

- 7 Further observations were filed by Mark Crosby former Principal Access Officer for Staffordshire County Council on 15 January 2009. These observations include drawings similar to those contained within the patent application, and appear to support Mr Ford's observations, in that they confirm that the invention was indeed disclosed to Staffordshire County Council on 15 March 2007 by Mr Watkins and Mr Ford of KTP.
- 8 These submissions were considered by the Examiner in their Examination Report of 12th October 2009 in which the novelty of the present application was deemed to have been anticipated by the disclosures outlined in the observations of 12 September 2007 made by Mr Ford and the observations received on 15 January 2009 from Mr Crosby. The applicants argue that the disclosure(s) were made in breach of confidence and should therefore be disregarded under section 2(4) of the Act. Following several rounds of correspondence, the applicant has not been able to overcome this objection.
- 9 The applicant's represented by Gallafents LLP in their letter dated 20 January 2012 declined the opportunity to be heard, and have asked that I decide the matter on the basis of the papers currently on file.

The Law

- 10 The examiner throughout the examination process has maintained the view that the observations filed by Mr Ford and Mr Crosby respectively on 12 September 2007 and 15 January 2009 respectively are sufficient to establish that the invention was disclosed prior to the filing date and hence anticipate the invention contrary to the requirements of the Act regarding novelty. Section 1(1) sets out the requirement that an invention protected by a patent must be both novel and involve an inventive step, as follows:

1(1) A patent may be granted only for an invention in respect of which the following conditions are satisfied, that is to say -

(a) the invention is new;

(b) it involves an inventive step;

(c) it is capable of industrial application;

(d) the grant of a patent for it is not excluded by subsections (2) and (3) or section 4A below;

and references in this Act to a patentable invention shall be construed accordingly.

- 11 Section 2 sets out what novelty means; subsections (1) to (2) are relevant here:

2(1) An invention shall be taken to be new if it does not form part of the state of the art.

2(2) The state of the art in the case of an invention shall be taken to comprise all matter (whether a product, a process, information about either, or anything else) which has at any time before the priority date of that invention been made available to the public (whether in the United Kingdom or elsewhere) by written or oral description, by use or in any other way.

- 12 The applicants argue that the disclosure(s) were made in breach of confidence and should therefore be disregarded under section 2(4) of the Act. The relevant parts of section 2(4) are as follows:

2(4) For the purposes of this section the disclosure of matter constituting an invention shall be disregarded in the case of a patent or an application for a patent if occurring later than the beginning of the period of six months immediately preceding the date of filing the application for the patent and either –

(a) the disclosure was due to, or made in consequence of, the matter having been obtained unlawfully or in breach of confidence by any person –

(i) from the inventor or from any other person to whom the matter was made available in confidence by the inventor or who obtained it from the inventor because he or the inventor believed that he was entitled to obtain it; or

(ii) from any other person to whom the matter was made available in confidence by any person mentioned in sub-paragraph (i) above or in this sub-paragraph or who obtained it from any person so mentioned because he or the person from whom he obtained it believed that he was entitled to obtain it;

(b) the disclosure was made in breach of confidence by any person who obtained the matter in confidence from the inventor or from any other person to whom it was made available, or who obtained it, from the inventor; or

Arguments and analysis

- 13 The observations filed by Mr Ford and Mr Crosby were considered by the Examiner in the Examination Report dated 12 October 2009 in which the invention as claimed was deemed to have been anticipated. Essentially, Mr Ford had disclosed the invention to other members of the public before the filing date without there being a non-disclosure agreement (NDA) in place and that Mr Crosby had seen the invention presented by Mr Ford and Mr Paul Watkins at a meeting with Staffordshire City Council on 15th March 2007- two months prior to the filing date of the application. The Examiner also made reference to statements made by Lindsay Chadwick, Richard Perry and Phillip Stanley in their letter(s) of 18/19 September 2008 as part of the aforementioned entitlement action, in which they stated that an implied NDA was in place even though such a document, whilst drawn up, was not signed by all interested parties.
- 14 The applicants, TPL argued in their letter dated 11 June 2010 that any disclosure by Mr Ford to third parties in the six month period prior to the filing of the current application had no effect on the validity of the application as it constituted a breach of

confidence under Section 2(4) of the Act since there was an implicit agreement between Mr Ford and TPL to keep the invention confidential prior to filing the application.

