

## **PATENTS ACT 1977**

IN THE MATTER OF

a reference under Section 8(1)(a)

by Customflex Limited

and an application under Section 13(1)

by Michael Bullivant and David Paterson

in respect of Patent Application Number GB 2,318,058 A

in the name of Ninian Spenceley Peckitt

## **PRELIMINARY DECISION**

### **Introduction**

1. Patent application no GB9619943.5 entitled "Improvements Relating to Prosthetic Implants" was filed on 25 September 1996 and published under section 16 of the Patents Act 1977 ("the Act") on 15 April 1998 with the publication number GB 2,318,058 A. Ninian Spenceley Peckitt is named on Form 1/77 as sole applicant and inventor.

2. On 18 November 1996, Customflex Limited (the "referrer") filed a statement referring to the comptroller under section 8(1)(a) an application for an order that it be named as joint applicant and making an application under section 13(1) for an order that two of its directors, Michael Bullivant and David Paterson, be named as joint inventors. The applications under sections 8 and 13 are opposed by Mr Peckitt in a counterstatement filed on 4 February 1997. (In the usual terminology this would make Mr Peckitt the "opponent", but I shall refer to him as the "respondent" since this is the term which has been used by both of the parties.)

3. To all intents and purposes, the usual evidence stages were completed on 10 November 1997 with the filing of evidence-in-reply by Messrs Bullivant and Paterson, although some outstanding points concerning missing documents referred to in evidence were not settled until much later.

4. In a letter dated 19 December 1997, the respondent alleged that specific parts of Mr Bullivant's evidence were not strictly in reply. The referrer responded to these allegations in a letter of 19 January 1998 and the respondent provided further submissions in a letter dated 30 January 1998. In correspondence it was agreed with the parties that the admissibility of this evidence should be taken as a preliminary matter at the substantive hearing, which was arranged for 25 and 26 June 1998.

5. On 19 June 1998, shortly before the date set for the hearing, the Office wrote to the parties pointing out that it had received no formal request for cross-examination from either side, this despite an indication in the referrer's letter of 19 January 1998 that it intended to put certain documents to the respondent in cross-examination. In response, the respondent wrote on 22 June 1998 to say that he took the view that time and costs would be saved if the matter was decided at the hearing entirely on the paper evidence, provided that the other side did not seek to cross-examine any witnesses. In a letter dated 24 June 1998, just one day before the hearing, the referrer stated its "intention to cross-examine all witnesses brought by the other side". In two further letters of the same date, the respondent indicated that, in the absence of notice from the referrer, none of his witnesses had been asked to attend the hearing and that at that late stage it would be very difficult to arrange for this to occur. Unless the respondent were to hear from the Office to the contrary, he would assume that no cross-examination was to take place. The Office immediately faxed a letter to both sides indicating that the hearing officer was not clear whether the referrer's words (quoted above) were intended to convey that the referrer wished to cross-examine all the respondent's declarants or merely those who might happen to attend the hearing. Accordingly, as a preliminary matter at the hearing he would hear submissions from the parties on whether to allow cross-examination of any or all of the witnesses. The official letter also noted that the hearing officer would need to determine what effect his finding on this issue would have on the proceedings.

6. So it was that at what had originally been appointed to be the substantive hearing on 25 (and 26 June), two significant preliminary points fell to be heard first. At the hearing, Mr Ashley Roughton, instructed by solicitors Morton Price, appeared as counsel for the referrer, but only in respect of the issue of cross-examination and closely related issues. Unusually, the referrer was

represented personally by Mr Bullivant and Mr Paterson for all other issues. Mr James Love of Irwin Mitchell appeared as solicitor for the respondent throughout.

7. For reasons which will become clear later in this decision, the hearing reached a point at which I felt obliged to allow the parties an opportunity to prepare and file written submissions on certain matters, with the consequence that I was unable to determine the preliminary points in issue at the hearing itself. The hearing was therefore adjourned to allow those submissions to be made, and for me to consider them, with the consequence that my decision on those preliminary matters is now a written one.

### **Cross-Examination**

8. In seeking to persuade me that I should allow cross-examination, Mr Roughton's first main submission was that there is a presumption that there will be cross-examination unless the hearing officer directs otherwise. He took me to rule 103 of the Patents Rules 1995 ("the Rules") in this regard, and it will be convenient if I quote at this point the whole of rule 103, apart from paragraph (4) which relates to proceedings in Scotland and is not relevant in this case. Rule 103(1), (2) and (3) read:

"**103.**-(1) Where under these Rules evidence may be filed, it shall be by statutory declaration or affidavit.

(2) The comptroller may if he thinks fit in any particular case take oral evidence in lieu of or in addition to such evidence and shall allow any witness to be cross-examined on his affidavit or declaration, unless he directs otherwise.

(3) In England and Wales, the comptroller shall, in relation to the giving of evidence (including evidence on oath), the attendance of witnesses and the discovery and production of documents, have all the powers of a judge of the High Court, other than the power to punish summarily for contempt of court."

9. Mr Roughton noted especially the terms of rule 103(2) and argued that there had been no directions to the effect that cross-examination should not take place. He therefore submitted that under rule 103(2) there must be cross-examination and that it was therefore reasonable to presume that it would take place. Mr Love saw it somewhat differently. He argued that the expression "such evidence" in rule 103(2) is a reference to evidence filed by statutory declaration or affidavit under the provisions of rule 103(1). Thus rule 103(2) is saying that oral evidence may be taken in lieu of evidence filed by statutory declaration or affidavit, a clear indication, in Mr Love's contention, that in Patent Office hearings, cases may be decided purely on written evidence. In addition, Mr Love suggested that it was Patent Office practice that cross-examination will not take place unless formal notice is given by the party intending to cross-examine. He said he had specifically asked the Office twice by telephone whether it would be necessary to bring witnesses in the absence of notice from the other side that they wished to cross-examine. On both occasions he had been told that it would not.

