



PATENTS ACT 1977

BETWEEN

University of Warwick	Claimant
and	
Dr Geoffrey Graham Diamond	Defendant

PROCEEDINGS

Claim by University of Warwick under section 12 of the Patents Act 1977 in respect of US Patent Application 12/306505

HEARING OFFICER Phil Thorpe

Hearing date: 8th May 2015.

PRELIMINARY DECISION

1. This decision relates to whether the comptroller should decline to deal with an entitlement dispute.

Background

2. The University of Warwick initiated proceedings under section 12 of the Patents Act against Dr Geoffrey Graham Diamond on 8th August 2013. It claims that it is entitled to be granted a patent for the invention set out in US patent application US12306505 on the basis that the three named inventors were at the time that the invention was made employees of the University of Warwick. The application is proceeding in the US in the name of the three inventors. The application, which was published as US2009/0279773 on November 12th 2009, relates to a method of inspecting an article using a beam of electromagnetic radiation. Two of the named inventors have agreed to assign any rights they have in the patent to the University but Dr Diamond, the third named inventor has to date refused to do the same.
3. Dr Diamond claims that at the time that the invention was made he was not an employee of the University. He also claims that the invention was in fact made by a company called G-Tronix and that the rights belong to that company.

4. I would note that from the outset Dr Diamond has represented himself in these proceedings. I have endeavoured to assist Dr Diamond as much as I could in terms of clarifying the law and procedure. I have also advised Dr Diamond on a number of occasions to consider seeking professional representation.
5. The proceedings to date have given rise to a number of procedural issues. In his amended counterstatement Dr Diamond argued that the claimant's representative, Harrison Goddard Foote (HGF) should be disallowed from representing the University of Warwick due to a conflict of interest. I decided, after a telephone hearing, that there was no reason why I should interfere with the claimant's choice of representative. Dr Diamond appealed that decision however the appeal was struck out as a result of Dr Diamond failing to file the necessary appeal bundle within the set time period.
6. The normal evidence rounds are now complete and the substantive hearing is scheduled for 2nd and 3rd June 2015.
7. Dr Diamond has however questioned the admissibility of certain parts of the claimant's evidence. He has also raised the question of whether there has been an abuse of process by the claimant. In addition he argues that the question before me involves matters that would more properly be determined by the court and therefore I should decline to deal with the reference.
8. Dr Diamond's formal request that I decline to deal was made in a submission received 26th February 2015 shortly before the claimant filed its evidence in reply. I issued a preliminary evaluation on 29th April 2015 with the aim of providing my initial thoughts on all outstanding preliminary matters together with my views on the substantive issue of entitlement. I did this in the hope of avoiding unnecessary cost and also to help the parties better focus their submissions at the hearing. I indicated in the preliminary evaluation that I was minded to refuse the request to decline to deal but before doing so would give the parties an opportunity to be heard on the matter if they wished. Dr Diamond requested to be heard. The claimant was content for me to decide the matter without any them making any oral submissions.
9. A telephone hearing on the matter of declining to deal was held on 8th May 2015. I should note that the Office wrote to both sides on 1st May confirming the date of the hearing and as usual the letter invited the parties to file any skeleton arguments no later than 4 days before the hearing. The letter did note that such skeleton arguments are not necessary for preliminary matters and this was confirmed with Dr Diamond separately by email. However since Dr Diamond was keen to make further observations this meant that he had a very short time to do so. In filing his skeleton argument he was keen for it to be placed on record that he objected to what he considered the unreasonably short period of time he had had to prepare it. Dr Diamond was offered a further period of time however in the event he asked for the hearing to take place on the 8th May as originally scheduled.

The Law

10. The relevant provision here is section 12(2) which reads as follows:

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.

11. Guidance on how the Comptroller should consider the question of whether to decline to deal with a case was given in *Luxim Corporation v Ceravision Limited* [2007] EWHC 1624. Prior to this judgment, the comptroller had declined to deal only where the issues were so difficult and complex that the hearing officer felt he could not address them effectively. Luxim found that this was the wrong approach, and that the question to be considered by the comptroller was whether the court could "more properly" determine the issue. The comptroller should consider exercising discretion to decline to deal whenever a case was complex and should not do so "sparingly" or "with caution". In making the determination, it was necessary to consider the technical, factual and legal aspects of the case and judge these against the expertise and experience of a hearing officer as compared with that of a judge. (paragraph 55):

"Mr Thorley draws attention to four sorts of issue which an entitlement dispute might throw up, and considers the suitability of a hearing officer to deal with them bearing in mind that he is 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."

