

PATENTS ACT 1977

BETWEEN

Rigcool Limited

Pursuer

and

Optima Solutions UK Limited

Defender

PROCEEDINGS

Reference under section 37, and applications under section 13(3) and 72(1)(b),
of the Patents Act 1977 in respect of patent GB 2441058B

HEARING OFFICER Stephen Probert

Mr James Abrahams (8 New Sq) instructed by Hindle Lowther represented the pursuer
Mr Charlie Balme of Marks & Clerk Solicitors LLP represented the defender

Hearing date: 28th April 2011

PRELIMINARY DECISION

- 1 In these proceedings, Rigcool Limited (“Rigcool”) claims that they are entitled to patent GB2441058B (“the patent”). The patent currently stands in the name of Optima Solutions UK Limited (“Optima”). Although Optima has not yet been asked to file a counterstatement, they have responded to Rigcool’s statement, and have been treated as the defender in these proceedings. Rigcool and Optima are currently engaged in infringement and validity proceedings involving the same patent before the Court of Session in Scotland.
- 2 Both parties are based in Scotland, and have jointly applied to the comptroller to hold these proceedings in Scotland. I agree that this is appropriate in this case; but in any event, as all the parties consent, then in view of rule 88(2)(a), these proceedings must be held in Scotland. As a result, some of the terminology used in this decision may look slightly unusual to those familiar with decisions of the comptroller. For example, Rigcool is the pursuer rather than the claimant, and Optima is the defender, rather than defendant.
- 3 The issue in this decision is one of statutory construction. Specifically, when (for the purposes of obtaining an order) is the last opportunity for a person to

commence proceedings under section 37 (to determine entitlement)? The question arises because:-

- i) Optima's patent was granted on 27 August 2008, and
- ii) Rigcool commenced these proceedings on 27 August 2010.

- 4 Section 37(5) says that no order can be made if such a reference was made after the end of the period of two years beginning with the date of the grant¹.
- 5 Essentially the same question arises in relation to Rigcool's application under section 72(1)(b) — (revocation on the grounds of lack of entitlement); the only difference being that the application may not be made after the end of the period of two years beginning with the date of the grant¹. So the application for revocation would be rejected if it was filed out of time; whereas the entitlement issue could proceed, but with no possibility of an order being made eg. transferring the patent.
- 6 I have been greatly assisted by the written skeleton arguments provided by the parties before the hearing, and also by the submissions made during the hearing. Both parties presented their arguments in relation to the reference under section 37, recognising (rightly in my view) that exactly the same issue of construction arises in connection with the timing of the application for revocation. After hearing the parties, I concluded that these proceedings, insofar as they concern section 37 and section 72, were brought out of time. I will therefore present my reasons in relation to the reference under section 37, on the understanding that the same reasons apply to the application under section 72.

The Law

- 7 Section 37 concerns determination of the right to a patent after grant. The relevant parts on this occasion are subsections 1 and 5, which read:-

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 -

- (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.

(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 end of the period of two years**

¹ Unless it is shown that any person registered as a proprietor knew at the time of grant that he was not entitled to the patent. This exception does not apply in this case.

beginning with 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.

- 8 Section 130(7) lists section 37(5), and section 72(1) and (2), among those provisions that has (so we are told) been framed to have *as nearly as practicable* the same effect(s) as a corresponding provision of the Community Patent Convention (CPC). Section 130(7) states:-

(7) ... it is hereby declared that the following provisions of this Act, that is to say, sections ... 37(5), 72(1) and (2), are so framed as to have, as nearly as practicable, the same effects in the United Kingdom as the corresponding provisions of the European Patent Convention, the Community Patent Convention and the Patent Co-operation Treaty have in the territories to which those Conventions apply.

- 9 There is no corresponding provision in the EPC, but the provision of the CPC that corresponds to section 37(5) is article 23.3:-

Claiming the right to the Community Patent

1. If a Community patent has been granted to a person who is not entitled to it under article 60 (1) of the European Patent Convention, the person entitled to it under that provision may, without prejudice to any other remedy which may be open to him, claim to have the patent transferred to him.

2. Where a person is entitled to only part of the Community patent, that person may, in accordance with paragraph 1, claim to be made a joint proprietor.