10. In considering these submissions it seems to me that I need to begin by interpreting rule 103(1) and (2). In doing so I believe the approach I should take is to consider the natural and ordinary meanings of its words in their context in the Rules. Rule 103(1) sets out the basic requirement that evidence in patent proceedings before the comptroller shall be filed by statutory declaration or affidavit. (I shall return to what "filed" may mean later.) Paragraph (2) of rule 103 then goes on to say two things in regard to this evidence filed under paragraph (1). First, it says that in lieu of or in addition to that evidence, the comptroller may if he thinks fit take oral evidence; that is to say, the comptroller has discretion under paragraph (2) to take oral evidence as well as or instead of the written evidence under paragraph (1). Secondly, paragraph (2) says that the comptroller shall allow any witness to be cross-examined on their affidavit or declaration evidence unless he directs otherwise.

11. On this interpretation of rule 103, I do not accept Mr Roughton's argument that rule 103(2) creates a presumption that, unless there has been a direction to the contrary, there will be cross-examination in proceedings such as these where evidence has been filed in the form of affidavit or statutory declaration. What I believe it does do is create a presumption that if cross-examination of any witness is requested, the comptroller will allow that cross-examination, unless

the circumstances are such that in the exercise of the discretion given to him under the rule he directs that there shall not be cross-examination. In consequence, it also seems to me that the presumption absent a request for cross-examination is that it will not take place.

12. I am supported in this interpretation of rule 103 by Office practice in patent proceedings which has developed over many years and under which in normal circumstances, unless prior formal notice is given by a party to the proceedings that they wish to cross-examine a witness, no cross-examination takes place. It is certainly not the case that if no direction has been given preventing cross-examination, cross-examination routinely takes place or is expected to take place. I fully accept Mr Roughton's observation that practice must not be allowed to override "the rule", as he called it; the Office's practice must of course have a proper foundation in the law. It is simply that I regard the Office's practice in this respect as well founded on rule 103. I might add the observation that this conclusion is consistent with the admittedly brief and general treatment of evidence in Office proceedings in the *Encyclopaedia of United Kingdom and European Patent Law* at paragraph 6-204, to which Mr Love referred me.

13. Mr Love also argued that an implied direction that cross-examination would not take place had been given in the Official letter of 19 June 1998 by virtue of its last paragraph which read:

"In view of the short time remaining before the hearing, both parties are requested to confirm their intentions regarding cross-examination to this Office, and copied to the other side, by Monday 22 June 1998 at the latest".

14. Thus Mr Love sought to persuade me that this amounted to a formal direction under rule 103(2) that cross-examination would not take place. I do not accept that contention either. Letters conveying a hearing officer's directions, such as the official letter of 12 June 1998 giving my directions on other evidential matters in this case, are couched in very clear terms so that there can be no doubt as to their meaning and effect. By contrast, this official letter was merely asking the parties to confirm their intentions regarding cross-examination. I fail to see how it could be viewed as any sort of decision one way or the other.

15. Mr Roughton argued that the referrer had made it clear beyond doubt in correspondence that it intended to cross-examine the respondent's witnesses. In support, he cited a single reference contained in the referrer's letter of 19 January 1998 which said that certain documents would be put to the respondent in cross-examination. Mr Love said that the respondent at that stage did not take this as being a notice that cross-examination was going to take place. Having studied that letter again, I note that in fact there are two references which allude to the possibility of cross-examination. They occur on pages 5 and 7 of what is a nine-page letter responding principally to the question of the allowability of the reply evidence and arguably are no more than surmise as to what might happen at the hearing. I do not consider that these two passing references in such a long letter amount to a clear indication of the referrer's intention to cross-examine the other side's witnesses at the hearing, far less a request that cross-examination should take place or notice that witnesses would be expected to be called.

16. In addition, I would note that when the Office pointed out in its letter of 19 June that it had received no formal request for cross-examination from either side, and requested both parties to confirm their intentions regarding cross-examination by 22 June, it would have been a simple matter for the referrer to state its intentions clearly in writing and within the deadline, but it did not. In a letter of 9 July sent to the Office after the hearing, the referrer reports telephone conversations between it and the Office on 19 June which it asserts pre-empted the need for reply to the Office's faxed letter received later that day. However, the Office's recollections of those telephone conversations are not on all fours with that of the referrer. The best view I can take of these conversations, which were before the referrer received the official letter on 19 June, is that they left the matter unclear and did not release the referrer from its responsibility of replying to the official letter to make its position clear.

17. The referrer did not reply in writing to the Office's request for confirmation until 24 June, the day before the hearing, and even then it did so, as Mr Love pointed out, in ambiguous terms, stating only "its intention to cross-examine all witnesses brought by the other side". On reading this statement, it was certainly not clear to me, as the official letter of 24 June indicated, whether the referrer was in fact intending to call all the other side's witnesses, or simply indicating that it might cross-examine those who happened to attend. Thus, even at the last minute, it could hardly

be said that the referrer had made clear its intentions. For these reasons, I am not persuaded that cross-examination was to be expected.

18. It seems to me that the referrer's approach before the hearing to obtaining cross-examination of the other side's witnesses in this case, in the context of what is the standard practice in proceedings before the comptroller, was rather vague and not conducive to the smooth resolution of this action. However, I do not believe that it has been culpable to the extent that it should on that ground be denied the opportunity of cross-examination if it is justified for other reasons.

19. The first such reason is the requirement of rule 103(2) that the comptroller "shall" allow any witness to be cross-examined, and the presumption that I have already identified that as creating in the event of a request for cross-examination being made. Clearly the referrer has made, albeit very late, a request for cross-examination, and the presumption created by the rule is that the comptroller should allow it. The question then is whether that presumption is rebutted in the present case.

