of cross-examination was to allow evidence to be challenged. I also reiterated that the IPO's site in Newport is a secure site with secure on-site parking and that all visitors participating in the hearing would be escorted by IPO staff at all times. I advised Ms Vernon again that arrangements could be made to have the parties in separate rooms with any cross examination being via video conference. I also offered the opportunity for the parties to attend the hearing by video from separate IPO sites. Despite all of these possible safeguards, Ms Vernon was still unwilling to attend the hearing and be cross-examined. I did consider making an order under rule 82 in respect of Ms Vernon and Mr Ellis however decided against doing so as it would almost certainly have required a Court

¹ See Decision BL O/163/18

order to enforce. Furthermore Mr Ebejer was not pressing for me to make such an order.

- 18 The consequence of Ms Vernon and Mr Ellis not attending the hearing and submitting to cross examination is that I must disregard those parts of their evidence which are contested by Mr Ebejer and where it is clearly not supported by other evidence. Where Ms Vernon's evidence and Mr Ebejer's evidence contradict each other then I must also favour Mr Ebejer's evidence over that of Ms Vernon's. Furthermore given that Ms Vernon has chosen not to cross-examine Mr Ebejer, Mr Wickens and Mr Carter then unless there is a clear reason not to do so then I must accept their evidence.

Argument and discussion

The first registered assignment

- 19 The first registered assignment on the patent was from Mr Ebejer to Baby Glow UK Ltd. The application to register this assignment was made on a Patent Form 21 filed on 16th August 2016. Filed in support of this application was a Bill of Sale dated 3rd July 2016. Also relevant to this assignment, though not included with the application to register, is a Purchase of Business and Patent Agreement dated 4th July 2016 (referred to hereinafter as the "July Purchase Agreement"). Both the Bill of Sale and the July Purchase Agreement are signed by Mr Ebejer and Ms Vernon with the signatures on the Bill of Sale also witnessed by Mr Charles Carter.
- 20 At the hearing Mr Ebejer confirmed that it was indeed his signature on these documents. He further noted that the date that he and Mr Carter signed the Bill of Sale was the 4th July 2016 rather than the 3rd July 2016. He states that the July Purchase Agreement, the Bill of Sale and a Form TM16 had been presented to him by Mr Ellis already containing the signature of Ms Vernon. He did not see Ms Vernon sign them though he is not challenging that it is indeed her signature. Ms Vernon has not challenged that it is her signature on these documents. Mr Ebejer accepts that he signed the TM16 Form. This form is used to register a change in ownership of a trade mark. The Form 21 to transfer the patent was not presented to him by Mr Ellis at that time. This form was submitted to the IPO on 16th August 2016. Although it appears to include his signature, Mr Ebejer now claims that he did not sign it. He does not however rely in any way on this apparent falsifying of his signature on this Form and in any case nothing really turns on it since it would be the July Purchase Agreement that transferred ownership rather than the Form 21.
- 21 Mr Ebejer however contends that both the Bill of Sale and the July Purchase Agreement are invalid as Baby Glow UK Limited was not formally incorporated when these documents were signed. In support of this Mr Ebejer has provided a copy of the Certificate of Incorporation for Baby Glow UK Limited which shows that it was incorporated on 5th July 2016.
- 22 Mr Ebejer refers specifically to the provision in the July Purchase Agreement that notes that the purchaser, Baby Glow UK, "has all the necessary corporate power, authority and capacity to enter into this agreement".

23 Mr Ebejer second point in respect of the July Purchase Agreement is that it is void because he was not made a shareholder of Baby Glow UK Ltd as the agreement required. The relevant part of the agreement reads as follows:

“23. Purchaser’s Representations and Warranties

24. The Purchaser Baby Glow UK represents and warrants to the seller the following:

...

h. The purchaser of the patent and trade marks will add the seller Christopher Ebejer as a shareholder of the company baby glow limited.”

