

PATENTS ACT 1977

IN THE MATTER OF a reference by Bryan Brunton about entitlement to an invention made by Wyn Lewis

DECISION

Introduction

- 1 This reference (which is being decided on the basis of the papers on file) was filed together with a statement of case on 10 January 2002 by Bryan Brunton, and concerns an invention relating to an energy transmission system. The Patent Office considered the statement to be unclear in a number of respects, and Mr Brunton filed a revised statement dated 1 February 2002. In this, Mr Brunton claims that he is jointly entitled with the inventor, Wyn Lewis, to the invention on the basis of an agreement entitled “The Wynnning Combination”, and that no other individual or company (who might perhaps be named in an application for a patent for the invention) were entitled to it. A copy of the agreement was filed with the reference. “The Wynnning Combination” (hereinafter “the WC”, which is the abbreviation used by the parties) appears to refer to both the invention and the project for its marketing. Mr Brunton states that he and Mr Lewis are the directors of the Wynnning Combination Corporation, a company formed for the development and sale of the invention; Mr Lewis was to assemble the invention and Mr Brunton, as investor, was to pay the costs.
- 2 The proceedings have been beset by difficulties and delays from the outset. Although neither Mr Brunton nor Mr Lewis are familiar with the Patent Office’s procedures for resolving patent disputes, neither of them are professionally assisted for the purposes of this reference despite strong advice from the Office to consider this. The Office has therefore had to write to the parties on a number of occasions in order to elucidate the issues on which the parties disagreed and explain the procedures that needed to be followed. I think it fair to say that despite considerable effort the Office has had only limited success in getting the parties to address these matters and present a coherent case.
- 3 In fairness to him, Mr Brunton has replied to all of the Office’s letters, often at length. However, much of his correspondence relates to allegations about Mr Lewis’ conduct, from which I have not found it easy to disentangle points relevant to entitlement to the invention. On the other hand, Mr Lewis has done little more than fax a short note to the Office by way of a counter-statement. Indeed Mr Lewis’ present whereabouts are unknown, a matter to which I will refer in more detail later in this decision.

The legal basis for the entitlement action

- 4 Under UK law, the determination before grant of questions about entitlement is governed by sections 8(1) and (for international applications made under the Patent Convention

Treaty (“PCT”)) 12(1) of the 1977 Act. Mr Brunton did not initially make clear which section he was proceeding under, and the Office initially proceeded under section 8(1)(a). However, in his revised statement Mr Brunton referred for the first time to an international application, and I think I should therefore consider the position under section 12(1)(a) also. The relevant parts of these sections read (underlining added):

8(1) “At any time before a patent has been granted for an invention (whether or not an application has been made for it) -

- (a) any person may refer to the comptroller the question whether he is entitled to be granted (alone or with any other persons) a patent for that invention or has or would have any right in or under any patent so granted or any application for such a patent;

.....

and the comptroller shall determine the question and may make such order as he thinks fit to give effect to the determination.”

12(1) “At any time before a patent is granted for an invention in pursuance of an application made under the law of any country other than the United Kingdom or under any treaty or international convention (whether or not that application has been made) -

- (a) any person may refer to the comptroller the question whether he is entitled to be granted (alone or with any other persons) any such patent for that invention or has or would have any right in or under any such patent or an application for such a patent;

and the comptroller shall determine the question so far as he is able to and may make such order as he thinks fit to give effect to the determination.”

and it will be apparent from the wording underlined that in each case the question I need to consider is essentially the same. It also makes no practical difference to the procedure for filing statements and evidence, this being governed in each case by rule 7 of the Patents Rules 1995.

The proceedings to date

- 5 It will be helpful to give a brief outline of the course of the proceedings to date. Neither the original nor the revised statement filed by Mr Brunton identified any patent application, but he gave technical details of the invention in a letter dated 19 February 2003. Mr Lewis faxed his counter-statement on 16 May 2002; as I have stated, it is no more than a brief note. In it Mr Lewis denied that he had any agreement with Mr Brunton concerning rights of ownership. He said that his contract with Mr Brunton only entitled the latter to 47.5% of the proceeds of sale of the WC, but that there had been no sale because of failures on Mr Brunton’s part. He also said that he no longer had any “pending patent” relating to the WC and was now working on a new concept not related to the WC, which Mr Brunton had no connection with.
- 6 The matters in dispute were still uncertain, and the Office therefore wrote to the parties on 11 July 2002 putting the following points and seeking comment:

- (i) that Mr Lewis had filed UK patent application nos. 9723109.6 and 9918500.1 (both terminated before publication or grant), which did not tally with Mr Brunton's statement that any patent application relating to the invention in dispute would probably have been filed in October or November 2001;

- (ii) that nevertheless it appeared possible to summarise the invention in the light of the information supplied by Mr Brunton (the Office put forward such a summary for comment);

- (iii) that there appeared to be no dispute that Mr Lewis was the inventor; and

- (iv) that the details of the agreement of 2 October 2000 appeared to confirm what Mr Lewis said about the rights to which Mr Brunton was entitled.

