

PATENTS ACT 1977

IN THE MATTER OF

an application by

Carless Refining & Marketing Limited

for an order under section 37

on GB Patent No 2287052

in the name of Sofitech N.V.

DECISION

Introduction

1. UK Patent No. 2287052 in the name of Sofitech N.V. (hereafter “the Opponent”) was filed on 30 August 1994 under application No. GB 9508385.3 claiming priority dates of 1 September 1993 and 29 June 1994. The patent was granted on 13 March 1996. It relates to a biodegradable wellbore fluid having a continuous oil phase which comprises at least 50% by weight of an n-alkane having from 10 to 20 carbon atoms, or a mixture of such alkanes.

2. On 12 March 1998, Carless Refining & Marketing Limited (hereafter “the Referrer”) filed an application under section 37 for an order that it be included among the persons registered as proprietors of GB Patent No. 2287052 (hereafter “the patent”), either solely or jointly with the current proprietor. The application was opposed by the Opponent and both sides filed evidence. After the evidence rounds were complete, the Referrer in a letter dated 23 July 1999 requested disclosure of copies of Mr Sawdon’s (the named inventor) notebooks and any internal business documents of International Drilling Fluids Limited (an associate company of the Opponent hereafter “IDF”) relating to the invention which was the subject of the patent and covering the period 1 September 1992 until 31 August 1993. Although the Office had given a preliminary view on 15 September 1999 that disclosure of documents after a key meeting held on 12 March 1993 was unlikely to be of help in reaching a decision in the matter of the section 37 application, a preliminary hearing was held on 8 October 1999 to

decide the issue of disclosure prior to the main hearing.

3. I decided that it was likely that relevant documents may exist immediately after the March 1993 meeting that may indicate what was in the inventor's head before that meeting and ordered that Sofitech N.V. disclose to Carless Refining & Marketing Ltd. those internal business documents of IDF relating to the invention of GB 2287052 dated between 12 March 1993 and 30 April 1993. The disclosure was restricted to those documents relating to the n-alkane drilling fluids project and to the individuals identified in the Referrer's letter dated 7 September 1999. Further evidence was allowed from both parties in response to the documents disclosed under the order.

4. The substantive matter came before me at a hearing held on 10 November 1999. At the hearing, Mr Daniel Alexander instructed by Ashurst Morris Crisp appeared as Counsel on behalf of the Referrer and Mr Richard Hacon instructed by Haseltine Lake & Co. appeared as Counsel on behalf of the Opponent.

Background

5. The Referrer is a company engaged in, amongst other things, the business of developing, manufacturing and producing well-bore fluids. On 12 March 1998 the Referrer filed a Statement which referred to work initiated by the Referrer in or about 1989 to develop alternative carrier fluids to conventional hydrocarbon-based low toxicity oils. In or about 1992 the possibility of using pure n-alkanes as the main component of a drilling fluid was considered by a team of the Referrer. In or about 1993, the Referrer had commercial discussions with representatives of IDF which until 1 September 1993 was a part of the New London group and was then acquired by the Schlumberger group of which Sofitech N.V., the registered proprietor, is a company.

6. On 12 March 1993, representatives of the Referrer met with representatives of IDF to discuss the potential for joint development work. At the meeting, the Referrer raised the idea of using n-alkanes as the major component of drilling fluids and, in particular, the use of n-

alkanes of length between ten and twenty carbon atoms. Such products were already available to the Referrer from feedstock supplied by ICI. The Opponent expressed interest in the idea and later requested samples. Since the n-alkanes supplied by the Referrer were petrogenic in origin, the Opponent asked the Referrer to investigate the feasibility of producing a wellbore fluid based on n-alkanes derived from vegetable oils. On 26 and 30 November 1993, an Agreement of Confidential Disclosure was signed by the parties following which the Opponent supplied a report to the Referrer entitled “HELP” PSEUDO OIL concerning n-alkanes derived from vegetable oils. The Referrer investigated the manufacture of such n-alkanes and informed the Opponent of the results in a report dated 12 April 1994.

7. The Referrer maintains that, insofar as the subject matter of the claims of the patent constitute a patentable invention, the Referrer is an inventor, or alternatively a joint inventor. Accordingly, the Referrer claims an order that the Referrer be registered as proprietor of UK Patent No. GB 2287052, either solely or jointly with the Opponent, and an order for costs. An amended Statement was filed on 22 April 1998 which purported to clarify the relationship between the inventors and the Referrer.

8. The Opponent filed a Counterstatement in response on 1 September 1998. The first submission was that the Referrer had not made an application under section 13(1) in spite of an invitation by the Patent Office to do so in a letter dated 26 March 1998. The Opponent’s view was that the section 37 application could not proceed unless the true identity of the inventor or inventors responsible for the subject matter claimed in the patent was determined. Accordingly, the Opponent sought dismissal of the section 37 application.