20. Mr Love sought to persuade me that as there is corroborative evidence in the present case, cross-examination is not necessary. In support of his assertion, he took me to the hearing officer's decision in *Alsop's Applications* (unreported, O/120/84) in regard to the usefulness of corroborative evidence to resolve conflicts of fact in evidence. Mr Roughton on the other hand argued that in the absence of cross-examination, the evidence would be untested when it should be tested. I accept that in some cases the presence of corroborative evidence may diminish the additional value to be gained from cross-examination. However, it seems to me in the present case that while there is a measure of corroborative evidence, there are also areas of conflict which would better be explored and tested by cross-examination. I note that in *Alsop's Applications*, the Hearing Officer felt the need to say (my emphasis added):

"The absence of representation by the referor at the hearing, *let alone any possibility of cross-examination of the two parties in dispute*, has certainly not assisted me in getting to the truth of the matter."

21. In *Norris's Patent* [1988] RPC 159, which was on Mr Love's list of authorities and on which I invited him to comment at the hearing, the Patents Court considered that the case should have been the subject of cross-examination before the comptroller. In his judgment at line 30 of page 171, Falconer J said:

"I desire to say at this stage that this is pre-eminently a case in which there should have been ... cross-examination of the main declarants on each side. On the written evidence, much of which is not in a satisfactory form, there is an acute conflict of testimony - when that became apparent, the patent agents acting on both sides should have requested cross-examination of the main declarants under the provisions of rule 103(2) and (3). ..."

22. Mr Love considered that because cross-examination did not take place in *Norris's Patent*, it demonstrated that cross-examination was not crucial to Patent Office proceedings. In fact it seems to me to demonstrate somewhat the opposite: that cross-examination in Office proceedings can be crucial to the efficient and just disposal of cases in which there is a serious conflict of evidence. The present case seems to me to fall in that category.

23. Under the provisions of rule 103(2) and the presumption I have considered it creates when cross-examination is requested, I do not believe I should direct that there should be no cross-examination if I thought it might be helpful in resolving conflicts in, and otherwise materially testing, the evidence, which I think it would do here. The matter of the timing of the cross-examination request is not a factor that can be entirely ignored if cases before the Office, as elsewhere in the civil justice system, are to be disposed of smoothly. It would have been far preferable to have had clear and proper notice of this problem well in advance of the hearing so that it could be sorted out. Cost is another important factor to be considered. However, all these factors must be taken together and weighed in the circumstances of the case. In doing so in the present case, I am persuaded that cross-examination of the witnesses would be of material assistance to me in reaching a just conclusion on the substantive issues and that this outweighs the extra costs that will therefore be incurred. Accordingly, **I will allow cross-examination and am prepared to issue the necessary orders.**



24. At the hearing, I asked the referrer to write to the Office making clear whom it would wish to call for cross-examination in the event I were to allow it. In a letter of 10 July it confirmed that it would wish to cross-examine all of the respondent's witnesses, with the exception of Tanya Karen Forret. The respondent's position was that there should be no cross-examination by either side. However, since I have now decided to permit cross-examination by the referrer of the respondent's witnesses, it is only right that I should allow the respondent an opportunity to reconsider its stance in the light of that decision. Accordingly, **I direct that the respondent shall have one month from the date of this decision in which to inform the Office, copied to the other side, which of the referrer's witnesses it would wish to call for cross-examination.** When that letter has been received, I shall make appropriate orders under rule 103(3).

### **Hearsay**

25. At the hearing, Mr Roughton advanced a previously unsignalled attack on the respondent's evidence on grounds of hearsay. His purpose in doing so, as I understood it, was three-fold. First, it was a further argument in support of his request that cross-examination should be allowed; secondly, it was a further argument in support of his contention that even in the absence of a request cross-examination should have been presumed to take place at the hearing; thirdly, it was a reason why in his view the respondent's evidence should be struck out in its entirety. (He accepted that it would follow from the third that the referrer's evidence-in-reply would fall too as there would be nothing to which to reply.)

26. Not surprisingly perhaps, Mr Love was taken somewhat unawares by this line of attack. However, Mr Roughton also lacked certain materials, in particular a copy of the Civil Evidence Act 1968, with which to sustain his arguments, especially in the face of questions that I put to him. In these circumstances, I decided, once I had heard the parties' arguments on these points at the hearing, to afford them each a single opportunity to file limited written submissions after the hearing, and I gave directions accordingly. The referrer's written submissions were dated 9 July and the respondent's were contained in a letter dated 10 July. Since the submissions made at the hearing merge with those put in writing after it, I shall consider them all together.

27. I should mention that Mr Love submitted that the other side had no right to object to admission of the respondent's evidence, and even if they had, it was done too late. It is certainly true that the referrer had ample opportunity to raise the question of hearsay before the hearing but did not. As a matter of convenience and practice it must be the case that objections to the admissibility of evidence should be raised as early as possible. It is unfortunate that that was not done here. However, now that objection has been raised I must give due consideration to it. The fact that objection is not taken as early as it might have been cannot make admissible that which is not admissible.

28. Mr Roughton's most fundamental submission was that all the evidence filed in the present action was hearsay because it took the form of statutory declarations. He said that the case of *ST. TRUDO Trade Mark* [1995] RPC 370 and the Patent Office Practice Direction which followed it at page 381 made it clear that the strict rules of evidence apply in proceedings under the Act and, as such, hearsay evidence could be admitted only if it met the relevant provisions of the Civil Evidence Act 1968 ("the CEA"). Further, he argued that in the present case in relation to the respondent's evidence none of the exceptions allowing hearsay evidence to be admitted under the CEA pertained, so the respondent's evidence could only be heard if the declarants were present at the hearing to be cross-examined on it. As they were not present at the hearing, that evidence should be ruled inadmissible and not be admitted. Mr Love agreed with Mr Roughton that technically a statutory declaration is hearsay, but contended that a statutory declaration is admissible in this tribunal. He argued that *ST. TRUDO* did not apply to the present situation, submitting that it concerned the admissibility of hearsay evidence in the contents of statutory declarations and not the admissibility of statutory declarations in themselves. That judgment, in his submission, was saying that statutory declarations as such are admissible but hearsay evidence contained within them may not be, and this was reflected in the Practice Direction following it.

