

Abstract

Confidentiality and a claim to privilege. Views of the British Patent Office on national law vs. PCT procedure.

THE UK PATENT OFFICE

In re: SONIC TAPE PLC'S PATENT

**HEARING-DATES:** 19 January 1987

19 January 1987

**INTRODUCTION:**

This was a decision of Mr MF Vivian, superintending examiner acting for the Comptroller, in an application by Roy William Knott under section 13(1) and (3) of the Patents Act 1977 in respect of patent No 2082325B of Sonic Tape plc.

**COUNSEL:** Geoffrey Hobbs appeared for the proprietors; NG Shipley appeared for the applicant

**PANEL:** MF VIVIAN

**JUDGMENTBY-1:** MF VIVIAN

**JUDGMENT-1:**

MF VIVIAN. Patent No 2082325B in the name of Sonic Tape plc derives from an international application No PCT/GB81/00025 which was accorded the United Kingdom application No 8131649 when the relevant conditions of section 89(4) of the Patents Act 1977 were met. The name of the inventor specified by the applicants Sonic Tape plc on the international application, and therefore mentioned on the granted patent, is Stanislaw Boleslaw Czajkowski. The international application claimed priority from United Kingdom application No 8006161 filed by the inventor.

On the 31 May 1985 an application was filed on behalf of Roy William Knott under section 13(1) and 13(3) declaring that he and not Mr Czajkowski had a right to be mentioned as the inventor. On 7 February 1986 a statutory declaration by Mr Knott accompanied by exhibits RWK1--9 was subsequently filed. In a letter dated 14 July 1986 the solicitors for the proprietors, Taylor

Walker, requested that exhibits RWK8 and RWK9 be accorded a confidentiality direction under rule 94(1) of the Patents Rules 1982 and be removed from these proceedings on the grounds of privilege. In a letter dated 6 August 1986 the Office proposed to accede to the request in part only, subject to any request from either party for a preliminary hearing on the matter. Taylor Walker in a further letter dated 14 August 1986 maintained that their requests be acceded to in full and requested a preliminary hearing be appointed.

The matter came before me at a preliminary hearing on 5 December 1986.

Exhibit RWK8 comprises a copy of a letter dated 23 November 1984 from Wynne-Jones Laine & James who were the patent agents for the proprietors during prosecution of the patent application. The letter was addressed to Mr Knott at Sonic Tape plc and answered a query concerning the naming of inventors on the various national applications and patents deriving from the international application.

Exhibit RWK9 comprises copies of four letters from the same firm of patent agents to Mr Knott at Sonic Tape plc. They were concerned with the prosecution of the international application during the national or regional phases in the United Kingdom (one letter), in the United States (one letter), and before the European Patent Office (two letters). In each case the letters referred to the United Kingdom, United States or European application by the number accorded by the respective national or regional office.

Because of the requests for confidentiality and the claim to privilege of the various letters in the two exhibits I will not quote the letters in full in this decision and will only refer to their contents as far as it is necessary to explain the conclusions I reach.

I will first deal with the question of privilege. So far as the relationship between a patent agent and his client are concerned, the relevant law is set down in section 104, the salient parts of which for the purposes of this decision are as follows:

104. -- (1) This section applies to any communication made for the purpose of any pending or contemplated proceedings being either –

(a) a communication between the patent agent of a party to those proceedings and that party or any other person; or

(b) . . .

(2) For the purposes of subsection (1) above a communication made by or to a person acting –

(i) on behalf of a patent agent; or

(ii) on behalf of a party to any pending or contemplated proceedings, shall be treated as made by or to that patent agent or party, as the case may be.

(3) In any legal proceedings other than criminal proceedings a communication to which this section applies shall be privileged from disclosure in like manner as if any proceedings before the comptroller or the relevant convention court for the purpose of which the communication was made were proceedings before the court (within the meaning of this Act) and the patent agent in question had been the solicitor of the party concerned.

(4) In this section –

"legal proceedings" includes proceedings before the comptroller;

"patent agent" means an individual registered as a patent agent in the register of patent agents, a company lawfully practising as a patent agent in the United Kingdom or a person who satisfies the condition mentioned in section 84(1) or (3) above;

"patent proceedings" means proceedings under this Act or any of the relevant conventions before the court, the comptroller or the relevant convention court, whether contested or uncontested and including an application for a patent;

"party", in relation to any contemplated proceedings, means a prospective party to the proceedings; and

"the relevant conventions" means the European Patent Convention, the Community Patent Convention and the Patent Co-operation Treaty.