12. Dr Diamond has also referred me to two office decisions¹ relating to decline to deal. These he suggests are on all fours with the case here. Whilst there are obviously some similarities it is crucial that I come to a decision in this case on the basis of all the factors here taking into account the guidance provided in Luxim. That is what I shall now seek to do.

¹ Amir Azam v Carl Livesey BLO/43810 and Mastermailer Holdings v Data Security Ltd & Stephen Black BLO/433/10.

Discussion and analysis

13. Dr Diamond argues that this case involves complex legal and factual evidential matters. More specifically he argues that the question of whether he was or was not an employee of the University of Warwick involves matters outside of patent law. He notes in particular that in order to succeed with its claim, the claimant will need to establish that a contract of employment existed between it and the defendant. Dr Diamond argues that because he did not sign and return a variety of offers to extend his term of employment and therefore he was not an employee at the relevant time.
14. The claimant has based its claim on section 39(1)(a). It does refer in the alternative to a possible claim to ownership arising from obligations that Dr Diamond may have had under the University's Regulations though this is still on the premise that Dr Diamond was an employee. Hence as I noted in the preliminary evaluation it is unclear how these regulations relate to section 39. What is however clear is that the questions of whether Dr Diamond was an employee of the University, and if so what were his duties at the relevant time, are at the heart of the question before me. Although the matters involved in these questions involve non technical and non patent law issues, I do not believe they are sufficiently complex in themselves to merit me declining to deal with the issue.
15. Dr Diamond has also suggested that there may have been breaches of contractual agreements, confidence and fiduciary duty. I asked Dr Diamond to identify where these had been raised as they have not been formally pleaded in his counterstatement. I also asked whether they had a bearing on entitlement. Dr Diamond confirmed that the contract in issue was one dated 17th July 2008. He confirmed that he had not submitted this contract as evidence though he did provide a copy shortly after the hearing.
16. It is not really necessary for me to comment in any detail on this agreement not least because it has not formally been submitted as evidence. I will however note that it, like at least one other agreement that has been submitted, is a technology licence agreement between the University of Warwick and G-Tronix. It is not an agreement that in itself transfers ownership. To the extent Dr Diamond believes he has a claim under the terms of that agreement then it is not a claim to entitlement hence it is not directly relevant to the issue before me here.
17. Dr Diamond has also failed to demonstrate how any breach of confidence or fiduciary duty affects the decision that I need to make here. This does not mean that he has no claim under these heads but rather that they are not issues that I need to decide to answer the question before me.
18. I should add that Dr Diamond has at various times in these proceedings referred to, and requested information on the progress of his, "counterclaim". He was asked for clarification as to the precise nature of this counterclaim. In an email dated 20th February 2015 Dr Diamond noted "for the avoidance of all doubt" that his counterclaim was that the University had no rights to the invention for the following reasons:

i) the IP in question did not originate within the University of Warwick (this relates to his claim that the invention originated from a company called G-Tronix)

ii) the invention did not originate from externally funded research undertaken by the university and

iii) that the cost of the international prosecution of the patent applications based on this IP was not paid for by the university

19. I have already considered the first point. The second and third points may well form part of Dr Diamond's narrative as to how the invention came about and how the patent was prosecuted. These may help his case but I do not see them as adding to the question of entitlement such complexities that it would be more proper that they were handled by the Court.

20. Dr Diamond in his various submissions has questioned whether it is possible to consider issues other than complexity when considering whether to decline to deal. It is I believe clear from *Luxim* that I not only can, but that I should indeed consider other matters. Paragraph 12 of *Luxim* notes that:

All three sub-sections [sections 8, 12 and 37] seem to involve a two-stage process. First, it has to appear to the Comptroller that the question would more properly be determined by the court; secondly, the Comptroller then has a discretion to decline to deal. It would not, however, be right, I think, to divide the overall exercise into two rigorously separated parts. It will inevitably, I think, be the case that many factors which make it appear to the Comptroller that the question would more properly be determined by the court are the very same factors which would lead him to conclude that he should decline to deal with it so that there will in effect be a single decision-making process. Further, the factors which make it appear to the Comptroller that the question would more properly be dealt with by the court may well go beyond matter related to the question as such. For instance, it seems to me to be perfectly permissible for the Comptroller, at the first stage, to take into account that the parties all wish the matter to be dealt with by the court. That is not, of course, a conclusive factor; but nor is it a factor which can be taken into account only at the second stage when it comes to exercise of the discretion. Thus, whilst a perfectly straightforward case involving little technical complexity might be one which could not, on any footing, be one which could appear to a reasonable Comptroller as raising a question which would more properly be dealt with by the Court, a case which could perfectly well be heard by the Comptroller or the court might be one which appeared to the Comptroller to be one which would more properly be heard by the court precisely because that is what the parties wish.

