

## **SPIDERS TRAPPED IN THEIR OWN WEB.**

Dynamic Scottish oil and gas company, Omega Completion Technology have welcomed the favourable High Court ruling relating to the litigation instigated by local firm, Red Spider Technology against them. The court ruled that Omega did not infringe a patent held by the Spiders for their Water Injection Valve equipment and in an associated claim also initiated by the Spiders that they did not infringe the design rights held for that equipment.

The Spiders requested permission to appeal the design rights case but this was refused by the High Court as according to the Judge, Mr. Justice Mann, the appeal “had no real prospect of success”. The judge also ruled that the patent itself was invalid and will be revoked. In June 2009, the Spiders also asserted against Omega a patent for their Equalising Valve tool. This involved an application by Red Spider to the High Court for advance disclosure of Omega materials. This application was refused by the Court.

In the case of the Equalising Valve tool, £10,000 by way of costs were paid by the Spiders to Omega. In this most recent case, costs of £330,000 stand to be claimed by Omega against Red Spider. The Spiders are now facing the bill for the total cost of the litigation estimated to be well in excess of half a million pounds.

“We were bemused when the first writ for the Water Injection Valve case was served as it was on the morning of the 1st of April 2008, April fools day !” commented Mark Buyers, the Omega Managing Director. “We contacted the Spiders and pointed out that we obviously did not infringe their rights, but they ignored this advice. They had various opportunities to back out but they persisted. We pointed out that they would lose their patent but I don’t think that they understood what they were embarking upon.”

Companies house records show that the Clydesdale Bank held a charge over this patent for a loan along with a variety of the Spiders other intellectual property.

“We were given no choice but to defend ourselves” said Mark Buyers. “We were confident of the outcome, particularly as we knew that we had three defences, but we had to grit our teeth and see it through. It would have benefitted everyone if the Spiders had seen sense and withdrawn, but this was not the case”.

The Spiders have since advertised their intention to appeal the judgement but as the time for this has now expired, this will not be possible.

Omega Completion Technology are privately owned and have been organically grown since inception with no borrowings and no external shareholders. They are the only UK based oil service sector company to provide specific expertise for mechanical and electronic based products but also incorporate a fully C.N.C. equipped in house manufacturing facility. Omega have been specialists in downhole electronics design and manufacture since 1990 and hold 22 granted patents both in the U.K. and the U.S. The most recent patent for “Demand Activated Signalling” allows remote opening and closing of valves not only in a fluid filled well as has been possible for many years but also in a flowing well.

Omega have recently bought new premises to increase capacity and are soon to move into “Omega House” in Kirkhill Road, Dyce. This will allow additional staff to be hired fuelling the next wave of expansion.