



PATENTS ACT 1977

BETWEEN

| | |
|---------------------------|-----------|
| Dr Geoffrey Diamond | Claimant |
| and | |
| The University of Warwick | Defendant |

PROCEEDINGS

Reference under section 37 of the Patents Act 1977 in
respect of European Patent number EP 2049885

HEARING OFFICER Phil Thorpe

Mr Henry Ward Counsel appeared for the defendant, the Claimant appeared in person.
Hearing date: 20 July 2017

PRELIMINARY DECISION

Introduction

- 1 This decision concerns a dispute between Dr Geoffrey Diamond and the University of Warwick about entitlement to European Patent number EP 2049885 (“the patent”). The patent was granted to the University of Warwick on the 23rd May 2012 and relates to ‘apparatus and method for imaging an object concealed in an article’. It is derived from PCT application PCT/GB07/050368. The patent names Tat Gan (“Professor Gan”¹), David Hutchins (“Professor Hutchins”), and Geoffrey Diamond (“Dr Diamond”) as inventors. All three inventors were employed at some point by the University of Warwick.
- 2 A reference under section 37 was filed by Dr Diamond on the 17th March 2016. Dr Diamond is seeking an order from the Comptroller transferring the patent into the co-ownership of the University and him. Section 37, so far as it is relevant to these proceedings reads as follows:

Determination of right to patent after grant

37.-(1) After a patent has been granted for an invention any person having or claiming a proprietary interest in or under the patent may refer to the comptroller the question -

¹ At the time of his contribution to the invention, Professor Gan was Dr Gan.

(a) who is or are the true proprietor or proprietors of the patent,

(b) whether the patent should have been granted to the person or persons to whom it was granted, or

(c) whether any right in or under the patent should be transferred or granted to any other person or persons;

and the comptroller shall determine the question and make such order as he thinks fit to give effect to the determination.

(2) Without prejudice to the generality of subsection (1) above, an order under that subsection may contain provision -

(a) directing that the person by whom the reference is made under that subsection shall be included (whether or not to the exclusion of any other person) among the persons registered as proprietors of the patent;

(b) directing the registration of a transaction, instrument or event by virtue of which that person has acquired any right in or under the patent;

(c) granting any licence or other right in or under the patent;

(d) directing the proprietor of the patent or any person having any right in or under the patent to do anything specified in the order as necessary to carry out the other provisions of the order.

(3) ...

(4) ...

(5) On any such reference no order shall be made under this section transferring the patent to which the reference relates on the ground that the patent was granted to a person not so entitled, and no order shall be made under subsection (4) above on that ground, if the reference was made after the second anniversary of the date of the grant, unless it is shown that any person registered as a proprietor of the patent knew at the time of the grant or, as the case may be, of the transfer of the patent to him that he was not entitled to the patent.

3 It is common ground between the parties that the reference was made after the second anniversary of the date of the grant of the patent. Hence by virtue of section 37(5) the order sought by Dr Diamond can only be made if he can show that the University knew that it was not entitled to the patent.

Consideration of section 37(5) in isolation to consideration of section 37(1)

4 It can be more efficient in some cases to deal with the question of whether the patentee knew that it was not entitled at the same time as the substantive issue of who is entitled. In this instance however I believed that it was better to deal with the section 37(5) point first as a preliminary matter. This was because the parties have already been involved in entitlement proceedings in relation to US patent application 12/306505, which is a member of the same patent family as the patent in issue here. In those proceedings which just related to the US application, the University sought to have application transferred solely into its name. Those proceedings involved a hearing where the substantive issues of who was entitled to the patent were

comprehensively aired. In my ensuing decision² I found that the University had not shown that it was entitled to the US application over Dr Diamond. Whilst it is possible that further evidence may be put forward in these proceedings, I am satisfied that sufficient of the background to the dispute is known such that a fair determination can be made of what the University knew about its entitlement to the patent in issue here at the time of its grant.

- 5 I therefore indicated from as early as the 22nd June 2016 that I wished to hear both parties on the section 37(5) point before any substantive hearing on section 37(1). The Comptroller's wide powers to manage proceedings before him are perhaps best exemplified by Rule 82 which reads so far as this particular issue as follows:

General powers of the comptroller in relation to proceedings before him

82.—(1) Except where the Act or these Rules otherwise provide, the comptroller may give such directions as to the management of the proceedings as he thinks fit, and in particular he may—

(a)

(h) direct that part of any proceedings be dealt with as separate proceedings;

In exercising this power the comptroller is required to give effect to the overriding objective of dealing with cases justly³.

- 6 Dr Diamond has objected to this approach to how I manage the proceedings and consequently I agreed to hear him on this at the start of the hearing on the section 37(5) point with the proviso that I would adjourn the hearing should I find that it was necessary to hear the full arguments relating to entitlement before reaching a decision on the section 37(5) point.

Arrangements for the hearing

- 7 I will say a little about the arrangements for the hearing as this turned out to be another contentious issue, at least to Dr Diamond.
- 8 The Office's original intention for the hearing to consider the section 37(5) point was that it be conducted by video link with Dr Diamond and me in the IPO's Newport office and the University and its representatives joining by video link from the IPO's London office. Both parties seemed content with this. Dr Diamond then however indicated that he wished to cross examine some of the University's witnesses. I informed Dr Diamond that if that was to happen then it would be necessary for me also to be in London so that I could fully observe the witnesses. Dr Diamond was then given the choice of attending in person in London or participating by video link from Newport. In the event Dr Diamond chose to participate by telephone.
- 9 The hearing was held in London on the 20th July 2017. The University of Warwick was represented by Mr Henry Ward of Counsel, instructed by HGF. Dr Diamond represented himself.

Arguments in relation to deciding the Section 37(5) point before any substantive hearing on entitlement.

² *University of Warwick v Dr Geoffrey Diamond* BL O/518/15

³ Rule 74 of the Patent Rules 2007 (as amended)

- 10 Dr Diamond argued that I should follow the approach I took in *Kenneth Farr v Orbis Corporation*⁴ in which I considered sections 37(1) and 37(5) at the same substantive hearing. Dr Diamond was also keen to highlight that those proceedings spanned three years and that the request that the section 37(5) point be considered first was refused following a preliminary hearing⁵. Dr Diamond notes that Mr Farr argued that the issue of knowledge under section 37(5) was intrinsically linked to the substantive issue of entitlement. That may have been the case there but it does not however form a precedent for how other cases should be handled. The background to the case here is significantly different to that in *Farr v Orbis*. Most notably as I have already mentioned most if not all of the background issues have been aired in the previous proceedings before the parties.
- 11 Mr Ward for the University noted that the ultimate length and cost of the proceedings in *Farr v Orbis* demonstrated clearly why the approach I was suggesting here was right. It had the potential to save both money and time. He also highlights the extensive airing of the facts and the evidence that had occurred during the earlier proceedings.
- 12 Dr Diamond also indicated that he wanted to submit further evidence in addition to that provided in the previous proceedings and that this supported his case that the section 37(5) point should be considered at the same time as the substantive issue of entitlement. He mentioned for example obtaining further evidence from Dr Ederyn Williams, former Director of Warwick Ventures Ltd and Mrs Rosie Drinkwater current chairperson of that organisation. He also referred to finding further documentation from the “truly mountainous volumes of paperwork and correspondence” that he has. Dr Diamond did not however give any indication as to the specific information that either of these individuals had that would be significant to his case either on the section 37(5) point or on the broader entitlement question. Furthermore, and more significantly Dr Diamond has had ample time since I indicated that I was minded to consider the Section 37(5) point first, to put in evidence from either of these individuals. He has not done so. As the claimant in these proceedings he also had the possibility of securing this evidence before he launched the proceedings. He also did not do that.
- 13 Having carefully considered Dr Diamond’s further submissions, I was satisfied that it was just in this case to deal with section 37(5) point as a preliminary matter. In particular I believed it could be dealt with fairly and relatively expeditiously and it would save expense. I was also mindful of the need to ensure that an appropriate share of the resources available to the comptroller would be allocated to the case while taking into account the need to deal with other cases. I would then go on to consider the substantive entitlement question at a later hearing should section 37(5) allow it.
- 14 Before I consider the section 37(5) point in detail it is necessary to deal with a number of other preliminary issues that Dr Diamond has raised.