- 15 The Examiner in the Examination Report of 23 August 2010 argued that there was no implied confidentiality agreement between TPL and Mr Ford, the evidence for this residing in the fact that the agreement was drawn up but not signed.
- 16 In their letter of 25 February 2011, TPL accept that Mr Ford had full knowledge of the invention but he had disclosed it to Mr Crosby and other members of Staffordshire County Council in breach of confidence. In TPL's opinion, the lack of a signed agreement could not be taken as implying there was no agreement of confidentiality. They further argued that, referring to paragraphs 14 and 15 of the declaration of Mr Stanley of 18 September 2008, the lack of a signed agreement was not due to a lack of agreement about confidentiality but due to a lack of agreement on financial arrangements. In paragraph 7 of the said declaration, it is claimed that Mr Ford and Mr Stanley as well as Mr Watkins all considered that the project should be kept confidential. Statements were supplied by Lindsay Chardwick (dated 23rd Feb 2011) and Phillip Stanley (dated 22nd Feb 2011) to this effect.
- 17 In the Examination Report of 5th April 2011, the Examiner explained that she had considered Mr Stanley's statement and understood it to say that once the invention was in a suitable form to present to customers, that this could be done without breach of confidence. Since Mr Ford had presented the invention to Staffordshire County Council as part of a sales meeting, this would show that the invention was suitable to present and that there would not be any implied confidentiality issues. The statement that Mr Stanley understood that the design should be kept confidential until the patent was applied for does not indicate that Mr Ford had agreed to this arrangement or that this arrangement had been discussed with Mr Ford. It was also argued that, with regard to the invention disclosed in the meeting with Staffordshire County Council on 15th March 2007 at which Mr Crosby was in attendance, it would seem likely that TPL were aware of this meeting having provided Mr Ford with diagrams and photographs of the prototype. There was also no evidence that TPL attempted to prevent this meeting or that TPL had requested that Mr Ford keep the diagrams/photographs confidential.
- 18 It is unfortunate that, this being an ex-parte matter, I do not have the benefit of cross-examination as this would have been a useful means by which the relationship between the applicant, inventor and his associates at KTP could have been explored. I have therefore to decide the matter on the balance of probabilities in light of the evidence currently before me.
- 19 I have no doubt that the alleged disclosure to Staffordshire County Council on 15 March 2007 took place as described in Mr Crosby's letter of 15 January 2009. The question is, on the balance of probabilities, was this disclosure sufficient to anticipate the invention. Given that the meeting is described to be a "sales" meeting, and that both Mr Ford and Mr Watkins had full knowledge of the invention prior to that meeting, I think this likely to be the case. I am supported in this conclusion by the fact that the drawings supplied by Mr Crosby bear a striking resemblance to those forming part of the application and clearly disclose the dual nature of the evacuation chair. I am satisfied therefore, that the concept at "the heart" of the invention was

disclosed to Staffordshire County Council on 15 March 2007, and that this act constituted a prior use disclosure within the meaning of section 2 of the Act. The disclosure therefore, prima facie, would seem to anticipate the invention. What matters now is whether that disclosure was made in breach of confidence and thus can be disregarded in accordance with section 2(4) as is claimed by the applicant.

