



IN THE FIRST-TIER TRIBUNAL
GENERAL REGULATORY CHAMBER
INFORMATION RIGHTS

Case No. EA/2013/0001

ON APPEAL FROM:

**The Information Commissioner's
Decision Notice No: FS50456934
Dated: 10 December 2013**

Appellant: PROFESSOR MIKE READING

First Respondent: INFORMATION COMMISSIONER

Second Respondent: UNIVERSITY OF EAST ANGLIA

On the papers: 12 JULY 2013

Date of decision: 15 AUGUST 2013

Before

ROBIN CALLENDER SMITH
Judge

and

GARETH JONES and ALISON LOWTON
Tribunal Members

REPRESENTATIONS:

For the Appellant: Professor Mike Reading
For the First Respondent: Christopher Knight, Counsel instructed by the
Information Commissioner
For the Second Respondent: Robin Hopkins, Counsel instructed by UEA

**IN THE FIRST-TIER TRIBUNAL
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Subject matter: FOIA

Qualified exemptions

- Commercial interests/trade secrets s.43

REASONS FOR DECISION

Introduction

1. The Appellant wanted information related to a project upon which both he and colleagues had worked at UEA.
2. The requested information relates to the filing of a patent arising out of research at UEA which was partially funded by the EPSRC.
3. The Appellant is a former employee of the UEA. He was also a co-founder and board member of a company called Anasys Instruments (Anasys). Both the Appellant and Anasys work in the nanotechnology field, and particularly nanoscale analysis. The Appellant held a Chair in Pharmaceutical Science which was part-funded by Anasys.
4. The UEA entered into an agreement with Anasys on 1 February 2008 (the Collaboration Agreement). Anasys agreed to partially fund the salary of the Appellant and provide certain equipment in return for intellectual property rights to work performed or directed by the Appellant in the relevant technical field. That agreement ended on 31 December 2009 with ongoing obligations of confidentiality.
5. Towards the end of 2008, the Appellant's head of department, the Appellant and the CEO of Anasys engaged in discussions and

debates over the ownership of IP derived from work undertaken by the Appellant. That debate between the UEA and Anasys was resolved at the end of 2008 to the satisfaction of those two parties. A decision was taken in December 2010, following legal advice, formally to assign any rights the UEA might have had in a patent filed by Anasys, to Anasys. The Appellant did not want this to happen but it was not his decision to take.

6. On 5 December 2008, Anasys filed a continuation in part (under US patent application number 20090249521) to US patent application number 11/803,241 (filed on 15 May 2007). The Appellant was one of six named co-inventors, of which two were based in France and three in the USA. The patent application also named the US Government as having certain rights in the invention.
7. The Appellant was named in relation to two relevant grants from the EPSRC. He was a listed co-investigator on grant EP/C007751/I, titled 'Nanoscale and Molecular Photonics', which ended on 29 February 2008. He was listed as principal investigator on EP/0038448/1, titled 'The development of a novel approach to high throughput analysis using arrays of near field thermal probes', which ended on 30 November 2009.
8. The Appellant expressed dissatisfaction with the resolution of the IP issue. He had entered into a confidential agreement with Anasys resolving the breakdown in that relationship.
9. In 2011 he raised a complaint with the EPSRC about whether UEA had complied with its obligations to the EPSRC. The EPSRC took no action against the UEA. He also raised issues under the internal processes of the UEA, which were not resolved in his favour.

The request for information

10. On 28 December 2011, the Appellant wrote to UEA requesting all documents related to the following statements reportedly made by a named academic employed by the University :

- (a) [named individual] insistence that work from EPSRC (Engineering and Physical Sciences Research Council) postdocs should be vetted by [named company] prior to publication.
- (b) I believe I clearly stated that [named individual] was covered by the agreement and [named individual] did not query this (I need to check but I am confident this is the case).
- (c) Thirdly, the issue of contribution from UEA staff and postdocs was addressed and settled amicably (I can forward emails to this effect).
- (d) There is no established link between the EPSRC funded project and patent as far as I am aware...
- (e) [named company] are willing to supply the equipment whenever we want – I am happy to activate that whenever you feel is appropriate

11. The UEA responded on 21 February 2012. It provided a number of documents containing redactions due to the exemptions it had applied.

