



Neutral Citation Number: [2019] EWHC 3377 (Pat)

Claim No. HP-2019-000021

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (ChD)
PATENTS COURT

The Rolls Building
7 Rolls Buildings
Fetter Lane
London EC4A 1NL

Date: Friday, 29th November 2019

Before:

HIS HONOUR JUDGE HACON
(Sitting as a Judge of the High Court)

Between:

MEXICHEM UK LIMITED
- and -
HONEYWELL INTERNATIONAL INC.
(a company incorporated under the laws of the State
of Delaware, USA)

Claimant

Defendant

MS. KATHRYN PICKARD (instructed by **Potter Clarkson LLP**) appeared for the
Claimant.

MR. ADRIAN SPECK QC (instructed by **Bird & Bird LLP**) appeared for the **Defendant.**

Approved Judgment

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HIS HONOUR JUDGE HACON :

1. Before me there is a Part 18 application for further information. Late in the day it has been joined and overtaken by an application to strike out certain paragraphs of the Particulars of Claim, including one of the heads sought in the prayer for relief. It raises an issue regarding the function of *Arrow* declarations and the circumstances under which such declarations should be entertained by the court.
2. Adrian Speck QC appears for the applicant/defendant, Kathryn Pickard for the respondent/claimant.
3. In this action the claimant seeks to revoke six patents owned by the defendant. All six patents relate to compounds which can be used in refrigeration systems. In recent decades there has been a recognition that compounds used for that purpose damage the environment, particularly the ozone layer. It is explained in the evidence that steps have been taken to ban the damaging compounds, notably since the Montreal Protocol of 1987 and its successive revisions.
4. One of the industry initiatives in this country has been undertaken by the Society of Automotive Engineers. Their particular concern, as their name implies, has been to sponsor research programmes to find compounds less damaging to the environment which can be used in air-conditioning units installed in automotive vehicles. These units were referred to in the evidence as mobile air-conditioning units or MACs. Two compounds have emerged from research of this nature, designated R-1234ze and R-1234yf, which I will refer to as 'ze' and 'yf'. The latter has been chosen by the automotive industry as the preferred refrigerant, and its introduction has been supported by the European Commission.
5. Neither ze nor yf is generally used alone. Each will be combined with a lubricant, of which there are alternatives. The principal refrigerant will also be commonly combined with other refrigerants to achieve a constant and optimal boiling point in use.
6. The claimant would like to market ze and yf in this country to its customers for use in MACs. The claimant takes the view that the legal barrier in its way is the defendant and its patents, hence this action to revoke the six patents.
7. The claimant is also concerned that even if it is successful in obtaining an order at trial revoking the six patents, its path to marketing ze and yf may still not be clear. That is because the defendant has further patent applications in the pipeline undergoing examination in the European Patent Office. The claimant says that it is aware of four divisional applications owned by the defendant currently progressing in the EPO and also believes it likely that there are others in the pipeline. Therefore, in addition to the usual relief sought for an action to revoke patents, the claimant seeks two *Arrow* declarations.
8. To put the declarations sought into context I should mention three matters. First, all six patents in suit have a priority date of either 25th October 2002 or 29th April 2004. Secondly, it is common ground that by the earlier of those priority date both ze and yf were known compounds. Thirdly, by that earlier date there had been made available to the public a Japanese patent application, published under the number H41-10388 on

10th April 1992. This application has been referred to as "Inagaki" after the first named inventor.

9. The *Arrow* declarations sought by the claimant would be in the following form, and I quote here from the Particulars of Claim:

"Declarations that, as at 25th October 2002 and/or 29th April 2004, it was obvious in light of the teaching set out in Japanese Patent Application H2-231618, published as H04-110388 ('Inagaki') to:

a) Use R-1234ze in the manufacture of a product for use as a refrigerant in a mobile air-conditioning unit;

b) Use R-1234yf in the manufacture of a product for use as a refrigerant in a mobile air-conditioning unit."