29. Mr Roughton sought to persuade me with detailed argument that not one of the various provisions in the CEA allowing hearsay into evidence was met in the present case. He took me through the CEA in some detail to illustrate his point. While I do not need to quote all those provisions in this decision, it will be helpful to quote section 1 and section 2(1). They read as follows:

"1.-(1) In any civil proceedings a statement other than one made by a person while giving oral evidence in those proceedings shall be admissible as evidence of any fact stated therein to the extent that it is so admissible by virtue of any provision of this Part of this Act or by virtue of any other statutory provision or by agreement of the parties, but not otherwise.

(2) In this section "statutory provision" means any provision contained in, or in an instrument made under, this or any other Act, including any Act passed after this Act.

2.-(1) In any civil proceedings a statement made, whether orally or in a document or otherwise, by any person, whether called as a witness in those proceedings or not, shall, subject to this section and to rules of court, be admissible as evidence of any fact stated therein of which direct oral evidence by him would be admissible."

30. Mr Roughton argued that under section 1 of the CEA hearsay evidence could be admitted by "any other statutory provision", but in his contention there was no such statutory provision relevant to the present proceedings. He drew a distinction in this respect between proceedings under the Patents Act 1977, where he said there was no such statutory provision, and proceedings under the Trade Marks Act 1938, where provision was made in section 55 for evidence to be taken by statutory declaration. He cited the *ST. TRUDO* trade mark case as one in which first-hand hearsay evidence was found to be admissible because of this statutory provision. The respondent argued in its letter of 10 July following the hearing that the Patents Rules 1995 and the Civil Evidence Act 1995 both constitute "any other statutory provision" that under the CEA could permit hearsay evidence to be admitted, and hence permit evidence to be given by statutory declaration in the current proceedings.

31. Taking first the relevance of the Civil Evidence Act 1995, Mr Roughton's contention was that the CEA applied to the evidence in the present proceedings because they were launched in November 1996, that is before 31 January 1997. Although Mr Love did not at the hearing dispute the applicability of the CEA, in its written submissions the respondent did so as a consequence of its argument that the Civil Evidence Act 1995 provides the required "other statutory provision"

within the meaning of section 1 of the CEA. Section 1(1) of the Civil Evidence Act 1995 reads:

"In civil proceedings evidence shall not be excluded on the ground that it is hearsay."

32. I cannot accept the respondent's submissions in regard to the Civil Evidence Act 1995. The hearsay provisions of that Act were brought into force by 1996 SI 3219. Although the terminology of that statutory instrument was not entirely clear, the Court of Appeal has held that the provisions of the Civil Evidence Act 1995 only apply to cases begun on or after 31 January 1997. This is reported in a page of the White Book Fourth Cumulative Supplement submitted with Mr Roughton's written submissions. I therefore agree with him that the CEA, and not the Civil Evidence Act 1995, applies to the present case, and reject the respondent's argument on this point. It also follows that I reject the respondent's submission that section 1(1) of the Civil Evidence Act 1995 constitutes an "other statutory provision" within the meaning of section 1 of the CEA.

33. On the question of whether the Patents Act 1977 and the Patents Rules made under it are "other statutory provisions" within the meaning of section 1 of the CEA, I disagree with Mr Roughton. Sub-section (2) clearly defines "statutory provision" as any provision contained in, or in an instrument made under, the CEA or any other Act. He suggested that section 55 of the Trade Marks Act 1938, which featured in the *ST. TRUDO* case, was such a provision because it was a provision in an enactment, whereas the provisions of rule 103 did not count because they were not part of an enactment. It seems to me that this distinction which he seeks to draw overlooks two things. First, sub-section 1(2) of the CEA explicitly includes in its definition an *instrument* made under any Act. The Patents Rules are clearly such an instrument and therefore rule 103 falls within the definition. Secondly, section 123(2)(d) of the Patents Act 1977 gives the Secretary of State the power to make rules regulating the mode of giving evidence in patent proceedings and hence provides the *vires* for rule 103. For these reasons, it seems to me that if Mr Roughton regards section 55 of the Trade Marks Act 1938 as an "other statutory provision" for the purposes of section 1 of the CEA, then so too are the provisions of rule 103; the fact that the former is a provision in an enactment and the latter is a provision in a statutory instrument properly made under an enactment is in my view immaterial so far as section 1 of the CEA is

concerned. In other words, if statutory declarations were admissible under the CEA in proceedings before the Trade Marks Registry by virtue of section 55 of the Trade Marks Act 1938, they are admissible on a similar basis in patents proceedings before the comptroller under rule 103(1) made pursuant to section 123 of the Patents Act 1977.

34. Mr Roughton also took a point on what "filed" meant in rule 103(1). He argued that if rule 103 had said that statutory declarations were admissible, it would be *ultra vires*. What it did say, however, was that evidence shall be "filed" by statutory declaration or affidavit. In other words, the rule was concerned only with the administrative act of the filing or submitting of evidence as a step in the orderly conduct of the action. The rule was not saying that the evidence so filed would automatically become evidence in the proceedings; a further step of admission was needed for that. Mr Love's view was that rule 103(1) made it entirely clear that the Office was entitled to take statutory declarations in evidence.