Recusal

⁴ *Kenneth Farr v Orbis Corporation* BL O/214/11.

⁵ *Kenneth Farr v Orbis Corporation* BL O/161/08.

- 15 On the 14th July, a week prior to the hearing, Dr Diamond wrote to the IPO asking for me to recuse myself and for another hearing officer to be appointed in my place. The office replied by letter dated the 17th July, explaining that this would also be dealt with as a preliminary point at the hearing.
- 16 At the hearing I gave both parties the opportunity to make any further submissions on the question of recusal. Having carefully considered these submissions and the written submissions already made I decided that I would not recuse myself. I said at the hearing that I would set out the reasons in this decision. I will do now that.
- 17 Dr Diamond's grounds for seeking my recusal are as follows:
- a) As the hearing officer I had demonstrated actual bias in the previous inter-partes case between the two parties,
 - b) I had been party to an abuse of process in the conduct of the present proceedings, and
 - c) that I had a concluded view hostile to Dr Diamond's case prior to the current proceedings being initiated.
- 18 Dr Diamond refers in support of his case to the Court of Appeal's judgment in *Locabail (UK) Ltd v Bayfield Properties*⁶ and the Employment Appeal Tribunal's judgment in *Peter Simper & Co Ltd v Cooke*⁷, which describe the types of bias that can arise in judicial decision-making. In particular he seeks support from these cases for his argument that I have allowed my decisions to be influenced by partiality and prejudice and that a partial onlooker looking at my actions would conclude that I had a concluded view hostile to Dr Diamond.
- 19 Dr Diamond also refers me to the Court of Appeal's judgment in *Ansar v Lloyds TSB Bank Plc*⁸, which approved a summary of principles concerning recusal of hearing officers (at paragraph 14). Whilst Dr Diamond's submissions focussed on a limited number of these principles it is I believe useful to set them out below in full:

"1. The test to be applied as stated by Lord Hope in Porter v Magill 620021 2 AC 357 , at para 103 and recited by Pill LJ in Lodwick v London Borough of Southwark at para 18 in determining bias is: whether the fair-minded and informed observer, having considered the facts, would conclude that there was a real possibility that the Tribunal was biased.

2. If an objection of bias is then made, it will be the duty of the Chairman to consider the objection and exercise his judgment upon it. He would be as wrong to yield to a tenuous or frivolous objection as he would to ignore an objection of substance: Locabail at para 21.

3. Although it is important that justice must be seen to be done, it is equally important that judicial officers discharge their duty to sit and do not, by acceding too readily to suggestions of appearance of bias, encourage parties to believe that by seeking the disqualification of a judge, they will have their case tried by someone thought to be more likely to decide the case in their favour: Re JRL ex parte CJL [19861] 161 CLR 342 at 352, per Mason J, High Court of Australia recited in Locabail at para 22.

⁶ *Locabail (UK) Ltd v Bayfield Properties* [2000] IRLR 96

⁷ *Peter Simper & Co Ltd v Cooke* [1986] IRLR 19

⁸ *Ansar v Lloyds TSB Bank Plc* [2006] EWCA 1462

4. *It is the duty of a judicial officer to hear and determine the cases allocated to him or her by their head of jurisdiction. Subject to certain limited exceptions, a judge should not accede to an unfounded disqualification application: Clenae Pty Ud v Australia & New Zealand Banking Group Ltd [19991] VSCA 35 recited in Locabail at para 24.*

5. *The EAT should test the Employment Tribunal's decision as to recusal and also consider the proceedings before the Tribunal as a whole and decide whether a perception of bias had arisen: Pill LJ in Lodwick, at para 18.*

6. *The mere fact that a judge, earlier in the same case or in a previous case, had commented adversely on a party or witness, or found the evidence of a party or witness to be unreliable, would not without something more found a sustainable objection: Locabail at para 25.*

7. *Parties cannot assume or expect that findings adverse to a party in one case entitle that party to a different judge or tribunal in a later case. Something more must be shown: Pill LJ in Lodwick above, at para 21, recited by Cox J in Breeze Benton Solicitors (A Partnership) v Weddell UKEAT/0873/03 at para 41.*

8. *Courts and tribunals need to have broad backs, especially in a time when some litigants and their representatives are well aware that to provoke actual or ostensible bias against themselves can achieve what an application for adjournment (or stay) cannot: Sedley LJ in Bennett at para 19.*

9. *There should be no underestimation of the value, both in the formal English judicial system as well as in the more informal Employment Tribunal hearings, of the dialogue which frequently takes place between the judge or Tribunal and a party or representative. No doubt should be cast on the right of the Tribunal, as master of its own procedure, to seek to control prolixity and irrelevancies: Peter Gibson J in Peter Simpler & CO Ltd v Cooke [1986] IRLR 19 EAT at para 17.*

10. *In any case where there is real ground for doubt, that doubt should be resolved in favour of recusal: Locabail at para 25.*

11. *Whilst recognising that each case must be carefully considered on its own facts, a real danger of bias might well be thought to arise (Locabail at para 25) if:*

a. there were personal friendship or animosity between the judge and any member of the public involved in the case; or

b. the judge were closely acquainted with any member of the public involved in the case, particularly if the credibility of that individual could be significant in the decision of the case; or,

c. in a case where the credibility of any individual were an issue to be decided by the judge, the judge had in a previous case rejected the evidence of that person in such outspoken terms as to throw doubt on his ability to approach such person's evidence with an open mind on any later occasion; or,

d. on any question at issue in the proceedings before him the judge had expressed views, particularly in the course of the hearing, in such extreme and unbalanced terms as to throw doubt on their ability to try the issue with an objective judicial mind; or,

e. for any other reason, there were real grounds for doubting the ability of the judge to ignore extraneous considerations, prejudices and predilections and bring an objective judgment to bear on the issues.”

20 In Dr Diamond's allegations of actual bias, he refers to instances in the previous proceedings where he claims that I departed from normal case management

procedures in a way that favoured the other party contrary to his objections. Dr Diamond refers in particular to the following as evidence of bias

- a. I allowed evidence to be introduced after the evidence rounds had been concluded despite objection from Dr Diamond
- b. I allowed evidence to be admitted that was not strictly in reply
- c. I offered advice to the other side in my summary and findings

21 The evidence that I unfairly allowed in was apparently a paper that Dr Diamond wrote for a defence and security symposium (referred to as the SPIE symposium). Dr Diamond had alluded to the paper in his written evidence though he had chosen not to submit the document. Counsel for the University put forward a copy of the paper during the cross-examination of Dr Diamond. At the time Dr Diamond expressed surprise that it was possible to introduce documents during cross-examination referring to feeling a little ambushed though he went on to say

“It is a procedural thing. I did not know you could introduce evidence in cross-examination or I would have taken advantage of it yesterday. I am not protesting..”

He further said that he was “totally familiar and comfortable” with the paper as he had written it.