10. The claimant says that declarations in this form are necessary for the claimant to achieve a requisite level of freedom to operate in its market. The claimant also says that the defendant has pursued a strategy in EPO oppositions which has prevented the Opposition Division from having to decide whether in October 2002 it would have been obvious, in the light of Inagaki, to use ze and/or yf in the manufacture of products for use as a refrigerant in an MAC. This is said to be a further reason for the need to obtain the declarations sought.
11. In its Defence, the defendant denies any untoward manoeuvrings in the EPO. The Defence also states that the claimant's plea in support of the *Arrow* declaration is embarrassing for its lack of particularity. Two overall points are made: first, the claimant has failed to state whether or not it has already developed a product comprising either ze or yf for use in an MAC, and, if so, when such a product would be marketed in the UK; secondly, the claimant has failed sufficiently to particularise the product it intends to market. More specifically, the defendant has failed to state:
- (1) whether the product will include ze or yf, or a combination of the two;
 - (2) whether the product will include a lubricant, and, if so, which lubricant;
 - (3) whether the product will include hydrofluorocarbons other than ze and yf, and, if so, which hydrofluorocarbons;
 - (4) whether any other components will be included, and, if so, which components;
 - (5) the ranges of percentage by weight of the various components.
12. There is currently no counterclaim for infringement.
13. In its Reply, the claimant pleads that the defendant is not entitled to the particulars sought.
14. On 3rd October 2019, the defendant issued a Part 18 request. The request asks for the information which would rectify the lack of particularity alleged in the Defence, to which I have just referred.

15. On 21st November 2019, the defendant filed an application notice seeking an order striking out the claim for *Arrow* declarations or, alternatively, summary judgment against the claimant in relation to the claimant's claim for *Arrow* declarations on the ground that the claimant has no real prospect of succeeding at trial. It is this strike out application or, alternatively, summary judgment which has become the point at issue today.
16. The law relating to *Arrow* declarations was recently set out by Floyd LJ in *Glaxo Group Limited v Vectura Limited* [2018] EWCA Civ 1496. Floyd LJ said:

"14. The *Arrow* declaration is, in effect, a declaration that a party has a Gillette defence as of a particular date against attacks by later patents. The Gillette defence can be traced to the speech by Lord Moulton in *Gillette Safety Razor Co v Anglo-American Trading Co Ltd* (1913) 30 RPC 465. In a Gillette defence a defendant contends that the product he is selling was obvious at a particular date, and cannot accordingly fall within a valid claim of a later patent. Although such a defence is raised in circumstances where the defendant is sued on specific patents, there is no reason why a properly worded declaration that a product is obvious at a particular date cannot provide protection against any later patent. As pointed out in the *Arrow* case itself, however, in order to render the issues for the court properly justiciable, the characteristics of the product in respect of which the declaration is sought must be clearly defined (see per Kitchen J at [40], [59]).

"15. In *Fujifilm Kyowa Kirin Biologics Co., Ltd. V AbbVie Biotechnology Limited* and another [2017] EWCA Civ 1 this court examined for the first time whether *Arrow* declarations were available in principle, or whether there existed fundamental obstacles to their grant. Thus it was contended on behalf of the patentee inter alia that:

- i) an *Arrow* declaration was in effect a challenge to Validity of a patent which could only be made once a patent was granted in the proceedings identified in section 74 of the Patents Act 1977;
- ii) such declarations were in substance a collateral attack on proceedings within the EPO, which the English court would not permit;
- iii) to allow declarations in the *Arrow* form would be to open the floodgates;
- iv) if the *Arrow* declaration does raise issues of validity, then it would be a way of undermining the system of allocation of jurisdiction under the recast Brussels Regulation in ways which the courts have striven to prevent;
- v) the *Arrow* case itself had therefore been wrongly decided.