9. The business of the Opponent, and successor organisations to that business, was the provision of wellbore fluids and associated services to the drilling industry. The sole inventor named in the patent is Mr Chris Sawdon, the then technical director of IDF. The Opponent states that by the date of the meeting of 12 March 1993, Mr Sawdon had already identified n-alkanes as materials which had the potential as the base oil of a wellbore fluid having biodegradable properties. Shortly after the meeting, Mr Sawdon turned his attention to the possibility of using n-alkanes as the base oil of a wellbore fluid, with the idea that the legislative requirements (PARCOM regulations) surrounding oils of a petroleum origin could

be met by manufacturing the n-alkanes from a vegetable source. Although such material was not available at the time, a blend made from pure n-alkanes of different chain length could be formulated to approximate the composition of an oil which would result from the processing of palm kernel oil or coconut oil. A blend was formulated and by 16 April 1993 steps were being taken to obtain MAFF approval on formulations for toxicity tests.

10. Mr Sawdon arranged for samples of n-alkanes to be obtained from the Referrer. At this time, Mr Sawdon prepared to file a patent application for an invention concerning new, biodegradable wellbore fluids of low toxicity, the continuous oil phase of which was made of substantially pure n-alkanes having from ten to twenty carbon atoms. This was used as the basis for UK Patent Application No. 9318099.0 which was filed on 1 September 1993 and from which the patent claims priority.

11. In November 1993, IDF invited the Referrer to participate in a project to commercialise n-alkanes of vegetable origin for use as the base oil of a wellbore fluid. The “HELP” PSEUDO OIL report supplied to the Referrer contained details of methods suitable for the production of n-alkanes from natural oils. It is stated that such details were not obtained from the Referrer or their associates. Changes were made to the patent application which resulted in a further UK Patent Application No. 9413074.7 which was filed on 9 June 1993. Following further experiments, a revised patent specification was used as the basis for the filing of International Patent Application No. PCT/GB94/01877 claiming priority from UK Patent Application Nos. 9318099.0 and 9413074.7.

12. The Opponent requests that the Referrer’s application under section 37 be dismissed, whether or not it is allowed to proceed in the absence of an application under section 13(1), and is awarded costs.

Relevant law

13. Section 37 enables any person with a propriety interest in a patent to ask the Comptroller to decide who is the true proprietor of the patent and, accordingly, to transfer rights in the patent to some other person. At the hearing Mr Alexander referred me to

Henry Brothers (Magherafelt) Ltd. v The Ministry of Defence and the Northern Ireland Office [1997] RPC 693 which, although relating to entitlement under section 72(1)(b), held that “where an invention consisted of a combination of elements, it was not right to divide up the claim and then seek to identify who had contributed which element. One must seek to identify who in substance had been responsible for the inventive concept, namely the combination: whose idea it had been which turned a useless collection of elements into something that would work”. In the Court of Appeal (**Henry Brothers (Magherafelt) Ltd. v The Ministry of Defence and the Northern Ireland Office [1999] RPC 442**), it was held that “to ascertain inventorship the court must identify the inventive concept”. Mr Hacon referred me to **Viziball Ltd.’s Application [1988] RPC 213** which, although relating to an application under section 8, held that “the onus was on the referrer to establish on the balance of probabilities that he had made a contribution to the essential elements of the invention”. I think, therefore, it is clearly established (and accepted by both parties) that the burden lies on the Referrer in this case.

14. Section 7(2)(a) states that a patent for an invention may be granted primarily to the inventor or joint inventors. Section 7(3) states that “inventor” in relation to an invention means the actual deviser of the invention and “joint inventor” shall be construed accordingly. Section 7(4) states that except so far as the contrary is established, a person who makes an application for a patent shall be taken to be the person who is entitled under subsection (2) above to be granted a patent and two or more persons who make an application jointly shall be taken to be the persons so entitled.

What is the invention?

15. Paragraphs 14 and 15 of the Amended Statement of Grounds divide the statement of claim of the patent into two sets of claims. These are “petrogenic claims” - claims 1, 2 and 15, and dependent claims which relate to n-alkanes of petrogenic origin, and “non-petrogenic claims”- the remainder of the claims which relate to n-alkanes originating from natural fat or vegetable oils. For the petrogenic claims the evidence of both parties refers only to the concept of using n-alkanes. Accordingly, I consider that the inventive concept of those claims is the use of n-alkanes, either alone or in large part, in the manufacture of a biodegradable

wellbore fluid. I consider the inventive concept of the non-petrogenic claims, which also appears to be common ground, to be the use of n-alkanes derived from the chemical processing of natural fats, vegetable oils, naturally derived fatty acids, or naturally derived fatty alcohols for a wellbore fluid.