35. While I accept that the word "file" may be construed as signifying the mere administrative act of submitting evidence, that is not its only natural and ordinary meaning and is not I believe the correct meaning to be placed on the word in its context in rule 103. Part of the context is provided by rule 103(2), which says that the comptroller may "take" oral evidence in lieu of "such evidence", that is evidence filed under rule 103(1) by statutory declaration or affidavit. Paragraph (2) therefore seems to place oral evidence and evidence filed under paragraph (1) as alternatives on the same level. This would hardly make any sense if the "such evidence" of paragraph (1) were on a inferior footing by virtue of being required to undergo an additional stage of admission, merely on account of its form, before being made part of the evidence. Moreover, I believe that if the rule had been intended to impose any further special limitation on the admissibility of evidence for the reason only that it was filed in the form of statutory declaration or affidavit it would have said so. This is not of course to say that any matter filed in evidence is necessarily made admissible by virtue of being filed in the form of a statutory declaration or affidavit. That clearly would be equally wrong; evidence which would be inadmissible through the operation of some other rule clearly would not be made admissible in proceedings before the comptroller merely because it was filed in a statutory declaration or affidavit. Mr Roughton's assertion though that evidence (which meets other rules on the admissibility of evidence) filed before the

comptroller in the form of a statutory declaration is not automatically admitted is not one I accept.

36. Having considered the "other statutory provision" exception to the exclusion of hearsay of section 1 of the CEA, Mr Roughton took me to section 2(1) of the CEA as a further example of a situation in which first-hand hearsay evidence could be admitted. In paragraph 12 and its footnote of his written submissions he asserts:

"Section 2 allows first hand hearsay to be admitted if the rules of court are complied with. Those rules are in Order 38 of the Rules of the Supreme Court 1965 (as amended). However they do not apply to the Patent Office (to which other rules, contended, in any event to be *ultra vires*, apply, see [1995] R.P.C. 381<sup>1</sup>). If the rules are not complied with then the first hand hearsay statement is inadmissible. The rules have not been complied with.

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<sup>1</sup> No point is taken in relation to whether the rules as apply to the patent office are *ultra vires*."

37. Mr Love contended as regards interpretation of section 2(1) of the CEA that the expression "rules of court" includes the Patents Rules which permit evidence to be given by statutory declaration.

38. I am not entirely clear from his submissions precisely what Mr Roughton's point is here, beyond his assertions that the appropriate "rules of court" have not been complied with and that first-hand hearsay statements may not therefore be admitted. If his point is that the relevant "rules of court" in these proceedings are the Patents Rules 1995 and that they have not been complied with, I believe I have already dealt fully with that point by deciding that rule 103 has been complied with.

39. If his point is that the "rules of court" are the Rules of the Supreme Court ("RSC") and

they have not been complied with, there are a number matters to which I need to give consideration. In *ST. TRUDO*, to which Mr Roughton referred me, Ferris J made clear not only that the Registrar was a tribunal to which the strict rules of evidence apply, but also that before the Registrar the RSC have no part to play. The key passage is on page 379, commencing at line 15, where he said:

"I conclude, therefore, that hearsay evidence could not be properly given by Mr. Put before the Registrar and such evidence cannot be entertained on the appeal except in accordance with the Civil Evidence Act 1968. However, there is no requirement for a hearsay notice under Order 38, rule 21(1) in order to take advantage of that Act. Before the registrar the Rules of the Supreme Court have no part to play; and as the evidence before the Court will be by affidavit rule 21(1) will be excluded at that stage by rule 21(4). The practical result is that first hand hearsay may be included in a statutory declaration without further formality, but second hand or more remote hearsay may not be included by any means."

40. I accept that Ferris J's remarks apply to patent proceedings before the comptroller as much as to trade marks proceedings before the Registrar. On that basis, non-compliance with the requirements of the RSC in Office proceedings, even if it has occurred in this case which remains for me to consider, would not be a significant matter.

41. In his judgment Ferris J did not find it necessary to elaborate on the basis for his finding on the non-applicability of the RSC in Office proceedings. Looking at the CEA itself, I note that sub-sections (3) to (4) of section 10 (as amended) read:

"(3) For the purposes of the application of this Part of this Act in relation to any such civil proceedings as are mentioned in section 18(1)(a) and (b) of this Act, other than ... 1984, any rules of court made for the purposes of this Act under section 99 of the Supreme Court of Judicature (Consolidation) Act 1925 shall (except in so far as their operation is excluded by agreement) apply, subject to modifications as may be appropriate, in like manner as they apply in relation to civil proceedings in the High Court.

(3A) For the purposes ... county court.

(4) If any question arises as to what are, for the purposes of any such civil proceedings as are mentioned in section 18 (1) (a) or (b) of this Act, the appropriate modifications of any such rule of court as is mentioned in subsection (3) above, that question shall, in default of agreement, be determined by the tribunal or the arbitrator or umpire, as the case may be."

42. Sections 18(1) and (2) read:

"18.-(1) In this Act "civil proceedings" includes, in addition to civil proceedings in any of the ordinary courts of law -

(a) civil proceedings before any other tribunal, being proceedings in relation to which the strict rules of evidence apply; and

(b) an arbitration or reference, whether under an enactment or not,

but does not include civil proceedings in relation to which the strict rules of evidence do not apply.

(2) In this Act -

"court" ... in relation to proceedings before a tribunal (not being one of the ordinary courts of law), means the tribunal;"

43. Since, by Ferris J's finding, the comptroller is a tribunal to which the strict rules of evidence apply, the effect of sections 10 and 18 of the CEA could be that the "rules of court" applicable in that tribunal are the RSC, subject to modifications as may be appropriate, with any question as to what are those modifications being determined by the tribunal.