24 Also relevant are paragraphs 31 and 37 relating to the “conditions precedent” to be performed by the purchaser. These reads:

31. The obligation of the seller to complete the sale of the Assets under this Agreement is subject to the satisfaction of the following conditions precedent by the Purchaser, on or before the Closing Date, each of which is acknowledged to be for the exclusive benefit of the Seller and may be waived by the Seller entirely or in part:

...

f. All of the representations and warranties made by the Purchaser in this Agreement will be true and accurate in all material respects on the Closing Date.

g. The Purchaser will obtain or complete all forms, documents, consents, approvals, registrations, declarations, orders, and authorisations from any person or any governmental or public body, required of the Purchaser in connection with the execution of this Agreement.”

37. If either party fails to satisfy any condition precedent as set out in this Agreement on or before the Closing Date and the opposite Party does not waive that condition precedent, then this Agreement will be null and void and there will be no further liability as between the parties; however a grace period of 10 days will be allowed for any unforeseeable problems, such as a change of company name because of companies house issues”.

25 The Closing Date for the purposes of the agreement is specified as Monday 4th July 2016.

26 On the first point of Baby Glow UK Ltd not having been formed when the documents were signed, I referred Mr Ebejer at the Hearing to Section 51 of the Companies Act 2006 which reads as follows:

51 Pre-incorporation contracts, deeds and obligations

(1) A contract that purports to be made by or on behalf of a company at a time when the company has not been formed has effect, subject to any agreement to the contrary, as one made with the person purporting to act for the company or as agent for it, and he is personally liable on the contract accordingly.

(2) Subsection (1) applies—

(a) to the making of a deed under the law of England and Wales or Northern Ireland, and

(b) to the undertaking of an obligation under the law of Scotland,

as it applies to the making of a contract.

- 27 Following the hearing I gave the opportunity to both sides to make submissions on the relevance of this provision. The submissions made by the parties unfortunately went beyond the specific legal point I raised. I have only considered those parts relating specifically to section 51.
- 28 Ms Vernon raises a number of points on section 51. Firstly she highlights the reference in the provision that the contract “has effect”. She refers also to *Phonogram Limited v Lane*² where Lord Denning, in commenting on section 9(2) of the European Communities Act 1972 which reads in much the same way as the later section 51, noted that a contract can indeed purport to be made on behalf of a company, even though that company is known to both parties not to be formed and that it is only about to be formed. Ms Vernon contends that she was aware when she signed the July Purchase Agreement that the company hadn’t been formed and that she submitted the relevant documentation later that evening. She surmises that it was the lateness of her doing this that led to the incorporation date falling into the next day. Ms Vernon further notes more generally that a contract can also be verbal or by way of conduct.
- 29 In his further submission, Mr Ebejer argues that by virtue of Section 51, Ms Vernon became personally liable due to the non-incorporation of the company at the time of the agreement. This obviously is different to arguing that the agreement is void.
- 30 I believe that Mr Ebejer is nevertheless in essence right and the fact that the company had not been formed at the time the July Purchase Agreement was entered into meant that the agreement was between Ms Vernon and Mr Ebejer. The consequent of this was that Ms Vernon became the owner of the patent rather than Baby Glow UK Ltd. I should add that I have not been presented with anything to indicate that Baby Glow UK Ltd somehow went on to assume ownership of the patent when it was incorporated.
- 31 On Mr Ebejer’s second point regarding him not being made a shareholder, then I am not persuaded that the apparent failure of this to happen rendered the transfer of the patent void. In particular I do not read the July Purchase Agreement as requiring Mr Ebejer to be made a shareholder before ownership of the patent was transferred. That he was not made a shareholder by Ms Vernon³ may give Mr Ebejer a cause of

² *Phonogram Limited v Lane* [1982] QB 938

³ It would appear that Mr Ebejer did become, and indeed still is, a shareholder in Baby Glow UK Ltd.

action for breach of contract but it does not in itself render the transfer of the patent void.

