Quotation of the Year:

“Unless and until sensible judicial arrangements are put in place, the litigation of European patents in various national courts and the EPO will remain a messy, expensive and prolix business. One would hope that the politicians would find a way to put various national interests on one side for the sake of European industry as a whole. But despite attempt after attempt that has not yet been possible. The result of the EPC compromise is that a national court system can find a patent valid by a final and conclusive decision and yet later, in opposition proceedings it is determined that the patent is invalid or must be reduced in scope.”

Per Jacob LJ in Unilin v Berry.¹

¹ Per Jacob LJ in Unilin Beheer BV v (1) Berry Floor NV (2) Information Management Consultancy Limited (3) B&Q plc [2007] EWCA Civ 384.
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Introduction

The most significant event of 2007 to English patent practitioners was the passing away of Pumfrey LJ on Christmas Eve. Pumfrey LJ was a Judge who commanded universal respect, was always willing to assist others, and who had an inherent sense of justice and fairness. All other developments of the year were overshadowed by this event.

In terms of law and practice, the following developments in 2007 are considered to have had most significance to patent practitioners:

- The decision of the House of Lords in Yeda2 regarding patent entitlement claims which held obiter comments of the Court of Appeal in Markem v Zipper3 in 2005 to be incorrect;
- The decision of the Court of Appeal in Unilin4 regarding res judicata;
- The ruling of the Court of Appeal in Nichia v Argos5 that disclosure of the invention history should still be given in patent litigation cases;
- The decision of the Court of Appeal in Pozzoli6 which contained a slight restatement of the Windsurfing7 questions and the observations of the same court on the issue of inventive step in Conor v Angiotech8; and
- The entry into force of EPC 2000 and the accompanying changes to UK Patent Law.

It is also noteworthy that significantly more patents than usual were invalidated on the ground of added matter. The authors suspect that this is merely a coincidence but will continue to monitor the trend in 2008. It is also fair to observe that fewer patents were invalidated for obviousness, particularly obviousness over the common general knowledge alone, in 2007.

As with previous years, this article summarises the decisions of the English Patents Court, the Patent County Court and Higher Courts on a topic-by-topic basis.

Construction / Infringement

One of Pumfrey LJ’s final cases at first instance, University of Queensland v Siemens9, reminded us of what the patent world will miss. Against a background of a relatively complex technical area – the design of superconducting magnets for MRI machines – Pumfrey J gave a robust but technically exacting judgment. In construing the patent’s claims, the Judge had to strain the language in order to give the claim a sensible meaning and ultimately held that an integer which required the magnet to achieve a certain performance “prior to shimming” actually meant “after shimming” as to do otherwise would lead to a meaningless claim. So far as infringement was concerned, Pumfrey J declined to find that the patent had been directly infringed when the superconducting magnets were wired up during testing to see what kind of magnetic field they produced (the patent requiring a “magnetic resonance system”). He did find, however, that when the same magnets were re-imported back into the UK having been incorporated into a finished diagnostic machine, Section 60(2) of the Patents Act 1977 was engaged and the patent infringed.

The discovery and development of the drug cyclosporin was one of the leading advances in medicine in the last quarter of the twentieth century. Cyclosporin is a naturally occurring peptide produced by certain fungi. It is a powerful and selective immunosuppressant and substantially opened up the field of transplant surgery. Being a very hydrophobic molecule, cyclosporin is difficult to formulate using conventional techniques but Novartis’ predecessor, Sandoz, invented a microemulsion formulation called “Neoral” which had several advantages over the previous emulsion formulation. In Novartis v Ivax10, a challenge was brought against Ivax’s “Equoral” cyclosporin formulation which Novartis claimed formed a multi-modal dispersion containing a microemulsion along with other types of dispersion. The experimental evidence was disputed but taking matters most favourably for Novartis, the majority of the particles by volume in Equoral were in the microemulsion size range and 14% of the active ingredient was carried in these particles. Jacob LJ held that this did not infringe Novartis’ patent to a microemulsion formulation. Rejecting Novartis’ arguments that 14% ought not to be regarded as de

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2 Decision of House of Lords of 24 October 2007 UKHL 43.
4 See Footnote 1 ante.
5 Decision of Court of Appeal of 19 July 2007 EWCA Civ 741.
6 Decision of Court of Appeal of 22 June 2007 EWCA Civ 588.
7 [1985] RPC 59.
8 Decision of Court of Appeal of 16 January 2007 EWCA Civ 5.
9 Decision of Pumfrey J of 10 October 2007 EWHC 2256 (Pat).
10 Decision of Court of Appeal of 18 October 2007 EWCA Civ 971.
minimis, the Judge preferred to decide the issue as one of construction of the patent concluding: “this is a case of a product which is nearly all that which the patentee was trying to avoid”.

Whilst it was evident from the cases we reported in 2006 that the Judges seemed to have moved away from the use of the so-called Improver or Protocol questions in the construction of patents, the 2007 cases have confirmed this. The first instance decision in Ferag v Muller Martini11 reported in last year’s review was re-examined by the Court of Appeal at the beginning of the year12, and although the appellate court reversed the Judge’s finding on the basis of construction, it found no fault with the principles he applied. Jacob LJ, handing down the judgment of the Court, noted that the trial Judge had set out the convenient summary of the principles enunciated in Halliburton v Smith13 (which he had applied in combination with the overriding principle from Kirin Amgen14). Indeed, perhaps unsurprisingly as that summary was derived from one of Jacob LJ’s own judgments15, there had been no dispute between the parties over the law applied. This approach of applying the Kirin Amgen principle, usually with reference to Halliburton and without use of the Protocol questions, seems now to be the established practice of the English Courts.

Monsanto v Cargill16 was a relatively rare example of a case where the Court had to consider the possibility of infringement under Section 60(1)(c) of the Patents Act 1977. Both direct and indirect infringement had been alleged by Monsanto of its patent concerning enzymes which, when present in plants, confer resistance to the herbicide known as “Round-Up”. Cargill had brought soya beans grown from seed carrying the gene for one of the disclosed enzymes from Argentina, and imported 5000 tons of meal manufactured from these beans into the UK. Monsanto alleged that this meal directly infringed its claims to the isolated DNA sequences encoding the enzymes, and that it also infringed as a product obtained directly by a process that infringed a claim covering a method of producing herbicide resistant plants. Even though Monsanto’s experiments suggested the meal contained some of the relevant DNA, and even though arguments of de minimis were rejected, the allegations of direct infringement failed on the construction of the claims. In particular, the requirement that the DNA be “isolated” was not fulfilled as the alleged infringement was not a purified DNA fragment separated from other molecular species. On the Section 60(1)(c) point, Monsanto argued that the meal had been made from beans produced by a plant containing the relevant DNA sequence and, even though this was not the originally transformed plant, the fact that the sequence was present was enough. However, after considering the leading authority, Pioneer v Warner17, the Judge held that the only directly obtained product was the original transformed plant – subsequent generations and the meal obtained from them were not covered. The case is also notable because, although the Judge acknowledged that the English Courts are discouraged from looking at the EPO file when interpreting a claim, he suggested that claim interpretations arrived at in contested proceedings before the EPO’s Boards of Appeal should be treated with respect and only departed from with good reason.

Key Points: Negative Declarations in 2007

- The first negative declaration was granted in relation to the essentiality of patents to an international standard in Nokia v Interdigital.
- The High Court in Arrow v Merck refused to strike out an application for a declaration that use of a product would have been obvious, potentially allowing parties to obtain legal certainty in relation to pending divisionals.
- The High Court’s obiter comments in Baxter v Abbott suggested that where infringement cannot be decided by reference to a sample and description, a patent may well be insufficient.