44. If Mr Roughton was indeed intending in his submissions to take a point that the "rules of



court" applicable in the present proceedings are the Rules of the Supreme Court ("RSC") and that they have not been complied with, he did not put to me as a basis for that point the provisions of sections 10 and 18 of the CEA which I have identified. Nonetheless, it seems to me that for completeness I should look at the RSC requirements as though they do apply.

45. The RSC form a complex web of provisions. However, under O38, r21(4), as Ferris J pointed out at line 37 of page 377 of *ST. TRUDO*, where evidence is given by affidavit there is no requirement for a hearsay notice to be given. Thus it would not be expected that the mere filing of an affidavit (or therefore statutory declaration) before the Court would demand the filing of a hearsay notice for its admission. Also, I note that under O38, r2(2) and (3) witnesses who have made affidavits which have been filed in evidence do not necessarily have to attend for cross-examination in the absence of a Court order to do so. Moreover, O38, r29 makes general provision, albeit to be carefully exercised, for the Court to admit a hearsay statement in evidence despite a failure to comply with procedural requirements such as serving a notice or calling a witness for cross-examination, if it is otherwise admissible and the Court considers it just to do so. Since this last provision and the general discretion it affords derive from section 8(3)(a) of the CEA, it appears to be a discretion also exercisable by the comptroller whether or not the RSC apply to him.

46. Thus, even if the RSC were to have application in these proceedings, I do not believe they would lead to the result for which Mr Roughton was arguing. The filing of evidence in the form of affidavit or statutory declaration in itself does not appear to create a presumption that hearsay notices must be filed or deponents must attend unrequested for cross-examination before that evidence can be admitted.

47. At the hearing I pointed out that, in reaching his decision in *ST. TRUDO*, Ferris J had in fact considered a patents case, namely *Microsonics Corporation's Application* [1984] RPC 29. As neither side was in a position at the hearing to comment on the relevance of this case, I directed that they should have an opportunity to make written submissions on it at the same time as they did so on the CEA. In his written submissions, Mr Roughton notes that in *Microsonics* the hearing officer held that the CEA applied to proceedings in the Patent Office. Mr Roughton

then goes on to make two further points. First, he draws a distinction from the circumstances in the present case. He says that in *Microsonics* there was no objection, as there is here, to written statements themselves going in evidence. The issue was whether hearsay evidence contained in the statements should be admitted. Second, he points out that the proceedings in *Microsonics* were *ex parte* and argues that the first-hand hearsay evidence was admitted by agreement between the applicant and the Patent Office, as allowed for in section 1(1) of the CEA. It was in this context that the first-hand hearsay was said to be admissible (by agreement). The respondent rejects the contention that in *Microsonics* hearsay evidence was admitted by agreement between the parties. It argues that it is clear from lines 24 to 28 of page 31 that the decision does not rely on "any other statutory provision" or on "agreement to admit the evidence", but relies entirely on the applicability of section 2(1) of the CEA to admit first-hand hearsay even although there was no compliance with any rules of court.

48. Looking at *Microsonics*, it seems to me that although it is a patents case it does not advance the argument any further than *ST. TRUDO*, and that the parties' submissions on the case do not add to those they have already made in other regards.

49. Mr Love made several submissions based on Patent Office practice in these matters. He noted that evidence is regularly given in patent proceedings by way of statutory declaration without cross-examination having taken place and without specific orders having been made that hearsay evidence can be admitted or that witnesses need not attend. If Mr Roughton was correct in his assertions, then in Mr Love's contention, in every single action which came to a hearing before the comptroller witnesses would need to appear in person unless a CEA notice had been filed. In practice, this was simply not the case.

50. Mr Roughton argued in response that Mr Love's submission seemed to be that practice could override the rule, but that was not right. If current practice was wrong, it should be changed. He went on to point out that in most cases there was no need for the witnesses to attend because the evidence was admitted by agreement between the parties, this being allowed for under section 1(1) of the CEA, which was therefore then complied with. He said there was no such agreement in this case. I asked Mr Roughton whether he considered the complete lack of any

reference in the correspondence on the case from his side regarding hearsay evidence amounted to implied acceptance. He answered that merely saying nothing did not amount to agreement. Mr Love argued there was an implied agreement between the parties that evidence could be given by way of statutory declaration, *inter alia* in view of the lack of a satisfactory response from the referrer to the official letter of 19 June 1998, which had established that no cross-examination was expected while requiring the parties' intentions regarding cross-examination to be made clear by 22 June 1998.

51. The Office's practice in handling hearsay evidence under the CEA in proceedings other than in Scotland is set out in the Practice Direction dated 20 June 1995, which is to be found immediately after the *ST. TRUDO* case at [1995] RPC 381. It contains directions in respect of such procedural matters as hearsay notices and the calling of witnesses which follow closely certain of the provisions of Order 38 of the RSC. It also notes the general discretion, which I have already mentioned, which the comptroller has under section 8(3)(a) of the CEA to admit hearsay even if the practice directions have not been complied with. It may be that the "rules of court" which Mr Roughton had in mind as applying to this tribunal were not the Patents Rules or the RSC but the "rules" set out in this Practice Direction. Whether or not that was indeed his intention, and irrespective of whether the Practice Direction can properly be regarded as a "rule" in this context, I need to give the Direction and Office practice some consideration.

52. As Mr Love pointed out, in Office proceedings evidence is regularly given in statutory declarations without hearsay notices, or the attendance of witnesses or the need for the parties expressly to agree between themselves that evidence can be admitted in this fashion. This may be because, as Mr Roughton argued, there is tacit agreement between the parties on the point, although I suspect that such agreement will often be not so much tacit as unconscious. Of course in the present case objection has been raised and needs to be dealt with.