12. Following an internal review the UEA wrote to the Appellant on 3 April 2012. It explained the section 41(1) and section 43(2) exemptions it had applied and that a further search had been undertaken regarding point d) above. The UEA applied the following exemptions to points a) - d) above

- a) sections 43(2); 41(1)

b) sections 40(2);41(1);43(2)

c) sections 40(2); 41(1);43(2)

d) sections 41(1) ; 43(2)

13. In addition, UEA stated that in relation to point d) it did not hold any recorded information relevant to the lack of an established link between the EPSRC funding and patent.

14. In its internal review response the UEA stated that in relation to point d) a further search had been undertaken but no further information falling into the ambit of this request was located. Therefore it considered that it had complied with section 1(1)(a).

The complaint to the Information Commissioner

15. The Appellant had stated that UEA claimed it had no recorded information relevant to a lack of an established link between ESPRC funding and the patent.

16. The Appellant challenged the use of redactions, stating he believed that some of the redactions referred to possible links between ESPRC-funded work and a specific company's patent application and/or the absence of such links.

17. He challenged UEA's position that the release of the information that would constitute "an actionable breach of confidence".

18. The Information Commissioner had reviewed the withheld information and concluded that s.43 (2) FOIA had been correctly applied to all the information. In that event he had not considered the applications of s.41 or s.40 FOIA.

19. The DN reached the following conclusions:

- (1) Disclosure would be likely to prejudice the commercial interests of Anasys and the UEA itself. Section 43(2) was therefore engaged.
- (2) The public interest factors in favour of disclosing the information were:
 - a general interest in accountability and transparency, particularly where a public body obtains funding for research purposes from the taxpayer;
 - an interest in the proper handling of research funding by any academic institution.
 - but, as the requested information related to a personal dispute between the Appellant, the UEA and Anasys, the arguments in favour of disclosure were limited and there was nothing to suggest a compelling need for transparency in this case.
- (3) Factors favouring the maintenance of the exemption included
 - damage to the commercial interests of Anasys and the UEA; there was considerable public value in the work in issue and in the UEA maintaining an on-going relationship with Anasys to develop technology;
 - disclosure would damage that relationship and the UEA; competition for funding was fierce; there is already a significant amount of information about EPSRC projects and patents available to the public:
- (4) When weighing the balance, there were already processes to address accountability. Disclosure would be likely to prejudice commercial interests so that other organisations would be less willing to fund research. There was a significant public interest in the UEA being able to obtain research funding.
- (5) The balance favoured maintaining the exemption.
- (6) In respect of whether information was “held”, the test was the balance of probabilities. “Relevant” in the context of the request related to information which pre-dated the email in which the quote was taken, as this was the statement the Appellant was concerned with. Searches had been carried out in the School of Pharmacy and Research, and Enterprise Services Unit. A further search occurred at the internal review. The persons conducting the search had been involved in the work of the Appellant and had knowledge of the issues. They searched print and electronic files, and electronic searches were carried out using adequate search terms. One search focussed on individuals, another on the grant and patent.

Results were manually checked. A file relating to the Appellant's previous FOIA requests was also checked. There had been no deletion of emails. On the balance of probabilities, by reference to the thoroughness of the search, the information was not held.

The appeal to the Tribunal

20. The Appellant asserts that the Information Commissioner and UEA wrongly interpreted the scope of the Request for information under (d), by confining the search for information which informed the opinion expressed in the email from which (d) was taken and/or was wrong to find that no information was held.

21. He also argues that the Information Commissioner was wrong to find that UEA was entitled to rely on section 43(2) in respect of the Disputed Information, and that the public interest favoured maintaining the exemption.

The questions for the Tribunal

22. Was the information at (d) of the Appellant's request "held" within the terms of s.1 (1) (a) FOIA?

23. Was the application of s.43 (2) FOIA correctly applied?

Evidence

24. A considerable quantity of written evidence in the form of both open and closed witness statements were provided by UEA.

25. The Tribunal was dealing with material in three lever arch files in this appeal. It is not proposed to explore that material in any great detail given the Tribunal's ultimate conclusions in respect of this appeal.

26. For the record there were written witness statements from Roshan Shetty, CEO of Anasys Instruments Corp., Dr Jon Carter and Professor Duncan Craig.
27. It was at the Appellant's election that the appeal was dealt with on the papers.
28. That meant that the Tribunal – adopting its usual rigorous approach to closed evidence and witness statements and seeking to have as much in the public domain as is proper and appropriate – has itself read all of the material without the opportunity of hearing the makers of the witness statements being tested by any questions that the Tribunal itself might have.
29. It has concluded, looking at the totality of all the evidence it has been able to examine (both open and closed), that the matters being advanced and asserted by UEA and Anasys is, on the balance of probabilities, true and correct information.
30. It follows that the Information Commissioner's original decision in respect of this matter has been reinforced by the provision of the additional material by the Second Respondent.

