



PATENTS ACT 1977

BETWEEN

University of Southampton

Claimant

and

Windracers Limited

Defendant

PROCEEDINGS

References under sections 12, 13 and 37 in respect on UK patent GB 2585185B
and related foreign and convention applications

HEARING OFFICER

B Micklewright

Mr Simon Robinson (Barker Brettell) appeared for the Claimant
Mr Benet Brandreth KC, instructed by Dechert, appeared for the Defendant

Hearing date: 18 November 2024

PRELIMINARY DECISION

Background

- 1 These proceedings relate to references under sections 12, 13 and 37 of the Patents Act 1977 in respect of UK patent GB 2585185 B, EP patent application 20734623.0 and US patent application number 17/618.719 (“the patents”). The patents name James Scanlan, Joe Roberts and Tom Reed as inventors, and are in the name of the defendant, Windracers Limited. The claimant submits that Professor James Scanlan should be identified as the sole inventor in the patents, and that the claimant is solely entitled to the patents.
- 2 Both parties entered into a research agreement on 21 March 2018 and, according to the claimant, several variations of this agreement were agreed, and additional “confirmatory assignments” signed by the three inventors in relation to the GB application at least. As well as the inventorship question, the question as to whether the invention in the patents is considered “foreground IP” or “background IP” under the research agreement is important to this dispute.
- 3 On 12 July 2024 the defendant commenced proceedings in the High Court. In the High Court proceedings, the claimants are named as Windracers Limited and Distributed Avionics Limited, and the defendants as the University of Southampton

and Professor James Scanlan. In the High Court proceedings, the claimants seek declarations that Windracers is the true and sole proprietor of the GB patent which is the subject of the dispute before the comptroller, and is entitled to be granted any such patent arising from the EP and US applications referred to in these present proceedings. They also seek a declaration that Windracers is the sole owner of the confidential information and/or trade secret rights and/or copyright in something defined in the Particulars of Claim as the “Avionics Know-How” developed prior to 1 September 2020, and that the claimants are joint owners of the confidential information and/or trade secret rights and/or copyright in the Avionics Know-How developed after 1 September 2020.

- 4 This decision relates to a request made by the defendant that the comptroller decline to deal with the references. The claimant disputes this request, and the matter therefore came before me at a preliminary hearing on 18 November 2024. At this hearing the claimant was represented by Mr Simon Robinson (Barker Brettell) and the defendant by Benet Brandreth KC, instructed by Dechert.

The law

- 5 Section 12 provides the comptroller with powers to determine entitlement to foreign and convention patent applications. Section 12(2) provides for the comptroller to decline to deal with proceedings under section 12:

(2) If it appears to the comptroller on a reference of a question under this section that the question involves matters which would more properly be determined by the court, he may decline to deal with it and, without prejudice to the court's jurisdiction to determine any such question and make a declaration, or any declaratory jurisdiction of the court in Scotland, the court shall have jurisdiction to do so.

- 6 Section 37 provides for the determination of ownership of a GB patent after grant. Section 37(8) states:

(8) If it appears to the comptroller on a reference under this section that the question referred to him would more properly be determined by the court, he may decline to deal with it and, without prejudice to the court's jurisdiction to determine any such question and make a declaration, or any declaratory jurisdiction of the court in Scotland, the court shall have jurisdiction to do so.

- 7 The question of the exercise of the discretion provided to the comptroller in sections 12(2) and 37(8) was considered by Warren J in *Luxim v Ceravision*.¹ Paragraph 51 reads:

“I agree, of course, that not all entitlement cases must inevitably be referred to the court because they all now involve the underlying merits. But a case which, before Markem, was thought not to be highly complex or even complex, may, as a result of the need to look at the underlying merits, become highly complex or complex. The test is the same in either case: does the question involve matters which would more properly be determined by the court. Equally, a case which before Markem was complex or highly complex because it did involve the need to look at the underlying

¹ *Luxim Corp v Ceravision Ltd* [2007] RPC 33

merits, cannot, I think, transform overnight as a result of Markem into a case which is no longer complex or highly complex.”