12 Decision of Court of Appeal of 23 January 2007 EWCA Civ 15.
15 Rockwater Ltd v (1) Techip France SA (2) Technip Offshore UK Ltd [2004] EWCA Civ 381.
16 Decision of Pumfrey J of 10 October 2007 EWHC 2257 (Pat).
Negative Declarations

Pumfrey LJ’s last judgment was in Nokia v Interdigital\(^\text{18}\) and, being a complex electronics dispute, it was a fitting one. It was also groundbreaking in that it was the first grant of a negative declaration in relation to essentiality of patents to an international standard, in this case the standard for 3G mobile telephones. The fact that such declarations could, in principle, be granted had already been confirmed when Pumfrey J, as he then was, had refused to strike out Nokia’s claim and his decision had been upheld on appeal\(^\text{19}\), but this was the first practical application of the Appeal Court’s ruling. Of the 29 patents specified in Nokia’s initial claim, only four remained in contention by the time of the trial. The issue of validity of the patents had sensibly been put to one side, with Nokia reserving the right to raise it in relation to any of the patents found to be essential, so that the only issues under consideration were construction of the claims, interpretation of the standard and whether the patents were or were not essential. After a characteristically thorough analysis, the Judge found that, of the four, three of the patents were not essential, and the fourth was only essential with regard to the method claims (the apparatus claims not being so). Pursuant to the Court of Appeal’s earlier ruling, he then had to decide whether to exercise his discretion and grant declarations to that effect by considering whether they would have practical utility. After evaluating the evidence before him and taking into account the fact that the relevant UK market was far from insubstantial, he concluded that the declarations would be genuinely useful and that it was right to grant them.

Essentiality with regard to international standards was not the only unusual area where negative declarations were considered in 2007. Since the Enlarged Board of Appeal of the EPO endorsed the practice of filing cascading divisional applications in G1/05 and G1/06, the possibility for a party seeking to clear the way in respect of a product to be subjected to repeated challenges has been greater than ever. In Arrow Generics v Merck & Co Inc\(^\text{20}\) fearing that such an approach could be adopted by Merck in respect of its patent portfolio for alendronate which is used in the treatment of osteoporosis, the generics company Arrow filed a claim for declaratory relief before the English Court that as of 1997 (the priority date of the family of patents which could potentially be asserted) it was obvious to the skilled person to use a tablet containing a certain amount of a certain form of alendronate for the treatment of osteoporosis in a once-weekly dosage regime. Recognising the English Court’s broad discretionary power to grant declaratory relief as explained by the Court of Appeal in Messier-Dowty v Sabena\(^\text{21}\) Kitchin J refused to strike out the claim, robustly holding that: “business needs to know where it stands. I believe that this Court should assist in providing that certainty where it properly can”. Further aspects of the case which related to a European patent from which the UK had been de-designated just before the proceedings started were struck out, as the Court had no jurisdiction over a patent which had never been granted.

A declaration of non-infringement was sought in relation to a patent concerning anaesthetic compositions of the fluorooether, seroflurane and methods of preventing their degradation in Baxter v Abbott\(^\text{22}\). Notably, the Judge criticised Abbott’s “unhelpful” approach to the action which had involved pointing out perceived difficulties with the product and process description rather than putting forward any positive case on infringement, even though samples of Baxter’s product had been provided. He ordered a statement of case from Abbott on infringement but described the documents provided as “as close to being uninformative as it was possible to get”. In the event, the patent’s invalidity meant the declaration was not required. The Judge’s observation that a specification is likely to be insufficient (as Abbott’s patent was held) unless infringement can be decided by reference to a description and sample is perhaps quite telling, although he expressly stated that he made no finding on that basis.

Validity

Novelty

The appeal Court’s judgment in Ferag v Muller Martini\(^\text{23}\) also provides a helpful illustration of how the Courts apply the still relatively new principles of anticipation as set out by the House of Lords in 2005 in Synthon\(^\text{24}\). A dispute had arisen on the issue of novelty because the Judge had found that a

\(^{18}\) Decision of Pumfrey J of 21 December 2007 EWHC 3077 (Pat).
\(^{19}\) [2006] EWCA Civ 1618.
\(^{20}\) Decision of Kitchin J of 31 July 2007 EWHC 1900 (Pat).
\(^{21}\) [2000] 1 All ER 275.
\(^{22}\) Decision of Pumfrey J of 2 March 2007 EWHC 348 (Pat).
\(^{23}\) See Footnote 12 ante.
\(^{24}\) Synthon BV v SkB [2006] UKHL 59.
drawing in the prior art anticipated on the basis of evidence from an expert that the drawing was purely schematic, and that the skilled person would realise that slight modifications were needed and make such modifications when producing a working model of the machine disclosed. The Court of Appeal, underlining the difference between the disclosure and enabling requirements of anticipation, held that the “necessarily results” requirement of disclosure had not been fulfilled. Although the drawing was not a blueprint, that did not mean the disclosure was something different from what it was, however obvious it would be to modify it. Despite this analysis, the Court of Appeal reached the same overall finding as the trial Judge, holding that there was no anticipation.

The Court also emphasised the strict nature of the disclosure part of the Synthon test in Servier v Apotex25. Noting that the disclosure requirement is different from the disclosure requirement for sufficiency where the skilled person is allowed to do preliminary work and carry out un inventive refinements, the Judge stressed that, for anticipation, the prior art must enable something, which inevitably falls within the claims. After evaluating the experimental and expert evidence before him, the Judge considered that the requirement had been met, and Servier’s claim to the α-cristalline form of the tert-butylamine salt of the ACE inhibitor perindopril was anticipated by Servier’s earlier patent. Having done so and having found the remaining claims obvious, the Judge avoided the need to consider the potentially more difficult question of whether Servier’s prior sales of the (+)-enantiomer26 or as part of a racemate. Relying on the already seminal observations of Lord Hoffmann in *Kein Ameisen*28, namely that the crucial question was what the skilled person would have understood the patentee was using the language of the claim to mean, the Judge had no hesitation in concluding that the claims were directed to the isolated enantiomer. On this basis the allegation of anticipation failed.

The introduction of the EPC 2000 into UK Law in December 2007 implemented a new section on the patenting of methods of treatment and diagnosis, which included a removal of the need to draft second (or subsequent) medical use claims in “Swiss form”29. While such claims can still be drafted in Swiss Form, they can now also be drafted in the form “Substance X for use in the treatment of disease Y”, where X is the known substance and Y is the medical condition in question. However, at the present time, the law regarding the validity of these claims remains as set out by the Court of Appeal in *Bristol Myers Squib v Baker Norton*30, namely that to be regarded as novel and not a method of treatment excluded from patentability under Section 1(2) Patents Act 1977, the further medical indication must be new. The ratio of the *Bristol Myers Squib,* case was applied by Warren J in *Actavis v Merck*31 in relation to a challenge to the validity of a patent claiming the use of the drug finasteride in a low dosage form for the treatment of androgenic alopecia. Since the prior art disclosed the use of finasteride for the treatment of androgenic alopecia (albeit using a significantly higher dosage strength) it was held that the facts of the case were analogous to *Bristol Myers Squib,* and therefore that the patent lacked novelty and was properly to be regarded as a method of treatment. However, following a detailed analysis of the law and the expert evidence before him, Warren J concluded that the patent, although anticipated, was not obvious.

2007 saw a continuation of the “happy pills” wars with a challenge to the validity of a patent claiming the (+)-enantiomer26 of the leading anti-depressant drug citalopram in *Generics UK v Lundbeck*27. One of the challenges to the validity of the patent in suit was based on the earlier disclosure of racemic citalopram. Following the leading decision of the EPO Technical Board of Appeal in *T1046/97*, Kitchin J held that the disclosure of a racemic mixture did not necessary disclose each of the enantiomers. The next question to address was whether the claims of the patent in suit related to the enantiomer in pure form or the racemate. Relying on the already seminal observations of Lord Hoffmann in *Kein Ameisen*28, namely that the crucial question was what the skilled person would have understood the patentee was using the language of the claim to mean, the Judge had no hesitation in concluding that the claims were directed to the isolated enantiomer. On this basis the allegation of anticipation failed.