Legal submissions and analysis

31. The First and Second Respondents' final written submissions were drafted by experienced counsel and run respectively to 78 paragraphs (19 A4 pages) for the former and 107 paragraphs (29 A4 pages) for the latter. The Tribunal acknowledges the clarity of these submissions against the background of a complex factual matrix.

32. The Appellant's final submissions run to 18 A4 pages and are a tightly-argued narrative of his position. He points out that he is a scientist and a serial inventor who has commercialised a number of award-winning scientific instruments. Five of the awards are in the "R&D 100". He says that he has spent thousands of hours over more than 20 years working with Patent Lawyers writing specifications claims as well as analysing prior art, expert deep positions and Court Judgements on how claim should be construed. He has frequently been an expert witness in significant patent disputes in both the US and Europe.

33. He made it clear that he understood the limitation of the Tribunal's function in respect of his appeal.

34. He asked the Tribunal to conclude:

- that he was probably competent to form sound judgements in matters related to the technology relevant to the case and, more specifically, the relevant inventions and the processes of patenting the inventions
- that he valued his reputation and his time sufficiently not to waste it and/or risk damaging it by making claims that he could not support with evidence and logical argument
- that there was merit in his argument that the conduct of UEA in respect of the IP created by him and his co-workers with Government funding should be subject to further scrutiny
- that such scrutiny could not proceed without the relevant requested information being in the public domain
- that it was in the public interest that the relevant information should be brought into the public domain and that he should be given un-redacted copies of specific documents.

Conclusion and remedy

35. In respect of whether the information requested at (d) was held by UEA at the time of the request the Tribunal is satisfied, on the balance of probabilities, that this was not so.

36. There is a robust narrative of the search areas and methods used to ascertain whether or not the information was held. The Tribunal is satisfied that – as a consequence of the avenues of enquiry that were used – that the requested information at (d) was not held.

37. In relation to the issue of commercial confidentiality, the Tribunal notes in particular, that Dr Shetty [Open Bundle 2, tab 48] states

it would prejudice Anasys' commercial interests if Anasys' actual or prospective rivals or competitors could ascertain the details of its commercial agreements....It is important to emphasise that, during the course of working relationships such as the one between Anasys and UEA, the parties will be in regular communication about the research. They may need to update each other on their work and their current thinking, their future plans, how the current research is progressing, any concerns or any further opportunities they envisage arising from or about the outcomes. It is essential that this process happen on a confidential basis. Such communications will often involve companies revealing details of their thinking as regards the particular patent towards which the research work is directed. More generally, this will often provide insights into the company's thinking which are transferable to other patent cases. In other words, the disclosure of details of confidential communications in the course of developing one patent can mean the disclosure of information about the company's business more widely.

38. Also, he emphasises [23 – 24]:

It is important to realise that Anasys works in a very competitive industry. Patents are an important part of this. Commercial rivals will often seek to challenge each other's patents - both before and after the patent has been approved - so that they can lawfully exploit that invention (or some of the constituent research) for themselves. Insights into confidential communications from the research phase can be very valuable to companies who wish to mount such challenges, because of the sorts of insights these communications can provide as I have described above. The patent with which this case is concerned had been registered and approved by the time of Prof. Reading's request. Anasys is confident that it is a robust patent. However, disclosure of the disputed information might mislead people into thinking that the patent is vulnerable to challenge. I should make clear that even a frivolous and failed challenge is likely to be

prejudicial in a commercial sense. Defending the challenge is costly in terms of time and money.

39. Very specifically, his evidence about the effect of disclosure by UEA – and its consequences – has been noted and is accepted by the Tribunal. He states

Obviously the decision whether to disclose the information to which Anasys had objected being provided was a question for UEA. However, given the legal advice Anasys had received regarding the confidential nature of the information, as referred to above, I can say that had UEA ultimately disclosed the information at that time without Anasys' consent, Anasys would have terminated its relationship with UEA under the Collaboration Agreement, on the grounds of breach of confidence. Its trust in UEA's ability to maintain its confidences, and its willingness to work with UEA on such projects in future would be severely compromised.

