



**PATENTS ACT 1977**  
(THE PATENTS RULES 2007)

CLAIMANT	HAPSS Limited
ISSUE	Reference under section 12(1)(a) in respect of European patent application EP04778137.2
HEARING OFFICER	H Jones

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**DECISION**

**Introduction**

- 1 This decision relates to a reference under section 12(1)(a) of the Patents Act 1977 (as amended) concerning entitlement to the grant of European patent application EP04778137.2 ("the European application"), this being a European regional phase application derived from PCT application PCT/US2004/022467 filed on 14 July 2004 and claiming priority from US patent application US10/626,373. The PCT and European applications were filed in the name of John G Bowen of Santa Fe Springs, California, USA; Mr Bowen's current address is recorded on the European Patent Register as 1110 Deerfield Road, Prescott, Arizona, USA.

**Background**

- 2 The claimant, HAPSS Limited, initiated proceedings under section 12 on 1 April 2015, the facts and grounds upon which it claims entitlement being set out in a covering letter of the same date from its attorney, Kevin Cordina of Olswang LLP, and in the first witness statement and supporting exhibit of Martin John Sandle, its Chief Executive Officer.
- 3 The claimant's grounds for entitlement can be stated briefly as follows:
- a) Mr Bowen is the inventor of a "self-contained, self cleaning aqueous sterilizer" (the Invention);
  - b) Mr Bowen is currently recorded as applicant in EP patent application EP04778137.2 (Apparatus and method for variably sterilizing aqueous liquids);
  - c) Mr Bowen is named as inventor and applicant/patentee in other US, AU and PCT patents/applications;
  - d) Mr Bowen is said to have agreed that he would take a role as consultant to HAPSS Limited;
  - e) HAPSS Limited is said to have agreed with Mr Bowen that he would transfer all of the patent rights in respect of the Invention to them pursuant to commercial terms agreed at or around November 2013; minutes from the HAPSS Limited Board meeting in November 2013 are said to set out the broad terms of the transfer;

f) Mr Bowen is said to have executed assignment of some of his other patent rights to HAPSS Limited but has not done so for the European application; Mr Bowen is said to have confirmed receipt and sufficiency of the consideration received in respect of the assignments.

- 4 The claimant requests that the comptroller find that it, i.e. HAPSS Limited, is entitled to ownership of the European application instead of Mr Bowen, and says that sections 12(1)(a) and 82(4)(b) provide the legal basis for making such an order. Mr Cordina says that it is clear from case law that beneficial interest in inventions and patent applications can be assigned even if documentation of that assignment falls short of the details specified in section 30(6), i.e. the requirement for a written and signed assignment.
- 5 Mr Bowen filed a counterstatement and a number of supporting exhibits in May 2015 in which he denies that an agreement exists between himself and HAPSS Limited in respect of the European application. Shortly afterwards, the claimant confirmed that it wished to continue proceedings and filed a number of further witness statements and supporting exhibits, including a second witness statement made by Mr Sandle. At this point, it became necessary for me to confirm that the claimant was not seeking to amend its statement of case in any way, and Mr Cordina confirmed this to be the case in his letter of 27 July 2015.
- 6 The two sides were invited to file further evidence in support of their respective cases and Mr Bowen was also asked to provide an address for service as required by rule 103(4) of the Patents Rules 2007 (as amended). This first request to provide an address for service was made by letter dated 2 September 2015.
- 7 Mr Bowen responded by questioning the comptroller's jurisdiction to decide the reference under section 12 and asked for the claimant's statement of case to be struck out. I issued a preliminary decision refusing Mr Bowen's application to strike out in February of this year ([BL O/076/16](#)), which Mr Bowen has not appealed.
- 8 In a letter from the Office dated 17 March 2016, Mr Bowen was asked again to provide an address for service as required by rule 103(4) and was given until the end of March to do so. Mr Bowen has still not provided the necessary address for service. In the meantime, the claimant has asked for an award of costs in relation to Mr Bowen's unsuccessful application to strike out its reference under section 12.