3. Legal proceedings in respect of the rights specified in paragraphs 1 and 2 may be instituted only **within a period of not more than two years after the date** on which the European Patent Bulletin mentions the grant of the European patent. This provision shall not apply if the proprietor of the patent knew, at the time when the patent was granted or transferred to him, that he was not entitled to the patent.

- 10 From this, it can be seen that there are two ways of specifying a two year period:-

Periods — “beginning with”

- 11 Section 37(5) defines the two year period “beginning with” the date of grant. Optima submits that this means the period includes the date of grant, and ends on the day before the second anniversary of the date of grant. This would mean that Rigcool’s claim was brought out of time.
- 12 This interpretation is consistent with the way in which the Office interprets the same words in section 25(1), dealing with the term of a patent. As explained in Tribunal Practice Notice (TPN) 4/2010, this interpretation is also consistent with well established case law - eg. *Trow v Ind. Coope (West Midlands) Ltd CA [1967] 2 QB 899*, *Zoan v Rouamba [2000] 1 WLR 1509* at paragraphs 23-25 and *R v Westminster Magistrates’ Court [2011] EWHC 34*.
- 13 Mr Abrahams, for Rigcool, did not disagree with this interpretation — but neither did he accept it. Rigcool’s position is that I should not consider section 37(5) at all, but should work directly from the wording in the CPC.
- 14 For my part, I believe that there is only one way that I can correctly interpret the meaning of the words in section 37(5) of the Act — the two year period must

include the date of grant, and end on the day before the second anniversary of grant.

Periods — “after the date”

- 15 As I have already indicated, Rigcool submits that article 23.3 of the CPC provides the true answer. Article 23.3 defines a two year period “after the date” of grant. It appears to be widely accepted that the wording of article 23.3 CPC includes the second anniversary of the date of grant within the two year period.
- 16 Mr Balme, for Optima, did not explicitly accept this interpretation. Optima’s view is that article 23.3 CPC does not clearly include the second anniversary of the date of grant within the two year period, and that Parliament made a deliberate decision to clarify the period and make it absolutely clear that under UK law, the period begins with the date of grant and expires the day before the second anniversary of the date of grant. Nevertheless, Mr Balme accepted that if section 37(5) had mirrored exactly the wording of article 23.3 CPC, then he would agree that the period would start on the day after grant and include the second anniversary.
- 17 That is how I would interpret the words in article 23.3 CPC as a matter of plain English. That is, the two year period begins on the day after grant, and includes the second anniversary of the date of grant. If this construction applies, it would mean that these proceedings, though commenced on the last possible day, were not out of time.

The Dilemma

- 18 So the focus turns to section 130(7). According to section 130(7), these two legal provisions (section 37(5) and article 23.3 CPC) were intended to have, as near as practicable, the same effect. As Mr Abrahams noted in his skeleton argument, this same dilemma was noted in *Jeffcoat’s Application* (BL O/271/01), but the Hearing Officer did not have to decide which of the two provisions to follow.
- 19 Mr Abrahams drew my attention to a number of High Court and Court of Appeal cases which demonstrate that, in the case of a provision mentioned in section 130(7), the meaning and effect of the CPC (or EPC) provision should be applied directly. Jacob LJ has been particularly keen to stress this point, in a number of cases - eg. *Bristol Myers Squibb v Baker Norton Pharmaceuticals* [1999] RPC 253 at [3]-[5]:-

3.The “territories to which” the EPC and CPC apply include the United Kingdom. So section 130(7) is saying that the specified provisions of our Act are to have the same meaning as the corresponding provisions of the Conventions. The best way of achieving this is to work directly from those provisions and not to bother with the provisions of our Act. The provisions of the Convention are not merely an aid to interpretation — they are what our Act says its own provisions are intended to mean.

