

PATENTS ACT 1977

IN THE MATTER OF an application
under section 72 by Advanced
Technology Communications Limited
for the revocation of Patent
Application No GB2291733 in the
name of Permasign Limited

DECISION

1. This decision concerns a withdrawn application for revocation of a patent.
2. Patent No GB2291733 was granted on 2 June 1999 in the name of Permasign Limited ("the patentee"). The patent is entitled "Security Device", and relates to a device to prevent theft of valuable items from shops, wherein the device is attached to an item, and an attempt to remove the device from the item will be detected.
3. On 15 June 1999 Advanced Technology Communications Limited ("the applicant") filed an application for the revocation of the patent on the grounds that: (1) the matter disclosed in the specification of the patent extends beyond that disclosed in the application for the patent as filed, (2) the specification does not disclose the invention clearly enough and completely enough for it to be performed by a person skilled in the art, and (3) the invention is not a patentable invention by reason of lack of novelty and/or inventive step with respect to a number of specified documents.
4. The patentee opposed the application for revocation in a counterstatement filed on 20 September 1999.

5. Neither side wished to file evidence, and accordingly a hearing was appointed for 21 March 2000. However, on 3 March 2000 the applicant unconditionally withdrew its application for revocation.

6. That does not necessarily dispose of the matter, because when a revocation action is withdrawn it is the comptroller's normal practice to consider whether the grounds for revocation should be pursued in the public interest. In this instance, though, all of the grounds specified by the applicant were considered during examination of the application prior to grant, and this included considering the documents specified as impugning novelty and/or inventive step. In these circumstances, I do not see any merit in my attempting to re-examine these issues *ex parte* once again. I therefore make no order for revocation of the patent.

Costs

7. That just leaves the question of costs. The patentee has requested costs to be awarded in its favour. The patentee has undoubtedly been put to expense which was caused entirely by these proceedings, and the applicant rightly expects that it will have to pay some costs. However, the two sides disagree on the amount. After a certain amount of correspondence, both sides have now agreed that I should make a decision on costs on the basis of the written arguments in this correspondence.

8. The comptroller normally only awards a contribution towards costs, that contribution being based on the scale of costs published in the Patents and Designs Journal from time to time. However, the patentee submits that its full costs should be reimbursed, which, it says, amount to £3078. The patentee alleges that the applicant launched the revocation action purely as a bargaining counter in an infringement dispute. It argues that the applicant has withdrawn the application for revocation because it had no genuine belief it could succeed, as all the matters it raised had already been dismissed pre-grant, and that it was therefore abusing the system.

9. The applicant denies any abuse, alleging that it has only withdrawn the application for revocation because it has developed a new product which would not infringe the patent even if it were valid. For this reason, it says, there was no point in its pursuing the application. It asserts that it still believes the patent is bad, pointing out that the pre-grant examination process may well have come to a different conclusion if the Examiner had had the benefit of detailed argument from another party. Accordingly it considers costs should be based on the scale, and argues that this points to an award of just £135.

10. I accept that it would be right for me to depart from the scale if I were satisfied there had been an abuse of process. This would be consistent with the comments of Anthony Watson QC, sitting as a Deputy Judge of the High Court, in *Rizla Ltd's Application* [1993] 365. He was considering whether that case was an exceptional one warranting a change from the normal contributory-costs basis to a compensatory one, and at page 377 he said:

“I believe a case such as the present can only be regarded as exceptional if it can be shown that the losing party has abused the process of the Comptroller by commencing or maintaining a case without a genuine belief that there is an issue to be tried. . . . There are of course a large number of other circumstances such as deliberate delay, unnecessary adjournments etc. where the Comptroller will be entitled to award compensatory costs, but it is unnecessary to attempt to define what is clearly a wide discretion.”

11. In the present case, on the basis of the information available to me I am not satisfied there has been an abuse of process. The applicant was not a party to the pre-grant examination process and therefore did not have a full opportunity to put its arguments then. Thus even though all the issues it raised in the revocation action had been considered by the Examiner pre-grant, it was not *prima facie* unreasonable to believe that, with fuller arguments, it might have been able to persuade me that the patent should be revoked. Further, its reasons for withdrawing from the revocation action are plausible. Indeed, I will go one step further. I would be wary of jumping too hastily to the conclusion that someone who abandons an action must necessarily be abusing the process, because that could lead to the situation in which

someone would face higher costs if they withdraw than if they fight on to the bitter end and then lose. That would lead to the undesirable consequence of deterring parties from withdrawing from actions they no longer really wish to pursue.

12. As I am not satisfied there has been abuse and as there are no other exceptional circumstances, I will award costs based on the normal scale. The scale, however, would point to a higher figure than the £135 asserted by the applicant. True, the patentee has not had to file evidence, and while the hearing was cancelled at a fairly late date the cost of attendance has been saved. Nevertheless, in addition to the cost of perusing the applicant's statement and filing a counterstatement, which account for the £135, the patentee will have incurred some costs in thinking about whether to file evidence and in initial preparation for the hearing which in the event did not take place. However, the patentee's own figures suggest that the costs it actually incurred for these items was pretty small, and so whilst I must add on some allowance for them, I feel the amount should be small.

13. I therefore order Advanced Technology Communications Limited to pay £250 to Permasign Limited by way of a contribution to their costs.

14. As this decision does not relate to a matter of procedure, any appeal should be lodged within 6 weeks.

Dated this 10th day of April 2000

P HAYWARD

Divisional Director, acting for the Comptroller

THE PATENT OFFICE