22 Dr Diamond argues that allowing this paper to be introduced over his “strong objections” was a “breach of judicial procedure against the principles of natural justice”. He also argues that it was contrary to the guidance provided by the IPO in sections 3.29, 3.30 and in particular 3.34 of its Hearings Manual. The latter of which, notes that “sometimes a party seeks to hand up fresh evidence at the hearing itself. This practice is to be deplored...” However paragraph 3.29, which is also referred to by Dr Diamond notes as follows:

“During cross examination of a witness at a hearing, the person conducting the cross examination may produce additional documents to test the witness's honesty or reliability. That practice is normal and acceptable.”

I was satisfied that this is indeed what Counsel was seeking to do in this instance.

23 I would add for completeness that Dr Diamond also sought to submit evidence outside of the normal evidence rounds including only a few days before the hearing. The University whilst highlighting the difficulty that this presented nevertheless did not seek to have it deemed inadmissible.

24 Overall having reviewed this particular aspect of the previous proceedings I am satisfied that there was no bias on my part against Dr Diamond.

25 Dr Diamond also suggests that I allowed the University to submit evidence in reply in the earlier proceedings that was not strictly that. He does not however provide any further specifics on this.

- 26 I would also note that Dr Diamond was informed that I would also be the hearing officer in this case some thirteen months before he raised the issue of bias. This was in response to a query he had raised. Hence if he had genuine concerns then I would have expected him to have raised those much earlier rather than waiting to a few days before the hearing. I therefore dismiss the accusation that I demonstrated actual bias against Dr Diamond in previous proceedings.
- 27 In relation to the conduct of the present proceedings Dr Diamond highlights a number of instances of abuse of process on my part. Dr Diamond suggests for example that I confused this case with another when making a typographical error in the official letter issued by the office on the 7th June 2017. The mistake in question was to refer to a David Sullivan rather than David Calvert. Dr Diamond suggests that this was indicative of me not giving his case the proper consideration. This was not the case: rather this was simply a genuine mistake that was immediately rectified. Dr Diamond also suggests that I obstructed him in gaining access to a hard copy of the Practice Notice on Evidence 1999 that is referred to in the Office's Patents Hearings Manual⁹ and which he had sought to rely on. Again, there is no basis in this claim. Dr Diamond requested a hard copy on the 9th June and this was provided on 13th June, effectively two working days after the request. It is unfortunate that a link to the notice which appears in the Hearings Manual takes members of the public to a pay-to-view site, however, as well as appearing in the Reports of Patent, Design and Trade Mark Cases ([1999] RPC), the notice can be retrieved, free of charge, from the archived collection of IPO practice notices held by the National Archives, a collection signposted and accessible from the IPO's 'Patent Practice Notices' page on gov.uk¹⁰.
- 28 Dr Diamond also says that he was placed on an unequal footing by not being given an opportunity to respond to the directions set out in the IPO letter of the 7th June. These directions concerned the making of submissions on the need for the cross examination of witnesses. This is an issue that I address in substance later in this decision. For the moment it is sufficient to note that the directions provided that any submissions should be made by the 16th June. The University made its submissions on this in a letter dated the 14th June. Having considered these submissions and mindful of Dr Diamond's status as a litigant in person, I instructed the Office to write again on the 16th June to Dr Diamond to confirm that Mr Calvert and Mr Compton-Bishop should be available for cross-examination as Dr Diamond had requested. The letter also reconfirmed my preliminary view that cross-examination of Professor Gan and Professor Hutchins was unnecessary, although I did provide further clarification about how the issue would be resolved should Dr Diamond still continue to contend that cross-examination of these individuals was necessary. Dr Diamond was given until the end of the 16th June in which to file submissions. A brief submission was received from Dr Diamond that day. I do not consider any bias or prejudice against Dr Diamond in my conduct on this point. Indeed, to the contrary, this further intervention was intended to serve as clarification of the issues still in dispute and as such to aid Dr Diamond in his submission.

⁹ [Patents Hearings Manual](#)

¹⁰ <https://www.gov.uk/government/collections/patents-practice-notices>, then within the archived page, see p.11 of the linked document 'Older practice notices'.

- 29 The allegations of my hostility to Dr Diamond's case prior to giving evidence are based on my assessment of his evidence in the previous proceedings, and comments made in my decision on costs¹¹. I can deal with this very briefly by referring to one of the principles set out in *Ansar v Lloyds TSB*, namely that the mere fact that a judge (or hearing officer), earlier in the same case or in a previous case, had commented adversely on a party or witness, or found the evidence of a party or witness to be unreliable, would not without something more found be a sustainable objection.
- 30 In his submission on recusal Mr Ward also made reference to the test set out in *Ansar v Lloyds TSB*. He then summarised events in the current proceedings including:
- a. Dr Diamond's requests for 4 to 6 week extensions for the evidence rounds – both of which were granted;
 - b. his failure to file any 'evidence in reply' despite the extension granted;
 - c. his refusal for the preliminary matter under s37(5) to be decided on papers; his refusal of proposed dates for the hearing;
 - d. and his knowledge of the hearing officer's identity in June 2016 yet the request for recusal only being made just prior to the hearing.
- 31 In Mr Ward's opinion, Dr Diamond has gone out of his way to delay and hinder proceedings and his request for recusal is entirely frivolous; something the authorities say I would be wrong to yield to it. If not frivolous, then the only possible basis on which Dr Diamond might have any grounds to request recusal is Dr Diamond's claim that I have been outspoken against him in my previous decision; offering more than mere adverse comments. On this point, Mr Ward felt that criticism levelled at Dr Diamond in all of this tribunal's judgments, had been wholly constrained and stressed that ultimately the matter is about what the University knew and not about Dr Diamond's credibility.
- 32 Having carefully considered all the submissions I could find no basis whatsoever, either taking the allegations individually or collectively to recuse myself from the present proceedings.

Formal Complaint

- 33 Following the decision not to recuse myself, Dr Diamond expressed his desire to lodge a formal complaint against me and enquired about the mechanism for doing so. I explained that guidance relating to the IPO's formal complaints procedure could be found on the IPO website.

Decline to Deal

¹¹ *University of Warwick v Dr Geoffrey Diamond* BL O/441/16.

34 Dr Diamond then requested that I decline to deal with the matter before me under section 37(8). I refused this request again stating that I would set out the reasons for doing so in this decision. This I will now do.

35 Section 37(8) reads:

If it appears to the comptroller on a reference under this section that the question referred to him 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.

36 Following the judgment in *Luxim Corp v Ceravision Ltd*¹², the comptroller will consider exercising discretion to decline to deal whenever a case is complex and will not do so "sparingly" or "with caution". In making the determination, it is necessary to consider the technical, factual and legal aspects of the case and to judge these against the expertise and experience of a hearing officer as compared with that of a judge. Technical matters, expert witness evidence, English or foreign patent law do not normally indicate transfer to the court whereas fraud, breach of fiduciary duty, and legal issues falling outside patent law, might do so. The limited costs regime in the office and its effect on the parties can also be a relevant factor, noting that the question of costs is something that probably cannot be formerly referred to the court.

37 The preliminary matter under consideration here does not involve technical, factual or legal aspects that are beyond the expertise and experience of a hearing officer. Indeed much of what is raised in these proceedings has already been considered in previous proceedings, albeit under a different section of the act. The matter before me is about establishing the facts of who knew what and when based upon the evidence submitted by the parties; it is not about understanding complex technical or legal matters that fall outside of patent law.

38 Dr Diamond suggests that the question of "constructive notice" that he had raised in support of his case on 37(5) took this case squarely outside of patent law. I am not convinced that it does even if it is indeed actually relevant to the issue before here and I discuss that shortly. Furthermore, procedurally Dr Diamond had had ample time to request that I decline to deal in advance of the hearing. He did not do so. Hence for these reasons either on their own or collectively I decided it was not appropriate that I decline to deal with the reference. I would add that in my opinion, this request was nothing more than another last-ditch attempt by Dr Diamond to delay and stall proceedings.