7 In a holding reply dated 15 July 2002 Mr Brunton confirmed point (iii) and stated in regard to (i) that the WC was the subject of an *international* patent application (which as I have said is mentioned for the first time in his revised statement) and was something different from the device of any earlier applications (the "Mag-Tran"). In a fuller letter dated 26 August 2002 he submitted a further lengthy argument by way of comment on the counter-statement, maintaining his claim to entitlement, together with documents in support.

8 Mr Lewis replied by e-mail on 13 July 2002 giving a new address for service (at Kincaidston, Ayr) where he was living with friends following separation from his wife. He asked for some pointers as to how he should proceed, in response to which the Office on 23 July 2002 suggested he identify those points in the Office's letter with which he agreed and those with which he disagreed. No reply was received from Mr Lewis, and (see below) nothing has been heard from him since.

9 In the absence of any further changes to the parties' statements of case, the Office proceeded to the evidence rounds. Mr Brunton at first refiled his letter and enclosures of 26 August 2002 as evidence, but refiled this in the form of a witness statement (with some amendment) on 22 November 2002.

10 Mr Lewis was due to file his evidence by 20 December 2002, but despite a reminder (sent by Special Delivery on 10 January 2003 and signed for at the Kincaidston address), nothing was heard from him. There being no evidence for Mr Brunton to reply to, the Office therefore wrote to the parties on 21 February 2003 asking whether they wanted a decision on the papers or an oral hearing. The former was acceptable to Mr Brunton, but the letter to Mr Lewis, sent again by Special Delivery, was returned marked "gone away".

11 However, on 5 March 2003, Mr Brunton wrote to the Office enclosing a copy of a letter to him (undated) from a Mr John Kerr at the Kincaidston address, who said that he had opened a letter from Mr Brunton to Mr Lewis by mistake. Mr Kerr explained that Mr Lewis was not living there, and that he had not seen or heard from him for about a year; in response to an ultimatum from his wife, he had gone back to live with her in Leeds and had, before he left, handed all details of "the project" to Mr Kerr together with "a written affidavit to all rights to patent his invention" in Mr Kerr's name. Mr Kerr said he had done this and sent a copy of all papers and forms to the Patent Office. He claimed to be

owed money by Mr Lewis.

- 12 A UK patent application, no GB 0301409.9 entitled “Magnetic transmission generator” was indeed filed by a John A Kerr on 21 January 2003; it has not yet been published or granted. The Office therefore wrote to Mr Brunton on 18 March 2003 asking whether he still wished to proceed with the present entitlement action against Mr Lewis. This prompted several further rounds of correspondence with Mr Brunton (who considered that he was being deceived by both Mr Lewis and Mr Kerr) in order to clarify the legal position and the options open to him.
- 13 During this correspondence, Mr Brunton produced a copy of an earlier e-mail to him from Mr Kerr, dated 17 November 2002, in which Mr Kerr had sought to make contact with him. Mr Kerr claimed to have been involved in “the building of the mag tran / wyning combination” and to have intercepted a letter from the Patent Office to Mr Lewis. Mr Kerr said that he had “not seen or heard from Mr Lewis for months as he no longer lives in Scotland and I don’t have his new address.” I am not sure that this entirely tallies with Mr Kerr’s letter mentioned above. However, I mention this not to query the motives and conduct of either Mr Lewis or Mr Kerr, on which I express no view, but merely because it leaves me uncertain as to whether Mr Lewis still has any rights in the invention.
- 14 With the agreement of Mr Brunton, the existing reference is being decided on the papers in the absence of any replies from Mr Lewis to letters sent by the Office to his address for service. I regret that it has taken some time for me to issue this decision.

Further legal provisions

- 15 As mentioned above, under UK law, the determination before grant of questions about entitlement is governed by sections 8(1) and 12(1) of the 1977 Act. The right to apply for and obtain a UK patent is governed by section 7 of the Act, the relevant parts of which read:

7(1) “Any person may make an application for a patent either alone or jointly with another”.