### **The law**

- 9 Section 12 of the Act deals with the determination of questions about entitlement to foreign and convention patents, which I set out in my preliminary decision. The statutory requirement to provide an address for service is set out in rule 103 and the consequences of failing to furnish an address for service are set out in rule 104:

*103(1) For the purposes of any proceeding under the Act or these Rules, an address for service must be furnished by-*

*(a) ...*

*(b) a person who makes any other application, reference or request or gives any notice of opposition under the Act; and*

*(c) any person opposing such an application, reference, request or notice.*

*(2) The proprietor of a patent, or any person who has registered any right in or under a patent or application, may furnish an address for service by notifying the comptroller.*

*(3) ...*

*(4) An address for service furnished under this Rule shall be an address in the United Kingdom, another EEA State or the Channel Islands.*

*104(1) Where-*

*(a) a person has failed to furnish an address for service under rule 103(1); and*

*(b) the comptroller has sufficient information enabling him to contact that person, the comptroller shall direct that person to furnish an address for service.*

*(2) Where a direction has been given under paragraph (1), the person directed shall, before the end of the period of two months beginning immediately after the date of the direction, furnish an address for service.*

*(3) Paragraph (4) applies where-*

*(a) a direction was given under paragraph (1) and the period prescribed by paragraph (2) has expired; or*

*(b) the comptroller had insufficient information to give a direction under paragraph (1), and the person has failed to furnish an address for service.*

*(4) Where this paragraph applies-*

*(a) in the case of an applicant for the grant of a patent, the application shall be treated as withdrawn;*

*(b) in the case of a person mentioned in rule 103(1)(b), his application, reference, request or notice of opposition shall be treated as withdrawn; and*

*(c) in the case of a person mentioned in rule 103(1)(c), he shall be deemed to have withdrawn from the proceedings.*

*(5) In this rule an "address for service" means an address which complies with the requirements of rule 103(4).*

### **Address for Service**

- 10 The consequence for Mr Bowen in not providing an address for service within two months of having been directed by the Office to do so is that his opposition of the claimant's reference under section 12 is to be treated as withdrawn (rule 104(4)(c)). Mr Bowen is no longer a party to proceedings; therefore, in accordance with rule 77(9), the comptroller shall treat him as supporting the claimant's case, i.e. the reference under section 12 will be treated as unopposed. Mr Bowen was made aware of this in the Office letter dated 17 March 2016.

### **Entitlement to the European application**

- 11 Since the reference is unopposed, I must accept the facts of the case to be those described in the supporting documentation. Mr Sandle says in his first witness statement that the claimant company was incorporated in August 2013 to be the appropriate vehicle through which Mr Bowen's invention ("a self-contained, self-cleaning aqueous steriliser") could be exploited commercially. The minutes of HAPSS Limited's Board meeting held 27 November 2013 note that Mr Bowen would transfer "all patent rights, present and future, to HAPSS in exchange for a sum of 400,000 euro, which sum would remain on loan until it was prudent to settle, plus a royalty rate of 4%" (redacted note exhibited at MJS1 and the witness statement of Michael Papadopoulos, a director of HAPSS Limited).
- 12 Robert Manson, another director of HAPSS Limited, says in his witness statement that he made an investment into the company on the basis of the Investment Memorandum exhibited at MJS4. Exhibit MJS4 is dated 1 February 2014 and is said by Mr Sandle (in his second witness statement) to have been drafted by Mr Bowen.

The first paragraph of MJS4 refers to the European application as well as other US and AU patents and patent applications; on page 2 it says that "shares will be issued as a reflection of the asset value attributed to the patents and technology etc. to be acquired from the inventor for a sum of Euro 400,000 plus a royalty of 4%, and to the purchase of existing interests. The amount of 400k will remain as a loan until the company is in a position to settle the obligation."; under the heading "Warranties" on the final page of the document, it says that the "named inventor and owner of record John Guy Bowen on all patents, patent applications or future patent filings on the subjects incorporated in this memorandum does herein warrant that the patents as listed above and the entire rights to commercialize, exploit, manufacture and distribute products covered by the claims of said intellectual properties are in the sole ownership of HAPSS Limited".