Calling of witnesses and their cross examination

39 The University's choice of witnesses and the content of their witness statements has been a further source of frustration for Dr Diamond. In particular, Dr Diamond has been keen to cross examine not just Mr Calvert and Mr Compton-Bishop, both of whom provided witness statements for the University, but also Professor Hutchins and Professor Gan who are the co-inventors named on the patent and who are referred to in the witness statements of Mr Calvert and Mr Compton-Bishop.

¹² *Luxim Corp v Ceravision Ltd* [2007] EWHC 1624 (Ch), [2007] RPC 33,

- 40 In a letter of the 16th June 2017, I directed that both of the witnesses put forward by the University should be made available for cross-examination by Dr Diamond, should he wish to cross examine them (he later confirmed that he would only cross examine Mr Calvert). I also offered a preliminary view that the cross examination of neither Professor Hutchins nor Professor Gan would be necessary in order for me to decide on the matter before me but, should Dr Diamond remain of the view that cross examination was necessary, I would hear his further submissions as a further preliminary point at the hearing.
- 41 Dr Diamond explained that he had tried to contact Professor Gan and Professor Hutchins presumably with the intention of them providing evidence on his behalf. They have apparently not responded to his advances. Dr Diamond's view was that because they were mentioned in the witness statements of Mr Calvert in particular that they should nevertheless be available for him to cross examine. Failing that he also suggested I had the power to compel them to give evidence and that I should exercise that power in this instance.
- 42 Mr Ward noted in response that Dr Diamond had had ample opportunity to provide the necessary evidence in support of his application including specifically on the section 37(5) point. He noted that since neither Professor Hutchins nor Professor Gan had provided witness statements then there was nothing on which to cross examine them. He further noted that Dr Diamond had not in advance of the hearing sought to raise the issue of me compelling these two individuals to attend and that it was simply too late to raise it at the hearing.
- 43 The comptroller's power to issue directions in respect of evidence comes in particular from Rules 82 and 86, the relevant parts of which read as follows:

82.—(1) Except where the Act or these Rules otherwise provide, the comptroller may give such directions as to the management of the proceedings as he thinks fit, and in particular he may— (a) require a document, information or evidence to be filed;

86. The comptroller shall have the powers of a judge of the High Court (in Scotland, the Court of Session) as regards— (a) the attendance of witnesses;

- 44 In this instance I decided that evidence from Professor Hutchins and Professor Gan was not necessary to decide the section 37(5) point as what matters is not what the inventors knew but what the university knew. Nothing that had been presented to me indicated that these two individuals would have anything significant to add to the evidence already before me. In contrast the evidence of Mr Calvert and Mr Compton-Bishop is clearly significant. This is why I directed that they be available for cross examination.

Hearsay Evidence

- 45 Dr Diamond also sought to challenge the admissibility of some of the evidence put forward by especially Mr Calvert. He argued that it included hearsay evidence, and that to the extent it related to statements allegedly made by either Professor Hutchins or Professor Gan, then it should be deemed inadmissible if neither of these persons was available for cross examination. He sought support for his position from the Patent Practice Notice on Hearsay Evidence (this is the practice notice already referred to under the head "recusal" above). Dr Diamond did not however identify the

specific parts of the witness statement that he was objecting to despite being asked to do so on more than one occasion. Indeed when pressed on this by me at the hearing he suggested all the exhibits to Mr Calvert's witness statement should be struck out.

- 46 A number of these exhibits however clearly do not contain any hearsay evidence. For example one of the exhibits is merely copies of the forms filed at the IPO in respect of the priority patent application. Others, however do include statements from Professor Gan in particular. For example one relates to an email exchange between Mr Calvert and Professor Gan, some of which Professor Hutchins was also copied in to. The emails originating from Mr Calvert clearly do not fall within the category of hearsay evidence and hence it would not be appropriate to deem these inadmissible. The various emails from Professor Gan are hearsay to the extent that they are statements not given under oath or subject to cross-examination. However the factual nature of the majority of these emails coupled with the overall lack of specificity on behalf of Dr Diamond in pursuing this point led me to allow them to be admitted. However in line with the Practice Notice, I will be mindful of the weight I give to any of these statements by Professor Gan, and for that matter Professor Hutchins, especially where it is contradicted by other evidence.

Preliminary or Substantive Hearing

- 47 I would add finally head that Dr Diamond appeared to attach particular significance to the question of whether any hearing on the section 37(5) point alone would be a preliminary hearing or a substantive hearing. The Office does in some of its guidance and correspondence refer to hearings that address issues other than the main substantive issue as preliminary hearings. The rules governing how such preliminary hearings are conducted are however the same as those for the substantive hearing though in practice if the preliminary issue is relatively minor, for example a disputed request for an extension of time, we will encourage the parties to hold a hearing if that is indeed necessary by telephone or by video link.

Summary Judgement

- 48 For completeness, I should add that I chose not to grant summary judgment in favour of Dr Diamond, as he had requested in his written submissions, dated the 31st August 2016.
- 49 I turn now to the question of whether the University knew at the time of the grant of the patent that it was not entitled to it. I will start by considering what it is that Dr Diamond needs to show.

Section 37(5): The meaning of "knew"

- 50 The question I need to answer in my consideration of Section 37(5) concerns the knowledge of the proprietor in respect of his entitlement to the patent at the time the patent was granted. The requirement for knowledge is set out in quite specific terms:

"...[the] person registered as a proprietor of the patent knew at the time of the grant...that he was not entitled to the patent"

51 A line of argument put forward by Dr Diamond is that the University had “constructive knowledge” that they were not entitled to the patent. Relying on *Sinclair Investments (UK) Ltd v Versailles Trade Finance Ltd*¹³ (“*Sinclair*”) and *Crédit Agricole Corporation and Investment Bank v Papadimitriou*¹⁴ (“*Crédit Agricole*”). Dr Diamond submits that because the University conducts substantial scientific research, continuously files patents and has specialist IP personnel on its staff, the circumstances were such that they would have had “constructive notice/knowledge” of:

a) the absence of a contract or agreement with Dr Diamond, - as named inventor - before the invention was conceived;

b) the lack of their entitlement to the EP patent by virtue of any enactment or rule of law or any foreign law or treaty or international convention, and

c) the lack of entitlement to the invention under section 39(1)(a) or (b) of the Act (here Dr Diamond is relying upon my decision in the previous proceedings).

52 Dr Diamond says constructive knowledge would arise from the fact, that “*a person or legal entity [i.e. the University] is deemed to know facts which would have come to their knowledge, if they had made enquiries that a reasonable person would have made in similar circumstances. Thus constructive notice is deemed when a person or legal entity is expected to make enquiries and failed to do so*”.

53 Of the case law relied upon by Dr Diamond, *Crédit Agricole* is of most relevance as the Court, at paragraphs 13 to 20, reviewed the test set out by Lord Neuberger in *Sinclair* - the other case relied upon by Dr Diamond - and how it was applied by the lower courts before then determining the circumstances and extent to which a bank should have made inquiries or sought advice in respect of a proprietary right, thus giving rise to the notion of constructive notice:

13. *In para 109 Lord Neuberger summarised his conclusion as to how the question should be put. He said that the question was whether, on the facts known to the banks on the three dates,*

“a reasonable person with their attributes (ie those of a responsible large bank with the benefit of highly experienced insolvency practitioners as their appointed administrative receivers) should either have appreciated that a proprietary claim probably existed or should have made inquiries or sought advice, which would have revealed the probable existence of such a claim.”

