



## PATENTS ACT 1977

BETWEEN

Biomimetics Health Industries Limited

Claimant

Global Chemical Technologies Limited

Defendant

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PROCEEDINGS

Reference under section 8 of the Patents Act 1977 in respect of patent application number GB1318907.1

HEARING OFFICER

Phil Thorpe

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## PRELIMINARY DECISION

1 This decision goes to a number of preliminary issues that have arisen in respect of an entitlement reference. Firstly should the reference be struck out? Secondly if the answer to the first question is no then should the comptroller nevertheless decline to deal with the reference? Thirdly if the proceedings are to continue before the comptroller should the claimant be required to provide security for costs?

### 2 **Background**

Biomimetics Health Industries Limited (the claimant) initiated entitlement proceedings under section 8 of the Patents Act 1977 (the Act) in respect of patent application GB1318907.1 (the application) on 9<sup>th</sup> January 2015. The application was filed by Global Chemical Technologies Limited (the defendant) on 25<sup>th</sup> October 2013 but has not yet been published.

3 I have already issued one preliminary decision<sup>1</sup> where I refused the claimant's request that I should delay publication of the application pending determination of entitlement. In response to that decision the defendant has asked for the reference to be struck out or failing that for the comptroller to decline to deal with the reference. The claimant has also asked for an order for security of costs.

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<sup>1</sup> BL O/192/15

Both sides were content for me to decide these preliminary issues on the basis of the written submissions.

### **Application to strike out the reference**

- 4 The relevant legislation is Rule 83 of the Patent Rules 2007 (the Rules) as amended which provides that:
- (1) A party may apply to the comptroller for him to strike out a statement of case or to give summary judgment.
  - (2) If it appears to the comptroller that—
    - (a) the statement of case discloses no reasonable grounds for bringing or defending the claim;
    - (b) the statement of case is an abuse of process or is otherwise likely to obstruct the just disposal of the proceedings; or
    - (c) there has been a failure to comply with a section, a rule or a previous direction given by the comptroller,he may strike out the statement of case.
- 5 The defendant argues that given that the application has not been published and that the statement of case does not set out the particulars of the invention then the statement does not disclose reasonable grounds for bringing the claim. It further notes that the statement of case merely sets out a belief that the invention relates to “improvements to the manufacturing process” that the claimant claims to have developed.
- 6 The defendant also contends that the claimant could only have obtained knowledge of the identity of the inventors in the application in issue, which it names in its statement of case, and possibly information about the contents of the application through a breach of confidentiality. It argues that an entitlement claim based on such a breach of confidence should be considered as an abuse of process and consistent with the legal doctrine “from a dishonourable cause an action does not arise” the claim should be struck out.
- 7 In response the claimant argues that the power to strike-out should only be used sparingly. It contends that in this instance it does have a reasonable ground for bringing the claim since the title of the application alone indicates that the invention relates to subject matter covered by a tripartite agreement it has with the defendant and a third party. The claim to entitlement flows from this agreement.
- 8 The claimant has also suggested that I could compare its own earlier patent application, which sets out the technology it believes is relevant here, and compare it with the application in issue here to determine whether it is indeed an improvement on its technology. It argues that it will be entitled to any improvement on its technology by virtue of the tripartite agreement.
- 9 I will deal with this last suggestion first. It is not for the comptroller in an entitlement dispute to help make the case for the claimant by undertaking an analysis of various documents some of which are not in the public domain and are apparently unknown to the claimant. I would add that by virtue of section 118 of the Act the comptroller is in any event prevented from sharing essentially any information about the contents

of an unpublished application. It is for the claimant and the claimant alone to clearly set out its case.

