

'Dragons' Den' chief feels heat in court

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A nanotechnology company spun out of Oxford university and backed by a former star of the BBC TV show *Dragons' Den* on Friday lost a high-stakes court battle over royalties due on its key product.

Shares in Aim-listed **Oxonica**, which is chaired by Australian business angel and ex-dragon Richard Farleigh, slumped by as much as 16 per cent after the High Court ruled that it owed licensing fees to another company over Envirox, a "green" fuel additive designed to improve efficiency.

Neuftec, which originally patented the Envirox technology, was pursuing Oxonica for about £500,000 (\$884,150) in royalties it claimed were due under a licence and revenue-sharing agreement between the two companies.

Ronen Hazarika, Neuftec's co-founder, on Friday said he was now considering taking further legal action over Oxonica's ongoing sales of a version of the additive known as "Envirox 2".

The company has also instructed forensic accountants to determine whether additional payments may be due under its prior agreement with Oxonica, which has since been terminated.

"We are absolutely delighted that the court has found in our favour," Mr Hazarika said. "It has been an expensive and time-consuming battle, but we now feel wholly vindicated. Protecting intellectual property rights is crucial to the encouragement of advances in technology." Oxonica, which was spun out of Oxford in 1999, has been hit before with problems over Envirox – a diesel catalyst that is designed to save fuel and cut emissions.

The company's shares **plummeted in 2007** after it lost a key contract with one of its biggest customers, Turkish diesel supplier Petrol Ofisi. It is due to release its half-year earnings later this month. Oxonica has already made an accounting provision of £408,000 for the Neuftec dispute and said it was still considering an appeal to a higher court. If the judgment stands, Oxonica will also have to pay most of Neuftec's legal costs.

The company, which has four divisions – healthcare, energy, materials and security – said that the High Court dispute should not affect future sales of its Envirox 2 product.

The dispute began after Oxonica informed Neuftec that it had sourced an alternative to its patented Envirox formulation and would no longer have to pay royalty agreements.

Neuftec terminated the company's production and distribution rights and sought alternative means to market the product.

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