14. *The approaches of Lord Browne-Wilkinson and Millett J do not seem to the Board to be entirely consistent. The position has however been resolved in Lord Neuberger’s para 109. As he indicates, it is important for these purposes to distinguish between three different circumstances. The first is where the bank in fact appreciates that a proprietary right in the property probably exists, so that the bank has actual notice of the right. That is not this case. The second is where a reasonable person with the attributes of the bank should have appreciated based on facts already available to it that the right probably existed, in which case the bank has constructive notice of the existence of the right.*

15. *The third is where the bank should have made inquiries or sought advice which would have revealed the probable existence of such a right. Here too, the bank would have*

¹³ *Sinclair Investments (UK) Ltd v Versailles Trade Finance Ltd* [2011] EWCA Civ 347.

¹⁴ *Crédit Agricole Corporation and Investment Bank v Papadimitriou* [2015] UKPC 13.

constructive notice of the right. The question is in what circumstances and to what extent it can properly be said that the bank should have made inquiries or sought advice. The cases suggest various possible approaches. So, for example, Lord Browne-Wilkinson said in the passage quoted in para 12 above:

“In particular, if the party asserting that he takes free of the earlier rights of another knows of certain facts which put him on inquiry as to the possible existence of the rights of that other and he fails to make such inquiry or take such other steps as are reasonable to verify whether such earlier right does or does not exist, he will have constructive notice of the earlier right and take subject to it.”

The suggestion there is that the bank must make inquiries if the bank is on notice as to the possible existence of such a right.

16. What then is meant by possible? The Board does not think that Lord Browne-Wilkinson can have intended to refer to the mere possibility of the existence of a proprietary right. Although Lord Browne-Wilkinson referred more than once to possibility, he also referred in a similar context to there being “a substantial risk” (at p 196E). As the quotation at para 12 above shows, Millett J also referred to “the possibility of wrongdoing”. After correctly referring to the fact that a bank’s account officers are not detectives, he said that, unless and until they

“are alerted to the possibility of wrongdoing, they proceed, and are entitled to proceed, on the assumption that they are dealing with honest men. In order to establish constructive notice it is necessary to prove that the facts known to the defendant made it imperative for him to seek an explanation, because in the absence of an explanation it was obvious that the transaction was probably improper.”

17. With respect to Millett J, it is not absolutely clear what he meant. He was correct to say that the starting point is the assumption that the bank is dealing with honest men but it appears to the Board that there is some confusion between the first stage, at which the bank is alerted to “the possibility of wrongdoing” which it appears prompts an inquiry, and the second stage after the inquiries have taken place. If he intended to say that it was only necessary to carry out inquiries if it was obvious that, absent inquiries, the transaction was probably improper, the Board regards that as too high a test. The purpose of any such inquiries is to ascertain whether the transaction was improper. If the facts already known to the bank show that the transaction was probably improper without further inquiries, it appears to the Board that the bank would have had constructive knowledge of that impropriety without further inquiry.

18. As the Board sees it, the problem is largely resolved by Lord Neuberger’s approach in his para 109. He identifies the relevant persons at the bank and says that the bank will have constructive notice where they should either have appreciated that a proprietary claim probably existed or have made inquiries or sought advice, which would have revealed the probable existence of such a claim. However, the Board thinks that by “proprietary claim” Lord Neuberger must have meant “proprietary right”. In the context of knowing receipt, in *Carl Zeiss Stiftung v Herbert Smith & Co (No 2)* [1969] 2 Ch 276 Danckwerts LJ said this at p 290:

“In my view, knowledge of a claim being made against the solicitor’s client by the other party is not sufficient to amount to notice of a trust or notice of misapplication of the moneys. In the present case, which involves unsolved questions of fact, and difficult questions of German and English law, I have no doubt that knowledge of the plaintiffs’ claim is not notice of the trusts alleged by the plaintiffs.”

In *Sinclair* Lord Neuberger said at para 108 that he agreed with the judge in that case that the reasoning in the *Carl Zeiss* case supported the proposition that notice of a claim was not the same as notice of a right. In these circumstances the Board considers that in his next para (109) Lord Neuberger must have intended to refer to the existence of a proprietary right and not a claim.

19. In para 109, Lord Neuberger identifies two alternative cases in which the bank would have constructive notice of a proprietary right. The first is where the bank should have appreciated that a proprietary right probably existed. Lord Neuberger does not suggest that further inquiries or advice would be needed in that event, because the bank would have constructive notice of the right. The second is where the bank should have made inquiries or sought advice which would have revealed the probable existence of such a right. He does not identify the state of mind which should have led the bank to make such inquiries or sought such advice. It appears to the Board that Lord Neuberger did not intend to contradict Lord Browne-Wilkinson's approach at the earlier stage.

20. Thus, on the one hand, the bank's knowledge of facts indicating the mere possibility of a third party having a proprietary right would not be enough to put the bank on inquiry but, on the other hand, it is not necessary for the bank to conclude that it probably had such a right. The test is somewhere in between. It may be formulated in this way. The bank must make inquiries if there is a serious possibility of a third party having such a right or, put in another way, if the facts known to the bank would give a reasonable banker in the position of the particular banker serious cause to question the propriety of the transaction.

- 54 So what do I take away from this? If I *am* able to take into account constructive knowledge or notice, Dr Diamond would seemingly need to show that the circumstances were such that University, based upon the facts available to it at the time should have appreciated that the right to the grant of the patent probably belonged to someone else or that it had serious doubts regarding its entitlement to the patent at the time the patent was granted and that those doubts would have been serious enough for it to warrant further inquiries.
- 55 Mr Ward submits that it is 'actual knowledge' which is required here: constructive knowledge is not enough. He notes that the interpretation of "knew" has been considered before. In *Farr v Orbis*, my review of previous IPO decisions covering this point led me to conclude that section 37(5) is a high hurdle. As the hearing officer in *Lockheed Martin Corporation v Hybrid Air Vehicles Ltd*¹⁵ said at paragraph 17: "*the words of the statute are crystal clear. The legislation says "knew", not "knew or ought to have known"*".
- 56 I see no reason why I should depart from the conclusions reached in those decisions. I would add that had the legislation meant something else then it would have said so. It does this elsewhere. For example in Section 60(3)(a) covering restrictions on damages where a patent has been amended, it refers to the question of whether the infringer "knew, or had reasonable grounds to know" that they were infringing the patent.
- 57 The concept of "constructive knowledge" is more akin to having reasonable grounds to know or ought to have known or ought to have known enough to investigate further. This is not in my opinion within the terms of section 37(5) which requires actually knowledge.
- 58 Hence what Dr Diamond needs to demonstrate is that the University knew it was not entitled to the grant of the patent. I turn now to the evidence submitted on this.