- 8 Paragraph 55 of the judgment refers to four sorts of issues which may arise in an entitlement dispute, and considered the suitability of a hearing officer to deal with them, bearing in mind they are a technical person, not a lawyer:

“a. Technical issues: this may need expert evidence to assist the decision maker. Ordinarily, a hearing officer will be equipped to deal with such issues.

b. Factual issues unrelated to technical issues: these are bread-and-butter matters for a judge. Of themselves, they may not merit a referral to the court. But the issues may be seen to be sufficiently complex to merit transfer, especially, I would observe, if findings of fraud or breach of fiduciary duty are to be found against a party or a witness, a factor which, whilst not by itself conclusive, one might normally expect to be more appropriate for a judge.

c. Patent law issues; the hearing officer is usually to be expected to be a suitable tribunal to deal with such issues, be they English or foreign law issues.

d. Non-patent law issues: I agree with Mr Thorley in thinking that issues of this sort (whether of English or foreign law) would ordinarily be regarded as the province of the judge. Of course, it cannot be said that any case which involves a point of law is one which would more properly be dealt with by a judge, but it is a factor and may very well be an important factor.”

- 9 In addition, in relation to difficult points of law, Warren J stated in paragraph 56:

“More importantly, where the real issue, or one of the real issues, in the case turns on a difficult point of English law (and especially if it is a point of non-patent law), not only does that factor of itself point towards a referral to the court, but the removal of a tier of appeal also points to that course. Where the issue is one of law of sufficient complexity to think that the matter is one for the Court of Appeal at the end of the day, there is little point in a hearing officer spending time on the issue when the court will have to do so in any case. To be balanced against that is the possibility that the party which wishes the case to remain in the Office will not appeal from the hearing officer if he loses or, having won, from the court if he loses on an appeal by his opponent.”

- 10 Warren J then concluded in paragraph 68:

“So, provided that one recognises that what is complex is not an absolute standard, I do not think that the Comptroller can go far wrong if he were to consider exercising his discretion whenever a case is complex; he is to be the judge of what is and what is not complex in this context. What he should not do is start with a predisposition to exercise his discretion sparingly, cautiously, or with great caution. Complexity can be manifested in various aspects of a question or the matters involved in a question and counsel have identified different areas to which different considerations may apply – technical issues, factual issues, patent legal issues and non-patent legal issues to name some. What may seem technically complex to a lawyer may not seem technically complex to a hearing officer; and, the other way, what may seem complex legally to a hearing officer may seem straightforward to a lawyer. It is for the Comptroller to judge how each relevant matter or question appears to him given its complexity. I do not read Jacob LJ as saying anything different from this in paragraph 44iii) of IDA either (i) when he refers to complex cases or (ii) when he says that the

Comptroller's jurisdiction should be reserved for relatively straightforward cases. The phrase "relatively straightforward" of itself involves a comparison or a scale. An involved technical issue may be relatively straightforward to a hearing officer; a legal issue which to a lawyer may be relatively straightforward may not be to a hearing officer, and may not, on that basis, so appear to the Comptroller."

- 11 Mr Brandreth also referred me to *IDA v Metcalfe*² in which Jacob LJ (as cited by Warren J in paragraph 25 of *Luxim*) said:

"iii) It is clearly unsatisfactory for a dispute to be in two different fora. So, as I have already said, if the Comptroller finds that there are (or are going to be) parallel proceedings for breach of confidence or contract in the Court (High or County) then, unless he is satisfied that resolution of the entitlement proceedings before him will resolve all matters between the parties, he should normally, at a very early stage, refer the dispute to the court using his powers under s.8(7) or the corresponding sections."

- 12 Mr Brandreth also highlighted that the point is captured in paragraph 8.30 of the Manual of Patent Practice which states:

"The most common reason for a request is that there are parallel High Court proceedings covering much the same issues, and it would be undesirable for the [sic] both the court and the comptroller to be deciding the same issues."

- 13 Whilst Jacob LJ's comments were *obiter*, as Warren J says in *Luxim*, I accept that the question of parallel High Court proceedings is relevant to the question of declining to deal.