21. Later in *Luxim* the Judge considers 11 factors when considering whether the case in issue there would more properly be determined by the court. These clearly include matters extending beyond the complexity of the question itself.

22. So what are the other factors that may be relevant here? There is the position of the parties. Dr Diamond is clearly keen for the proceedings to be transferred to the court. The University however has not supported this approach. Hence this factor does not point one way or the other.

23. I need also to consider the length of any further delay if I decide to decline to deal. As I have indicated all the evidence rounds in these proceedings have

now be completed. A date has been agreed for the hearing. Declining to deal with the case will therefore introduce further delay to a case that has already had significant delays since it was launched in August 2013. Part of that delay was caused by Dr Diamond earlier appeal which was subsequently struck out. Dr Diamond has highlighted what he considers to be delays caused by the other side. These however relate to activities prior to the launch of these proceedings. I would however note that Dr Diamond has highlighted an apparent unwillingness on the part of the other side to consider mediation. That is not a matter that is particularly relevant to the issue here but may be relevant if any cost order is necessary. On balance I believe the likelihood of further delay, which may be significant, in already prolonged proceedings should carry some weight against declining to deal.

24. Dr Diamond informed me at the hearing that he had just launched related proceedings before the IPEC. Dr Diamond has provided a copy of the claim form that is neither dated nor sealed. The claim names Mr Quentin Compton-Bishop CEO of Warwick Ventures Ltd as the defendant. Warwick Ventures Ltd is I believe responsible for managing the IP belonging to the University of Warwick. Dr Diamond has stated on the form that the claim is "Entitlement proceedings to right to patent" and that the claim involves breaches of contract, fiduciary duty and trust with further details to follow. It is undesirable to have the same matter being considered both before the comptroller and the Court however on the basis of the scant information I have it is far from clear that is the position. I would also note that the proceedings here are very well advanced whilst those in the court are just at the start.
25. Furthermore if I do not decline to deal and subsequently find in favour of Dr Diamond then it is possible that his other causes of action before the IPEC will fall away. To the extent that those causes of action relate to matters other than the question of entitlement for example a claim to monetary damages then those will be unaffected whether I decline to deal or not. If on the other hand I find in favour of the University of Warwick then it is likely that Dr Diamond will continue with his claim before the IPEC as well as possibly appealing the substantive decision in this case.
26. It is of course possible that either side may appeal any substantive decision I make if I decide to proceed with this action. Given that the IPEC proceedings have only just been launched then it is possible that any appeal could be considered in tandem with those proceedings assuming of course that the same court is seized of both cases. That does not mean that there would not be duplication and possibly unnecessary costs. That might occur for example if oral evidence is given in these proceedings and further oral evidence from the same witnesses is necessary in the other proceedings. However I simply have no idea whether that is likely or not.
27. Had any IPEC proceedings been more advanced then that would I believe have pointed towards me declining to deal, especially if it had been clear that similar or identical issues would be considered. On the basis of the information before me now however I do not believe the IPEC proceedings should impact either way on my decision.

28. So where does this leave me? Weighing up all of these factors and taking particular note of the relative lack of complexity in this case, especially compared with the case considered in *Luxim* which involved for example consideration of foreign law, I am of the view that this case is not one that would be more properly dealt with by the court.

Conclusion and finding

29. I have carefully weighed up all the factors and have come to conclusion that the question in these proceedings does not involve matters which would more properly be determined by the court and that I should not exercise discretion to decline to deal with the question.

30. The case will therefore proceed to a substantive hearing on the scheduled date.

31. I will hear any submissions on costs in relation to this preliminary matter later when I consider costs in general.

Appeal

32. Any appeal must be lodged within 28 days. I would however note that lodging an appeal in itself will not suspend these proceedings. If either side believes that this is procedurally unfair then that is a matter that can be raised in any appeal against the substantive decision on entitlement

Phil Thorpe
Acting for the Comptroller