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The *BMS v Baker Norton* principles on second medical use claims were also applied by Warren J in a revocation action in *Teva v Merrell Pharmaceuticals*32. Although the defendant patentees argued that the EPO’s Technical Board had recently interpreted the earlier decision in *Eisai/Second Medical Indication*33 differently from the Court of Appeal in the *BMS* case34, the Judge felt bound...
by the rules of precedent to follow the English Appeal Court’s decision. Applying the English authority, the second medical use claims under consideration, which concerned the use of the acid metabolite of terfenadine as an anti-histamine, lacked novelty. The Judge found that the broader claimed uses were anticipated in the conventional sense under the Synthon principles by the US equivalent of the Merrell Dow patent litigated previously in *Merrell Dow v Norton* which was cited by Teva. The more specific uses in relation to treatment of allergic rhinitis and urticaria were held to lack novelty because the evidence established that antihistamines were known to be useful in the treatment of these conditions at the relevant date, and that this was part of the common general knowledge. There was therefore no new therapeutic application in treating these specific conditions as opposed to use of the metabolite as an antihistamine as taught in the prior art.

**Obviousness: Key Points in 2007**

- The Windsurfing test was restated in the following slightly revised form in *Pozzoli*:

  1. (a) Identify the notional “person skilled in the art”
     (b) Identify the relevant common general knowledge of that person;

  2. Identify the inventive concept of the claim in question or if that cannot readily be done, construe it;

  3. Identify what, if any, differences exist between the matter cited as forming part of the “state of the art” and the inventive concept of the claim, or the claim as construed;

  4. Viewed without any knowledge of the alleged invention as claimed, do those differences constitute steps which would have been obvious to the person skilled in the art or do they require any degree of invention?

- Next year may see the House of Lords consider obviousness in detail with the referral in *Angiotech v Conor*.

**Obviousness**

With the legal principles applied in other key areas of patent law such as construction and novelty having been reassessed in recent years, there has been speculation amongst commentators about whether this might happen soon for obviousness. The test applied in the first half of 2007 was that enunciated by Oliver LJ in the *Windsurfing* case which has been the favoured approach before the English Courts for over two decades. However, the test changed slightly following the Court of Appeal’s decision in *Pozzoli v BDMO and Moulage*. Rather than suggesting a new test, the Court of Appeal took the opportunity to update and tidy up the existing Windsurfing test in a restated reformulation. Apart from reordering and splitting up some of the questions and adopting the “state of the art” wording of the Patents Act 1977, the test is effectively unchanged and, most importantly, the final, key question remains exactly the same.

Applying the test to the issues before it, the Court of Appeal held that, even though the Judge had wrongly identified the inventive concept, this did not affect the correctness of his reasoning, and the patent was indeed obvious. Jacob LJ noted that the Judge’s reasoning was essentially the same as the French Court, which had held that the patent’s French equivalent was invalid, although this was not the case for its German equivalent before the German Court.

Another important decision of the year in relation to inventive step was the judgment of the Court of Appeal in *Angiotech v Conor*. The patent in suit related to a stent with a polymer coating containing the anti-cancer drug taxol for use in coronary surgery. At first instance Pumfrey J had concluded that the patent was obvious. Giving the only substantive judgment of the Court of Appeal, Jacob LJ could find no error of principle with the trial Judge’s analysis. In the course of a review of the decision on the question of “obvious to try” Jacob LJ referred to his earlier decision in *St Gobain v Fusion Provida* that the “obvious to try test really only works where it is more-or-less self evident that what is tested ought to work” and he also noted, with seemingly implicit approval, that Judge Rich,

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25 By The House of Lords in the *Kirin Amgen* and *Synthon* cases respectively.
26 See Footnote 7 ante.
27 See Footnote 6 ante.
28 See Footnote 8 ante.
29 [2005] EWCA Civ 177.
a leading Judge in the US Court of Appeal for the Federal Circuit, had said “much the same thing” in Tomlinson’s Application⁴¹. Underlying the judgment of both Pumfrey J and the Court of Appeal is the lack of disclosure in the patent in suit that a stent coated with a polymer containing taxol would be more or less likely to work than other similar drugs which were suggested in the prior art. Jacob LJ put this most succinctly in his observation that: “the patentee has done nothing by his disclosure to deserve a monopoly” (emphasis in original). The Judge also examined the reasoning of the District Court of The Hague which had concluded that the Dutch designation of the same European patent was valid. Jacob LJ noted that the Dutch Court had considered the invention of the patent to subsist in the selection of taxol from other anti-angiogenic agents. The Judge respectfully disagreed with this reasoning since there were no data disclosed in the patent to suggest that taxol-coated stents would work. Following the widely publicised decision of the US Supreme Court in KSR v Teleflex⁴², it seems that the approaches of the UK and US Courts to the question of inventive step are now more closely aligned although the divergence in views of the UK and Dutch Courts in Angiotech may suggest that the English Patents Courts remain tougher in their approach to the question than several continental jurisdictions. It is understood that the House of Lords has granted permission for a further appeal and this may provide an opportunity for the most senior Judges to consider whether any changes to the current English approach are required.

As mentioned above, the allegations of anticipation in the escitalopram case (Generics UK v Lundbeck) failed once the claims were construed so as to relate to the isolated enantiomer as opposed to the racemate. The generics companies in this case also mounted a challenge to the patent in suit based on lack of inventive step from among other things, the disclosure of racemic citalopram, the fact that only two isomeric forms of the molecule could exist, and the existence of various techniques to separate each isomer from a racemic mixture. After a very careful analysis of the evidence, Kitchin J concluded that the patent was not obvious. The Judge’s analysis is noteworthy in three respects: first, the Judge’s reliance on the Court of Appeal’s observations in Angiotech v Conor in relation to the allegation that obtaining the (+)enantiomer of citalopram was an obvious thing to try to do. Secondly, although Lundbeck had subsequent to the filing of the patent application discovered that the (+)enantiomer of citalopram had certain advantages compared with racemic citalopram, the Judge confirmed the legal position in the UK as set out in e.g. Richardson, Vicks⁴³ that a patentee cannot seek to bolster the inventive nature of his monopoly by relying on discoveries or advantages which were not disclosed in the patent. This position may not be so clear cut in the EPO although there are cases such as T1329/04 which suggest the EPO law may be coming into line with the UK position. Thirdly and finally, whilst acknowledging that the primary evidence in relation to an attack of obviousness must come from suitably qualifed expert witnesses (see e.g. the observations of Nicholls VC in Mölnlycke v Procter & Gamble⁴⁴), the Judge heard evidence from two senior scientists from Lundbeck who explained the problems they had encountered whilst seeking to discover a way of producing the (+)enantiomer of citalopram and concluded “in my judgment, this is one of those cases where failed attempts to solve the problem addressed by the patent are further evidence of non-obviousness”. However, as will be explained below, the broadest claims of the patent were found to be insufficient.

Whilst the Monsanto v Cargill⁴⁵ case will be remembered principally for the findings on construction and infringement discussed above, it is notable that the patent in suit was held valid, and, in particular, that arguments made to the effect that the claimed invention would have been ‘obvious to try’ failed. The case may be contrasted with the decision of Warren J on obviousness in Teva v Merrell Pharmaceuticals⁴⁶ where ‘obvious to try’ arguments were successful.

Insufficiency

Having rejected the attacks of anticipation and obviousness, the broadest claims of the patent in suit in the escitalopram case were held invalid as being insufficient. Kitchin J held that Lundbeck’s technical contribution as disclosed in the patent was the discovery

⁴¹ (1966) 363 F 2nd 298.
⁴² Decision of Supreme Court of the United States of 30 April 2007 04-1356.
⁴³ [1997] RPC 888.
⁴⁵ See Footnote 16 ante.
⁴⁶ See Footnote 32 ante.
that two enantiomers of an intermediate molecule in the synthetic process for the production of racemic citalopram could be separated from each other and each converted into the related enantiomers of citalopram without any loss of stereochemistry. However, claim 1 which was directed to the (+)-enantiomer itself and claim 3 which was directed to a pharmaceutical composition containing the (+)-enantiomer howsoever made were held to be too broad and therefore insufficient according to the principles laid down by the House of Lords in Biogen\textsuperscript{47}. Claim 6, which was directed to the specific process to prepare the (+)-enantiomer was held to be valid.

