



16 April 2014

## **PATENTS ACT 1977**

APPLICANT OR Specific Inc

ISSUE Offer under section 29 to surrender patent no EP

(UK) 1237494B

HEARING OFFICER Mrs S E Chalmers

#### **DECISION**

- OR Specific Inc, the proprietor of EP(UK) 1237494B granted on 4 October 2006, gave notice to the comptroller on 30 December 2013 of an offer to surrender the patent. Rule 42 of the Patents Rules 2007 requires the proprietor either to declare that no action is pending before the court for infringement or revocation, or to give full particulars of any action. Accordingly, the notice was accompanied by a statement that an action for revocation (claim number HP13B0487B) was pending before the High Court in which the claimant Kimberley-Clark Europe Limited was seeking a declaration that the patent was invalid and an order that the patent be revoked. The claim form was issued on 12 November 2013.
- 2 In accordance with rule 75, the offer was advertised in the Patents Journal on 5 February 2014. No notice of opposition was given within the four week period prescribed by rule 76(2)(b).

## **Analysis**

- 3 Surrender of a patent is not retrospective, and does not automatically terminate revocation proceedings or lead to an order revoking the patent. A patent will therefore still have been in effect from grant until surrender, unless it is separately revoked, revocation then being retrospective to grant.
- In the absence of any statutory provisions to allow an offer until section 29 of the Act to be determined by the court, there would seem to be no *vires* for the comptroller to decline to deal with the offer to surrender so as to allow it to be decided by the court as part of the revocation proceedings. However section 29 and rule 42 are silent as to how the comptroller should proceed.
- Precedents in this area of the law are sparse, but I am mindful that, where proceedings for revocation are already in being before the comptroller when an offer to surrender is made, it is his practice first to determine the revocation action. I am also aware of a previous IPO decision that, where a revocation action is pending

before the court, the comptroller may stay any consideration of the offer to surrender and order the proprietor to inform the court that an offer to surrender has been made (*Dyson Ltd's Patent* [2003] RPC 24).

In Connaught Laboratories Inc's Patent [1999] FSR 284 Laddie J revoked a patent where, one day before the trial of the petition to revoke, the respondent gave notice to the petitioner of its intention to surrender the patent. In assessing the impact of section, Laddie J said at page 288:

"An order for revocation may have a different effect to an acceptance of surrender, for example in relation to the royalty provisions in third party licenses."

### 7 Laddie J then said:

"It is open to me therefore to order revocation of the patent if, having regard to what is pleaded and the material which I have seen, that is the appropriate course. Alternatively, I can allow the offer to surrender to be further processed through the Comptroller. The latter course will involve advertisement, the possible involvement of third parties, delay and additional expense."

- I do not think this takes away the comptroller's powers of decision under section 29 where a revocation action is before the court. It does however suggest that, where the court is aware of an offer to surrender, it will consider in all the circumstances of the case whether it is preferable to go ahead with the revocation action or to leave the offer of surrender to take its course before the comptroller. If revocation were ordered, there would of course be no patent left to surrender.
- I do not think that the factors which weighed with Laddie J in *Connaught* are especially pertinent to the present case, since the offer of surrender has already been advertised and has not been opposed. No question of further delay and expense would therefore seem to arise.
- In my view, it would be desirable to bring the offer of surrender into the same forum as the revocation action so that the appropriate course of action can be considered in the light of all the circumstances of the case. Even though there has been no opposition to the surrender particularly from those whose interests might be affected by revocation of the patent, namely the claimant in the revocation action (Kimberley-Clark Europe Limited) and any licensees under the patent I believe I should stay further consideration of the matter to await the outcome of the revocation proceedings.
- I should of course take care that in ordering a stay, I do not simply delay the overall settlement of the revocation proceedings or prejudice the position of the proprietor. On the facts before me, I cannot see that any such delay is likely. Further, any deferral of the surrender would not seem to prejudice the proprietor's position: it is still open to them, if they have no interest in the patent and there are no third parties with an interest in it, not to defend the revocation action.

#### Order

12 I therefore order that the proprietor OR Specific Inc should, if it has not done so already, notify the court of the offer to surrender. It should notify the comptroller, within 14 days of their conclusion, of the outcome of the court proceedings; or within

14 days of its making, of any order from the court that the surrender proceedings should continue before the comptroller. The comptroller will then consider the matter further.

# **Appeal**

13 The period for appeal is 28 days.

# MRS S E CHALMERS

Deputy Director, acting for the Comptroller