- 14 The principles laid out in *Luxim* were applied in *NGPOD Global v Aspirate N Go*.³ At paragraph 10 Mann J considered Warren J's analysis in *Luxim*:

Warren J went on to consider how the test applied to the facts of his case and various factors which were capable of going to the assessment of whether the matter would be "more properly" determined by the court than by the hearing officer. They included:

(a) The fact that a different costs regime applied before the hearing officer – in the court full adverse costs orders could be made against a losing party, but far lower adverse costs are payable in the IPO (paragraph 49).

(b) Technical issues – ordinarily a hearing officer would be equipped to deal with those (paragraph 55(a), implicitly adopting the submissions of counsel).

(c) Factual issues unrelated to technical issues. "Factual issues unrelated to technical issues: these are bread-and-butter matters for a judge. Of themselves, they may not merit a referral to the court. But the issues may be seen to be sufficiently complex to merit a transfer, especially, I would observe, if findings of fraud or breach of fiduciary duty are to be found against a party or a witness, a factor which, whilst not by itself conclusive, one might normally expect to be more appropriate for a judge" (paragraph 55(b)).

² *IDA Ltd v Metcalfe* [2006] EWCA Civ 145

³ *NGPOD Global Ltd v Aspirate N Go Ltd* [2017] FSR 25

(d) Patent law issues – normally the hearing officer would be expected to deal with those (paragraph 55(c)).

(e) Non-patent law issues – these would normally be regarded as the province of the judge, but that did not mean that any case which involved such an issue would be more properly dealt with by a judge. This struck Warren J as an important factor. (Paragraph 55(d)).

(f) The test was not whether a matter could be described as "highly complex"; nor was the jurisdiction one which should be exercised cautiously, or with great caution or sparingly. (paragraph 65).

(g) All relevant factors must be weighed in the balance (paragraph 66).

- 15 Mann J also referred to Warren J's conclusions in paragraph 68 set out above.
- 16 Mr Brandreth submitted, by reference to *Luxim*, that the test is not whether the comptroller is unable to determine the issue, but whether a court could more properly do so, and complexity, in whatever form that complexity arose, was a factor pointing to transfer. Whilst I agree with this as far as it goes, I note Warren J's comments in paragraph 68 of *Luxim* that complexity can be manifest in various aspects of a question, and a consideration of these various aspects is warranted. Mr Robinson submitted that in *Luxim* the question as to whether the matter would more properly be dealt with by the court includes legal, factual, and technical aspects.
- 17 I agree that the principles set out in *Luxim* and summarised in *NGPOD* are the ones I need to consider in deciding whether to decline to deal in the present case, including legal, factual, and technical aspects. As the legislation says, I must determine if the question is more properly dealt with by the court, and, in considering this question, need to consider whether the question is complex. Mann J's summary in *NGPOD* provides a useful framework for considering the issues and I will consider them below, as well as the question of the existence of parallel High Court proceedings.

Assessment

- 18 In my assessment I will consider each of the factors listed in paragraph 10 of *NGPOD* in turn, as well as the existence of the parallel High Court proceedings, and consider whether the factors together suggest that the question involves matters which would more properly be determined by the court.

(a) Different costs regimes

- 19 Mr Brandreth submitted that this dispute is of considerable significance to Windracers and Distributed Avionics because the patented invention and associated Avionics Know-How is essential IP at the heart of their business, and they therefore wish to fully investigate and defend the entitlement claim. He considered the cost, because of the demands of disclosure and the need for a full investigation of the factual position, to outstrip the costs recovery available at the IPO, and therefore adequate costs protection would not be provided. Mr Brandreth referred me to paragraph 45 of *NGPOD* in which Mann J considered arguments made in relation to different cost regimes in that case. In paragraph 46 he states:

“The question is how the potential imbalance of costs and liabilities impacted on where the proper venue for the dispute was. In my view this is another error on the part of the hearing officer. He should have dealt with the question in the context of what it said about the appropriate venue for the determination of the dispute.”