The witnesses and cross examination

¹⁵ *Lockheed Martin Corporation v Hybrid Air Vehicles Ltd* BL O/235/08

- 59 The University provided witness statements from Mr David Calvert and Mr Quentin Compton-Bishop.
- 60 Mr Calvert was Business Development Consultant of the University's "Warwick Ventures" Department from 2000 until 2010. The role of Warwick Ventures is to protect and manage the University's IP and subsequently commercialise the research and innovations produced by research staff of the University. Mr Compton-Bishop is the CEO of Warwick Ventures Limited.
- 61 Of the two witnesses, only Mr Calvert was cross examined. I discuss his evidence in more detail shortly however I will say a little first about his cross examination and his credibility as a witness.
- 62 Dr Diamond was a litigant in person. This was something he was keen to remind me of on a number of occasions. It was hence unsurprising that his cross examination of Mr Calvert lacked particular focus and on occasions I felt it necessary to intervene to keep the line of questioning focused on the matter before me. The main thrust of his questioning was however directed to undermining his credibility as a witness. More specifically he was keen to get Mr Calvert to accept that when he recounts conversations and events, he routinely ascribes more words to what was actually said. Dr Diamond sought to rely in particular on the answers given by Mr Calvert during his cross examination in the previous proceedings, particularly his answers relating to his written statement in those proceedings concerning a grant application. This was the application referred to as the 'Spinner application' which was made by the University and which named Professor Gan as the "inventor/academic". I believe it is Dr Diamond's contention that the transcript goes to show that Mr Calvert's testimony in the previous proceedings was factually unreliable – a point that was not addressed by Mr Ward when re-examining Mr Calvert during those proceedings. For this reason Dr Diamond argues that Mr Calvert cannot now be considered a reliable witness.
- 63 Mr Calvert's witness statement in those previous proceedings was not filed as evidence in these proceedings though Dr Diamond did submit a copy of the transcript from those proceedings which includes Dr Diamond quoting from relevant sections of that witness statement. The Spinner application was filed again in these proceedings to support Mr Calvert's witness statement.
- 64 When Dr Diamond put it to Mr Calvert that he 'ascribes more words than what anyone actually says', Mr Calvert responded by saying "not intentionally". Under further questioning he went on to make it clear that - contrary to what Dr Diamond alleges - he did not describe Professor Gan as being the sole inventor behind the invention set out in the Spinner application. In my opinion, his answers were those of someone who was rather unsure and at times confused about the line of questioning adopted by Dr Diamond. I do not take his cross examination as providing any kind of admission or suggestion that his recollections of events and facts are false, or that he ascribes more words to what people actually said.
- 65 Dr Diamond also probed Mr Calvert on whether he was being paid to give testimony in these proceedings. Mr Calvert was initially rather evasive about the nature of his current employment but did eventually confirm that he worked for the University on a consultative basis to support the University with its projects which includes

supporting it in these proceedings. Mr Calvert was not questioned about whether the University knew that it was not entitled to the patent at the time it was granted. Mr Calvert confirmed under questioning that he had never held the title of patent manager.

66 Although he was a little evasive when first questioned about his consultancy work for the University, I believe that overall Mr Calvert was a credible witness and that I can rely upon the statements made in his witness statement.

67 Both sides also submitted a number of documents including transcripts of the hearing and my decision in the earlier proceedings. I discuss these in detail shortly.

The patenting of the invention

68 I set out the evolution of the invention that is the subject of the patent in issue and the steps taken to secure a patent in detail in my earlier decision. Much of what I described there was based on the testimony of Mr Calvert. He has repeated that in his witness statement in these proceedings.

69 There is no dispute that the invention was the work of Professor Gan, Professor Hutchins and Dr Diamond. Attempts to patent the invention started in 2005 with the filing by the University of patent application number GB0505675 (the "05" application). This patent application was terminated before publication. A further application was however filed which became the priority application for the PCT application which gave rise to the patent in issue here. This priority application was UK patent application GB0613165.0 (the "06" application). It is entitled "*Real-time infrared measurement and imaging system*", and was filed on the 28th June 2006 by the University of Warwick. Professor Gan, Professor Hutchins and Dr Diamond are the named inventors with the Statement of Inventorship form that accompanied the application noting that the applicant derives the right to be granted a patent by virtue of the "*regulations relating to all staff and students*".

70 PCT application PCT/GB07/050368 was subsequently filed on the 28th June 2007 with a priority claim based on GB0613165.0. It was published as WO2008/001141 on the 3rd January 2008. The application again named the University of Warwick as the applicant. Signed declarations of inventorship were subsequently filed by all the named inventors. Dr Diamond's signed declaration is dated the 4th September 2007.

71 Shortly after the 05 patent application was filed, an application was made by the University for a "Spinner – Pathfinder Grant" for a "*Novel non-contact infrared (IR) system for food quality inspection*". Dated the 14th July 2005, the grant application names Tat Gan as the "academic/inventor". The grant application also states that a patent application has been filed, quoting GB 0505675.9 as the application number. The document explains that a one-dimensional infrared system has been developed and the next stage of development to prove commercial viability is to provide a linear arrays of scanners and detectors. If successful, it is stated that the IPR in the invention will be "licensed to G-Tronix for commercial exploitation".

72 G-Tronix was set up by Professor Gan. In February 2006 Dr Diamond and Professor Hutchins were appointed as directors. The Company Directors' report for the period to June 2006, which was signed by Dr Diamond, notes that the company was set up

“in order to exploit the IP relating to air coupled ultrasonic emitters and their application in the analysis of food processing.” It goes on to note that “The IP is owned by the University of Warwick and exclusively licenced to the company in exchange for an equity share”.

- 73 The University has provided copies of two licence agreements entered into between the University of Warwick and G-Tronix. In the first dated the 29th August 2005 the University licences to G-Tronix the technology contained inter alia in the 05 application and in the second dated the 5th December 2007 the technology in inter-alia the 06 and PCT applications. The first agreement, which also refers to know-how relating to air coupled ultrasonic sensors, was signed on behalf of G-Tronix by Professor Gan and the second was signed on behalf of G-Tronix by Professor Hutchins. Both licences state that the licensed technology will remain the exclusive property of the University. The latter licence in particular also states that the University will pay any fees to maintain the 06 and PCT applications with G-Tronix reimbursing the University for any such fees that are paid.
- 74 Since both parties have made frequent reference to my earlier decision it is probably opportune to repeat here what I said then about the behaviour of the parties in relation to the ownership of the patent in the context of the uncontested events detailed above. This is set out under a header of “*Did the parties all behave as if the invention belonged to the University?*” where I made the following observations:

“129. So what can I conclude under this head. From the various documents submitted I believe that all those involved with the invention did behave as if the invention belonged to the University. This started with Dr Gan taking his initial idea to Warwick Ventures. It continued with the University applying for the various patents and then with the licencing of the invention from the University to G-Tronix in two separate licences signed on behalf of G-Tronix by Dr Gan and Professor Hutchins. It continued further with the University and Dr Diamond seeking to get further grant funding or contracts on the back of the invention.

“130. What perhaps isn’t so clear is why the various parties behaved in this way. It is perhaps understandable that Warwick Ventures when approached by an academic would assume that the invention belonged to the University. There is certainly nothing before me to indicate that it was concerned in any way at that time about its entitlement to the invention. It follows that I am not persuaded that the University through Warwick Ventures was as Dr Diamond suggests acting in just a purely “administrative” way for the inventors. Rather it was behaving as I would expect the representative of the owner of the invention and a body with the expertise and resources to pursue the patent applications to be acting.

“131. Equally in the absence of any evidence to the contrary I must I believe conclude that both Dr Gan and Professor Hutchins also behaved as they did, from the time that the invention was devised until as recently as when they assigned their rights to the application in issue, because they believed the invention to be the property of the University. Although the basis for this belief is not clear.

“132. As for Dr Diamond, it seems implausible that he was unaware that the patent applications were being made in the name of the University and that the licence agreements were presenting the invention as the property of the University. He did not at the time question any of this. Was this because he was part of some sort of “fraud” with Professor Hutchins, Dr Gan and Mr Calvert? I very much doubt it was. It was much more likely in my opinion because Dr Diamond either believed it did belong to the University or that at the time he wasn’t overly concerned about whose name the patents were in. From the evidence it seems the focus of Dr Diamond’s attention around the period just after the invention was made was on exploiting the invention and using it to secure further contracts for the University and, either as a result of that or separately, further commercial work for G-Tronix. As he admitted he played a leading role in for example securing the Home Office contract. It is not clear whether he was doing this in his capacity as a Research Fellow at the University or as a Director of G-Tronix. In any event securing further contracts or grants would have likely benefitted Dr Diamond in either capacity through his commercial interest in G-Tronix and as discussed above his employment with the University was inextricably linked to funding from grants and contracts.”