7(2) “A patent for an invention may be granted -

- (a) primarily to the inventor or joint inventors;
- (b) In preference to the foregoing, to any person or persons who, by virtue of any enactment or rule of law, or any foreign law or treaty or international convention, or by virtue of an enforceable term of any agreement entered into with the inventor before the making of the invention, was or were at the time of the making of the invention entitled to the whole of the property in it (other than equitable interests) in the United Kingdom;
- (c) in any event, to the successor or successors in title of any person or persons mentioned in paragraph (a) or (b) above or any person so mentioned and the successor or successors in title of another person so mentioned; and to no other person.”

.....

7(4) “Except so far as the contrary is established, a person who makes an application for a patent shall be taken to be the person who is entitled under subsection (2) above to be granted a patent and two or more persons who make such an application jointly shall be taken to be the persons so entitled.”

A similar provision to section 7(1) is provided in Article 9 of the PCT for the filing of international applications by residents and nationals of the Treaty’s member states. The Treaty does not prescribe the right to be granted a patent, since this is a matter for the appropriate national or regional law when, following unitary search and publication stages, the international application leaves its international phase to be processed as a series of national or regional applications.

Analysis

- 16 Bearing in mind that the primary right to be granted a patent lies with the inventor, Mr Lewis, what I have to decide is whether Mr Brunton has established that he also has a right of ownership. However, despite the Office’s attempts to clarify matters, the parties have not clearly defined what is at issue between them. This is likely to limit the findings and orders that I can make.
- 17 Thus, the international application supposedly made for the invention has not been identified. Nor is it clear what the invention in suit actually is, and whether it embraces both the “WC” and the “Mag-Tran” devices mentioned above. Further, much of the contractual documentation submitted by Mr Brunton as evidence consists of unsigned copies of contract clauses, with nothing to confirm whether any agreement along these lines was actually entered into. Finally, Mr Kerr’s intervention raises doubt as to whether Mr Lewis still retains any rights in the invention.

The statements of case

- 18 The main plank of Mr Brunton’s case is the agreement “The Wynnng Combination”. The document on file appears to be a fax or photocopy of an agreement signed by Mr Lewis as inventor, Mr Brunton as investor and a Mr Nigel Gladstein as legal representative. The date “2.10.00” appears next to Mr Gladstein’s signature, and Mr Brunton says - and I accept - that this is the date of the agreement. Mr Brunton also sent a photocopy of a certificate of incorporation in the Bahamas of “The Wynnng Combination Corp.” as an international business company, dated 3 May 2000, but this entity does not appear to be a party to the agreement.
- 19 Taking the agreement at face value, the following clauses appear to me to be the most pertinent:

“The Wynnng Combination Unit having been developed and now ready for sale, it is agreed as follows; that all payments received from the sale/manufacturing rights of the unit are paid to the Wynnng Combination Corporation bank account Bahamas (*sic*).

It is agreed by the first party (*Mr Lewis*) that all technical, patent, copyright and any further information that is required at the point of sale, that all information will be released as necessary to satisfy the sale contract.

It is agreed by the second party (*Mr Brunton*) that all receipts and development costs with any further information that is required, will be released to satisfy the sale contract. It is further agreed that the second party shall seek the interest of buyers, to the satisfaction of all parties in this agreement to maximise the purchase price of the unit.

.....

All parties agree to the distribution of all proceeds from the sale of the unit to the following ratios. The first party Forty Seven and One half percent. The second party Forty Seven and One half percent. The third party Five percent. The distribution be to a bank account of the party's choice."

- 20 I see nothing here to assist Mr Brunton. The agreement seems to be concerned solely with the rights and duties arising in the event of a sale of the machine. There is no clear mention of who owns any patent or application for it, although the second clause above (referring to release of patent information) might be taken to imply, if anything, that ownership still resides with Mr Lewis. Mr Brunton appears to have a right under the agreement to receive a proportion of the proceeds of sales, but - elaborating on the point made by Mr Lewis in his counter-statement and by the Office in its letter of 11 July 2002 - this is not a right which arises in or under a patent or a patent application. It would appear to subsist irrespective of whether or not any patent is applied for or granted for the WC.