- 20 In that case Aspirate argued that the lack of exposure of NGPOD to costs in the IPO meant that it could “take a punt” in the proceedings, spending as much or as little as it liked, and its lack of exposure to Aspirate's costs was unfair and unbalanced. Aspirate had no choice, it had to spend to whatever it took to defend the proceedings, because they posed an “existential threat” to the company. Mr Brandreth submitted that the case here is as that in *NGPOD*, it is “literally an existential dispute for them,” whilst the University is taking a punt on ownership in circumstances where it has already been paid £1.4 million for the research work it did. He referred me to paragraph 50 of *NGPOD* in which Mann J said “*Whether or not the patents, and success in the case, are very significant to NGPOD, they are undoubtedly patents of real financial and commercial significance to Aspirate, and that is a strong pointer to the High Court,*” arguing that the defendant was in the same position in the present dispute. Mr Brandreth submitted that there is no suggestion from the University that it cannot afford to litigate in the High Court, or that by dealing with this claim in the High Court, they will be stifled in their ability to assert the points that they wish to assert.
- 21 Mr Robinson submitted that contentious proceedings before the comptroller have the benefit of being swift, relatively inexpensive, and having a lower cost risk compared to proceedings before the High Court. To decline to deal with the matters of entitlement would unjustly deprive the claimant of those benefits, running counter to rule 74(3). Mr Robinson emphasised the charitable status of the claimant, and its purpose to further education and research and deliver a public benefit, submitting that a claimant such as this should not be exposed to the additional complexity and costs of the High Court. He argued that the costs regime is an innate feature of IPO proceedings, which Parliament have decided should be the norm for entitlement disputes.
- 22 The significance of the patents to the defendant’s business does not appear to have been challenged by the claimant. I therefore accept that these patent applications are essential to the defendant’s business, as Mr Brandreth asserts. I can see no basis for Mr Brandreth’s assertion that the claimant is “taking a punt” in relation to these proceedings, and accept the claimant’s point that I need to consider the overriding objective to deal with the case justly. Moreover, the purpose of the limited costs regime before the tribunal is to allow questions such as entitlement to be determined without the risk of exposure to large costs, as Mr Robinson submits. I do not however place great weight on the fact that the claimant is a charitable organisation. Rather, as Mann J said in paragraph 46 of *NGPOD*, I must consider how the potential imbalance of costs and liabilities impact on where the proper venue for the dispute should be. I do not consider this point to be determinative in its own right as to which venue could more properly deal with the dispute, but, on balance, given the essential nature of the patents to the defendant, and considering Mann J’s comments in *NGPOD*, I think this point weighs slightly in favour of the High Court as the more proper venue for this dispute.

(b) Technical issues

23 Mr Robinson submitted that the technical issues would not present any difficulties to the hearing officer, and Mr Brandreth did not dispute this point. It is evident to me that the comptroller is well equipped to deal with the technical issues arising in this case.

(c) Factual issues unrelated to technical issues

24 This point was heavily disputed by the parties. Mr Brandreth submitted that the complexity in this case does not arise from a particularly obtuse area of law, but from the scale and depth of the dispute between the parties. He submitted that, because the court has greater facility and experience with disclosure and witness handling on the scale anticipated, I should decline to deal with the reference.

25 Mr Brandreth submitted that a significant disclosure exercise would be needed, not simply in relation to the number of documents, but also in relation to timescales, going back to 2018 at least, in order to adequately consider when and by whom particular concepts were developed, and would also need to cover questions such as the contractual variations and the position of Professor Scanlan in relation to the entitlement claim. He considers that, as Professor Scanlan is not party to the IPO proceedings, the question of disclosure orders made against him personally are complicated by the issue of whether the University could compel disclosure from him, or whether third party disclosure orders would be needed.

26 Mr Brandreth referred me to paragraph 44 of NGPOD, in which Mann J states: “Mr Abrahams took the point that, while disclosure is available in the IPO, it is seldom if ever ordered, whereas it is standard in High Court proceedings. In my view, if it were necessary the IPO could order disclosure, and would doubtless do so. However, the inevitability of significant disclosure in the case is another strong pointer towards the High Court, if only to make sure that it is properly policed yet properly given.” On this basis he argued that the clear requirement for a substantial disclosure exercise against parties that are not involved directly in the dispute at the IPO are all strong pointers in favour of the exercise of my discretion to decline to deal.