Clearly letters from a patent agent to an applicant about the proceedings for a United Kingdom or European patent are privileged within the meaning of subsection (3). Mr Hobbs and Mr Shipley are agreed that the copy letters in exhibit RWK9 relating to the United Kingdom and European application were letters of such a nature and that a privilege exists in them which Sonic Tape plc can claim as against Mr RW Knott. On the basis of the law set out in section 104 and the facts, particularly the fact that Mr RW Knott received the letters solely in his capacity as the representative of Sonic Tape plc in patent matters, I endorse their conclusion that Sonic Tape plc can claim privilege in respect of those letters as

against Mr RW Knott. The consequences so far as Mr Knott being able to put these letters in evidence are concerned I will deal with later.

Mr Hobbs also contended that the letter in exhibit RWK9 relating to the United States application attracts privilege. He argued that the ambit of section 104 was wide enough to cover applications via the Patent Cooperation Treaty route -- that is to cover proceedings before a national office during the national phase -- and that it would be absurd for the Act to be construed as granting privilege for communications in respect of United Kingdom and European applications arising from an international application but not for communications in respect of a United States application arising from the same international application. Mr Shipley responded to this latter point by saying it would be equally anomalous to accord privilege in respect of communications relating to the proceedings before the United States office of a United States application derived from an international application but not in respect of those relating to similar proceedings before the United States office of an ordinary application.

Section 104 applies to "communications made for the purpose of any pending or contemplated patent proceedings". Subsections (4) defines "patent proceedings" as proceedings under the 1977 Act or under the European Patent Convention, the Community Patent Convention or the Patent Cooperation Treaty. It seems to me to be quite clear that communications for the purpose of a pending national application abroad, for example in the United States, are not covered. Similarly the section does not apply to communications in respect of an international application once it has entered the "national phase" in a foreign country and is proceeding under the laws of that country and not under the convention.

I find support in coming to this conclusion in the judgment of the Court of Appeal in *Wilden Pump Engineering Co v Fusfeld* [1985] FSR 159. In that case privilege was refused in respect of communications between patent agents and their clients covering a design copyright matter since communications with a patent agent are not within common law privilege, and since having regard to the limited grant of privilege given in section 104 it would be quite impossible for the court to hold that there exists a much wider general privilege covering the advice of patent agents to their clients. When I drew Mr Hobbs' attention to this judgment he submitted that construing section 104 narrowly does not mean destructively and that the privilege would be utterly useless if it was inoperative as against their United States application. It was observed in the House of Lords' judgment in *E's Applications* [1983] RPC 231 that no tribunal has any discretion to vary the meaning or the words of legislation to meet the justice of a particular case, however tempting it may seem, and that if what is thought to be injustice results from the terms of an Act the remedy is for Parliament to amend it. Thus I cannot depart from the clear literal interpretation of section 104.

Another submission by Mr Hobbs was to the effect that where a document forms part of the chain of correspondence relating to the prosecution of diverse patents for a simple invention it is not easy to separate a chunk and say that it relates solely to the United States. For my part I have no difficulty in finding that the United States letter relates only to the proceedings before the United States office -- there is nothing in that letter which relates to proceedings before the Comptroller (or the European Patent Office) which would be entitled to privilege.

Mr Hobbs also argued that Mr Knott was under a fiduciary duty not to disclose the letters. However the existence of a fiduciary duty does not of itself create a privilege situation. I accordingly find that the letter relating to the United States application is not entitled to privilege.

Turning now to the letter in exhibit RWK8 both parties agree that privilege exists in it, ie it falls within the terms of section 104 and with that I concur. However Mr Hobbs submitted that as the letter was addressed to the company, the company alone had the benefit of the privilege, while Mr Shipley submitted that the letter was written to Mr Knott in a personal capacity as well as in his capacity as director of the company responsible for patent matters and that Mr Knott can claim privilege in his personal capacity. Thus the first question I have to decide with regard to this letter is whether the letter was written to Mr Knott just as a representative of the company or also to him personally. The answer to this question will then determine whether privilege in the letter rests solely in the company or jointly in both the company and Mr Knott.

Neither party has filed any evidence directed specially to this question or to the circumstances which gave rise to the letter being written and sent including the background to the enquiry which prompted the letter. Nevertheless does the letter itself when read in the light of the other evidence filed by Mr Knott in these proceedings -- the proprietors having yet to file any evidence -- provide a basis for finding on the balance of probabilities in favour of the company?

The facts that emerge from such evidence as is available are as follows:

- (1) The letter is addressed to Mr Knott at Sonic Tape plc's address. There is no explicit indication in that letter of the capacity in which Mr Knott was to receive that letter.
- (2) At that time Mr Knott was an executive director of Sonic Tape plc responsible for patent matters.