Mr Brunton's evidence

- 21 This is far from satisfactory, since Mr Brunton's witness statement is not confined to setting out facts which support the case made in his revised statement, but introduces further arguments concerning Mr Lewis' conduct. A further difficulty is that most of the documents submitted with the witness statement appear to be incomplete, or to be redacted copies. Although they are all referred to in the witness statement, their status is somewhat uncertain in the absence of any clear declarations exhibiting them to the witness statement and explaining precisely what they are supposed to be. However, I think there is sufficient "linkage" between the witness statement and the documents for me to take them at face value and reach some conclusions.
- 22 The documents submitted with the witness statement consist of an incomplete copy of a PCT request form, a series of contractual clauses, and some other items of correspondence. I will deal with them in turn.
- 23 The PCT request form. This is the form used to make an international application under the PCT. However the copy supplied by Mr Brunton consists only of the sections for title of the invention, applicant, and further applicants/inventors. The title of the invention has been filled in as "The Wynning Combination Transmission System" but no applicant or inventor is identified. It has apparently been photocopied over a letter of which the only visible part is headed "Dear Brian" and states that forms for the "world patent application" are enclosed and that the initial filing fee will need to be sent with the forms. This document appears to be in Mr Lewis' handwriting. Mr Brunton says that the application form has been sent to him to complete the forms "on behalf of the company", and that this is proof of an agreement with Mr Lewis.
- 24 However, in my view the document filed by Mr Brunton has negligible probative value. There is nothing to show that the letter was actually sent with the form or that an

international application was actually made, and the visible part of the letter is not signed or dated. Even if I assume from this that a letter was written at some stage by Mr Lewis enclosing a PCT request for Mr Brunton to complete, this does not of itself prove that Mr Brunton had any right of ownership in the invention. Indeed, the fact that Mr Brunton himself says that he was to complete the form on behalf of a company tends to suggest the contrary.

- 25 Contractual Clauses. Mr Brunton has also submitted seven pages each headed with a section number and containing the terms of an agreement between “the company” - presumably the Wynning Combination Corporation, although this is not stated - and an unidentified buyer; he says that this is submitted to confirm “the basis of any sale agreement to the buyer”. However, the agreement is not dated and there is nothing to suggest that it was actually entered into by anyone. Further, it contains manuscript additions and has appended to it a note (both apparently in Mr Lewis’ handwriting) suggesting that “the selling points of the WC” are satisfactory.
- 26 I think it most likely that this is merely a draft agreement which Mr Brunton and Mr Lewis had been discussing. However, even if an agreement had been concluded along these lines between “the company” and a buyer, I cannot see that it would help Mr Brunton to establish rights of ownership since he himself would not have been a party to the contract.
- 27 Other correspondence. This consists of (i) a copy of a letter dated 22 November 2000 from a solicitor, Mr Simon Goldberg, to Mr Lewis, Mr Brunton and Mr Gladstein headed “The Wynning Combination”, setting out his firm’s fees and terms of business and signed by them as acceptance of those terms; (ii) redacted copies of handwritten letters which Mr Brunton says were written to him by Mr Lewis on 31 October 2001, 8 January 2002 and 7 May 2002 (they all appear to be in Mr Lewis’ handwriting but only the last actually bears a date) and which hint at a breakdown in their relationship; and (iii) a copy of a letter from Mr Brunton to Mr Lewis dated 14 January 2002 in which he gives Mr Lewis an ultimatum to “sell the WC” failing which Mr Brunton will take action to recover the value of his investment on the machine assembled by Mr Lewis.
- 28 These documents appear to have been submitted for the purpose of showing that Mr Lewis had defaulted on his obligations to Mr Brunton and could no longer be trusted. However only the correspondence (ii) says anything about the ownership of the invention. As Mr Brunton explains it in his witness statement (I quote):
- “On the 31st October 2001 Mr Lewis states ‘I also own the patent now along with the new buyer’ he continues ‘the machine has been disposed of so have all documents’. On the 8th January 2002 he states ‘I now have a contract which my solicitor in Leeds has received it is for the sale of the machine’ he confirms he has scrapped the unit, he states further ‘I have all the protection I need from my own solicitor’. His statement on the 7th May ‘I don’t see any point in making a counter claim to the patent office there is no patent filed’ he states further ‘a new world patent has been drafted ready for filing under a new name and concept’. ‘I am now to be reimbursed my investment’ copies are enclosed to all statements.”
- 29 As I have mentioned, the copies of the letters which have been supplied are not complete, and it is not clear from this exactly what Mr Lewis has been doing. However, I see nothing in this correspondence from which Mr Brunton can derive any rights of ownership.