An attack of insufficiency was levelled successfully at Abbott’s seforfluane compositions patent in Baxter v. Abbott\textsuperscript{48}. The sufficiency challenge was directed at the method claims which required a Lewis acid inhibitor such as water “in an amount sufficient to prevent degradation” of the seforfluane, and the only limited information on what would constitute a sufficient amount was contained within the patent examples. Having tried with difficulty to reach a suitable construction, and having rejected the argument that the claim could be given a straightforward meaning such that it required enough water to be present to result in less degradation than there would otherwise be, the Judge found it impossible to identify a suitable test to determine the amount that would infringe.

**Patentability**

2007 witnessed a raft of challenges to software patent applications before the High Court. It has probably not escaped the notice of software patentees that, without exception, the applications have been rejected by the Court for want of patentability. Some comfort may at least be taken from the faithful application of the four-step test for patentability as set out by the Court of Appeal in Aerotel/Macrossan\textsuperscript{49} which establishes that the application of this test is settled law.

Turning to specific decisions, Pumfrey J rejected two software patent applications in Re Cappellini and Re Bloomberg\textsuperscript{50}. Cappellini claimed a method of distributing data in which the data transmitted to a user was mapped (using a record relating to the applications that the user has access to) to a form suitable for the application to be used by the user in question. The contribution was the filtration and mapping of financial data prior to transmission to the end user. The advance made was therefore rejected as a computer program as such. Bloomberg claimed a novel algorithm for determining the routes to be taken by a carrier when delivering packages. The algorithm permitted individual carriers to deviate from their normal predefined route in order to create new meeting places where carriers could exchange packages. The contribution was the algorithm that worked out where potential nodes or relay points in a distribution network could be generated. The main claim was to the presentation of the information. This was merely a result of the manipulation of data by the algorithm and was therefore rejected as a mathematical method alone. Other claims to the method of coordinating a transportation process for generating the necessary data to direct the transport potentially produced a particular physical effect. However, the physical effect was the movement of known items over known and existing routes. The contribution therefore lay in the instructions given to the drivers as to where and when to begin, break and end their journeys, together with instructions as to the goods to be transferred at the breaks. The result was a method of performing a set of journeys and was therefore rejected as a method of doing business as such.

\textsuperscript{47} Biogen v Medeva [1997] RPC 1 HL.
\textsuperscript{48} See Footnote 22 ante.
\textsuperscript{49} [2006] EWCA Civ 1371.
\textsuperscript{50} Decision of Pumfrey J of 13 March 2007 EWHC 476 (Pat).
Floyd J’s application of the Aerotel/Macrossan test had a similar result in Re Oneida Indian Nation\(^{51}\). Oneida claimed a more secure and robust gaming apparatus arranged to perform a two stage gaming method. Advantages claimed included a reduction of the number of processing steps per bet and the number of data transmission steps. The contribution was therefore an apparatus for performing a new method of conducting business (gaming) transactions. These advantages were also considered to be mere advantages of a new method of doing business and the application was therefore rejected as a method of doing business as such. Warren J’s application of the Aerotel/Macrossan test in IGT v Comptroller\(^{52}\) also reached a similar conclusion.

### Added Matter: Key Points in 2007

- The English Court continues to assess added matter by reference to Bonzel v Intervention.

- A helpful expansion of the general principles was set out by Kitchin J in the European Central Bank case. This was adopted and endorsed by the Court of Appeal in Vector v Glatt.

- In Triumph, Pumfrey J held that when considering added matter in the context of an amendment, an assessment should be made on the basis of the patent application as filed.

### Added Matter

In summer 2005 the US company Document Security Systems Inc. filed a claim against the European Central Bank for patent infringement in the Court of First Instance of the European Court of Justice. This was an innovative and somewhat surprising choice of forum and, following a jurisdictional challenge, the CFI issued a ruling on 5 September 2007 that the claim was inadmissible. Following the issue of the claim by DSS and by way of a more conventional defensive manoeuvre, the European Central Bank sought to revoke the asserted patent in several jurisdictions including the UK. One of the principal attacks before the English Patents Court was an allegation that subject matter had been added to claim 1 of the patent by the amendment proposed and accepted by the Technical Board of Appeal in the EPO following earlier rejection of the application by the Examining Division. In assessing this allegation Kitchin J\(^{53}\) referred extensively to the test put forward by Aldous J in Bonzel v Intervention\(^{54}\) and to the helpful explanation of the underlying reason for the prohibition of added matter given by the Enlarged Board of Appeal of the EPO in G1/93 namely that: “an applicant should not be allowed to improve his position by adding subject matter not disclosed in the application which would give him an unwarranted advantage and could be damaging to the legal security of third parties relying on the content of the original application”. The allegation of added matter turned on whether there was a disclosure in the application as filed of a step involving laying a grid over the original image to produce a copy protected document. DSS’s expert witness originally contended that this feature was explicitly disclosed but following what the trial Judge described as “the collapse of the case which it opened”, the expert witness argued that the feature was implicitly disclosed instead. Although acknowledging that it may have been obvious to use such an overlaying step, the Judge concluded that this feature was not clearly and unambiguously disclosed and therefore that the added matter objection succeeded. All other challenges to the validity of the patent failed. It is interesting to note that the French Court has reached the same conclusion as Kitchin J but the German Court has taken the opposite view.

The issue of added subject matter was considered by the Court of Appeal later in the year in Vector v Glatt\(^{55}\), and Jacob LJ, with whom the other Judges agreed, commented favourably on Kitchin J’s helpful elaboration of the Bonzel formulation in the European Central Bank case. The sole question before the Court was whether the introduction of a new independent claim to Glatt’s patent concerning fluidised bed technologies extended its subject matter, and in particular, whether it was an intermediate generalisation. The proposed new claim differed from the existing claims in that the shield for the spray discharge nozzle which was the key aspect of the invention was a gas stream surrounding the nozzle.

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51 Decision of Christopher Floyd QC of 2 May 2007 EWHC 954 (Pat).
52 Decision of Warren J of 7 June 2007 EWHC 1341 (Ch).
53 Decision of Kitchin J of 26 March 2007 EWHC 600 (Ch).
55 Decision of Court of Appeal of 19 October 2007 EWCA Civ 805.
rather than a solid cylindrical partition as in the patent’s preferred embodiment. Jacob LJ, like the trial Judge, came to the conclusion that reference to use of other shielding arrangements, such as air walls or streams, being suitable in the patent’s description was sufficient to make a claim to such an arrangement allowable in principle. However, in a further point not considered by the trial Judge, the Court of Appeal held that the requirement of the claim that the shielding means be in a particular position did add something and was an unallowable intermediate generalisation. Further, although Glatt sought permission to remove the offending words, the appeal Court refused this request, applying the principle from Nikken v Pioneer and holding that there should be no opportunity to reformulate the claim in these circumstances.

Kitchin J decided a further case where added matter was a key ground in Webben v Vestas-Celtic Wind Technologies. The Judge once again referred to the Bonzel test and set out the principles he had enunciated in the European Central Bank case, noting that this had been accepted as an accurate statement of the law by the parties. Applying the principles he found that the three patents in suit concerning wind turbine technologies were invalid on this ground amongst others.

Added matter also arose in the University of Queensland v Siemens case. Pumfrey J was highly critical of the drafting of the patent in question, and in particular the addition during prosecution of an integer requiring the superconducting magnets to have a “common inner radius”. At the application stage, examples were given in the patent of magnets with and without such a feature, and the invention was said to apply to both. By grant, however, the specification had been amended so as to exclude those without a radius from the scope of the patent. Again applying Bonzel, the Judge held that the extra limitation so introduced added matter to the disclosure and therefore invalidated the patent – and that as any amendment to remove the limitation would broaden the scope of the granted patent, the flaw was incurable.