4. So I think that in future, **save in the rare event of a specific contention that a provision of the 1977 Act has a different meaning from a corresponding provision of a Convention**, it will be better for all concerned with patent matters in the UK (and, I hope, through Europe) to work on the basis that the corresponding provisions of the Conventions are of direct effect. In that way there are two advantages:

- (1) Arguments based on detailed language in the 1977 Act not to be found in the Conventions are obviated. A recent example of such an argument, which completely dissolved when reference was made to the EPC, is to be found in *Merrell Dow Pharmaceuticals Inc v HN Norton & Co Ltd* [1996] RPC 76. There, Lord Hoffmann at 86 rejected what he called “a rather refined *inclusio unius construction*” of words in section 2(2) of the 1977 Act by referring to the corresponding provision of the EPC, Art. 54, which simply does not use those words.
- (2) As a practical matter it is much easier for all judges and practitioners across Europe to refer to the same provisions of the EPC using its numbering system. Experience of other fields (e.g. the Rome Treaty or the Brussels Convention) shows this to be so. “Article 85” for instance, gains immediate recognition amongst competition lawyers throughout Europe. By using Articles of the Conventions judgments of the EPO Boards of Appeal and of national patent judges all become that more readily intelligible across Europe. The practical value of direct use of the Convention provisions has been made all the more important by recent developments in European patent law, for instance the indication in *Merrell Dow* (at 82) of the great significance to which decisions of the Boards of Appeal of the EPO are to be accorded by our courts, and the increasing extent to which decisions of the national courts of one country are being referred to in other countries. We all have to work in different languages, but we do not have to make things worse by using different numbers and different changes of expression and different numbering by different legislatures.

5. Of course in saying that direct use of the provisions of the Conventions should in future be the way, **I am not precluding a deliberate argument that a provision of the 1977 Act actually has a different meaning from that to be found in the Convention.** I think I am right in saying that there has only once been such a direct challenge in the 20 years since the 1977 Act came into force. That was in *Beloit Technologies Inc v Valmet Paper Machinery Inc* [1995] RPC 705. The challenge was not pursued on the appeal ([1997] RPC 489).

(My emphasis)

20 Mr Abrahams says I should follow Lord Justice Jacob’s advice and work directly from the text of the CPC (ie. article 23.3). But it seems to me that this is one of those situations envisaged, albeit as a rare occurrence, by Jacob LJ where there is an argument that a provision of the 1977 Act has a different meaning from that to be found in the CPC. That being so, I don’t believe that *Bristol Myers Squibb v Baker Norton Pharmaceuticals* requires me to work on the basis that article 23.3 CPC has direct effect.

21 The difference between the wording of section 37(5) and article 23.3 CPC was also considered in the *Yeda*² case. Twice in *Yeda*, Jacob LJ stated that section 37(5) should be construed as having the same meaning as article 23 CPC:-

27. ... Is the court to construe s.37(5) as having the same meaning as the provision in the CPC about bringing entitlement claims more than 2 years after grant? Or can one simply forget about the CPC because it never came into force and so had no effect anywhere? I have no hesitation in holding the former.

² *Yeda Research and Development v Rhone-Poulenc Rorer International Holdings* [2007] RPC 9.

....

31. Thus I approach s.37(5) assuming that Parliament meant it to have the same meaning as the corresponding provision of the CPC, envisaging that if the provisions were in force, the same result would be reached whatever Member State the case was started in.

22 On the face of it, this is a very powerful argument. However, as Mr Abrahams accepted, the Court(s) in the *Yeda* case were not considering the precise start and end date of the two year period, so that the difference between the respective start and end dates in the two provisions does not appear to have been considered. I also note that in *Yeda* (at paragraph 23) Jacob LJ quoted from his earlier *Markem* judgment as follows:-

Markem [94] “Before doing so, we begin by what must be the rational way to approach this [i.e. the Patents Act 1977], whatever section is under consideration. Parts of it are intended to implement the European Patent Convention of 1972. In a peculiarly cack-handed way the draftsman chose to re-number and re-write some of these and then say, in s.130(7) in effect that his re-writing does not count – that the relevant provision is “so framed as to have, as nearly as practicable, the same effect in the UK as it has in the EPC”. **No one has ever identified any difference in meaning between a 1977 Act provision and the meaning of a corresponding provision of the EPC and we do not suppose anyone ever will.**”

(My emphasis)

23 From the last sentence of the *Markem* passage (which Jacob LJ applied with equal force to the CPC), I infer that if someone were to identify such a difference in meaning, as I believe the parties have in this case, then the Court might take a different view of the consequences of the draftsman’s re-writing. The result then, it seems to me, is entirely consistent with what Jacob LJ said in *Bristol Myers Squibb v Baker Norton Pharmaceuticals* — specifically the highlighted sections in the passages that I have already quoted — from which it can be well argued that if there is a difference in meaning between a 1977 Act provision and the corresponding provision of the CPC, one should not give direct effect to an EPC or CPC provision.