"16. The court dismissed all these objections to the grant of Arrow declarations. At paragraph 93 the court explained that the existence, following grant, of the statutory remedy for revocation (and, I would add, declarations of non-infringement) needed to be borne in mind. The course envisaged by the Patents Act is that parties should wait and see what patent is granted before resorting to Arrow declaratory relief. However the statute did not create a bar to the grant of relief 'in appropriate cases.' At paragraph 98, giving the judgment of the court which included Longmore and Kitchin LJJ , I said:

"We have said enough to explain why we do not consider that there is any issue of principle which prevents the granting of Arrow declarations in appropriate cases. Drawing the threads together:

- i) A declaration that a product, process or use was Old or obvious at a particular date does not necessarily offend against section 74 of the Act.
- ii) Such a declaration may offend against the Act where it is a disguised attack on the validity of a granted patent.
- iii) Such declarations do not offend against the scheme of the EPC or the Act simply because the declaration is sought against the background of pending divisional applications by the counter-party.
- iv) On the other hand the existence of pending applications cannot itself be a sufficient justification for granting a declaration.
- v) Whether such a declaration is justified depends on whether a sufficient case can be made for the exercise of the court's discretion in accordance with established principles.'

"17. Since then, there have been two notable further judgments at first instance. Fujifilm v AbbVie has gone to trial together with a related case brought against AbbVie by Samsung Bioepis: see Fujifilm Kyowa Kirin Biologics Company Limited v AbbVie Biotechnology Limited and Samsung Bioepis and another v AbbVie Biotechnology Limited [2017] EWHC 395 (Pat). Henry Carr J held that a particular dosage regimen for the claimants' products was obvious and granted Arrow declarations. AbbVie appealed to this court solely against the grant of Arrow relief, and not against Henry Carr J's technical findings that the products were obvious. The case settled after we had heard argument but before judgment was handed down.

"18. In addition, in Generics (U.K.) Limited and another v Yeda Research And Development Company Limited and another [2017] EWHC 2629 (Pat) Arnold J found a patent invalid after a

trial, but was also asked to grant an Arrow declaration in the light of two further pending divisionals. At paragraph 206 of his judgment he made a finding that the product in question was obvious. He declined to go further and grant a declaration to that effect because he considered it would serve no useful purpose beyond that finding. That finding could be relied on to obtain summary judgment in certain circumstances were later patents to emerge and be asserted against the claimants in respect of that dosage regime. At paragraph 211 he said:

"... the Claimants rely upon their need for commercial certainty. I am unclear, however, how an Arrow declaration would provide the Claimants [with] greater certainty than this judgment. If this judgment stands, but 962A and/or 172A proceed to grant, then any claim for infringement by the Defendants against the Claimant in respect of the 40 mg TIW regimen can be met by an application for summary judgment seeking revocation of the patent(s) relying upon issue estoppels arising out of this judgment. An Arrow declaration would not preclude the need for an application for summary judgment, albeit based on the declaration, in such circumstances."

17. There was a Respondent's Notice in the appeal, and Floyd LJ considered this in his judgment.

"30. There is no dispute that the declaration must be formulated with clarity. The facts ultimately declared by the court must be clear, otherwise the declaration will simply give rise to further dispute and defeat the purpose for which it is granted. The declaration must also be clear so that the court can know what technical issues it has to decide. The declaration must therefore identify the combination of features of the products and processes in question on which the assessment of obviousness is to take place.