Amendment

An important issue on the interpretation of Section 76 of the Patents Act 1977 arose in Triumph v Vickers. The patent in suit related to a power transfer unit which was utilised in commercial aircraft. The patentee did not contend that the claims as granted were valid but sought to amend granted Claim 1 by introducing certain features from Claim 6. A challenge was made to the amendment on the basis that it resulted in the disclosure of additional subject matter contrary to Section 76(3) of the Patents Act. In this case, the specification of the granted patent prior to amendment contained much less information than the application as originally filed and the question arose as to whether the correct interpretation was to consider the application as filed or the specification prior to the amendment in assessing whether matter had been added. Although noting that Section 76 of the UK Act was not one of the provisions framed so as to have the same effect as the corresponding provision of the European Patent Convention, Pumfrey J considered that it would be right to interpret UK law in line with Article 123 EPC and therefore that the comparison should be undertaken with the application as filed. In the circumstances the Judge considered that the amendment would disclose additional matter and so the application was refused.

In Zipher v Markem, the High Court found itself in the unusual position of being faced with a patentee who asserted infringement of claims as proposed to be amended, having accepted in earlier (separate) entitlement proceedings that all of the relevant claims in the patent as granted were invalid. The patent related to a drive mechanism for printers and Zipher brought infringement proceedings for Markem’s supply of tape drives and other allegedly infringing activities. Markem applied to strike out the action arguing that there could be no question of infringement when the only claims relied upon were claims as proposed to be amended. Lewison J refused the application. Although the patentee had conceded that the patent was partially invalid, it followed that the patent was also partially valid and that the patentee was therefore asserting a legal right. Further, the CPR expressly envisaged the possibility of applications being made to amend where the patentee accepts that the claims are not valid without the amendment. However, it is important

56 [2005] EWCA Civ 906.
57 Decision of Kitchin J of 14 November 2007 EWHC 2636 (Pat).
58 See Footnote 9 ante.
60 Decision of Lewison J of 16 January 2007 EWHC 154 (Pat).
61 Rule 63.10(2) requires that an application notice must "state whether the applicant will contend that the claims prior to amendment are valid."
to note that the question before the Court was not one of Zipher’s entitlement to relief, but rather whether Zipher could bring infringement proceedings at all. Lewison J noted: “I do not...suggest that relief will actually be granted before the amendment is allowed...But that is not the question. The question is whether Zipher are allowed to come before the court at all. In my judgment they are.”

Entitlement: Key Points in 2007

- In Yeda, the House of Lords overturned the principle established in Markem v Zipher and held that Section 7 of the Patents Act provides a complete code to determine who is entitled to the grant of a patent. In particular, to prove entitlement to a patent, it is not necessary to show the infringement of some other legal right or obligation.

- The same decision found that an amendment to a claim to seek joint entitlement rather than sole entitlement was not a new claim as such.

- The majority of the Court of Appeal in LIFFE v Pinkava held that the test for assessment of whether an invention was likely to result from the carrying out of an employee’s duties is at least partially subjective. Jacob LJ dissented on this issue.

Entitlement

The House of Lords in Yeda v Rhone-Poulenc were tasked with responding to the following two questions: (1) what does a person claiming entitlement to a patent in someone else’s name have to prove?; and, (2) when a claim has been made to joint entitlement, can a claim be made to sole entitlement after the two-year period in Section 37(5) has expired?

This entitlement dispute began in March 2004, following proceedings at the UK IPO concerning a patent relating to a monoclonal antibody and chemotherapeutic cancer treatment. Yeda originally claimed it should be joint proprietor of the patent but subsequently amended its claim, following the decision of the Court of Appeal in Markem v Zipher, to make reference to other rules of law from which its title to the patent derived, as well as amending the entitlement claim to one of sole proprietorship of the patent. These amendments were made after the two-year time limit set by Section 37(5) of the Patents Act 1977 for determining entitlement disputes in relation to granted patents. Rhone-Poulenc objected to the amendments on the basis that they were out of time. The House of Lords held that Sections 7(2) and 7(3) provided an exhaustive code to determining who is entitled to the grant of a patent, as is evidenced by the words “and to no other person”. Any person seeking to be added as a joint inventor carried the burden of proving that he contributed to the inventive concept underlying the claimed invention. Any person seeking substitution as sole inventor carried the additional burden of proving that the inventor named in the patent did not contribute to the inventive concept. Although on the facts Markem v Zipher was correctly decided, the broad principle that there must be reliance upon “some other rule of law” was wrong.

Turing to the procedural issue, when making an application to the Comptroller under Section 37, the applicant is making a reference, governed by its own limitation period and rules. The relevant question is whether the amendment would make the reference a new reference, and in this case it did not. There could be situations where an amendment to the reference after expiry of the time limit might so change the nature of the case that to allow the amendment would be unjust. However, in the present case the Comptroller had correctly held that there was no prejudice in allowing the change in the reference; it remained a case of determining the relative contributions of the parties to the invention. Yeda’s appeal was therefore allowed on this issue as well.

Whilst not as important as Yeda, the ruling of the Court of Appeal in LIFFE Administration v Pinkava addresses an interesting point of law in relation to employer/employee entitlement disputes. Whilst employed by LIFFE as a manager, Dr Pinkava devised a system and related inventions which enabled the trading of various financial instruments on an electronic exchange. Having received advice that he and not his employer were entitled to any patents relating to these inventions, Dr Pinkava applied for

62 See Footnote 2 ante.
63 See Footnote 3 ante.
64 Decision of Court of Appeal of 15 March 2007 EWCA Civ 217.
four US patent applications. At first instance, Kitchin J had found that LIFFE were entitled to the invention on the ground that it was made in the course of duties falling outside the scope of Dr Pinkava’s normal duties but in the course of duties specifically assigned to him and the circumstances were such that invention might reasonably be expected to result in the carrying out of these duties. The Court of Appeal also held LIFFE entitled but on the alternative ground in Section 39 Patents Act 1977 that the inventions were in fact made in the course of the normal duties of Dr Pinkava in circumstances where an invention might reasonably be expected to result. As is usual in entitlement disputes, the decision was based on the particular facts before the Court. However, there was an interesting divergence of opinion between Morritt C and Longmore LJ on the one hand, and Jacob LJ on the other, about the requirements that the circumstances be such that an invention might reasonably be expected to result. The majority of the Court held that in assessing this issue, the specific qualities (whether positive or negative) of the particular employee were to be taken into consideration. Jacob LJ dissented on this issue, unable to accept that “given all other factors being equal (contract terms, nature of job and so on) there can be a difference as to the ownership depending on whether the individual employee is thick or brilliant”.

Key Procedural Developments in 2007

• The Court of Appeal ruling in Unilin, that once there is a final finding on infringement and validity, the patentee has a right to damages and any question of validity in the EPO is res judicata between the parties.

• The majority of the Court of Appeal decision in Nichia that standard disclosure should be ordered covering the invention history.

• The Consideration of withdrawal of admissions in Servier v Apotex.

• Stays pending EPO opposition proceedings becoming even harder to come by, with confirmation at the beginning of 2008 that the already-weak presumption in favour of a stay should no longer apply.

Procedural issues

Jurisdiction

The obvious tension between patent and competition law often surfaces in electronics cases. This is primarily due to the existence of standards for popular formats. In Sandisk v Sisvel, a dispute between Sandisk and a group of companies including Sisvel and Philips relating to MP3 data format technology, Sandisk sought interim relief from the English Patents Courts alleging that the defendants were in breach of Articles 81 and/or 82 of the EC treaty and equivalent provisions of the UK Competition Act 1998. The defendants denied any breach and counterclaimed that the English Court did not have jurisdiction to determine the issues under Article 5(3) of the Brussels Regulation as none of the tortious acts were initiated within the jurisdiction of the court and no harm was being suffered by the alleged victim within the jurisdiction. The decision is also interesting for the observations of Pumfrey J that parallel proceedings for the infringement of various designations of a European Patent would generally not be regarded as oppressive. The Judge noted that his opinion on this issue had been influenced by the ECJ decisions in GAT v LUK and Roche v Primus that if validity is an issue, or will come into issue, the only manner of enforcement is on a country by country basis. In the circumstances, Sandisk’s applications were refused. Later in 2007 the corresponding patent actions were settled.