- 75 I should stress that that represents my assessment then of the behaviour of the parties. What matters here is not necessarily how the University in particular behaved but what it knew. Dr Diamond argues that on the basis of some of the documents that were considered previously and further documents presented here it can be seen that the University did know that it was not entitled to the patent in issue at the time of grant.
- 76 The earliest correspondence relied on by Dr Diamond is an email of the 8th March 2006 from Professor Hutchins to Ms Pauline Spetsioti at DEFRA. In this email Professor Hutchins provides Ms Spetsioti with a copy of the business plan for G-Tronix which he then discusses. The discussion confirms that G-Tronix will be the route to market for a non-contact ultrasound system and that the University has licensed its background IP to G-Tronix. Dr Diamond refers particularly to a passage which reads *“Also note that the company [i.e. G-Tronix] hopes in the future to look more at IR technology, about which we spoke yesterday.”* The email continues by saying: *“The University of Warwick has applied for a patent on some of our ideas; however we still need an in-depth study to look at the full range of possibilities for IR methods. However, if they are useful, G-Tronix will again be the route to market, and hence it’s in the business plan”.*
- 77 Dr Diamond argues that the reference by Professor Hutchins to “our ideas” is a reference to G-Tronix’s entitlement to the ideas.
- 78 Mr Ward contends that the content of this email is entirely consistent with the fact that G-Tronix was a spin-out company to which the University had licensed its technology. The context of the email is the University seeking a grant from DEFRA for the development of its IP which would be then be licenced to G-Tronix for commercialisation. He notes that this contention is supported by Mr Calvert in his witness statement.
- 79 On this document I agree with Mr Ward. There is nothing in the email to show or otherwise suggest that the University knew it was not entitled to the patent at the

time it was subsequently granted; it is a discussion between one of the named inventors and someone at DEFRA talking about the G-Tronix business plan and touching on licence arrangements with acknowledgement from that named inventor that the IP is owned/being applied for by the University (*"The University of Warwick has licensed its background IP to G-Tronix for this [non-contact ultrasound] technology"*). The fact that the email goes on to talk about G-Tronix "looking further" into IR technology does not go to show that the University knew it was not entitled to the later granted patent.

- 80 Dr Diamond refers next to an email from Professor Hutchins to Ms Emma Peak, a Contracts Officer in the Research Support Services section of the University, dated the 5th November 2008. Dr Diamond highlights part of the exchange where Ms Peak seeks confirmation of the filing date of the PCT patent application and that the invention was not developed under any research contract. In response, Professor Hutchins says (with Dr Diamond's emphasis):

"The [PCT] patent application... was filed on 28th June 2006 which predates the DEFRA and Home Office contract/grants on Near Infrared (NIR). Also, no IP cited in the patent application was developed under any other university research contract ; it was invented and formulated from "cold".

- 81 Dr Diamond says that this serves as evidence that the University knew it was not entitled to the patent. In making this point, Dr Diamond highlights the importance that this email played in my consideration in the previous proceedings when deciding whether the invention was made in the course of Dr Diamond's normal duties. I quote the relevant paragraph in full (with the passage Dr Diamond relies upon underlined):

"142. The evidence from neither side is particularly strong. On the basis of what evidence I have I am satisfied that Dr Diamond did not make his contribution in the course of his duties so far as those duties were directed to working on specific grants. Decisive here is the email from Professor Hutchins where he clearly states that the invention was developed "from cold". But Dr Diamond's duties as I have found them extended beyond just working on specific grants. His duties included assisting Professor Hutchins more broadly in his research activities. So what evidence do I have on what Professor Hutchins was doing at the relevant time? The answer to that is unfortunately nothing. In particular there is nothing to show how Professor Hutchins and Dr Gan moved from working on ultrasonic transducers for inspecting engineering composites and foodstuffs to working on infrared transducers. Notwithstanding that the basis on which the University is entitled to the contributions of Dr Gan and Professor Hutchins is not in issue here, it would nevertheless have been beneficial to the claimant's case in particular if it had provided evidence from either of these individuals or some supported narrative as to how those two individuals came to make their contributions to the invention. This is especially true of Professor Hutchins since the claimant is in part relying on Dr Diamond's duties in support of Professor Hutchins' research."

- 82 I believe the underlined text needs to be read in context. The email allowed me to reach a conclusion that the contribution made by Dr Diamond to the invention was

not made in the course of his normal duties insofar as those duties were directed to specific grants, however, that did not preclude the contribution being made as part of his wider broader duties which extended beyond specific grants – something I then went on to consider. I did not make any assessment in relation to what the University knew at that time regarding its entitlement to the patent.

- 83 Turning back to the email, Mr Calvert explains in his witness statement, that the queries raised by Ms Peak were to avoid any issues, i.e. conflict, that might arise should there be any sublicensing of the invention to a commercial third party, for example, a competitor of the grantor if the invention had been developed under a specific grant. In context, the email was not a discussion about ownership of or entitlement to the invention. I agree. There is nothing in the email which shows or would otherwise lead the University to have known that it was not entitled to the patent at the time the patent was granted.
- 84 Dr Diamond refers also to an email of the 20th April 2010 that I discussed in paragraphs 127 and 128 of my previous decision. These read:
- “127. There is one further email that Dr Diamond seeks to rely on. This is an email dated 20th April 2010 from Ms Judith Bodenham to the patent attorneys handling the PCT application. Ms Bodenham was then an Administrative Assistant at Warwick Ventures. The purpose of the email is to ask the then patent attorneys, HGF, to pass on the files relating to the patent to Mark Yeadon who by then appears to have left HGF to set up his own firm. The email has as its subject *“FW: Your Ref COAP 05005B; Our ref CJW/P118161JP; Japanese Patent Application No JP2009-517444; Imaging Apparatus and Method; University of Warwick”* and so far as is relevant reads as follows:
- Further to the emails we have recently exchanged on this patent. The patent is the invention of one of our spin out companies and they have requested that the files be sent to Mark Yeadon (who originally wrote it and is intimately cognisant of the subtleties of this technology) ... The University agrees to this ...
128. JP2009-517444 is the Japanese national patent stemming from the PCT application. Dr Diamond suggests that this email provides further proof that the invention originated within G-Tronix. It is however far from clear as to what Ms Bodenham actually knew of the origins of the invention and without that insight I do not think I can really give this email any weight when considering entitlement to the invention.”
- 85 Dr Diamond has provided a further correspondence from Mr Rob Sprawson of Warwick Ventures to him dated the 4th November 2010 in which Mr Sprawson refers to Ms Bodenham as “the Patent Manager at Warwick Ventures”. This is clearly a different to the role Ms Bodenham ascribed to herself in the earlier email. Dr Diamond argues that as the “Patent Manager” she would have understood the difference between ownership, inventorship and a licensee and that when she referred to the patent as relating to the “invention of one of our spin out companies” it is more likely that she was referring to ownership.
- 86 Mr Ward in response notes that the invention in the patent had been licensed to G-Tronix at the time of the April email and hence, whilst he accepts the “looseness of the language” used by Ms Bodenham, it is more likely she was referring to G-Tronix

as the licensee. In the alternative he notes that even if she was in some way referring to ownership then that would be in the context of G-Tronix and I have already found that Dr Diamond's claim that G-Tronix was entitled was bad. I will return to that particular point later.