27 Mr Brandreth also pointed to the scale of cross-examination required in these proceedings as an indication of complexity. He submitted that cross-examination of the three named inventors would be needed but also, in the light of the broader contractual context, cross-examination would involve at least Mr Wright of Windracers and a comparable witness from the University. Mr Brandreth also submitted that evidence from a further six witnesses would be needed to explore the broader development of the technology. He referred to paragraphs 38 and 39 of NGPOD, in which Mann J considered that case to involve substantial witness action which pointed to complexity. He submitted that these observations apply equally in the present case, and therefore that it was more appropriate for the court to deal with the case given the scale of the exercise, which the court would be well placed to handle. Mr Brandreth also highlighted that Professor Scanlan’s cross-examination may throw up particular challenges and argued that the High Court was better able to handle them, pointing out that, as a matter of fairness, he is a party to those proceedings.

28 Mr Robinson considered the fact-find exercise to be typical for entitlement disputes and well within the capabilities of the comptroller. He considered the factual aspects

of the present case to include demonstrating how the invention was devised by the inventor, the relationship of the inventor to the claimant, and the chronology of interactions between the claimant and the defendant and submitted that this is no more than a typical fact-finding exercise. He disputed the defendant's argument that the case would be too factually complex for the comptroller. Mr Robinson submitted that the evidence from the three inventors should potentially not be viewed as substantial and the comptroller is well used to such cross-examination of witnesses. He also submitted that the comptroller has the framework and resources to decide on such matters even if some years have passed, and to allow cross-examination of witnesses as required.

- 29 The comptroller is experienced in managing the cross-examination of multiple witnesses and has explicit powers to order disclosure (rule 86(b) of the Patents Rules 2007 ("the Rules")). These matters of themselves do not, in my view, point to the matter being complex so that I should decline to deal. Moreover, an exploration going back six years, or even more, is nothing unusual in entitlement proceedings and also does not, in its own right, point to the case being complex.
- 30 The scope of the disclosure necessary and the scale of the cross-examination of witnesses, both in terms of number and of depth, is not entirely clear to me. Mr Brandreth asserts that a significant discovery exercise will be needed, and possibly ten or more witnesses called. It is not however clear whether all possible witnesses will be needed, or, if they are, how much depth their evidence will need to go into. I note however that Mr Robinson has not disputed Mr Brandreth's assertions as to the scale of the fact-finding exercise, except perhaps in a reference to the cross-examination of the three inventors, although it is not apparent that this was intended to be an indication that no further witnesses would be needed. Taking all the evidence available to me into account, I will take Mr Brandreth's assertions as to the scope of the fact-finding exercise in terms of disclosure and witnesses to be the maximum that could be required. I suspect that the actual fact-finding exercise could be smaller in scope but, particularly given that Mr Robinson has not disputed the points of detail, I accept, on the balance of probabilities, that it will involve at least some disclosure and evidence from more than the three inventors. Weighing up all the submissions made to me, I conclude that the fact-finding exercise is not clearly complex, but has the potential to contribute to the case being complex if the scope of the exercise becomes close in scope to that suggested by Mr Brandreth in his submissions.
- 31 In reaching this conclusion I should comment briefly on the situation concerning Professor Scanlan. Mr Brandreth has asserted that Professor Scanlan has himself claimed ownership of the patents in correspondence with the defendant. However, this correspondence is not yet in these proceedings, and the pleaded case is that the University of Southampton is entitled to the patents. I therefore place little weight on this point in my decision on declining to deal, except to acknowledge that it is an issue raised in the Particulars of Claim in the High Court proceedings.

(d) Patent law issues

- 32 Neither party suggested that there were any patent law issues which would suggest that the matter is more properly dealt with by the Court. The patent law questions are straightforward and do not point to the comptroller declining to deal with the matter.

