

Patents Act 1977

1977 CHAPTER 37

PART I

NEW DOMESTIC LAW

Use of patented inventions for services of the Crown

References of disputes as to Crown use.

[F1(1) Any dispute as to—

- (a) the exercise by a government department, or a person authorised by a government department, of the powers conferred by section 55 above,
- (b) terms for the use of an invention for the services of the Crown under that section,
- (c) the right of any person to receive any part of a payment made in pursuance of subsection (4) of that section, or
- (d) the right of any person to receive a payment under section 57A,

may be referred to the court by either party to the dispute after a patent has been granted for the invention.]

- (2) If in such proceedings any question arises whether an invention has been recorded or tried as mentioned in section 55 above, and the disclosure of any document recording the invention, or of any evidence of the trial thereof, would in the opinion of the department be prejudicial to the public interest, the disclosure may be made confidentially to [F2 the other party's legal representative] or to an independent expert mutually agreed upon.
- (3) In determining under this section any dispute between a government department and any person as to the terms for the use of an invention for the services of the Crown, the court shall have regard—
 - (a) to any benefit or compensation which that person or any person from whom he derives title may have received or may be entitled to receive directly or

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- indirectly from any government department in respect of the invention in question;
- (b) to whether that person or any person from whom he derives title has in the court's opinion without reasonable cause failed to comply with a request of the department to use the invention for the services of the Crown on reasonable terms.
- (4) In determining whether or not to grant any relief [F3 under subsection (1)(a), (b) or (c) above] and the nature and extent of the relief granted the court shall, subject to the following provisions of this section, apply the principles applied by the court immediately before the appointed day to the granting of relief under section 48 of the 1949 Act.
- (5) On a reference under this section the court may refuse to grant relief by way of compensation in respect of the use of an invention for the services of the Crown during any further period specified under section 25(4) above, but before the payment of the renewal fee and any additional fee prescribed for the purposes of that section.
- (6) Where an amendment of the specification of a patent has been allowed under any of the provisions of this Act, [F4 or, in the case of a European patent (UK), has been allowed under any of the provisions in the Agreement on a Unified Patent Court,] the court shall not grant relief by way of compensation under this section in respect of any such use before the decision to allow the amendment unless the court is satisfied that
 - [F5(a)] the specification of the patent as published was framed in good faith and with reasonable skill and knowledge [F6 and.
 - (b) the relief is sought in good faith]
- (7) If the validity of a patent is put in issue in proceedings under this section and it is found that the patent is only partially valid, the court may, subject to subsection (8) below, grant relief to the proprietor of the patent in respect of that part of the patent which is found to be valid and to have been used for the services of the Crown.
- (8) Where in any such proceedings it is found that a patent is only partially valid, the court shall not grant relief by way of compensation, costs or expenses except where the proprietor of the patent proves that
 - [F7(a)] the specification of the patent was framed in good faith and with reasonable skill and knowledge, and
 - [F8(b) the relief is sought in good faith,
 - and] in that event the court may grant relief in respect of that part of the patent which is valid and has been so used, subject to the discretion of the court as to costs and expenses and as to the date from which compensation should be awarded.
- (9) As a condition of any such relief the court may direct that the specification of the patent shall be amended to its satisfaction upon an application made for that purpose under section 75 below, and an application may be so made accordingly, whether or not all other issues in the proceedings have been determined.
- [F9(9A) The court may also grant such relief in the case of a European patent (UK) on condition that the claims of the patent are limited to its satisfaction by the European Patent Office at the request of the proprietor.]
 - (10) In considering the amount of any compensation for the use of an invention for the services of the Crown after publication of an application for a patent for the invention and before such a patent is granted, the court shall consider whether or not it would

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have been reasonable to expect, from a consideration of the application as published under section 16 above, that a patent would be granted conferring on the proprietor of the patent protection for an act of the same description as that found to constitute that use, and if the court finds that it would not have been reasonable, it shall reduce the compensation to such amount as it thinks just.