- 87 I will note for the moment that, irrespective of her role, I do not have any more insight into what Ms Bodenham knew about entitlement to the patent. On its own her April email is not enough to show that the University knew that it was not entitled.
- 88 Dr Diamond strongest argument is that he had informed the University that its claim to ownership to the patent was not valid. This was done in an email he sent to Mr Compton-Bishop dated the 26th December 2011. The email was also sent to a Mr Kevin Marks and copied to range of other people though that does not appear relevant to the issue here. Mr Compton-Bishop acknowledged to Dr Diamond receipt of the email on the 24th January 2012.
- 89 In his email, which extends to two pages and which is titled "G-Tronix Ltd Ownership of Patent Application EP2049885", Dr Diamond asserts that ownership to the application rests with G-Tronix, a company of which he was at the time the sole director for the following reasons:
- a) the NIR technology did not result from any University funded research but from independent efforts of G-Tronix.
 - b) G-Tronix Ltd had not assigned or licensed the rights in the IP to the University.
 - c) G-Tronix Ltd, is totally independent from the University and has for years since original filing, paid for every cost associated with that patent and had funded the costs associated with the prosecution and maintenance of the patent application.
 - d) G-Tronix was made to pay for its legitimate ownership of the patent, an assignment that took place over a period of 5 years.
 - e) Payments were made on promises and assurances that a full assignment would automatically be granted to G-Tronix Ltd.
 - f) The University has unlawfully revoked the license, alleging breach of contract after a long and well documented acrimonious dispute with G-Tronix over the issue of the assignment of the patent."
- 90 The email also notes that G-Tronix was "suing the University to re-establish its ownership of the IP". Dr Diamond's email continues by reminding Mr Compton-Bishop of the University's legal obligation to disclose the disputed nature of the IP to any third party that the IP might be licenced to in the future. It also makes an allegation that the University, through Warwick Ventures had acted in bad faith when claiming breach of contract by G-Tronix. The email ends with "Regards, Dr Diamond for and on behalf of G-Tronix Ltd".
- 91 Mr Ward makes two points on this email. The first is that as a matter of law it is not enough that the University was aware that G-Tronix was disputing the University's

entitlement to the patent. The second is that G-Tronix's claim to entitlement was self-evidently bad when it was made. It was a hopeless claim, which I also rejected in my decision on the previous proceeding. On the first point he refers me to *Farr v Orbis* and also *Peart's Application*¹⁶. In both of those it was held that it was not sufficient on its own that the proprietor simply knew about an entitlement claim against them in order for the claimants to overcome the bar set by 37(5). It is however far from clear from those judgements what form the entitlement claim took in particular whether it was something along the lines of an unsubstantiated challenge to entitlement. Here Dr Diamond has gone further than that and has sought to set out the basis for his challenge. The question is whether that would have been sufficient to lead the University to conclude it did not own the patent.

92 In his evidence, which was not challenged by Dr Diamond, Mr Compton-Bishop states that nothing in this email caused him to believe that the University was not the sole owner of the patent. Mr Compton-Bishop confirms that he knew that Dr Diamond was one of the inventors but it was his understanding that the invention had been devised in the course of his employment with the University. He confirms that he knew that Dr Diamond was also a director of G-Tronix. He notes that G-Tronix had been granted a licence in relation to the technology. He was also aware that there had been no agreement to assign the patent to G-Tronix. He also confirms that the licence to G-Tronix had been terminated though he could not see how this had any bearing on the question of ownership.

93 In my previous decision I came to the following conclusion on the date that the invention in the patent in issue there (and also here) was devised:

“I believe on the basis of the text of the application itself and the lack of any persuasive evidence to the contrary, that the invention was most likely devised by the time of the draft 05 application. This then narrows the window to between June 2004 and March 2005. This was prior to Dr Diamond and Professor Hutchins becoming Directors of G-Tronix.”

94 There was no compelling evidence in those previous proceedings to show that G-Tronix was entitled in any way to the patent in issue there. Rather as I have already mentioned the behaviour of all the parties was consistent with G-Tronix being just a licensee. Whilst my findings in those proceedings are not in themselves determinative to the issue here, they are nevertheless consistent with the evidence given by Mr Compton-Bishop explaining why he was confident that there was no basis in what Dr Diamond was alleging in his email of the 26th December 2011. Hence on its own this email does not show that the University knew it was not entitled to the patent.

95 Dr Diamond's final line of argument concerns a report setting out the findings of some research undertaken by the University. More specifically Dr Diamond has provided me with an extract from the “Gateway to Research” (“GtR”) website set up by the Research Councils UK (“RCUK”). The extract details an award made by the Engineering and Physical Sciences Research Council (“EPSRC”) to Imperial College London and Peter Crawley to fund a project for a “UK Research Centre in NDE”, project reference EP/F017332/1. The University of Warwick were named as one of

¹⁶ *Peart's application* BL O/209/87.

the parties undertaking research under this project. Dr Diamond describes this report as being the official final report of the work that was funded under EPSRC grant GR/S09388/01, which was considered in the previous proceedings.

- 96 Under the 'Outcomes' section of the GtR report, Dr Diamond emphasises the summary of the work undertaken by the University under this project, pointing out in particular the absence of any reference to near infra-red as an area of research or as a research outcome. Dr Diamond argues that the University authored the final report (presumably with others) so knew of the final content, including the absence of any descriptions or outcomes relating the NIR. This he argues shows that the University knew that NIR technology was totally non-existent within the research project and that it naturally follows that the University also knew that it was not entitled to claim ownership of NIR technology based on this project. I have some reservations about this document as it states the project was funded for the period from April 2008 to March 2014 hence if this is a final report then it is likely to have been completed after the date of the grant of the patent in issue here. Hence the report itself can have no bearing on the question of what the University knew at the date of grant.
- 97 Mr Ward's main response to this is that at best it merely shows that the invention might not have been made under this particular grant. It is a long way from that to demonstrating that University knew it was not entitled to the patent. He also notes that even though the University relied in part on the invention emanating from this grant in the earlier proceedings that also doesn't help Dr Diamond on the section 37(5) point since any such assertions made in the course of those earlier proceedings were made after the relevant date.
- 98 I believe the extra material provided by Dr Diamond does strengthen his case that the invention was not made as part of the work on the NDE Research Centre grant. Had it been then I would have expected it to have been referred to in the report. But as I noted in respect of Professor Hutchin's email of November 2008, that the invention was not made under a particular grant does not necessarily mean that the University was not entitled to it. More significantly in regard of the issue in question here, none of this shows that the University knew that it was not entitled to the patent.
- 99 Having carefully considered each piece of evidence individually, I need now to step back and consider whether the evidence in its entirety leads to a different conclusion than each piece of evidence on its own. I do not believe it does. I believe that all the parties, including Dr Diamond were behaving at least up until his email of December 2011, as if the invention belonged to the University with G-Tronix as a licensee. That the University in particular was acting in this way does not seem unreasonable to me. Dr Diamond's email of December 2011 may have challenged this consensus but that wasn't enough, even taking into account what support he had from his other evidence, to show that the University knew it was not entitled to the patent. At best it might have sowed some doubt but that is not enough. I would add that any doubt the University might have had would most likely not have been serious enough to make further inquiries had I found constructive notice to be relevant to the question in section 37(5).

Conclusion and order

- 100 The reference to the comptroller under Section 37 by Dr Diamond was made more than two years after the grant of the patent in issue. By virtue of section 37(5) the onus has therefore always been on Dr Diamond to show that the University knew that it was not entitled to the patent at the time that it was granted. This was something he knew from the outset when he launched the proceedings.
- 101 Whether considered alone or together, none of the evidence submitted by Dr Diamond shows that the University knew that it was not entitled to the patent. The evidence shows that the University was put on alert that its entitlement might be challenged but this is not enough: Dr Diamond needed to show that it knew it was not entitled to the patent and he has not done that. The sole remedy that he has sought, namely transfer of the patent, is not available and his claim to entitlement under section 37(1) must therefore fail.
- 102 I therefore order that the reference be dismissed.

Costs

- 103 I will invite both sides to make submissions on costs.

Appeal

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

Phil Thorpe