(3) It was agreed between counsel that Mr Knott did not leave the company until 8 August 1986. Thus up until he had filed the copy letter in evidence and the company had subsequently claimed privilege, there is no evidence to show that Mr Knott had obtained a copy of the letter improperly.

(4) When the letter was written the addressors, Wynne-Jones, Laine & James, were the patent agents for Sonic Tape plc.

(5) In the letter, Wynne-Jones, Laine & James, in discussing the points at issue use the words "you" and "your" in relation to Mr Knott. In context it is quite clear that in some instances they are referring to Mr Knott in his personal capacity and in others it is not clear whether they are referring to him in a personal capacity or as a representative of Sonic Tape plc responsible for patent matters or in both capacities.

(6) The letter in opening says "You recently asked me whether . . ." thus implying that Mr Knott probably asked his question orally rather than in a headed letter from the company.

(7) The contents of the letter are such that of their very nature they are such that Mr Knott has a personal interest and at the time that he received the letter it seems that his relationship with the company was good and there is no reason to suppose, certainly no evidence has been provided to the effect, that the company did not wish Mr Knott to receive the advice provided in his personal capacity.

The evidence that I have before me I consider insufficient to conclude that on the balance of probabilities the letter was written to Mr Knott solely in his capacity as representative of the company. It seems to me that at the time the relationship between Mr Knott and the company was good, the matter was one of joint concern, and the somewhat informal and personal terminology of the letter are such that I must reach the conclusion that the letter was intended to be addressed to Mr Knott both as company representative on patent matters and in his personal capacity, and that the company fully intended him to receive the advice given by their patent agents in a personal capacity. The addressing of the letter is entirely consistent with this conclusion. I thus decide that there is joint privilege in the letter. Mr Hobbs stated that even if joint privilege exists it must be waived jointly otherwise one party could make a document public contrary to the wishes of the other. This I agree with but only to the extent that privilege is to be claimed vis-a-vis a third party. As between the joint holders of the privilege, particularly where the subject matter is one of joint concern, I do not believe it to be correct or just that one joint holder can claim privilege as against the other joint holder. I thus conclude that Sonic Tape plc cannot claim privilege as against Mr RW Knott in respect of exhibit RWK8.

As I have indicated above there is agreement that the letters in exhibit RWK9 relating to the United Kingdom and European applications are privileged. As to the consequences of this finding Mr Hobbs referred me to the recent judgment of the Court of Appeal in *Goddard v National Building Society* [1986] 113 All ER 264 ([1986] 3 WLR 34) which reconciled the earlier judgments of that court in *Calcraft v Guest* [1898] 1 QB 759 and *Lord Ashburton v Pape* [1913] 2 Ch 469. In *Goddard* it was held that a litigant having copies of documents to which legal privilege attaches can be restrained (by the person entitled to the privilege) from making use of any information contained in them provided that the restraining action is taken before the information is adduced in evidence or otherwise relied on at trial.

Mr Shipley submitted that before evidence can be struck out or its admissibility be disallowed an injunction must first be obtained, and that the Comptroller cannot issue an injunction. I do not think that it necessarily follows from *Goddard* that an injunction must first be obtained at least as far as proceedings before a tribunal such as the Comptroller are concerned. I consider that while the Comptroller has no powers to issue an injunction he has the right to restrain a party from using any evidence subject to legal privilege by analogy with the High Court procedure followed in *Goddard* and this I consider flows from rule 103(3) which gives the Comptroller

" . . . in relation to the giving of evidence, . . . and the discovery and production of documents . . . all the powers of a judge of the High Court, other than the power to punish summarily for contempt of court."

The Comptroller must be able to control his own proceedings, subject of course to the supervisory and appellate jurisdiction of the courts, to the appropriate legislative provisions, and to natural justice.

I therefore decide that no use shall be made in these proceedings of the copy letters in the RWK9 exhibit relating to the United Kingdom and European applications, and I direct that the letters be accordingly removed from the file and be destroyed within the Office after the expiry of the period for appeal from this decision, or if an appeal is entered, after the conclusion of the appeal and that in the meantime the confidentiality direction made pursuant to rule 94(1) be maintained.

As regards the copy letter relating to the United States application and exhibit RWK8, since I have found that they are not subject to privilege, the latter exhibit vis-a-vis Mr RW Knott only, I make no order restraining Mr RW Knott from using these documents in evidence. However, since both these documents concern communications between a patent agent and his clients, and since an

addressee of each communication is Sonic Tape plc who have sought a confidentiality direction, I order that the confidentiality direction pursuant to rule 94(1) in respect of these documents be maintained.

**DISPOSITION:** Order accordingly

**SOLICITORS:** Taylor Walker; Edward Evans & Co.