53. Mr Roughton's submission that "practice cannot override the rule" must be right. However, on the basis of the detailed consideration I have given the matter, I believe the Office's practice is entirely consistent with the strict rules of evidence under the CEA which apply to Office proceedings. I do not consider that the Office has broken any rule governing it by adopting

the practice set out in the Practice Direction. I also believe that it is entirely correct of the Office under rule 103 to admit in the form of statutory declaration and affidavit evidence (whose content is otherwise admissible) without the need for the parties to agree beforehand that evidence in that form can be admitted, without any need for hearsay notices concerned only with the form of the evidence, and without expecting the deponents, unless requested, to present themselves at the hearing for cross-examination.

54. I earlier identified what I understood was a three-fold purpose in Mr Roughton's advancing his attack on the respondent's evidence on grounds of hearsay. The first was as a further argument in support of his request that cross-examination should be allowed. Since I have already decided to allow cross-examination on other grounds, this attack gives him no additional benefit. The second purpose was as a further argument in support of his contention that even in the absence of a request cross-examination should have been presumed to take place at the hearing. It will be clear from what I have said that I do not believe his hearsay arguments succeed on that point. The third was as a reason why the respondent's evidence should be struck out in its entirety. Again, this argument has failed in my view for the reasons I have given. As I have said, I am not persuaded that in proceedings before the comptroller evidence filed as statutory declarations or affidavits is inadmissible as hearsay merely because it is in that form, and witnesses were not produced without their being requested to do so, and hearsay notices were not served, and agreement over the matter was not reached between the parties. I believe that this conclusion is consistent with the Patents Act, Patents Rules, CEA, RSC, and the Office's practice both as set out in the Practice Direction and more generally. **I therefore refuse to strike out the respondent's evidence and it stands as served.**

55. Having reached these conclusions on what I might call Mr Roughton's blanket attack on hearsay, I should make clear that I am not at this stage implying any ruling on any specific challenge that either side might make as to the admissibility of parts of the content of the other side's evidence be it on grounds of hearsay or otherwise.

#### **Admissibility of Evidence-in-Reply**

56. I now turn to the allegation made by the respondent that parts of the evidence submitted by Mr Bullivant are not strictly in reply. After a brief consideration of the issues at the hearing, it was agreed between the parties that this point on the admissibility of this evidence should be decided on the basis of arguments already put in correspondence before the hearing. I have therefore thoroughly reviewed all the relevant correspondence, especially the respondent's letters of 19 December 1997 and 30 January 1998, and a letter from the referrer dated 19 January 1998.

57. In his letter of 19 December 1997, the respondent relies first upon the wording of rule 7(5). Rule 7(5), which concerns the filing of evidence in proceedings under section 8(1)(a), says that once the respondent has filed evidence in support of his case, the person making the reference "... may file further evidence confined to matters strictly in reply...". The respondent argues that this means that the further evidence should not be a "response" to the evidence in chief, as stated in the first paragraph of Mr Bullivant's second statutory declaration, but should deal solely with matters strictly in reply.

58. The respondent also relies for support on judgments in *Ford Motor Company Limited (Nastas's) Application* [1968] RPC 220 and *Ernest Scragg & Sons Limited's Application* [1972] RPC 679. While both these cases relate to opposition proceedings under Patents Rules made under the Patents Act 1949, I am satisfied that the various rules in question are sufficiently similar that the cases are relevant to the present situation under rule 7(5) of The Patents Rules 1995.

59. *Nastas's Application* was concerned with opposition proceedings under the Patents Act 1949 in which the opponents' evidence-in-chief included a drawing (G.L.2) of a carburettor, the production cost of which was allegedly lower than that of the patented construction. The applicants' evidence in answer rebutted this allegation, and in evidence purporting to be in reply the opponents filed a declaration referring to another carburettor, again allegedly cheaper to produce than the patented construction. The applicants objected that this further evidence was not confined to matters strictly in reply and although their objection was dismissed at a preliminary hearing in the Office they were successful on appeal. In ordering that the part of the declaration relating to the second carburettor be struck out, Lloyd-Jacob J said at page 225, lines 37 to 43:

"This paragraph is not in my judgment justified as being in reply. Having put forward the construction shown in the drawing G.L.2 as being their selected basis upon which an alleged saving in cost should be judged and applied as a factor in the consideration of the obviousness objection, they [the opponents] are not in truth meeting the applicants' criticisms of it by diverting attention to a different construction. The Rules here being considered are directed to securing finality of the pre-hearing procedure ...".

60. In *Scragg*, confirming the hearing officer's finding that certain evidence was not strictly in reply, Graham J quoted on page 682 the general position in regard to onus which was to be found in *Halsbury's Laws of England*, volume 15, paragraph 495, which read as follows:

"When the onus of proof on all issues is on one party, that party must ordinarily, when presenting his case, adduce all his evidence, and may not, after the close of his opponent's case, seek to adduce additional evidence to strengthen his own case".

At page 682, lines 8 to 11 of his judgment Graham J endorsed this as a sound principle "which applies to oppositions in the Patent Office just as it does to any other case"; and at lines 19 to 22 he went on to say:

"To my mind it is quite wrong in these cases that there should be any sort of skirmishing in regard to evidence, and if an opponent has a case he should straight away state what his case is and should put in declarations dealing with any evidence which he thinks may be relevant to that case."

61. The respondent argues that these authorities demonstrate that reply evidence must be restricted to evidence relevant to the resolution of any conflict of fact to secure finality of the pre-hearing procedure. The party putting in the reply evidence should not seek to adduce additional evidence to strengthen his case. He alleges that this is what Mr Bullivant has done in his second declaration.

