Kluwer Patent Blog

On the professional liability of patent agents – a rare Danish decision

Anders Valentin (Bugge Valentin) · Monday, August 8th, 2016

The Danish Maritime and Commercial Court recently rendered judgement (SH2016.T-5-14) in a matter between Ametek Denmark A/S and the intellectual property consultancy Zacco Denmark A/S. As an external patent agent, Zacco had assisted Ametek in filing several patent applications regarding Ametek's invention of a temperature calibration system. However, in an international patent application and in a subsequent American patent application a reference to a specific English patent application GB 2003596 A (GB596) as relevant prior art had not been made.

Regardless hereof, the US Patent & Trademark Office (USPTO) issued the American patent. Ametek's American patent agent, RatnerPrestia, stated that an American competitor to Ametek was infringing the patent. Unfortunately, Ametek would probably not be able to enforce its right, because there was a risk that the American patent was invalid due to the missing reference to GB596. On behalf of Ametek, RatnerPresia filed for a retesting of the patent with the USPTO with the GB596 enclosed as prior art. USPTO found that the new prior art presented substantial new questions of patentability for the patent, as to why a re-examination process could start. Subsequently, USPTO issued an Ex Parte Reexaminsation Certificate confirming that the American patent should be maintained. Hereafter, Ametek claimed damages from Zacco for the positive expenses that Ametek had payed to RatnerPrestia for correcting the mistake of counsel, which Zacco allegedly had made. The main question of the present case was whether or not Zacco was liable to pay damages due to the lacking reference to GB596.

Amatek argued that Zacco incurred professional liability of advisers by not ensuring that a reference to GB596 had been made. According to Ametek, the lacking reference was a clear mistake. Ametek noted that when filing a patent application, one must refer to the relevant prior art, and, further, that GB596 must be deemed as very essential prior art.

Zacco contested Ametek's claim. Zacco initially stated that Zacco could only be held liable, if Ametek proved that Zacco had delivered a faulty service and had acted with prejudice of liability by not making a reference to GB596.

Zacco argued that from the beginning, Ametek had expected the American patent to be declared invalid. However, the USPTO had maintained the patent with the original patent claims, and, accordingly, Ametek had based its case on a false premise.

Zacco further argued that GB595 did not constitute relevant prior art that contributed to the understanding of Ametek's invention or was material for patentability, as to why there was no need for a reference to GB596 in the patent applications. Moreover, neither EPO nor USPTO had found GB596 in their respective novelty examinations or patentability examinations, and USPTO's reexamination decision showed that the GB596 had not affected the validation of or the scope of protection of the patent.

The court found that it was not an actionable mistake per se not to mention GB596 in the actual description of the patent application. It was, however, an actionable mistake not to state GB596 in the Information Disclosure Statement to the USPTO. In this regard, the court put emphasis on the content and wording of the relevant and decisive provision in the American Code of Federal Regulations Title 37 Section 1.56 regarding "Duty to disclose information material to patentability". Pursuant to this provision, the Office encourages applicants to carefully examine prior art cited in search reports of a foreign patent office in a counterpart application. According to the court, Danish patent agents are presumed to be aware of – and to follow – that provision.

The court further attached importance to the fact that the Danish Patent and Trademark Office had pointed to GB596 as relevant prior art when processing the Danish patent application. According to the court, a patent agent is only to decide not to refer to a prior art, which the national patent office had found relevant, if the decision hereof is based on a professional assessment. Since Zacco had not wanted to call its patent agent in charge of the American patent application as a witness, Zacco had neither proved that the decision had been made on a professional assessment, nor that other special and concrete circumstances could give reason for a positive decision not to refer to the GB596.

In conclusion, the court found that Zacco had made an actionable mistake and that Zacco therefore was liable to pay damages.

As for the amount of compensation, Ametek claimed a repayment for Zacco's fee and damages for several expenses in relation to the reexamination of the validity of the patent to a total of about DKK 700.000. These claims were contested by Zacco. Regarding the repayment, Zacco argued that every patent application filed by Zacco had resulted in valid patents. Accordingly, Zacco's service had not been without value, as to why there was no ground for a repayment. As for the damages, Zacco argued that the expenses to RatnerPrestia extensively related to an advising regarding the lack of validation, and since the patent had been maintained as valid, that advising had been wrong.

The court agreed with Zacco and refused to award Ametek damages in form of a repayment. Further, the court did not find sufficient basis for awarding damages for all of the expenses, which Ametek had payed to the American patent agent. The court attached importance to the fact that Zacco had offered Ametek to carry out the re-examinsation procedure in USA without charge, and that Ametek had declined that offer. The court therefore assessed the damages at DKK 200.000.

Reported by Cecilie Frost Adamsen

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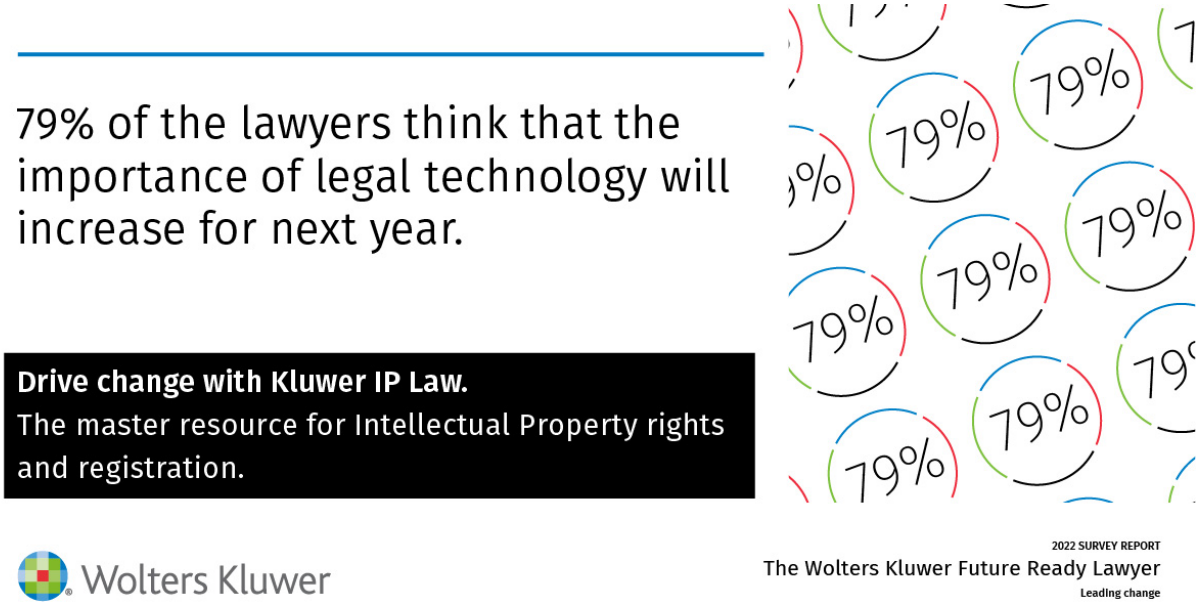

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