(e) Non-patent law issues

- 33 Mr Brandreth submitted that the non-patent law questions, which in his view concern contractual construction of numerous agreements, and potentially disputes over copyright proprietorship and the law of confidence and trade secrets, also to point to the comptroller declining to deal.
- 34 Mr Robinson submitted that the legal aspects, which included the contractual relationship between the claimant and the defendant, were typical for patent entitlement matters, and it should normally be within the purview of a hearing officer to assess matters relating to contract law in so far as they relate to determining the entitlement to patent rights. He emphasised that, unlike the decision in *Luxim*, which required consideration of Californian state law, the present proceedings do not include such matters of foreign law. Mr Brandreth however submitted that even a cursory reading of *Luxim* shows that this is not the case, referring to paragraphs 67 and 68 of the judgment in support of his view.
- 35 Legally binding agreements are often involved in entitlement proceedings. Their existence does not in and of itself point to a case being complex. Nor does the absence of the need to consider foreign law necessarily suggest that the non-patent law issues are straightforward. In the present case Mr Brandreth asserts that the construction of “numerous” agreements would be required. I take this to include the research agreement between the parties and its variations, the confirmatory assignments, and perhaps one or two other employment or consultancy agreements. It is not apparent to me that the consideration of such contracts would necessarily be complex considered in isolation of other factors, but I do consider that they could contribute to the overall complexity of the proceedings.

(f) The parallel High Court proceedings

- 36 The relevance of the parallel High Court proceedings to the question of declining to deal was disputed by the parties. Mr Brandreth argued that the underlying dispute in the present case is concerned with more than just the patent entitlement questions, as is evidenced by the claims to the ownership of Know-How in the High Court proceedings, and the inclusion in those proceedings of Professor Scanlan and Distributed Avionics. He submitted that the multiplicity of disputes reflects the overall complexity of the case, and that only the High Court can deal with all these issues holistically and address the whole dispute with all the parties participating.
- 37 Moreover, Mr Brandreth submitted that the removal of a tier of appeal if the entire dispute is concentrated in the High Court is another factor pointing to the matter being more properly dealt with by the Court, arguing that this was a factor that weighed with Warren J in paragraph 56 of *Luxim*. He submitted that the implications of appeal are significant in terms of cost and complexity if the High Court dispute is made to wait on the resolution of the sub-set of that dispute which is before the comptroller, and considered that the alternative of parallel proceedings could lead to potentially inconsistent decisions and the prospect of a multiplicity of appeals. Mr Robinson disputed this latter point. He considered the filing of the case at the High Court to be an unjustified attempt to sideline these proceedings in front of the comptroller and a breach of the overriding objective to deal with cases fairly, as is required by rule 74 of the Rules.

- 38 Mr Robinson submitted that the legislation asserts the clear primacy of the comptroller in relation to determining inventorship under section 13 of the Act, where there is no provision to decline to deal. He submitted that once inventorship is determined, entitlement of patent rights can then logically and naturally be considered and therefore the comptroller should properly determine inventorship and then also determine entitlement. He submitted that questions of inventorship and entitlement are factually and legally distinct from those relating to Know-How, with Know-How typically relating to very specific details of practical implementations, such as manufacturing processes, equipment settings and parameters, rather than the inventive concept in a patent. Mr Robinson submitted that the Know-How questions can therefore be dealt with by the High Court as a separate matter to that of inventorship, which can be dealt with by the comptroller. Mr Robinson did not consider there to be duplication of costs, as there would still be costs for both sides even if the High Court dealt with entitlement and inventorship, which are likely to be higher than those incurred before the comptroller, and different respective costs would be incurred if the comptroller dealt with the entitlement and inventorship matters.
- 39 In response to Mr Robinson's assertion that the inventorship and entitlement questions, and the Know-How questions, are factually and legally distinct, Mr Brandreth submitted that Windracers and Distributed Avionics carried out continuous process development which cannot be divided into particular instances, although it has manifested at one stage in a particular invention. He argued that the contractual basis for ownership of the Know-How is tied up with the research agreement, and the two issues cannot be teased apart.
- 40 In considering Jacob LJ's *obiter* comments in *IDA*, I note that he refers only to parallel proceedings for breach of confidence or contract. At present the High Court proceedings relate only to declarations of ownership of patents and Know-How, and the claimants in that dispute do not, at least at this point, explicitly claim breach of confidence or contract. I do not therefore consider the existence of parallel proceedings in the present case to be as clear cut as the scenario referred to by Jacob LJ in *IDA*. Nevertheless, it is unquestionably the case that the existence of parallel High Court proceedings increases the likelihood that the case before the comptroller becomes complex. I note Mr Robinson's submissions that the filing of the case at the High Court is an unjustified attempt to sideline the proceedings before the comptroller, but the claimant has made a case as to why the ownership of Know-How is of importance to them. I am not convinced that the questions of inventorship and ownership of the patents are as factually and legally distinct to those of ownership of Know-How as Mr Robinson suggests. It seems to me that there will inevitably be significant overlap in both the factual investigation and the legal questions between these proceedings and those in the High Court, for example in relation to the research agreement. I therefore conclude that the existence of, and nature of, the parallel High Court proceedings is, at the very least, an indicator that the proceedings before the comptroller could be complex.