- 20 It is clear that throughout this venture, negotiations had been ongoing between TPL, Mr Ford and his associates regarding ownership and equity. Indeed, the evidence presented by Mr Ford shows that a draft “Heads of Agreement” was drawn up to regulate financial and other arrangements between them; but this document was never signed, nor were terms ever agreed in any other way. Therefore, it is common ground that there is no question of any breach of contract, for no contract, ever came into existence. Accordingly, what I have to consider is the pure equitable doctrine of confidence, unaffected by contract.
- 21 It is accepted practice that an obligation of confidence may exist where, as in this case, there is no formal contractual relationship between the parties. In cases of contract, the primary question is no doubt that of construing the contract and any terms implied therein. Where there is no contract, however, the question must be one of what it is that suffices to bring the obligation into being; and there is the further question of what amounts to a breach of that confidence. *Megarry J in Coco v A N Clark (Engineers) Ltd*¹ provides some useful guidance as to what constitutes a breach of confidence in these circumstances. In his judgment, *Megarry J* states that:
- “In my judgment, three elements are normally required if, apart from contract, a case of breach of confidence is to succeed. First, the information itself, in the words of Lord Greene, M.R. in the Saltman case on page 215, must “have the necessary quality of confidence about it”. Secondly, that information must have been imparted in circumstances importing an obligation of confidence. Thirdly, there must be an unauthorised use of that information to the detriment of the party communicating it. I must briefly examine each of these requirements in turn.”*
- 22 I therefore think that this is a useful place to start. Firstly, the information must be of a confidential nature. It is clear to me that information regarding an invention imparted to others by the inventor, at least up until the point of filing a corresponding patent application, should be considered to be confidential in nature, since its disclosure prior to filing would potentially invalidate the application, and may even result in someone else “stealing a march” on the inventor and obtaining protection for the invention themselves.
- 23 The second requirement for an action of breach of confidence is that there must be an obligation of confidence which arises from the circumstances in which the information was imparted by the inventor to his associates. Again, I have no doubt on the evidence before me, that Mr Ford, and his associates at KTP, were in possession of information relating to the invention prior to filing of the patent application, and that they were all well aware of the need not to disclose that information to any third party until such time that the application was filed. I therefore consider that there was here an implied obligation of confidence, and that Mr Ford et

¹ *Coco v A N Clark (Engineers) Ltd* [1969] RPC 41

a/ had a duty to themselves and to the inventor not to disclose the invention prior to filing.

- 24 However, I think it is useful here to consider Mr Ford's letter of 12 September 2007, where he states that he and another partner (Mr Watkins) were lead to believe that in light of a meeting with the patent agent and Mr Stanley on 30 November 2006, that a patent would be filed in January 2007, and as consequence of that meeting he and Mr Watkins had been discussing the invention with potential clients and suppliers of components since February 2007 believing that the patent was in place. The question here is, does the fact that Mr Ford and Mr Watkins believe that the application had been filed in January 2007 discharge their duty of confidence beyond that point? If so, I think they would have been free to disclose the invention to Staffordshire County Council in February 2007. However, I do not think that the mere belief that the application has been filed is sufficient to discharge their duty of confidence. There is an onus on all parties in this case to have been diligent when it comes to the filing of the patent application, and therefore I do not think it unreasonable of me to have expected Mr Ford and Mr Watkins to have made sure the application had been filed before disclosing the invention to others.
- 25 Having found the information to be of a confidential nature, and for there to be an obligation of confidence on the part of Mr Ford and his associates at KTP, it remains for me to determine whether there has been an unauthorised use or disclosure of information relating to the invention to the detriment of the inventor. It follows that this must be case since the alleged disclosure would otherwise prevent the applicant and/or inventor from protecting their invention and obtaining their patent.

Conclusion

- 26 I have found that the disclosure by Mr Ford to Staffordshire County Council on 15 March 2007 is sufficient to constitute a prior use disclosure within the meaning of section 2 of the Act. However, I consider Mr Ford to have been under an obligation of confidence to the inventor at that time, and that this disclosure was therefore made in breach of that confidence. Furthermore, it is clear that the disclosure took place within the six month grace period specified by section 2(4) of the Act, and as such, it is my view that the disclosure should be disregarded. I therefore remit the case to the examiner to complete their examination.

Appeal

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

P R SLATER

Deputy Director, acting for the Comptroller