- (11) Where by virtue of a transaction, instrument or event to which section 33 above applies a person becomes the proprietor or one of the proprietors or an exclusive licensee of a patent (the new proprietor or licensee) and a government department or a person authorised by a government department subsequently makes use under section 55 above of the patented invention, the new proprietor or licensee shall not be entitled to any compensation under section 55(4) above (as it stands or as modified by section 57(3) above) [F10, or to any compensation under section 57A above,] in respect of a subsequent use of the invention before the transaction, instrument or event is registered unless—
 - (a) the transaction, instrument or event is registered within the period of six months beginning with its date; or
 - (b) the court is satisfied that it was not practicable to register the transaction, instrument or event before the end of that period and that it was registered as soon as practicable thereafter.
- (12) In any proceedings under this section the court may at any time order the whole proceedings or any question or issue of fact arising in them to be referred, on such terms as the court may direct, to a Circuit judge discharging the functions of an official referee or an arbitrator in England and Wales or Northern Ireland, or to an arbiter in Scotland; and references to the court in the foregoing provisions of this section shall be construed accordingly.
- (13) One of two or more joint proprietors of a patent or application for a patent may without the concurrence of the others refer a dispute to the court under this section, but shall not do so unless the others are made parties to the proceedings; but any of the others made a defendant or defender shall not be liable for any costs or expenses unless he enters an appearance and takes part in the proceedings.

Textual Amendments

- F1 S. 58(1) substituted by Copyright, Designs and Patents Act 1988 (c. 48, SIF 67A), s. 295, Sch. 5 para. 16(2)(4)
- F2 Words in s. 58(2) substituted (1.10.2014) by Intellectual Property Act 2014 (c. 18), s. 24(1), Sch. para. 4(2); S.I. 2014/2330, art. 3, Sch.
- F3 Words substituted by Copyright, Designs and Patents Act 1988 (c. 48, SIF 67A), s. 295, Sch. 5 para. 16(2)(4)
- F4 Words in s. 58(6) inserted (coming into force in accordance with art. 1(2)) by The Patents (European Patent with Unitary Effect and Unified Patent Court) Order 2016 (S.I. 2016/388), arts. 1(2), 2(2) (with art. 3)
- F5 Words in s. 58(6) renumbered as s. 58(6)(a) (13.12.2007) by Patents Act 2004 (c. 16), ss. 2(2)(a), 17(1); S.I. 2007/3396, art. 2(c)
- **F6** S. 58(6)(b) and word inserted (13.12.2007) by Patents Act 2004 (c. 16), **ss. 2(2)(a)**, 17(1); S.I. 2007/3396, art. 2(c)
- F7 Words in s. 58(8) renumbered as s. 58(8)(a) (13.12.2007) by Patents Act 2004 (c. 16), ss. 2(2)(b), 17(1); S.I. 2007/3396, art. 2(c)
- F8 S. 58(8)(b) and word inserted (13.12.2007) by Patents Act 2004 (c. 16), ss. 2(2)(b), 17(1); S.I. 2007/3396, art. 2(c)

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F9 S. 58(9A) inserted (13.12.2007) by Patents Act 2004 (c. 16), ss. 3(2), 17(1); S.I. 2007/3396, art. 2(e)
F10 Words inserted by Copyright, Designs and Patents Act 1988 (c. 48, SIF 67A), s. 295, Sch. 5 para. 16(3)(4)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters: Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 56(4)(a)(iiia) and word added by S.I. 2006/1056 Sch. para. 2(b) (This amendment comes into force on the day on which 2005 asp 13, s. 20 comes into force, see art. 1(2)(b))
- s. 63(3)(a) words in s. 63(3) renumbered as s. 63(3)(a) by 2004 c. 16 s. 2(4)
 (Amendment not applied to legislation.gov.uk. S. 2(4) was repealed (29.4.2006) by S.I. 2006/1028, art. 2(4), Sch. 4)
- s. 63(3)(b) and word inserted by 2004 c. 16 s. 2(4) (Amendment not applied to legislation.gov.uk. S. 2(4) was repealed (29.4.2006) by S.I. 2006/1028, art. 2(4), Sch. 4)