"31. As presently pleaded, the declaration sought by GSK focuses on three features of the Process which are specifically picked out in the prayer for relief. These are (i) blending to produce the lactose/magnesium stearate Pre-Blend, (ii) sieving to de-lump combined micronized active ingredient and a portion of the Pre-Blend, and (iii) the whole batch further blended to produce a homogenous blend. I will call this 'the general declaration'. However the declaration is introduced with the words 'the Claimants' Processes, namely...'. As Mr Turner pointed out, paragraph 3 of the PC states that 'Further details of the Claimants Processes are set out in [the PPD]'. On this view, the claimed declaration would require the court to adjudicate on the novelty and obviousness of every feature of the Processes described in the PPD. As he opened the appeal to us, Mr Turner described the claimed declaration as being one sought in relation to the Processes as described in the PPD. That is because GSK

claim that their Processes as so described are no more than an obvious implementation of the published application for Staniforth. Put in this way, the features picked out in the prayer for relief do not limit the scope of the court's necessary enquiry. I will call this 'the PPD declaration'.

"32. I do not accept that it is clear at this stage that either the general declaration or the PPD declaration is so unclear that it could not be granted. In each case GSK would have to establish that the relevant features were old or obvious at the level of generality at which they are pitched.

"33. A separate question is whether the PPD declaration would impose on the court an unmanageable task, because it would be necessary to look at every aspect of what is a complex process and decide whether each feature is old or obvious alone and in combination. Mr Lykiardopoulos argued that this would be the case, but he did not take us through the PPD in any detail to show us why this would be so. I would accordingly reject this ground of the respondent's notice. I would add, however, that the PPD declaration will require further case management on the way to trial. That is a matter for the Patents Court judge, but it would seem sensible for GSK to serve a schedule identifying features of the PPD which they accept are not shown by Staniforth, with a short statement of why they contend that they would be obvious and for Vectura to indicate any positive case which they have of why any of those features are inventive.

"34. I am not persuaded either by Vectura's second argument on their respondent's notice. It is clear from Arrow and the subsequent cases that there is no requirement that the declaration should identify all the features of the product or process. The consequence of the exclusion of the active ingredient from the characteristics of the processes declared obvious is that it will limit the protection available to GSK by the granted declaration. I accept that this means that the declaration would not provide protection if 415 is granted with claims in the form in which they presently exist. Those claims are, however, not set in stone. Moreover 415 is pleaded as an example of the alleged propensity to reformulate the inventive concept. The main relevance of 415, as it seems to me, is to show that Vectura continues to seek ways of protecting the use of magnesium stearate in these processes and products, and to that extent it supports the pleaded claim for Arrow relief. Whether there is sufficient overall in the circumstances as they exist at trial is a matter for the trial judge."

18. Mr. Speck argued that the declarations sought in this case do not specify the features of the products which would be the subject of the declarations. He submitted that the effect of the declarations, having regard to the general terms in which they have been drafted, would be declarations by the court that it was obvious to use a vast range of products containing ze and yf, regardless of what other constituents there may be in

such products and in what proportions. Mr. Speck submitted that patents which may be granted to the defendant, currently in the pipeline, may cover products containing ze and/or yf, but the inventive concept underlying them is liable to be quite different from the mere fact that they contain ze and/or yf. He argued that it would be improper for the court at trial to foreclose any argument that there was, in fact, a non-obvious inventive concept disclosed in each of those applications. In other words, the effect of the declarations sought would be a finding at trial that all of those products lack inventive step, even before that question has been investigated.