Other matters

- 30 Even if I overlook the defects in the documents that he has submitted, I do not consider that Mr Brunton's statement of case and evidence are capable of supporting any claim that he is entitled to be granted a patent, alone or with anybody else, for the invention (whatever it is), or that he has any right in or under a patent or an application for a patent. Nevertheless, I have considered very carefully all the correspondence and documents which Mr Brunton has filed to see if there is anything in them which might lead me to take a more favourable view of his case. However, I can find nothing that assists him.
- 31 Indeed, it is quite clear to me, looking at the papers as a whole, that, under the guise of an entitlement reference, Mr Brunton is raising matters going to that are for the courts to adjudicate and not for the comptroller. Mr Brunton appears to be using "entitlement" to mean a right to receive his share of the proceeds of sale of the WC and to recoup the value of his investment in the project, in accordance with agreements that he claims to have with Mr Lewis. Much of his case is therefore directed to showing that Mr Lewis has defaulted on these agreements and is not someone who can be trusted to honour them. However, even if the underlying invention is the subject of a patent or patent application, the rights which Mr Brunton seeks to enforce are not rights which arise "in or under" a patent or patent application as prescribed by sections 8 and 12 of the Patents Act 1977.
- 32 In paragraph 5 of his revised statement, Mr Brunton says that there are at least three individuals who can give evidence that he owns the invention jointly with Mr Lewis. I note that no such evidence has been filed. However, what evidence he files in support of his case is a matter for Mr Brunton to decide. If, because of a misconception about what he needed to prove to the comptroller (despite this having been explained to him by the Office at an early stage in the proceedings), he has not filed the best evidence available to him, then he must bear the consequences.
- 33 Before dismissing Mr Brunton's case, there are two further matters that I should briefly consider. First, Mr Brunton appeared to be suggesting in his letter of 15 July 2002 that because he had paid money for the development of the project, he had some sort of right to ownership of the invention. I am not aware of any such general equitable right of this nature, and nor do I see any justification for implying any term to that effect into any agreement entered into by Mr Brunton in the absence of an express term. In the absence of any supporting arguments from the parties on this point, I do not propose to consider it further.
- 34 Second, despite the subsequent clarification of his original statement of case, Mr Brunton in some of his evidence still appeared to suggest that he was acting on behalf of a company. I assume that he was referring to The Wynning Combination Corporation, of which he states that he is a director along with Mr Lewis. However, the case was ultimately brought by Mr Brunton in respect of *his own* entitlement, as indeed is required by sections 8 and 12. It would be for the company as a separate legal entity to refer a question to the comptroller about its own entitlement to the invention. On this matter, I make no finding, although I observe that there seems to be nothing in the "Wynning Combination" agreement which gives the company any ownership right in the invention, notwithstanding that it appears to have been incorporated before that agreement was

entered into.

Conclusions

- 35 I therefore find that Mr Brunton has failed to establish that he is entitled to be granted a patent, alone or with any other person(s), for *any* invention, or that he has any right in or under *any* patent or application for a patent. The documents that he has filed as evidence appear to me to be inherently incapable of supporting his claim to entitlement, and I cannot see that the position is likely to be changed by ordering complete copies to be supplied of those documents which were incomplete.
- 36 I make no finding in respect of Mr Lewis' entitlement, even though Mr Brunton accepts that Mr Lewis is jointly entitled to it. As I have said, the history of the proceedings suggests that there is some doubt about whether Mr Lewis still retains any rights in the invention. However, the position is far from clear, and matters have not been helped by Mr Lewis' failure, for whatever reason, to provide anything more than the briefest of counter-statements or to give any assistance when the Office sought to clarify the issues underlying the reference.
- 37 For the avoidance of doubt, I confirm that I make no finding in respect of the entitlement to application no 0301409.9 in the name of John Kerr, to which reference is made above. That application is not part of this reference and in reaching my decision I have not considered the papers on its file.
- 38 Nor do I make any finding as to whether Mr Brunton has any right to receive any of the proceeds of sale of the WC or to recover his investment in the project; as I have explained above, these are matters for the courts, not the comptroller.
- 39 In the absence of any agreed definition of the invention or any identification of a patent or an application for a patent, I make no order under either section 8(1) or section 12(1) of the Patents Act 1977.

Costs

- 40 Mr Brunton having failed to prove his case, it would normally be appropriate for me to make an award of costs in favour of Mr Lewis. Costs before the comptroller are generally awarded in accordance with a published scale: they are not intended to compensate a party for the expenses that they have incurred, but merely to contribute towards those expenses.
- 41 However, Mr Lewis has not asked for costs. Even if he had, I would not have been minded to make more than a token award, since it is apparent that Mr Lewis has put very little effort into defending this reference. Even then, there is a further point which to my mind should offset any award. Mr Lewis appears either to have moved from the Kincaidston address for service without giving a new address, or not to be replying to correspondence addressed to him there. I make no finding as to his motives, and whether this supports any of Mr Brunton's allegations, but it has been a source of delay in bringing these proceedings to a conclusion.

42 I therefore make no award of costs.

Appeal

43 Should either party wish to appeal, the period for lodging an appeal at the Patents Court is 28 days from the date of this decision.

Dated this 21st day of August 2003

R C KENNELL

Deputy Director acting for the Comptroller