- 32 My conclusion on the first assignment is that by virtue of the July Purchase Agreement ownership of the patent transferred to Ms Vernon from Mr Ebejer.

The second registered assignment

- 33 I turn now to the second registered assignment which transferred ownership of the patent from Baby Glow UK Ltd to Ms Vernon. Given my conclusion on the first assignment then this second assignment is in effect a nullity as Ms Vernon was already at the time the owner of the patent. I will however consider the arguments made in relation to this second assignment in case I am wrong on the first assignment and that the effect of that was to transfer ownership of the patent to Baby Glow UK Ltd.
- 34 The evidence provided in the application to register this second assignment consisted of a "Bill of Sale" signed by Ms Vernon as both seller and purchaser. The Bill of Sale is also signed by Mr Ellis under the head "SIGNED, SEALED AND DELIVERED BEFORE ME". The Bill of Sale notes that the sale of the patent took place on 20th November 2016.
- 35 Mr Ebejer contends that even if the patent was owned by Baby Glow UK, Ms Vernon had no right to transfer ownership to herself. Mr Ebejer argues that it is clear that Ms Vernon's intention from the off had been to get personal ownership of the patent. He finds support for this in her initial efforts to register the patent in her name on the basis of the July Bill of Sale and Purchase Agreements. This was he contends thwarted when the IPO challenged the basis of her claim given that the Bill of Sale that she had filed in support of her application related to the transfer of the patent to Baby Glow UK Ltd rather than to her personally. Ms Vernon's response was to have the register changed to record that the patent transferred to Baby Glow UK Ltd at that time rather than to herself.
- 36 Mr Ebejer contends that the terms of the July Purchase Agreement prevented Ms Vernon as a Director of Baby Glow UK from transferring the patent from the company to herself. There seemed to be some confusion between the parties as to precisely what the agreement said about re-selling the patent. Perhaps not surprisingly each side seemed more intent on arguing about whether the other side had altered the agreement to support their respective case. The copy of the July Purchase Agreement however provided by Mr Ebejer with his counterstatement, which he refers to as Doc 3, includes the following in the section entitled "Purchaser's Representations and Warranties" :

24.

d) The Purchaser has not committed any act or omission that would give rise to any valid claim relating to a brokerage, commission, finder's fee, or other similar payment; however the purchaser as the new proprietor of the patent GB2466902 and all material including but not limited to trade marks world wide reserves the right to re-sell the patent/trade marks without any consent from any share holders if it be in the company's best interest."

- 37 Although it was not entirely clear to me, Mr Ebejer seemed to be arguing that this provision did not give Ms Vernon the right to re-sell the patent. I did not take Mr Ebejer to be going as far as to argue that Baby Glow UK as the purchaser did not have the right to re-sell the patent though he did argue that any sale would not have been in the best interests of the company.
- 38 Mr Ebejer further suggests that the sale is void because the Bill of Sale relating to the transfer ownership from Baby Glow UK Ltd did not refer to the company by its full name but instead referred to it simply as Baby Glow UK. He seeks support from this from section 25 of the Company, Limited Liability Partnership and Business (Names and Trading Disclosures) Regulations 2015/17 which reads:
- 24.— Registered name to appear in communications
- (1) Every company shall disclose its registered name on—
- (a) its business letters, notices and other official publications;
- (b) its bills of exchange, promissory notes, endorsements and order forms;
- (c) cheques purporting to be signed by or on behalf of the company;
- (d) orders for money, goods or services purporting to be signed by or on behalf of the company;
- (e) its bills of parcels, invoices and other demands for payment, receipts and letters of credit;
- (f) its applications for licences to carry on a trade or activity; and
- (g) all other forms of its business correspondence and documentation.
- (2) Every company shall disclose its registered name on its websites.
- 39 I am not persuaded at all that how Baby Glow was referred to in the Bill of Sale voids the sale since it is clear what was intended. In any event the Bill of Sale was merely a record of the sale. It is not an agreement in itself transferring ownership of the patent.
- 40 Mr Ebejer further argues that Ms Vernon had no right to sell the patent to herself due to the non-completion of other terms of the July Purchase Agreement. I can however see nothing in the agreement preventing Ms Vernon as the sole director and shareholder in Baby Glow UK Ltd from selling the patent to herself. Section 24(d) of the Purchase Agreement clearly allows her to do so if it is in the best interest of the company. Mr Ebejer contends that such a sale is not in the best interests of the company however he has not provided me with any evidence to support that.
- 41 There is one final point Mr Ebejer makes on this assignment. That is that Ms Vernon claimed in the Form 21 filed on 7th December 2016 that the reason for the sale of the patent to herself was because the company was closing. Even if this was not true, I am not convinced it invalidates the sale. At the time of the sale Ms Vernon was the sole director in Baby Glow UK Ltd and hence had the right to sell the patent to whomever she wished.
- 42 Hence despite Mr Ebejer's various arguments I am satisfied that had Baby Glow UK Ltd been the owner of the patent as of 20th November 2016 then it transferred ownership of the patent on that date to Ms Vernon.