Another case involving jurisdictional issues was Vetco Gray v FMC Technology. Here FMC sought a stay of proceedings in the English Court pending resolution of very similar proceedings commenced previously in the Scottish Court. Relying on the helpful summary of the law set out in Ivax v AkzoNobel, Mann J held that the fact that the proceedings were substantially similar and the alleged infringements had taken place in Scotland pointed strongly in favour of a stay of the English proceedings. Other factors such as cost, timing and the experience of the English Patents Court were considered to be neutral to the issue of the most convenient forum.

Statements of Case

Statements of case in patent actions in the English Courts are often much briefer than in other forms of civil litigation. However the decision of Lewison J in Cranway v Playtech.

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65 Decision of Pumfrey J of 27 February 2007 EWHC 332 (Ch).
68 Decision of Mann J of 13 March 2007 EWHC 540 (Pat).
69 [2006] EWHC 1089 (Pat).
70 Decision of Lewison J of 24 January 2007 EWHC 182 (Pat).
served as a warning to all practitioners that even in patent actions, statements of case should contain sufficient detail for the opponent to understand fully the allegations made against it. It also makes clear that applications for permission to serve outside the jurisdiction should not be regarded as a formality. The patent in suit related to a computer gaming system involving, among other things, a remotely situated host computer and one or more terminals connected to the host. One of the defendants sought to set aside the Order of Master Bowles permitting the proceedings to be served outside the jurisdiction. Although Chancery Masters have very limited jurisdiction in patent cases (see CPR Part 63 – PD para 8.1) applications for permission to serve on defendants based outside the scope of the Brussels Regulation are made to Masters and according to CPR Part 6.21, it is necessary to adduce evidence stating that the claimant believes its claim has a reasonable prospect of success. Relying on the House of Lords decision in Seaconsar71, Lewison J confirmed that an application to serve out should be accompanied by evidence containing facts which, if proved, would provide the foundation for the cause of action. In this case, no such facts had been adduced and the Master’s Order was accordingly set aside. The Judge also took what he described as the “Draconian” step of striking out the rest of the action as, despite being given the opportunity to amend, the claimant had failed to particularise its case sufficiently to give the opponents fair notice of the allegations being made against them.

During the legally and technically complex Nokia v Interdigital litigation, the Court had to consider a number of contested applications to amend the parties’ statements of case which raised several interesting points. In the first of these in February 200772, the Judge confirmed that proposed additions to Interdigital’s Defence that amounted to non-admissions were not permissible where they related to matters within Interdigital’s own knowledge in light of CPR Parts 16.51 and 16.52. He also refused permission to add paragraphs relating to Nokia’s own request for further information relating to over-notification of its patents to the standards body – absent any deliberateness or recklessness (which was not pleaded), such over-notification could not be relevant to the Court’s discretion to grant or refuse a declaration.

A revised form of Interdigital’s proposed amendments was considered again by the Court in May73, with Interdigital seeking to plead that even if Nokia were successful in demonstrating that one or more of Interdigital’s patents were non-essential, Nokia should nevertheless be refused a declaration because it was Nokia’s established practice to maintain recklessly that its patents were essential after being informed they were not so. Thus, responding to the Judge’s comments in the February application, Interdigital were seeking to argue that the Court should use its discretion to refuse any such declaration on the basis of an alleged abuse of the notification system by Nokia. Recognising that there was little precedent when it comes to the relevance of state of mind to the grant or refusal of declaratory relief in such circumstances, the Judge considered judicial statements in cases on a number of other torts, and concluded that the proposed wording of the plea could offer an arguable ground for refusing a declaration. However, the particulars proposed by Interdigital in support were insufficient, and the amendments were therefore refused.

Nokia, in contrast, was successful in obtaining permission to amend its statement of case in another application in May74. The Judge had been critical of Interdigital for being obstructive earlier in the proceedings, but had recognised that it was absolved from advancing any positive case on why its patents were essential by the way Nokia’s pleadings were drafted. Nokia therefore sought to amend so as to correct this deficiency and to make further contentions about the patents and the standard, amendments which Interdigital argued would raise some 60 or so distinct technical issues and 40 new points that could jeopardise the upcoming trial date. In granting the application, the Judge noted that Interdigital was familiar with its own patents and the standard, and gave Interdigital the same amount of time to respond that it had taken Nokia in its “expeditious”75 preparation of its amendments (6 weeks). The timetable was adjusted accordingly such that the trial date would be maintained.

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74 Decision of Pumfrey J of 4 May 2007 EWHC 1076 (Pat).
75 This description of the 6 weeks Nokia had taken was used in Nokia’s evidence in support of its application.
Costs
The basis of cost assessment in English Patent cases continues to follow the ruling of the Court of Appeal in SKB v Apotex\(^76\); namely that costs should be assessed on an issue by issue basis but that the court should also have regard to the commercial circumstances and the overall conduct of the parties. The Generics UK v Lundbeck\(^77\) case was of massive importance to the patentee and also represented a valuable opportunity to the various generics companies which mounted the challenge to the patent. The costs of the patentee on the one hand, and the combined costs of the challengers on the other were each approximately £1.8 million. Noting the commercial success gained by the generic challengers, but taking into account the fact that method Claim 6 had been held valid and the lack of success of the challenges to novelty and inventive step, the Judge ordered that Lundbeck should pay 60% of the generics’ costs and the generics should pay Lundbeck 40% of the costs which were properly attributable to the action (determined to be two thirds of the action as a whole). In Arrow v Merck\(^78\), Kitchin J set out a rather more detailed analysis of the authorities on costs in his ruling following the finding that a patent to a small dosage of finasteride was invalid because it was anticipated but not obvious. Recognising that a great deal of time and effort had been devoted to the later issue, the Judge concluded that the successful generic should receive 25% of its costs and that the defendant should receive 75% of its costs\(^79\). Arrow was also ordered to pay £100k on account.

Res Judicata
The patent in suit in Unilin v Berry\(^80\) related to MDF laminate flooring panels which could be snapped together, enabling a complete floor to be laid without the use of any glue. Unilin brought a successful infringement action in the Patents County Court whilst there were still opposition proceedings pending in the EPO. Berry argued that the UK proceedings should be stayed pending the EPO proceedings. Unilin argued that the UK proceedings should be stayed pending the EPO proceedings. Unilin argued that Berry should be estopped from making such an application on the basis that once there was a final UK finding of validity and infringement, the patentee has a right to damages for infringement and any question of validity of the patent was res judicata between the parties. The Court of Appeal had sympathy with Berry’s arguments for a stay: “Of course in principle the preferred option is to stay UK proceedings if there are corresponding EPO proceedings...But all must depend on the circumstances and particularly the timing”. In these circumstances there was a final UK finding of validity and infringement. Unilin’s res judicata argument was therefore upheld. The Court considered that where a statute (such as the UK Patents Act) has created a specific jurisdiction for the determination of an issue which establishes the existence of a legal right, the principle of res judicata applies to give finality to that determination unless an intention to exclude that principle can be inferred. The Court of Appeal (with Jacob LJ giving the leading judgment) found no such intention in the Patents Act and was “not sorry” to reach this conclusion remarking: “…businessmen in this country know that they can use the rather speedy court system here to get a conclusion one way or the other. If the patent is revoked, the way is cleared; if it is upheld and held infringed then compensation will be payable for past acts. And an injunction will run unless there is a later revocation by the EPO. Subject to the last point, the effect of all this is that one does not have to wait to find out who has won until the slowest horse in the race gets there”.

Appeals
Whilst it is an established principle that the appellate courts are loath to interfere with a first instance finding of fact on obviousness, the Ferag v Muller Martini\(^81\) case confirms that less weight will be placed on the Judge’s finding of obviousness if he made an error in his starting point by wrongly construing prior art so as to find anticipation. Application of this principle no doubt contributed to the Court of Appeal overturning the Judge’s finding that the main claim was obvious even though the Appeal Court had adopted a broader construction for the claim.