The issues

Relating to inventorship

16. Prior to the hearing, the Opponent was of the view that the primary issue to be determined in the section 37 proceedings was the true identity of the inventor(s) of the patent and that the present application under section 37 by the Referrer could not proceed in the absence of an application under section 13(1) which provides the correct legal framework for determining inventorship. The Patent Office gave a preliminary view on the matter but ultimately resolved that the question of inventorship under section 13 could be dealt with at the hearing to consider the section 37 application. In the event, Mr Alexander made it clear at the hearing that the Referrer was not seeking relief under section 13 and Mr Hacon was content for the section 37 application to proceed without any further objection.

Relating to entitlement

17. The Referrer maintains that its representatives disclosed the idea of using n-alkanes as the major component of drilling fluids, in particular n-alkanes having between 10 and 20 carbon atoms, to IDF's representatives at the meeting held on 12 March 1993 at which a number of oils for use in wellbore fluids were discussed. The Opponent maintains that Mr Chris Sawdon had identified n-alkanes as materials which had the potential as the base oil of a wellbore fluid having biodegradable properties before the meeting held on 12 March 1993.

18. According to the evidence of both parties it is not disputed that at the meeting on 12 March 1993 IDF were told by the Referrer's representatives about using n-alkanes and about research that had been carried out to establish their suitability as base oils. At that meeting, reference was also made to the n-alkane stream that was available to the Referrer via ICI, its

price, and the linear nature of the molecule which the Referrer considered encouraged its aerobic breakdown and would enable it to biodegrade anaerobically. I am satisfied, therefore, that the Referrer had indeed formulated the inventive concept of the petrogenic claims before the meeting.

19. What evidence is there that the Opponent had also formulated the inventive concept of the petrogenic claims before the meeting? According to his sworn Affidavit and statement under cross-examination, Mr Sawdon is clear that he had the idea of the inventive concept before the March meeting. Although there is no mention of n-alkanes in the status report dated 10 November 1992, he maintains that he had the idea of using n-alkanes during the examination of the results on the biodegradation of mineral oils under anaerobic conditions which formed part of the report. He further maintains that there was no further consideration of n-alkanes due to their petrogenic origin and their non compliance with PARCOM regulations. He has also explained his interest at the use of n-alkanes proposed by the Referrer's representatives at the March meeting: he has put it down to the availability of a cheap source of material. Much of this is disputed by the Referrer since there appears to be no corroborative written evidence to support Mr Sawdon's assertions even though they were made under oath. I note in passing that there was no evidence of any agreement made between the parties at the March meeting that might affect the rights of the Opponent to the petrogenic claims of the patent.

20. With regard to the non-petrogenic claims, Mr Sawdon is clear that he formulated the inventive concept and this was not been challenged by the Referrer at the hearing. Indeed, Mr Geddes for the Referrer confirmed under cross examination that the idea of using n-alkanes made from natural fats and vegetable oils in drilling fluids was given to the Referrer by Mr Dowrick of IDF. With regard to the Agreement of Confidential Disclosure signed on 26 and 30 November 1993, this was an agreement whereby IDF would disclose certain information to the Referrer in return for the latter to consider manufacture and supply of n-alkanes made from vegetable oils to IDF. It was understood that the information was the property of IDF and was to be treated as confidential by the Referrer.

21. Although much has been made by the Referrer of the statement in the confidential

report from IDF that the latter were looking forward to the success of the HELP project and to rapid commercialisation, profitable to both parties, I am satisfied that this referred solely to the supply of n-alkanes from the Referrer to IDF, rather than an implied reference to sharing rights in any future patent.

Conclusion

22. In the light of the evidence made available to me, I am of the opinion that both parties had the idea of the inventive concept of the petrogenic claims before the meeting held on 12 March 1993. With regard to the idea of the inventive concept of the non-petrogenic claims, it is clear that Mr Sawdon had the idea and that has not been challenged. I am also of the view that the exchange on 12 March 1993 crystallised the idea in Mr Sawdon's mind and also in the mind of the Referrers' representatives. However, I have no basis to conclude that the exchange created the idea in Mr Sawdon's mind and have his sworn evidence to the contrary. The onus is upon the Referrer to show that the ideas were his and not the Opponent's but on the evidence he has failed to do so. Therefore, having regard to the provisions of section 7(4), I resolve in the Opponent's favour.

Relief

23. I shall now turn to the matter of costs to which the Opponent is entitled. Taking into account the evidence rounds, the preliminary hearing on disclosure, the additional evidence round, and the preparation, attendance and cross-examinations at the main hearing, I am minded to award Sofitech N.V. the sum of £810 as a contribution to their costs. In the absence of any representations from both parties on this matter within four weeks from the date of this decision, this will become an order on Carless Refining & Marketing Limited to pay Sofitech N.V. the sum of £810 as a contribution towards their costs.

Appeal

24. Any appeal against this decision must be lodged with the Patents Court within six weeks of the date of this decision.

Dated this 14th day of December 1999

R J MARCHANT

Assistant Comptroller, acting for the Comptroller

THE PATENT OFFICE