The third registered assignment

43 I turn now to the final registered assignment which transferred the patent from Ms Vernon to Mr Ebejer and Mr Wickens. The application to register this assignment was made on a Form 21 filed 28th March 2017. Filed in support of the application was a copy of a Purchase of Business Agreement dated 15th December 2016 (referred to hereinafter as the “December Purchase Agreement”). The December Purchase Agreement is signed by Rosie Vernon, Chris Ebejer and Paul Wickens with all signatures witnessed by Mr Charles Carter. The agreement notes that the parties “have duly affixed their signatures under hand and seal on this 15 December 2016”.

44 Ms Vernon contends that she did not sign the December Purchase Agreement and that the signature alongside her name is a forgery. In support of this she has submitted a report from Ms Melanie Pugh of Questioned Documents Service. The report notes that a signature comparison has been made between the signature purported to be Ms Vernon’s on a copy of the agreement and sample signatures provided by Ms Vernon. The report finds differences between the signature on the agreement and the samples noting that these differences cast doubt on the authenticity of the signature on the agreement. The report however goes on to note that “In order to offer an evidential opinion of authorship in this case I advise that the original Purchase of Business Agreement bearing the questioned signature is submitted for microscopic examination of the signature along with a wider range of reference signatures made in the course of Ms Vernon’s everyday life.” I note further that the report is titled “Letter of Opinion (not intended for Court purposes)”.

45 Ms Pugh was not called to give oral evidence. Mr Ebejer has however submitted an email exchange that he had with Ms Pugh in which he sought further information as to the equipment and techniques she had employed in her comparison. In an email to Ms Vernon dated 1st August 2017 which Ms Vernon does not contest, Ms Pugh refers to the query from Mr Ebejer and states (with original added emphasis):

“Please note that the letter of advice we prepared for you **is not** to be used as “evidence” in Court or other proceedings and should not be relied upon for this purpose.

If a report is required to be used as evidence then please communicate this via the appropriate channels.”

46 Mr Ebejer accepts that the signature of Mr Wickens and his signature on the December Purchase Agreement are genuine. Mr Ebejer also accepts that he did not witness Ms Vernon sign this agreement. He is thus unable to verify whether it is her signature on the agreement though he is adamant that neither he nor anyone else on his behalf forged Ms Vernon’s signature. In his counterstatement Mr Ebejer speculates that Mr Ellis may have signed documents on behalf of Ms Vernon including possibly the December Purchase Agreement. In Mr Ellis’ witness statement, submitted by Ms Vernon, however Mr Ellis states that he never signed documents on behalf of Ms Vernon.

