

relating thereto, and such conveyance is to be charged with ad valorem duty in respect of such distinct consideration.

### The Facts

5 By a written agreement of 13<sup>th</sup> June 1989 Stena agreed to buy from Santa Fe, for US\$31.5m., an agglomeration of assets for an offshore pipe laying business. The assets included a vessel, onshore facilities, permits, contracts, records, sales information and so on. It also included all Sante Fe's intellectual property relating to the pipe laying business. This included about 150 patents around the world, copyrights, designs and know-how. It included  
10 the 4 patents the subject of the present application. So far as these were concerned there was therefore an agreement to assign, which gave Stena an equitable interest - an enforceable immediate right to call for a formal assignment .

Following the agreement to assign, steps were taken to execute the agreement. Stena  
15 and Sante Fe entered into an assignment, which I will call A1. (For the present I will ignore the argument that I may take no notice of it because it is unstamped). A1 was signed by both parties. The second party to do so did it on 28<sup>th</sup> November 1989. Then it was sent to the Patent Office on 28<sup>th</sup> December 1989 for registration. In due course the Office sent it back because it was unstamped. The patent agent who sent it knew it was not stamped. He did not  
20 have any intention of avoiding stamp duty. Apparently the Office act on such documents to the extent of changing the address for service. Pragmatically it is worth getting an assignment on file even though it is not yet stamped - stamping can be achieved later.

Next the patent agent learned that the original agreement for sale was itself unstamped  
25 and that accordingly he needed a valuation for the assigned patents. It was as a practical matter wholly impossible to value them according to some market worth. In the context of the whole original agreement the value of individual patents was impossible to apportion out. For one thing the patents covered what was on the vessel and there were no known infringers or persons who wanted to use the patented technology. For another, at the time of the sale  
30 the whole business was losing money. So the patent agent used a well-recognised alternative technique of valuation based on the cost of obtaining the patents. He reached a figure of £54,000.

Originally it was suggested that this figure was fraudulent. By a rather grudging letter  
35 (it was the final paragraph with no apology) the charge of fraud was withdrawn shortly before