62. In its letter of 19 January 1998, the referrer argues that in *Nastas's Application* the

opponent wished to completely change its case having had its initial case comprehensively answered by the respondent. The referrer suggests that the reference in the judgment to the opponents "not in truth meeting the applicants' criticisms" means that the expression "evidence strictly in reply" should be taken to mean evidence which deals with criticisms made of one side's case by the other. It also argues that where the evidence purportedly in reply seeks to correct a mistake it should be allowed to stand, and if it really goes to nothing or is peripheral to the main issues then time will be lost and little will be gained by arguing about it rather than allowing it to be admitted. With regard to *Scragg*, the referrer again argues that the applicant was seeking to change its case put in chief because of evidence put in answer.

63. In summary, the referrer contends that the authorities indicate that evidence "strictly in reply" must not be evidence of a sort which would give cause for the other party to put in further evidence on a substantive issue, must not involve a departure from a case put in chief, but may consist of comment upon the respondent's evidence, all these being aimed at finality and the fixing of a hearing at an early stage. It suggests there is nothing wrong with repeating elements of its case put in chief, adding emphasis, using different language or posing rhetorical questions since that is what would happen in argument at the hearing.

64. I have considered both authorities carefully, as well as the parties' submissions on them. Having done so, it seems to me that the referrer is broadly right, and indeed that its view in general terms is not so different from that of the respondent. It is in relation to the actual evidence in issue that their views differ more markedly.

65. I have carefully considered all these submissions and have studied the evidence allegedly not strictly in reply. I note that, in its letter of 19 January 1998, the referrer admits that some parts of the evidence at issue are indeed not strictly in reply. I therefore consider it appropriate that I should strike those parts of the evidence out. **I therefore order that the following parts of Mr Bullivant's second statutory declaration dated 10 November 1997 shall be struck out:**

- **sub-paragraph 5 of paragraph 11,**

- **sub-paragraph 5 of paragraph 35 excepting the last sentence thereof,**
- **paragraph 37 excepting the first sentence thereof, and**
- **the last sentence only of paragraph 42.**

66. As for the remaining parts of the evidence at issue, I am persuaded by the arguments put forward by the referrer. In my view this evidence amounts to little more than repetition of the case put in chief. I accept that it includes new emphasis and some minor clarification and comment has been added in the light of the respondent's evidence in answer. I believe this is what Mr Bullivant was getting at when he referred to his second statutory declaration as being "the response" to the respondent's evidence. However, this is not uncommon in evidence-in-reply and I do not believe that it should be struck out for that reason. In my opinion, the evidence at issue has neither altered or strengthened the referrer's case nor is such as to prolong the pre-hearing procedure by justifying a further round of evidence from the respondent. Accordingly, I find that it should be allowed to stand.

67. I ought to mention that the referrer's letter of 19 January also refers to rule 8(6) of The Patents Rules 1995 which, the referrer says, vests in the hearing officer discretion to admit further evidence even if it is not strictly in reply. I agree that the comptroller has such a discretion, although it is vested in him by virtue of rule 7(6) rather than rule 8(6). However, given the point made by the judge in *Nastas's Application* about the Rules being directed to securing finality of the pre-hearing procedure, I do not believe I should exercise any discretion under rule 7(6), and thereby necessarily incur additional expense and delay in the proceedings, unless there are good reasons for doing so. In the present case I do not see any and therefore decline to exercise that discretion under rule 7(6), in particular to admit the evidence I have struck out from Mr Bullivant's second statutory declaration.

### **Other issues**

68. I took the opportunity presented by the hearing to clarify with the parties several other



issues. First, I raised the question of a patent application made under the Patent Co-operation Treaty and claiming priority from the application the subject of the present proceedings. Mr Love confirmed that such an application exists. It seems to me that although, as Mr Love rightly said, it is not formally part of the present proceedings, the decision in these proceedings may have a bearing on that application too. I put it no more strongly than that. At the hearing I was concerned principally to flag the existence of this PCT application, which was published as WO 98/12995, and it is chiefly for the parties now to consider whether its existence requires any consequential action.

69. Mr Love took that opportunity to raise again a matter which had arisen in correspondence before the hearing, namely that of a patent application filed by the referrer and more especially whether that application should be brought within the ambit of the present proceedings. This subject is also pursued in letters sent by both sides to the Patent Office since the hearing. However, in the absence of the consent of the referrer to such a course, and given that no proceedings in respect of that application have so far been launched, it would as I indicated at the hearing be inappropriate for me to make any further comment on the matter at this stage.

70. At the hearing I also questioned the meaning of part of a letter from the referrer dated 24 June which said "In respect of the applications under section 13(1) by Michael Bullivant and David Paterson, we believe that this is not an issue; ...". In particular, I asked whether in the light of this comment inventorship was still in dispute. Mr Paterson, who I recognise is not an expert in patent law and was giving the most helpful reply he could, indicated that this comment in the letter arose as a result of amendment of the patent application and was not a renunciation of the referrer's claim to inventorship. In the circumstances, with Mr Love's agreement, I decided it would be best to make no finding on this point and to return to the inventorship issue *in toto* at the substantive hearing.

## **Summary**

71. In the result, I have decided to allow cross-examination of witnesses and will make the necessary orders when, in accordance with my direction, the respondent has indicated which

witnesses it wishes to cross-examine. I have also decided not to strike out the respondent's evidence as inadmissible hearsay, but I have struck out parts of the referrer's evidence as not being strictly in reply.

### **Costs**

72. No detailed submissions were made to me at the hearing as regards costs, although Mr Love did signal that he would at some point wish to do so. It is the usual practice in such circumstances in Office proceedings to defer consideration of costs until the final decision at the end of the action. I therefore make no order as to costs at this stage.

### **Appeal**

73. This being a decision on a matter of procedure, any appeal against this decision shall be filed within fourteen days after the date of this decision.

Dated this 15<sup>th</sup> day of September 1998

S N DENNEHEY

Superintending Examiner, acting for the comptroller

**THE PATENT OFFICE**