

PATENTS ACT 1977

IN THE MATTER OF an application under section 71(1) by Fibreguide Limited for a declaration of non-infringement of European patent (UK) No 0326552 in the name of Deutsche Institute fur Textil-und Faserforschung Stuttgart

DECISION ON COSTS

Background

- 1 Fibreguide Limited (“the claimants”) filed an application under section 71(1) on 22 October 1999 for a declaration that its “FG10” intermingling jet for processing textile yarns did not infringe European patent (UK) No 0326552, whose grant to Deutsche Institute fur Textil-und Faserforschung Stuttgart (“the defendants”) was mentioned in the European Patent Bulletin on 25 September 1991. The patent is concerned with the arrangement of yarn guides in a device for twisting multifilament yarns by blowing compressed air into a channel through which the yarn is guided.
- 2 The defendants wrote on 22 February 2000 submitting that the application should be struck out for failure to comply with the requirements of section 71(1)(a), in that no written application had been made to the proprietor for a written acknowledgement, and that the correspondence between the parties that the claimants had submitted in support of their statement of case did not relate to one of the types of FG10 device identified in the statement. The claimants wrote on 17 March 2000 denying the defendants’ contentions.
- 3 Thereafter the application was stayed, without these matters having been resolved, to await the outcome of an action in the Patents County Court in which (continuing with the identification of the parties as above for clarity) the defendants claimed for infringement of the patent and the claimants counter-claimed for its revocation. In its judgment of 27 April 2001 the court found the patent to be invalid and, even if valid, not to be infringed by the FG10 device. An order for revocation of the patent was stayed pending appeal, but the appeal was dismissed by consent on 9 October 2001 with the defendants agreeing to pay the claimants £75,000 in costs.
- 4 The patent therefore fell to be revoked, and accordingly the application under section 71(1) fell away subject only to the matter of costs before the comptroller. The parties have confirmed that this matter is still outstanding and that they are content for it to be decided on the papers on file.

Arguments concerning costs

- 5 I find it a little surprising that, having agreed a substantial sum by way of costs in the court action, the parties should still be pursuing their costs before the comptroller. The

practice is long established that these represent only a contribution to the expense incurred by the parties, in accordance with a published scale. Any award of costs would be governed by the scale in Annex B of Tribunal Practice Notice 2/2000 for proceedings commenced before 22 May 2000 (see [2000] RPC 598) - and therefore unlikely to exceed £200 in view of the very early stage at which the section 71 proceedings were stayed.

- 6 Nevertheless, it is clear from (i) the submissions of 22 February 2000 and 17 March 2000 mentioned above and (ii) subsequent letters to the Patent Office (from the claimants dated 13 August 2001, 30 November 2001 and 29 January 2002 and from the defendants dated 20 September and 5 December 2001) that there is “unfinished business” between the parties as to the circumstances surrounding the making of the application under section 71.
- 7 The allegations in the letters (ii) can I think be fairly summarised as follows. The claimants allege that they made the application with a view to a quick resolution of a protracted dispute between the parties, and that they had incurred costs which could have been avoided had the defendants not been determined to disrupt their activities and pursue a spurious and malevolent claim before the court in respect of a patent which the court then found to be invalid and not infringed. The defendants on the other hand allege that their claim had been justifiably brought and that they had been put to the expense of dealing with an application which failed to comply with the requirements of section 71(1)(a) and which was without prior notice contrary to item 4 of the Practice Direction on Pre-Trial Protocols of the Civil Procedure Rules. This states:

“In cases not covered by any approved protocol, the court will expect the parties, in accordance with the overriding objective and the matters referred to in CPR 1.1(2) (a), (b) and (c), to act reasonably in exchanging information and documents relevant to the claim and generally in trying to avoid the necessity for the start of proceedings”.

Findings

- 8 Having carefully considered all the papers on file, the arguments seem to me to be finely balanced. The claimants might well have succeeded if the application had been pursued given the findings of the court on infringement, but there is at least an arguable case for the defendants, in the light of the submissions (i), that the application was not properly launched in the first place. As regards the behaviour of the parties in the prosecution of the application, the allegations (ii) are not argued in any detail and are not supported by any evidence. In particular, the defendants have provided no argument as to the relevance of item 4 of the Practice Direction to proceedings in the Patent Office, and I do not therefore think I can place any great reliance on it. In the result I find nothing to point me one way or the other as to which of the opposing contentions is the more credible.
- 9 Accordingly, and bearing in mind the very low level of any possible costs award, I have decided to make no order for costs. I direct that each party should bear its own costs in respect of the proceedings under section 71(1).

Appeal

10 The period for appeal is six weeks.

Dated this 28th day of February 2002

R C KENNEL

Deputy Director acting for the Comptroller

THE PATENT OFFICE