

PATENTS ACT 1977

IN THE MATTER OF references under
Section 8 by Cerise Innovation Technology
Limited in respect of four UK Patent
Applications in the name of Comodo
Technology Development Limited

DECISION ON COSTS

1. This decision relates solely to the question of the award of costs following the withdrawal of a reference under Section 8.

Background

2. Cerise Innovation Technology Limited (“the claimant”) referred to the Comptroller under Section 8(1)(a) of the Patents Act 1977 the question of entitlement to the grant of patents in respect of four UK applications filed in the name of Undershaw Global Limited which has subsequently changed its name to Comodo Technology Development limited (“the defendant”). The applications in question are numbered 9818184.5, 9818186.0, 9818187.8, and 9818188.6, and were all filed on 20 August 1998.

3. The claimant has previously referred a similar question to the Comptroller in respect of four earlier UK patent applications numbered 9801764.3, 9801765.0, 9801767.6 and 9801768.4, which were invented by Melih Abdulhayoglu. The claimant believes that the four later applications were also invented by Mr Abdulhayoglu, while he was employed by the claimant.

4. This reference has been the subject of two previous decisions. In the first, I refused to consolidate this second reference with the reference in connection with the earlier applications. In the second, the claimant asked for the present proceedings to be suspended

pending the outcome of the proceedings on the first reference; the defendant resisted this, but the two sides agreed that the claimant should be granted an extension to the period for filing its evidence in chief. When the extended period expired, it fell to me to decide whether a further extension should be granted. In my decision, I agreed to extend the period for filing evidence to three weeks after the date on which the decision on the first reference was issued.

5. The decision on the first reference was issued on 23 February 2000. The deadline for the claimant to file evidence in the present proceedings was therefore 15 March 2000. On 21 March 2000, the defendant noted that no evidence had been filed, and applied for the present proceedings to be struck out. In its reply dated 7 April, the claimant explained that it had chosen not to file evidence following receipt of a letter dated 8 March 2000 which stated that the patent applications in question had been withdrawn before publication. While it was not clear from this reply, a subsequent letter from the claimant confirmed that the present reference was withdrawn.

6. Both sides have now asked for an award of costs in their favour. They have agreed that I should make the decision on costs on the basis of the submissions they have made in writing.

7. Where a party has initiated proceedings and subsequently withdrawn them, as is the case in the present proceedings, it is the standard practice to award costs against the party withdrawing, and the amount of the costs is normally based on a scale published in the Patents and Designs Journal. If I am to depart from the standard procedure, I need to be persuaded that the circumstances demand it.

8. In support of its request for costs, the claimant has argued that it has incurred costs in these and the earlier proceedings which might have been avoided if the defendant had withdrawn the patent applications at an earlier stage. It has also argued that the defendant has delayed the conclusion of the present proceedings by failing to provide information regarding the applicant and the subject matter of the patent applications in suit which, if provided when requested, could have resulted in the proceedings being settled at an earlier date.

9. The defendant has made the following points in response:
- a. Withdrawal of the applications in the earlier proceedings did not lead to withdrawal of those proceedings.
 - b. The claimant should have been aware before 8 March that the patent applications were no longer alive because the Preliminary Decision of 8 February included the statement that “the patent applications are dead”.
 - c. The claimant does not say in its letter of 7 April that the decision not to file evidence was made because the applications were withdraw, but merely seeks to invite the inference to be drawn.
 - d. The claimant could have set a caveat in place in respect of the four applications in suit or monitor their progress in the Journal of Patents and Designs.
 - e. The proceedings relate to the inventions forming the subject matter of the applications and not to the applications themselves.

10. I can dispose of three of these points straight away.

11. Firstly, in respect of point b, it seems unlikely that any significant extra costs were incurred by either side between 8 February and 8 March, and there is certainly no evidence they were. This point is irrelevant.

12. Secondly, in respect of point c, the claimant’s letter of 7 April says that “the Referrer chose not to file evidence in support of the abovementioned entitlement proceedings following receipt of a copy of the letter to the Patent Office from the agents of the Opponent (copy attached) stating that the applications in question had been withdrawn before publication”. To suggest that this merely invites an inference to be drawn rather than saying that the decision was made because of the withdrawal of the applications is pedantic in the

extreme, and I place no weight on this argument.

13. Thirdly, in respect of point d, it is now clear that the claimant did lodge a caveat. However, when there is a Section 8 reference outstanding on an unpublished patent application, the Office no longer takes steps to terminate the application until the reference is disposed of, so no notice of termination appeared in the Journal of Patents and Designs and accordingly the caveat was not triggered. Thus the claimant is blameless in this respect.

14. However, the defendant's other points are valid. It is true to say that the proceedings were initiated in respect of the inventions believed to be the subject matter of the applications, and that the withdrawal of the patent applications in the earlier proceedings, in which a similar situation existed, did not affect the decision of the claimants to continue in that case. There is therefore no reason to assume that the claimants would have withdrawn earlier if they had known the patent applications were not being pursued. I therefore consider it immaterial that the claimant was not made aware of the withdrawal of the applications, which in fact occurred by failure to proceed with the applications by filing the request and fee for preliminary examination and search.

15. Further, I do not accept the claimant's argument that the defendant was remiss in failing to provide information regarding the applicant and the subject matter of the applications in suit. The defendant was under no obligation to provide this information. Indeed, to find that they were would leave the door wide open for mischievous third parties to discover the contents of unpublished patent applications by launching bogus Section 8 references against them.

16. I can therefore see no reason to depart from the standard practice of awarding costs to the defendants. I can also see no reason to depart from the standard scale, and in fact I have not been called upon to do so in terms by either side.

17. In applying the scale, I must take account of the fact that no evidence has been filed, but there have, of course, been two preliminary decisions, both based on written submissions

without an oral hearing. The defendant was successful in the first but unsuccessful in the second, and I so I feel they should not affect the costs one way or the other. In saying that, I am aware that I have already considered the first of these preliminary decisions when assessing the costs on the first reference. Equally, I am also aware that technically the defendants in the two references were not the same. Discounting the preliminary hearings, therefore, the scale would point to an award of £135.

18. I therefore order Cerise Innovation Technology Limited to pay Comodo Technology Development Limited £135 by way of a contribution to their costs.

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

Dated this 15th day of May 2000

P HAYWARD

Divisional Director, acting for the Comptroller

THE PATENT OFFICE