47 Mr Ebejer also notes that at the time he had not appreciated the significance of the seller referred to in the December Purchase Agreement being Ms Vernon rather than Baby Glow UK Ltd. In his witness statement which was not challenged, Mr Carter states that he had asked Mr Ellis to prepare the agreement so that the company

could be handed back to Mr Ebejer. He goes on to note that a meeting was arranged with Mr Ellis, Mr Ebejer, Mr Wickens and him in December 2016. That meeting according to Mr Ebejer took place at Mr Carter's office on 15th December 2016 with Mr Ellis, Mr Ebejer, Mr Wickens and Mr Carter present. Mr Carter notes that Ms Vernon was not present but that her signature had already been added to the agreement in the same way that it had been added to the earlier July Purchase Agreement.

- 48 I should add that Ms Vernon has provided evidence from Mr Ronnie Vernon stating that she was at her home address on the 15th December 2016 and from Mr Stephen Barker confirming he was in email and telephone contact with Ms Vernon on that date. The aim of this evidence was I believe to show that Ms Vernon was not at the 15th December meeting however Mr Ebejer does not contend she was present.
- 49 So where does that leave me? It is not contested that the earlier July documents were presented to Mr Ebejer by Mr Ellis pre-signed by Ms Vernon. Did the same happen with the December Purchase Agreement? Given the repeated and explicit qualifications made by Ms Pugh I believe that I can give little if any weight to the forensic report she produced for Ms Vernon. The only other evidence that Ms Vernon has provided to support her claim that her signature was forged by Mr Ebejer or on his behalf is her witness statement. This was contested by Mr Ebejer who denied that he or anyone else on his behalf forged Ms Vernon's signature. It is possible that cross examination may have helped resolve this contradiction. Mr Ebejer had requested cross examination of Ms Vernon. Ms Vernon did not ask to cross examine Mr Ebejer nor did she consent to being cross examined. This is I believe ultimately fatal to her case since I must accept Mr Ebejer's assertion that he did not forge Ms Vernon's signature nor is he aware of anyone doing it on his behalf. In the absence of any other suggestions by Ms Vernon as to who might have forged her signature I must conclude that the signature on the December Purchase Agreement is hers. Hence the December Purchase Agreement transferred the patent from Ms Vernon to Mr Ebejer and Mr Wickens. They are therefore the rightly named owners of the patent.
- 50 For completeness I would add that my finding in relation to the third assignment is such that even if I am wrong about the first assignment, and notwithstanding the issue with the date of incorporation of Baby Glow UK Ltd, that this did transfer the patent to Baby Glow UK Ltd, then because of the second and third assignments the patent would necessarily still have ended up in the possession of Mr Ebejer and Mr Wickens. Indeed the only way that Ms Vernon could succeed with her claim was to show on the balance of probabilities that she had not signed the December Purchase Agreement. This she has not done and therefore her claim to entitlement must fail.

Conclusion

- 51 The true proprietors of patent GB 2466902 are the currently registered owners Mr Christopher Ebejer and Mr Paul Wickens.
- 52 Ms Vernon's claim to entitlement to the patent therefore fails.

Costs

- 53 Mr Ebejer and Mr Wickens as the successful party in these proceedings are entitled to a contribution towards their costs. Having reviewed the proceedings my preliminary view is that an on-scale⁴ award of £1200 is justified to cover the proceedings. This reflects the fact that whilst the proceedings have been somewhat prolonged, they were evidentially light and the hearing relatively brief.
- 54 I will however allow both sides 28 days from the date of this decision to make submissions on costs should it believe that an award different to that amount is justified. In the absence of any such submission then the above sum will become payable by Ms Vernon within 7 days of the expiry of that date.

Appeal

- 55 Any appeal must be lodged within 28 days after the date of this decision.

Phil Thorpe
Deputy Director acting for the Comptroller.

⁴ [Tribunal Practice Notice 4/2007](#) – Costs in proceedings before the Comptroller