40. This is reinforced, in the Tribunal's view, by Dr Jon Carter's evidence. Dr Carter states (Open Bundle 2, tab 49)

The generation and patenting of IP (and resultant inventions) in this field is both highly uncertain (i.e. those investing in the process take considerable risks) and highly competitive. Prof. Reading is wrong to suggest that once a patent has been registered and approved, it is no longer vulnerable to challenge. In very many cases, competitors seek to challenge the legitimacy of each other's patents. Post-grant challenges can include very expensive legal action, and absorb considerable management time and effort. This might also affect Anasys' approach to its own IP portfolio, as any challenge they might make for a competitor infringing an Anasys patent might be met with a challenge to the patent itself.

I can confirm that, at the time of Prof. Reading's FOIA request, this particular patent was vulnerable to the risk of such challenge. This is not because of any weaknesses in the patent, but because of the uncertain and competitive environment I have described. The same remains true of this patent today.

A competitor's ability to mount such a challenge would be very significantly enhanced if they had sight of confidential matters discussed between the company and its research partner during the course of the research work. The company and its partner university will routinely discuss

strengths and weaknesses of the research, the company's specific requirements and so on. This is done on a confidential basis in the interests of a fruitful working relationship. Companies trust in this confidentiality and are therefore prepared to tell their partner universities things which, if passed on to a competitor, would be commercially harmful. That harm might come in terms of a challenge to the particular patent in question, or illustrate how an approach not covered within the patent might be used to create an alternative solution. It could also come from the insights competitors would gain into that company's requirements, plans, business agenda and ways of operating.

Even where a challenge to a patent does not ultimately succeed, the patent holder would incur significant legal costs and expend considerable management time in defending its position. The patent holder could also suffer reputationally, in the sense that its investors and/or the market more broadly perceive there to be question marks over the company's ability to develop and exploit inventions. This can have knock-on consequences beyond the particular patent in question. The patent holder will need to raise finance, and may wish to sell or float the company or enter into a partnership in the future. Question marks over the company's track record in terms of robust patents would be damaging in those circumstances.

41. The Tribunal finds that s.43 (2) is fully engaged. If this information had been disclosed at the time of the request, Anasys' trust in and willingness to work with and recommend UEA would have been seriously compromised.

42. UEA would, in effect, become a pariah in the academic research community. Such damage to UEA's ability to collaborate with private sector partners would harm UEA commercially - particularly given the fierce competition for such funding - and as a research institution more broadly. This kind of work is an important part of UEA's business and is of significant commercial value. According to Dr Carter, in UEA undertook £8.28 million of collaborative research, £6.53 million of contract research and £5.6 million of consultancy in 2011 -2012.

43. The Tribunal notes that UEA has not taken a blanket approach of seeking to withhold all of the contents of its communications with Anasys. It has sought to disclose as much as possible, redacting only the particular sentences or paragraphs which, upon close consideration (and repeated consultation with Anasys) clearly do come within the exemptions. UEA has clearly – on the face of the papers before the Tribunal - maximised disclosure as far as possible.
44. The Appellant has already seen (indeed, was a party to) a significant number of the relevant communications. To that extent, there can be no serious suggestion that UEA is trying to cover anything up. Its concern is with disclosure to the world at large (that being the reference point for disclosure under FOIA) of information which is confidential and commercially sensitive to Anasys.
45. The Tribunal is also satisfied that disputed information falls within the parameters of the common law confidentiality tests formulated by Megarry J in *Coco v AN Clark (Engineers) Ltd* [1969] RPC 41, 47. The key elements are (a) whether the disputed information has the necessary quality of confidence; (b) whether it was imparted in circumstances giving rise to an obligation of confidence, and (c) whether its disclosure would cause detriment to Anasys.
46. The Appellant's public interest argument for disclosure of the information so that there can be transparency about the use of UEA's use of public funds – on the basis that UK taxpayers funded the invention of a highly valuable commercial product that is being exploited by a US company without the UK inventors and institutions receiving appropriate recognition both financial and in other respects – has no substance or traction in the view of the Tribunal.
47. For all these reasons the Tribunal is satisfied that s.43 (2) FOIA was correctly identified, engaged and applied by the First and Second Respondents and that this appeal must fail.
48. Our decision is unanimous.

49. There is no order as to costs.

Robin Callender Smith

Judge

15 August 2013