Notably, when seeking to appeal the Judge’s findings on validity and infringement, the appellant in Pozzoli v BDMO and Moulage\(^82\) put forward the proposition that under the TRIPS Agreement, permission to appeal must be granted, even if there is no real prospect of success. Noting that it would be “daft” to require grant
of permission in such circumstances, Jacob LJ roundly rejected this assertion.

In Raytheon v The Comptroller84, Kitchin J dismissed an appeal against a refusal to grant a patent in the field of inventory management. Of particular interest is the ruling that the IPO could introduce further objections to the validity of the patent at the appeal stage. In reaching his conclusion, Kitchin J noted: “the statutory obligations on the Comptroller, the public interest in ensuring that defective applications do not proceed to grant, the nature of the proceedings, the nature of the new objections and the fact that Raytheon has now had ample notice of them do constitute special circumstances which justify allowing them to be taken at this stage.”

Disclosure
It is settled law that the way in which the inventor arrived at the invention can only be considered as secondary evidence in relation to an obviousness attack (see the discussion on obviousness above). The case of Nichia Corporation v Argos Ltd85 concerned the question of whether a patentee should be ordered to give any disclosure relating to the invention history at all, given the high cost of the exercise and the often unlikely possibility of the exercise yielding anything useful. Nichia brought infringement proceedings against Argos for the sale of chains of Christmas lights consisting of 120 white light-emitting diodes (LEDs). Argos raised invalidity arguments on the grounds of obviousness in the light of common general knowledge and several cited prior publications. At a case management conference before the High Court, Nichia argued that they should not give any disclosure relating to the invention history. Pumfrey J agreed and Argos appealed.

In a robust but dissenting judgment, Jacob LJ, highlighted his concerns over the cost of patent litigation in the English Court. He held that it was time to hold that proportionality requires that disclosure of “secondary evidence” in relation to inventors’ records should not be ordered. Rix LJ and Pill LJ disagreed and ordered standard disclosure be given in the case without any such limitation. They expressed concerns about the generality of the proposal suggested by Jacob LJ and considered that it could lead to unmeritorious arguments: “…it would be against the interests of justice if documents known to exist, or easily revealed…which would harm a party’s case…need not be disclosed”. Rix LJ and Pill LJ took the view that standard disclosure is flexible enough to avoid any disproportionate disclosure exercises. Standard disclosure requires a party to perform a reasonable search for relevant documents (either in support or adverse to a party’s case). A reasonable search should therefore be tailor-made to the value and significance of the likely result.

Somewhat unusually, a judgment was handed down by an evidently irate Mann J in a disclosure dispute which had already been resolved by agreement in Dr Reddy’s Laboratories v Eli Lilly86. Agreement had only been reached at a very late stage in what the Judge described as “an ill-focused dispute” which led to a “completely unnecessary matter” being listed before the Court. Warning against any further “idiotic disputes” arising, the Judge noted that if the degree of co-operation which currently exists between the Court and the parties and their representatives was to be continued, as he and his fellow patent Judges hoped it would, then the parties and their representatives should avoid bringing such unnecessary applications.

Admissions
Unusually, the claimant sought to withdraw an admission after it had been made under CPR 14.15 in Servier v Apotex87. It argued that the admission as to the particular crystal form of the active pharmaceutical ingredient in its prior art market product was made on the basis that all of its active pharmaceutical ingredient had been produced by the same process, but that subsequently, documents had come to light suggesting that was not the case. As a first step, the Judge required the evidence before him did not go to that point, he rejected the application, commenting that even if sufficient doubts had been raised, it would have been hard to find a way of permitting the admission to be withdrawn without causing injustice to both sides.

84 Decision of Kitchin J of 22 May 2007 EWHC 1230 (Pat).
85 See Footnote 5 ante.
86 Decision of Mann J of 30 July 2007 EWHC 1872 (Pat).
87 Decision of Pumfrey J of 13 March 2007 EWHC 591 (Pat).
Streamlined Procedure
The Court of Appeal’s firm dismissal in RIM v Inpro\(^9\) of the appeal of Pumfrey J’s decision that its patents were obvious seems to have ended the threat to RIM’s popular BlackBerry hand-held device. The only additional features of the patent in suit over the prior art were the ideas that the hand-held device should tell the proxy computer about its screen capacity and that files should be combined in the proxy to the hand-held. In other words, to have the proxy server do as much of the processing as possible, thereby saving on the processing and the battery life of the hand-held. The ideas claimed were deemed lacking of inventive step. The Court of Appeal explained that there was no general principle which said that the streamlined procedure should be used whenever one party asked for it and the other party did not provide a convincing objection. “The decision to use [the streamlined] procedure must depend on all the circumstances of the case, which in particular includes its commercial importance, degree of complexity, the commercial and financial position of the parties and so on...And parties should always consider (and discuss) whether it would be sensible to use it whatever the size of the case.”

Stays Pending EPO Proceedings
Most practitioners would agree that it has been increasingly hard to obtain a stay of English proceedings pending opposition proceedings in the EPO in recent years, even though the Court’s starting point has long been the presumption in favour of a stay derived from Kimberly-Clark\(^9\). This trend continued into 2007 despite a spirited attack on the legal principles applied in patent cases in Glaxo v Genentech and Biogen\(^9\). The patentee, who was not alleging infringement, argued that with the acceptance by the English Courts of forum non-conveniens, the approach taken in patent cases was out of step with the court’s practice in instances of concurrent proceedings in other commercial cases. Further, it argued that the approach that had evolved was fundamentally mistaken. Whilst the Judge recognised the force of these arguments and went so far as to suggest it might be time for consideration of the current practice by the Court of Appeal, he felt bound to start from the presumption in favour, albeit not a strong one, and decide whether to grant the stay by considering where the balance of justice lies. Rejecting Genentech’s argument that in the absence of infringement proceedings a stay should be granted save in exceptional circumstances, the Judge considered the balance was in favour of permitting the case to proceed to trial\(^9\).

The case of RIM v Visto\(^9\) saw the High Court again reject an application for a stay pending the EPO.

Experts
Attacks were levelled by both parties at the other’s expert in Baxter v Abbott\(^9\) and, whilst the Judge did not think that the involvement Baxter’s expert had had with the development of the relevant compound affected his objectivity, he described Baxter’s objections to Abbott’s expert as a “rather more serious attack”. This arose because Abbott’s expert had sought to correct an answer he had given during cross examination having considered the transcript overnight, in a way which Baxter’s counsel argued demonstrated an excessive degree of enthusiasm for Abbott’s case. Whilst the Judge thought there could be something in this, he did not think it was of consequence given his findings in the case. It is common in English patent trials for attacks to be levelled at opposing expert witnesses but it is rare for such challenges to succeed – the Judge’s taking the view that they are as well-placed as anyone to assess the objectivity of each individual.

The Judge was confronted with an unusual situation whilst seeking to evaluate conflicting evidence from two of the parties’ experts in the Servier v Apotex\(^9\) case. Whereas the court will normally have access to evidence given under cross examination from both sides, the fact that Servier’s Counsel had chosen not to cross-examine one of Apotex’s experts, Professor Cima, meant that the Judge did not have the chance to see whether that expert would, as he put it, “be unshaken in his conclusions”. Noting that he would have liked to have been able to compare their respective approaches, as it was, the Judge accepted Professor Cima’s conclusions as untested bona-fide, results arrived at after a proper consideration of the

\(^9\) Decision of Court of Appeal of 7 February 2007 EWCA Civ 51.  
\(^9\) See Footnote 22 ante.  
\(^9\) Decision of Pumfrey J of 1 11 July 2007 EWHC 1538 (Pat).

In all the circumstances, the safest course of action will normally be to cross-examine an expert if his evidence is to be challenged.

Unusually in a patent case, Pumfrey J in Nokia v Interdigital, was given a two-day tutorial by an expert selected by the parties to educate him in the relevant technical aspects of the European 3G mobile phone system. Notwithstanding the Judge’s wide technical knowledge, he commented that this introduction was very helpful, and suggested that “as the subject matter of patent actions becomes increasingly complex such a non-controversial introductory course for the judge seems to me to be highly desirable”. Given the patent Judges’ extensive case management powers, proposals like this one should be considered between parties in future cases.