- 10 On the basis of the claim that it has presented it is difficult to see how, without knowledge of the actual invention at the heart of the application in issue, it could possibly succeed with its claim that its employee should be added as an inventor and one of the currently named inventors removed. However the case in respect of the tripartite agreement may have some prospects of success even if it is based on the title of the application alone.
- 11 It is unclear to me on what basis the claimant claims to know the identity of the inventors. These are not published in the Official Journal when a patent application is filed, although the title is. I do not however have enough before me to conclude that this information was obtained in breach of any confidence.
- 12 I have in other decisions highlighted the difficulty that can arise if an entitlement action is launched before an application is published. Even though the legislation clearly allows for this, indeed a reference can be launched before an application is even filed, it does put the onus on the claimant to set out the invention to which it believes it is entitled especially when the claim involves consideration of inventorship. Where a claim is not able to set out the invention then strike-out may be justified. Each case obviously has to be considered on its merits.
- 13 In this instance whilst there are clearly difficulties with the reference as it is currently formatted I do not believe on balance that it would be just to strike out the reference in its entirety. I am also mindful that the claimant here had sought, albeit unsuccessfully, to prevent publication of the application so as to prevent disclosure of what it considered confidential information. This explains why it felt it necessary to launch the action before publication. The application is due to be published on 8<sup>th</sup> July 2015.
- 14 The power to strike-out is aimed in no small part at avoiding unnecessary cost and effort. That objective can I believe be better achieved here by staying the proceedings until the date of publication of the application rather than striking out the reference with the possibility of the reference being re-filed again shortly. Had the time to publication been any greater then I would have been minded to strike out at least part of the reference. Instead I will allow the claimant two weeks from the publication date to make any further amendments to its statement of case after which the applicant will be invited to file its counter-statement. In this way it is hoped that true nature of the case can be properly set out.

#### **Application that the Comptroller should decline to deal with the reference**

- 15 The defendant argues that if I do not strike-out the reference in its entirety then I should nevertheless decline to deal with it. It suggests that it will be necessary to interpret a potentially wide tripartite agreement, which could affect a party that is not a party to the proceedings. This is a matter it contends that would be more properly determined by a court.

- 16 In contrast the claimant argues that the comptroller is well placed to determine not only the technical issues and patent law that might arise but also the contractual agreement.
- 17 It is not necessary I believe in this instance for me to set out in detail how the comptroller needs to approach a request to decline to deal in light of the decision in *Luxim v Ceravision*<sup>2</sup>. This is because the nature of the dispute before me has not yet been properly defined. Only when the counterstatement is filed will I know what issues will be at the heart of this dispute. It is not inconceivable for example that the question of whether the invention in the application is an improvement on the claimant's technology will be at the heart of the question to be determined. A Hearing Officer is well equipped to deal with that sort of technical issue.
- 18 Hence on the basis of the material before me I can see no justification for declining to deal with the reference. I will, as I am required to do, keep the matter under consideration with the possibility of revisiting the issue once the pleadings are complete.

### **Application for security for costs**

- 19 The defendant has requested security for costs under section 107(4) of the Act. It notes that it is in possession of a credit report that classifies Biomimetics Health Industries (UK) Limited which is apparently the UK subsidiary of the claimant, as "Maximum Risk" with a recommended credit limit of zero. It notes that there is little information available about the claimant which is a Maltese based company.
- 20 The claimant has offered little in response on this point except to say it does not believe that an order for security of costs is necessary but if it is so ordered then it would comply. It has not in particular sought to contest the accuracy of the credit report referred to be the defendant. The claimant has sought to highlight its prospects for success though without the counterstatement it is difficult for me to assess that.
- 21 On balance I think there is reason to believe that the claimant may not be able to pay the defendant's costs if ordered to do so and that having regard to all the circumstances it would be just to make an order for security of costs. The nature of costs in proceedings before the comptroller is that they are intended only to make a contribution to the other side's costs in accordance with a published scale<sup>3</sup>. I think at this stage of the proceedings an order of £1000 would be sufficient to cover the period up to any hearing. I leave it to the parties to agree on the arrangements for its payment though payment should be made by 23<sup>rd</sup> July 2015. If the proceedings get more complex then the defendant can come back on the issue.

### **Conclusions and Order**

- 22 I do not believe that the claimant's case is such that it should be struck out. However I will stay the proceedings pending publication of the application on 9<sup>th</sup> July 2015 and will then allow a period of 2 weeks for the claimant to amend its statement of case.

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<sup>2</sup> *Luxim v Ceravison* [2007] RPC 33.

<sup>3</sup> See [Tribunal Practice Notice TPN 4/2007](#) on the IPO Website

The defendant will then be given the normal period in which to file its counterstatement.

- 23 I do not believe on the basis of the material currently before me that the question before me involves matters which would be more properly determined by the court and hence I do not decline to deal with the reference.

I believe that an order for security of costs against the claimant is justified and I therefore order it to pay the sum of £1000. Payment should be made by 23<sup>rd</sup> July 2015.

**Appeal**

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

**Phil Thope**