24 For this reason alone, I consider that in order to determine the precise start and end dates of the two year period, I must follow the wording of the Act in sections 37(5) and 72(2)(b), rather than giving direct effect to article 23.3 CPC. My decision does not rely at all on the fact that the CPC was never implemented; Jacob LJ dealt with this complication thoroughly in *Yeda*³.

25 There may be another good reason for following the wording of the Act rather than the CPC in this matter, and that is in relation to section 72. It would be an odd situation if a person could apply to revoke a patent on the day it was granted on the ground, for example, that the invention is not patentable, but would not be allowed to apply until the following day if the ground of revocation was that the patent was granted to the wrong person. Yet this would appear to be one of the consequences of giving direct effect to article 23.3 in place of section 72(2)(b).

³ At paragraph 24

- 26 Mr Abrahams suggested that in such a situation, our courts would give a 'purposive construction' to article 23.3 and allow proceedings to be instituted on the day of grant. But this would mean extending the two year period to two years and one day, which would in any event conflict with article 23.3 which clearly says "a period of **not more than two years**".
- 27 Ultimately, whatever the explanation for the change in wording, the result is the same: There is a real difference in meaning between section 37(5) and article 23.3 CPC, and I don't have discretion to vary the meaning of UK law even if I accepted Mr Abrahams' submission that Parliament did not intend to make this change ⁴.
- 28 So the two year period defined in section 37(5) and section 72(2)(b) ends on the day before the second anniversary of the date of grant. I don't think this neglects the meaning or the effect of section 130(7), because of the words "*as nearly as practicable*", and because the two year periods specified in the two provisions overlap for 729 days out of a possible 730 days.
- 29 It follows that Rigcool's reference under section 37 and its application for revocation under section 72(1)(b) were filed after the end of the period of two years. Consequently, as matters stand, the revocation action will have to be ruled inadmissible, and the parties need to be aware that while the entitlement action may continue, there can be no order (eg. transferring the patent) at the end of these proceedings.
- 30 That is the position as matters stand now, but it might not be the end of the matter. Rule 107 provides discretion to correct irregularities in certain situations⁵.
- 31 Neither side was in a position to make submissions on the question of whether or not rule 107 could (or should) apply in this case, but Mr Abrahams and Mr Balme both agreed to provide written submissions after the hearing. **I therefore allowed them until the end of 12th May 2011 in which to provide me with written submissions on the rule 107 question** — ie. should the comptroller extend the period specified in section 37(5) and 72(2)(b) by one day for the purpose of these proceedings?

⁴ See Lord Diplock's warning against varying the meaning of legislation in *E's Application* [1983] RPC 231, at page 253.

⁵ **Correction of irregularities**

107.—(1) Subject to paragraph (3), the comptroller may, if he thinks fit, authorise the rectification of any irregularity of procedure connected with any proceeding or other matter before the comptroller, an examiner or the Patent Office.

(2) Any rectification made under paragraph (1) shall be made—

- (a) after giving the parties such notice; and
- (b) subject to such conditions, as the comptroller may direct.

(3) A period of time specified in the Act or listed in Parts 1 to 3 of Schedule 4 (whether it has already expired or not) may be extended under paragraph (1) if, and only if—

- (a) the irregularity or prospective irregularity is attributable, wholly or in part, to a default, omission or other error by the comptroller, an examiner or the Patent Office; and
- (b) it appears to the comptroller that the irregularity should be rectified.

Appeal

- 32 Under section 97(4), any appeal shall lie to the Court of Session. According to the Rules of the Court of Session 1994, any appeal must be lodged within six weeks of the date of this decision.

S PROBERT

Deputy Director acting for the Comptroller