

**THE PATENTS ACT 1977**

CLAIMANTS	1. Nut Security Products Limited 2. Mr Ernest Randolph Craig 3. Mr Richard Anthony Heggie
DEFENDANT	SafetyTrim Worldwide Holdings Limited
ISSUE	References under section 8 and 37 in respect of GB2508779 and GB2393487
HEARING OFFICER	H Jones

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**DECISION**

- 1 In a preliminary decision issued in October last year ([BL O/683/18](#)) I said that I would allow the original claimant (Nut Security Products Limited) to amend its statement of grounds so that it relates only to claims to entitlement under section 8 and 37, and I set a deadline of two weeks for doing so. I also said that I would decline to deal with the question of entitlement if the claimant(s) could show that a separate claim for unjust enrichment had been made to the court. It became necessary for me to extend the deadline for filing the amended statement by a short period after the claimant notified the Office that it had not received the preliminary decision.
- 2 An amended statement was eventually filed on 4 December 2018, which requests that the comptroller confirms that the second and third claimants are entitled to the grant of the IP rights on trust for the first claimant and that applications pursuant to those rights should be transferred to proceed in those parties' names. After some further delay, the claimants eventually provided confirmation that a claim by the second and third claimants for unjust enrichment "for the recovery of monies paid by them to the defendant in consideration for the intellectual property rights which they never received" had been issued on 22 February 2019 and that it would be deemed to have been served on 27 February (claim number F26YJ853 in the County Court Money Claims Centre).
- 3 I am satisfied that since there are parallel and closely related proceedings before the court that the comptroller should decline to deal with the references under sections 8 and 37. Sections 8(7) and 37(8) state that the court now has jurisdiction to decide these matters.

- 4 For the claimants' benefit I repeat the point I made in my preliminary decision that rule 40(1) allows an application for restoration of the lapsed patent, GB2393487, to be made up until 31 March 2019 (not 29 March as originally stated) and that this date cannot be extended (Schedule 4, Part 1). Evidence needed to support such an application can be filed separately within a period specified by the comptroller (rule 40(5)).
- 5 The issue of costs remains to be decided. In my preliminary decision I invited the defendant to provide a further breakdown of costs relating specifically to i) the wasted costs arising from the late adjournment (with an award of costs on a compensation basis given Mr Craig's unreasonable behaviour in not requesting an adjournment sooner), and ii) the nature of the wasted work in respect of the late amendment (with an award of costs based on a contribution basis, at the top end of the [published scale](#)). I need also to take account of any additional costs incurred since issuing my preliminary decision, in particular because of the claimants' delay in filing an amended statement of grounds and in confirming whether they were going to issue a court claim.
- 6 To be clear, my decision on costs takes account of the submissions received in advance of my preliminary decision and referred to therein, to a further breakdown of costs in respect of Invoice 26017 as requested in my preliminary decision, and further written submissions from both sides in relation to costs incurred since issuing my preliminary decision
- 7 On the question of wasted costs arising from the late adjournment, the defendant has provided a detailed breakdown of costs relating to all works carried out between 20 September 2018, the date when Mr Matthew Lee of Harvey Roberts Solicitors confirmed that he was acting for the claimants and requested an adjournment of the hearing to consider a request to amend the claim, and 26 September 2018, the date when the hearing was eventually adjourned. The breakdown covers costs relating to professional time spent on the case, the travelling costs for meeting with counsel, counsel's fees and various administration charges, with the total cost amounting to £31,752.64, inclusive of VAT. Somewhat inevitably, this breakdown also includes costs incurred in responding to the late request to amend the claim, and I expect that it will be very difficult to separate the two. Also, some of this work will not have been wasted because it can be used again or updated in the separate proceedings before the court, e.g. the preparation of bundles and counsel's skeleton arguments.
- 8 For costs incurred since issuing my preliminary decision, the defendant is claiming 100% of the professional costs for prosecuting the case in the period between 14 December 2018 and 6 March 2019, the total amounting to £1,470.00, inclusive of VAT. The claimants state that no detailed breakdown of costs has been provided and submit that more costs are being incurred with the defendant's submissions than with the delay itself. They concede that there was some delay, but this was because the second claimant was unavailable to provide instructions due to very difficult personal circumstances. They submit that no costs ought to be awarded for the delay in bringing the separate claim before the court, or, at most, a sum of £100.
- 9 I do not accept the claimants' submission that no costs ought to have been incurred by the defendant due to the delay in bringing the claim for unjust enrichment before the court. The issue of entitlement was still pending before the comptroller and the defendant had every right to clarify the claimants' intentions and to understand which

case it had to defend and in which forum, sooner rather than later. That said, while it is unfortunate that the claimants could not start proceedings before the court any sooner, I see no evidence of unreasonable behaviour on their part and accept the submission that the delay was a result of the second claimant's personal circumstances.

- 10 Taking all of this into account, and bearing in mind the underlying contribution-not-compensation approach to awarding costs in proceedings before the comptroller and the freedom to award costs off the scale to deal proportionately with unreasonable behaviour, I consider a fair award of costs to the defendant would be around 50% of the amount set out in the breakdown of costs in invoice 26017 plus a contribution of £500 towards the costs in prosecuting the case since my preliminary decision, amounting to a total award of £16,500. I note that the Office's Hearings Manual states that "the hearing officer should be prepared to make an award of costs at any appropriate stage in the proceedings and not just "save them up" to the end, because this associates the costs more closely with their cause". I note also that if I am wrong as to the quantum of costs awarded to the defendant then the parties are at liberty to raise the question in the parallel court proceedings.

### **Conclusion and Order**

- 11 In accordance with sections 8(7) and 37(8), the comptroller declines to deal with the references to entitlement. The court now has jurisdiction to decide these matters.
- 12 **I hereby order the claimants pay the defendant the sum of £16,500 in respect of costs arising in these proceedings and that this sum be paid within seven days of the expiry of the appeal period below.**

### **Appeal**

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

**H Jones**

Deputy Director, acting for the Comptroller