IPO opinions
In Re DLP’s Patent, DLP sought to appeal to the High Court an opinion from the Comptroller and the Examiner as to whether a shower tray supplied by Scarbo infringed its patent. Kitchin J first addressed whether the Court could entertain such an appeal, concluding firmly that it could: “The Act and the rules provide a regime for the provision of non-binding opinions which are potentially of great value to all persons concerned with the validity or infringement of a patent. They also expressly provide for an application by the patent holder for a review of an unfavourable opinion and for an appeal as of right against an unfavourable decision on such a review...a hearing officer should only decide an opinion was wrong if the examiner has made an error of principle or reached a conclusion that is clearly wrong. Likewise, on appeal, this court should only reverse a decision of a hearing officer if he failed to recognise such an error or wrong conclusion and so declined to set it aside.” Turning to the issue on appeal, The High Court found that although certain reasoning of both the original opinion and the review were questionable, on the key issue, the Hearing Officer and the Examiner “directed themselves correctly in law and considered the claim in the light of the specification and through the eyes of the skilled person.” The appeal was dismissed.

New Patent Rules

The New Patent Rules came into force on 17 December 2007 replacing the Patent Rules 1995 (as amended). Such a major overhaul of the longstanding patent rules is long overdue and it is expected to offer a more flexible system.

These new rules consolidate and modernise existing procedures with respect to patent litigation, applications and management. In particular they will allow electronic filing of patent applications; internet availability of patent documents; introduce newly-clarified provisions on SPCs; and aid to reform patent litigation at UK-IPO by making it easier; and increase the opportunities for alternative dispute resolution (ADR). Concerning recent EC legislation, compulsory licensing has been made available for patented pharmaceutical products which are exported solely to developing countries with public health problems (EC No. 826/2006). In addition, SPC’s for medicinal products for paediatric use may now be extended by 6 months (EC No.1901/2006).

Proceedings before the Comptroller – Part 7

The main purpose of the new rules, with respect to inter partes proceedings, is to replace the prescriptive rules, which varied from one action to the next, with a more flexible approach which can be applied to all patent actions (with the exception of reviews of opinions) before the Comptroller. They are intended to increase the efficiency and speed of UK IPO litigation.

The main changes affecting proceedings before the Comptroller include the addition of an overriding objective. This objective is stated in new rule 74 which includes criteria from CPR Part 1. Parties are also obligated to aid the Comptroller to further this objective. Other changes include: changing “statement of case” to “statement of grounds”, the statement of grounds and counter-statement together are now known as the “statement of case”; a clear distinction between the two types of opposition and separate time periods for filing counter-statement and evidence. The new rules also allow the Comptroller to contact parties who, in his/her opinion, it seems would have a likely interest in the case.

\[95\] Decision of Pumfrey LJ of 21 December 2007 EWHC 3077 (Pat).
\[96\] Decision of Kitchin J of 16 November 2007 EWHC 2669 (Pat).
Case management provisions have also been improved with all cases following one of three routes: ADR, Standard Procedure or Case Management Conference. UK-IPO also aims to complete such cases within 12 months.

Such changes should make proceedings at the UK-IPO more straightforward and quicker.

**Community Patent / EPLA**

After the near fatal blow applied by the French to the Community Patent in late 2006, in 2007 the Commission first reflected upon its options. It decided against formally closing the ComPat dossier, but began to try to build a new consensus aimed at establishing a Community litigation system for European patents, based loosely upon the EPLA. Tentative progress was made under the Portuguese presidency in the latter part of the year, with all parties reverting to a more positive approach. So what does 2008 hold?

The current (Slovenian) presidency seems to be keen to make progress. On 11 January it issued its first paper, albeit more a statement of ideals than a proposal. Behind the scenes, and in formal working party meetings, discussions continue based upon the paper issued by the Portuguese presidency on 31 October 2007. However, the issues which remain for resolution are numerous.

Will validity and infringement issues be heard together? What will be the rules for determining the language of the proceedings at first instance and on appeal? Will there be technical judges, court appointed experts, or both? Will the parties be allowed to present their own experts’ evidence to the Court? What sort of procedure will operate? Will the process be largely paper based, or will the final hearing be the main event? Will the filing of an appeal suspend the effect of any injunction granted at first instance? What will be the relationship between the new court and the EPO on issues of validity? Will EPO oppositions be abolished?

These issues are not trivial. Any of them has the potential to be a deal-breaker. To achieve consensus among 27 states, there will have to be give and take, and many users are concerned that political expediency will result in a bad compromise, such as the Greek presidency’s Community Patent “common political accord” of March 2003.

And even if agreement on those issues is somehow reached, what will be the transitional provisions? Will the new system apply compulsorily to all existing European patents; or will it apply only to newly applied-for patents; or something in between? Or might there instead be optionality for the litigants; or just an option for the patentee? This too is not a trivial issue, because some in the industry object strongly to the principle of moving the goal posts, and the imposition of a new, unproven system for litigating their valuable patents. Filing strategies may begin to change if the new court with exclusive jurisdiction becomes a likely proposition.

Hence it seems that new day remains firmly under the horizon. Metaphorically, it remains in the middle of the night in bleak mid-winter. As we celebrate the 30th anniversary of the coming into force of the 1977 Patents Act in June of this year, the French presidency will be about to begin in Brussels. On past form that does not inspire confidence that a pan-European litigation system will be embraced and encouraged. Surprisingly, however, the early signs are that the French will indeed give priority to the dossier, perhaps even trying to push both the litigation system for EPs and the Community Patent in tandem. One important factor may be that on 1 January 2009 the Lisbon Treaty will come into effect and with it a change in the approval procedures governing the possible introduction of a Community Patent. Thereafter the European Parliament will have a true role under the co-decision procedure. Also in 2009 there will then be first a new Parliament after the June elections, and then in November a new Commission. Hence there may be greater motivation to reach an agreement before these major changes come into effect. Whilst there may be motivation, and much work is being done in working groups, that does not mean that there will be any greater prospects of reaching agreement – or at least a good agreement. Let us hope that political expediency does not lead to a repeat of the Greek experience of 2003.
Looking ahead – 2008 and beyond

Whilst the likelihood of significant developments on the Community Patent and/or EPLA in 2008 look remote as explained above, this year could nevertheless be an important one in the patents field. Indeed, the Court of Appeal has already re-examined the principles applied when the English Courts have to consider whether to stay proceedings pending the outcome of opposition proceedings in the EPO, and the authors expect that the Appeal Court’s ruling in Glaxo v Genentech and Biogen97 will make stays even harder to achieve.

Perhaps most notably though, the decision of the Court of Appeal in Angiotech v Conor98 is expected to be reviewed by the House of Lords, giving the UK’s highest court the opportunity to re-examine the law applied on the issue of obviousness. Practitioners will wait with great interest to see whether the slight restatement of the Windsurfing99 test by the Court of Appeal in Pozzoli100 will undergo some more substantial reworking by the Law Lords. Other upcoming decisions of note include the expected appeal to the Court of Appeal in the Monsanto101 case on the issue of Section 60(1)(c) infringement, and the first judgments of the newest addition to the patents bench, Mr Justice Floyd.

In addition, 2008 will see the bedding down of EPC 2000 and the consequent changes made to the Patents Act 1977. Whilst the introduction of the new paragraph to the Protocol on the Interpretation of Article 69 is thought unlikely to change the principles of patent construction applied102, even though it requires that due account be taken of equivalents, it will be interesting to see whether this and/or other aspects of the amended provisions will be raised before the English Courts.

97 See Footnote 91 ante.
98 See Footnote 8 ante.
99 See Footnote 7 ante.
100 See Footnote 6 ante.
101 See Footnote 16 ante.
102 This paragraph already having been considered by the House of Lords in the Kirin Amgen case which remains the leading English authority.

The authors wish to thank Lorna Ballington for her assistance with the case citations contained in this article, and Alan Johnson for his input on the draft.
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