Weighing all the factors

- 41 Mann J's summary of Warren J's findings in *Luxim* summarised in points (f) and (g) of paragraph 10 of *NGPOD* state that the test is not whether a matter could be described as "highly complex", nor was the jurisdiction one which should be

exercised cautiously, or with great caution or sparingly, and all relevant factors must be weighed in the balance. As Warren J found in paragraph 68 of *Luxim*, “*provided that one recognises that what is complex is not an absolute standard, I do not think that the Comptroller can go far wrong if he were to consider exercising his discretion whenever a case is complex; he is to be the judge of what is and what is not complex in this context.*”

- 42 It seems to me that, whilst no one factor I have considered above is determinative, the combination of factors, weighed in the balance, leads me to conclude that the current case is complex. The existence of the parallel High Court proceedings is particularly significant in this regard, as I have found that the relationship between the two sets of proceedings does complicate the present proceedings, and there is likely to be significant overlap in the factual and legal considerations, even if the High Court were to consider only the Know-How questions. Moreover, I have found that there are some similarities between the defendant’s position in these proceedings and those of Aspirate in *NGPOD* in relation to the importance of the IP to their business and the consequential need for cost recovery, and I therefore need to take Mann J’s findings on that point in *NGPOD* into account. Whilst I do not consider the factual and non-patent law questions individually to result in the case before me necessarily being complex, the combination of the significant fact-finding exercise and the non-patent law questions with the parallel High Court proceedings and my findings in relation to the respective cost regimes of the comptroller and the court, when considered together, do point overall to the case being complex. I therefore conclude that, when considering all the factors together, the case before me is complex.
- 43 In reaching this conclusion I have carefully considered the overriding objective as set out in Rule 74 and consider that my decision is consistent with the obligation on me to deal with the case justly. In my view the matter will be dealt with more efficiently and effectively, bearing in mind the complexity of the issues and the costs which could be incurred, by the court. I therefore conclude that the question before me involves matters that would more properly be dealt with by the court.

Conclusion

- 44 Given my conclusion that the case is complex, and following the guidance of Warren J in *Luxim*, I conclude that the question before me involves matters which would be more properly dealt with by the court. In accordance with sections 12(2) and 37(8) I therefore decline to deal with the references under sections 12 and 37.

Proceedings under section 13

- 45 Mr Edwards submitted that I should stay the proceedings under section 13 if I was minded to exercise my discretion to decline to deal, because to allow the section 13 proceedings to continue in parallel would give rise to similar issues of parallel proceedings and inconsistent judgments as in the situation where the comptroller did not decline to deal and these proceedings continued in parallel with the court proceedings. Mr Robinson however submitted that to stay the section 13 proceedings would usurp the priority of the comptroller to decide such matters.

- 46 Given my decision to decline to deal with the references under sections 12 and 37, and my considerations which resulted in this decision, the most efficient and effective way of dealing with the section 13 reference is, in my view, to stay the section 13 proceedings until the High Court proceedings, and any appeals, are concluded. I will then have the benefit of the full analysis of the High Court when considering the question of inventorship. I therefore order that the section 13 proceedings be stayed pending the outcome of the court proceedings.

Correcting the counter-statement

- 47 There was some dispute as to whether an extension of time should be allowed to enable the defendant to correct deficiencies in their counter-statement. Given my conclusion on declining to deal, this point is moot. If, following any appeal, the case is returned to the comptroller, I will seek further submissions on this point.

Costs

- 48 Whilst both parties provided me with brief submissions on costs, I will defer consideration of costs and allow the parties to make more detailed submissions in relation to costs.

Appeal

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

B MICKLEWRIGHT

Deputy Director, acting for the Comptroller