- 13 In his first witness statement, Mr Sandle says that "on 14 April 2014 Mr Bowen executed assignment in respect of Patent Rights in the US to assign title in them to the Company. The Company then recorded those assignments with the US Patent and Trademark Office during the period 18-21 April 2014. In these assignment documents Mr Bowen confirms the receipt and sufficiency of the consideration received in respect of those transfers".
- 14 On the basis of the facts presented by the claimant, I am satisfied that HAPSS Limited, as opposed to Mr John Bowen of 1110 Deerfield Road, Prescott, Arizona, USA, by virtue of Mr Bowen's assignment of intellectual property rights associated with his invention to HAPSS Limited, is entitled to be granted all patents arising out of European patent application EP04778137.2.

#### **Declaration**

**whereas the comptroller has jurisdiction under sections 12 and 82 of the Patents Act 1977 to determine questions concerning entitlement to foreign and convention patents, and**

**whereas the comptroller shall determine the questions so far as he is able to and make such order as he thinks fit to give effect to the determination,**

**I declare that HAPSS Limited is entitled to the grant of European patent application EP04778137.2 and any other patent application claiming priority from it.**

#### **Costs**

- 15 Although this reference is now unopposed through Mr Bowen's failure to provide an address for service, Mr Bowen did initially oppose the reference and applied to the comptroller to have it struck out, which has meant the claimant incurring costs it would not have done if Mr Bowen had not filed his counter-statement. I think it is only fair to compensate the claimant for the unnecessary expense incurred.
- 16 Awards of costs in proceedings before the comptroller are usually based on the comptroller's scale of costs set out in Tribunal Practice Notice 4/2007<sup>1</sup>, where the quantum of award is intended only as a contribution of the expense to which the party has been put.
- 17 In the present case, it could be argued that had the Office resolved the matter of Mr Bowen's address for service sooner than Mr Bowen's application for strike-out may not have been made and would certainly not have been put to the claimant. The

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<sup>1</sup> <http://webarchive.nationalarchives.gov.uk/20140603093549/http://www.ipo.gov.uk/p-tpn-42007.htm>

Patents Rules 2007 do not specify precisely when the requirement for an address for service should be met, only that the address should be furnished before a period of two months beginning immediately after the date when the comptroller has directed a person to furnish it. In applications for patents, the standard procedure of the Office is to ask the applicant for the necessary address for service in the "first official letter issued" (see para. 2.44 of the Patents Formalities Manual<sup>2</sup>); for proceedings heard before the comptroller, e.g. in entitlement proceedings such as this, the standard practice is to request the necessary address for service after the claimant has indicated its intention to continue proceedings (by filing Patents Form 4, with a fee of £350). Had the Office directed Mr Bowen to furnish an address for service before sending the counter-statement to the claimant (as required by rule 80(1)(a)) then his opposition may have been deemed withdrawn far earlier in proceedings, saving the claimant additional expense. The lesson from this case is that this procedure for directing a party to provide the required address for service needs to change.

- 18 Section 107 of the Act deals with costs and expenses in proceedings before the comptroller. Subsection 1 says that:

*107(1). The comptroller may, in proceedings before him under this Act, by order award to any party such costs or, in Scotland, such expenses as he may consider reasonable and direct how and by what parties they are to be paid.*

Mr Bowen, who's opposition is now deemed withdrawn but became a party to proceedings through his filing of a counter-statement, is responsible for the claimant incurring costs in considering his counter-statement and in preparing its evidence and arguments. Given the small amount of paperwork involved:

**I order that Mr Bowen pay HAPSS Limited the sum of £500 as a contribution to its costs, this sum to be paid within seven days of the expiry of the appeal period set out below.**

### **Appeal**

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

### **H Jones**

Deputy Director acting for the Comptroller

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<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/367645/formalities-manual.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/367645/formalities-manual.pdf)