19. Mr. Speck drew my attention, in particular, to paragraphs 30-32 of Floyd LJ's judgment in Glaxo. He submitted that when, in paragraph 32, Floyd LJ referred to a party having to establish that the relevant features were old or obvious at the level of generality at which they are pitched, Floyd LJ meant that if there is a high level of generality, the burden on the party seeking the declaration is correspondingly high because the court must be satisfied that all products or processes that fall within the declaration are old or obvious. That must be so, Mr. Speck argued, because *Arrow* declarations can only be made if the declaration is directed to the clearance of specifically identified products or processes. He warned that any other view of the jurisdiction to grant *Arrow* declarations would be a radical departure from the existing law and should not be sanctioned.
20. It is not clear to me that Floyd LJ intended to rule out declarations in a more general form, i.e. not directed at specifically identified products or processes. The second and third sentences of paragraph 34 of Floyd LJ's judgment suggest to me that this is not what he meant.
21. Ms. Pickard emphasised that the context of the declarations sought in this case is important. She sought to persuade me that the way that the defendant is advancing its case on infringement in Germany, in relation to the German equivalent of one of the six patents in suit in this action, is so broad that in fact, notwithstanding the general way they are drafted, the declarations sought would provide a *Gillette* defence to the claimant. I was shown a translation of the defendant's submissions in an action in Germany for infringement of one of the defendant's German patents.
22. I find it difficult to reach any firm conclusion from those submissions as to just how broadly the defendant is putting its case in Germany. It may or may not be correct to say that it is put so broadly that the declarations sought here would provide a *Gillette* defence in the true sense in relation to an equivalent argument run in this country.
23. However, it seems to me that this is not quite the point. If the *Arrow* declarations sought by the claimant were made by the trial judge, then, subject to appeal, those declarations would determine precisely what the declarations state, namely that, as of one or both the priority dates, it was obvious to a skilled person, who has read Inagaki, to use ze and/or yf in the manufacture of a product for use as a refrigerant in an MAC. The declarations would foreclose any future argument in this jurisdiction on that point, but their effect would go no further.
24. What I mean by this is perhaps best illustrated by an example which I put to Mr. Speck. Here I assume that the declaration in relation to ze is made. Thereafter the defendant is granted a patent claiming a product containing ze for use as a refrigerant in an MAC, which product contains lubricant X. If the validity of that patent were challenged in this jurisdiction, the court would have to decide whether, at the relevant date, the

inclusion of lubricant X in such a product was obvious. That assessment would not be foreclosed by the declaration. But the court would start from the premise, made necessary by the declaration, that using ze for manufacture of a product for use as a refrigerant in an MAC was obvious at the relevant date. Argument would then focus solely on the inclusion of lubricant X in the product and whether it was inventive to include lubricant X.

25. The declarations sought by the claimant are not, as Mr. Speck rightly emphasised, directed at clearing the path for the marketing of a particular product or for the use of a particular process. Rather they are aimed at providing a finding of obviousness which can serve as an unchallenged foundation for argument on the inventive step of inventions claimed in patents which may be granted to the defendant in the future.
26. As Floyd LJ made clear in paragraph 30 of *Glaxo*, a party seeking an *Arrow* declaration must formulate it with clarity. It must be clear what the trial judge has to decide before reaching a conclusion as to whether the declaration should be made, and the meaning and effect of the declaration sought must also be clear.
27. The declarations sought in this instance seem to me to be entirely clear. The judge would have to apply well-established principles of patent law in deciding whether the use of ze and/or yf in the manner stated was obvious over *Inagaki* at the relevant dates. If the declarations are made, subject to appeal the trial judge's conclusion in that regard would be binding.
28. As I have already said, Floyd LJ also pointed out in paragraph 34 that the protection afforded by an *Arrow* declaration will depend on the level of generality of the terms in which it is made. The declarations sought in the present case may well not provide a guarantee that any particular product sold by the claimant will not infringe any patent which may be granted to the defendant. However, the declarations, if made, would clear away part of the argument. Of course, the trial judge would have to be satisfied that clearing away part of the argument would serve a useful purpose beyond the court's findings in relation to the six patents in suit. That is the matter for the trial judge.
29. As matters stand now, it seems to me possible that there would be a useful purpose. If the declarations are made it may be that one or both sides would be able to make better informed decisions regarding the likely infringement and/or validity of any divisional patents to which the defendant may become entitled. I am, anyway, not satisfied that I can say now that there is no real prospect that the trial judge will conclude that the declarations serve a useful purpose.
30. Also, I am satisfied that there is a real prospect that the trial judge may decide that on the facts of the case, as they emerge at trial, it is appropriate to make those declarations. I therefore dismiss the application to strike out.
