

PATENTS ACT 1977

BETWEEN

Gareth Williams

Claimant

and

Surfactant Technologies Limited

Defendant

PROCEEDINGS

Application under section 72 of the Patents Act 1977 for
the revocation of patent application number GB 2347682B

HEARING OFFICER

P M Marchant

PRELIMINARY DECISION

- 1 Mr Gareth Williams, a patent attorney, has brought an action for revocation of British patent number GB2347682B. The patent was granted to Surfactant Solutions Limited, in July 2003. Their successors in title, Surfactant Technologies Limited ("Surfactant") are defending the action. Surfactant have requested a stay in the proceedings in view of the fact that the corresponding European patent, number EP1165199B is subject to opposition proceedings in the European Patent Office (EPO) and they say the outcome of those proceedings may need to be taken into account in determining validating amendments to the GB patent.
- 2 Mr Williams resists a stay. The office issued a preliminary indication that the hearing officer was not minded to allow a stay, in a letter of 18 June 2007, and invited the parties to make submissions on the matter. Mr Williams sent in observations but Surfactant rested on the points made in their counter-statement. The issue whether to allow a stay has come before me to be decided on the papers.

Background

- 3 The case for revocation is that the patent is invalid in the light of certain prior art that was filed at the EPO by way of third party observations during the prosecution of the European patent application. It appears from Mr Williams' evidence that as a result of this prior art, the claims were amended. No such amendments appear to have been made in respect of the British patent application. As a result, the granted European patent has narrower claims than the British patent. Mr Williams' case is firstly that the British patent is invalid in the light of this prior art, and secondly that the proprietors do not now have the option of making validating amendments in the UK, since they knowingly obtained a patent of invalid scope, and consequently any validating amendment should be refused on the exercise of the comptrollers discretion.
- 4 Surfactant appear to accept that the GB patent as it stands is invalid, since their counter-statement offers narrowing amendments to the claims to place them in a form corresponding with the EP claims.

The Law

- 5 It is clear from precedent cases that in considering whether to allow a stay, it is necessary to consider all the circumstances. The parties have not referred me to any case law but I have considered that referred to in the Patent Hearings manual paragraph 2.75. A leading authority is *Kimberly-Clark Worldwide v Procter & Gamble* [2000] FSR 235, in which Aldous LJ said that it was not sensible for a court in the UK to allow proceedings which duplicate those in the EPO unless justice requires that to happen; and that a stay must be the preferred option when opposition proceedings are before the EPO.
- 6 In *Unilever plc v Frisa N.V.* [2000] FSR 708, which related to an alleged infringement of a European patent, Laddie J allowed a stay where the outcome of the opposition action in the EPO was expected to take between 2 and 3 years to emerge. He considered the comments made by Aldous LJ in *Kimberly-Clark*, and added that it was unsatisfactory for English courts to determine infringement on the basis of an EP patent whose scope was as yet unsettled. Laddie J was influenced in allowing a stay by the fact that the patent still had a considerable period to run, and consequently the patentee would not be greatly disadvantaged if the patent was found to be valid and infringed. He was also influenced by the fact that there was a strong defence to the alleged infringement, and consequently, I infer, a good chance that there would be no injustice from allowing a stay.
- 7 Shortly afterwards, in *Minnesota Mining and Minerals and another v Rennicks (UK) Ltd and Others* [2000] FSR 727, Laddie J refused a stay in another infringement action where the expected period before the conclusion of an EPO opposition was 4 or 5 years, and where the patent had just 6 years to run. While it was undesirable for English proceedings to run in parallel with EPO proceedings, and while it was unsatisfactory for a patent whose monopoly had not been finally settled to be litigated, those considerations were outweighed by the possibility that the patentee would be deprived of any meaningful protection for their patent if a stay were allowed.

- 8 These situations are somewhat different from the present case. They relate to infringement actions whereas the present action is for revocation. They also each concern an opposition against the very patent the subject of the infringement action whereas in the present case the action in the UK is in relation to the GB patent, and that in the EPO is in relation to the EP patent. And although the outcome of the EPO proceedings may influence on what amendments the proprietors would wish to make to the GB patent if it comes to amendment, the question of revocation looms larger. I note in addition that there is no question of injustice to the parties of the sort that arises where there is an alleged infringement.
- 9 I consider the relevant circumstances that must be taken into account therefore to include consideration of the likely outcomes of the EPO proceedings and the effects on the present action; and in any scenario, the advantages and disadvantages to the parties, the costs to the parties, whether time and money can be saved, and the public interest. It is apparent from the precedent judgments that the strength of the substantive case can also play a part in deciding on a stay.

The present case

- 10 One consideration is the extent to which the outcome of the EPO action is likely to influence matters in the present action. If there were no stay, the next development before the comptroller, would be an opposed amendment action or a consolidated amendment and revocation action. In either case a key issue, probably the key issue will be the question of discretion in relation to the good faith of the patentee in seeking amendment. The discretionary matter is not one which can be considered in amendments before the EPO, and in addition of course, the patent which is the subject of the action in the EPO is a different one to that in the present case. Consequently there can be no possibility of the outcome in the EPO influencing the action before the comptroller in relation to discretion.
- 11 Another consideration is whether allowing a stay could avoid wasted activity in the present action. Surfactant's counter-statement says in paragraph 33: "This opposition proceeding requests EP1165199B be maintained in amended form". I take this to mean that amendments are being offered in the opposition action. It therefore appears possible either that the EP patent will emerge with a restricted monopoly, or that it will be revoked. If the EP patent were revoked in the EPO, and that resulted in turn in the revocation of the GB patent without recourse to further action before the comptroller, there would be a significant saving from allowing a stay. However I think it is more likely that the opposition would result in the patent being maintained but with some limitation. If that is what occurs, the defendant might, with a stay, seek to modify its pleadings in the present action to reflect the restricted EP monopoly, and therefore avoid the prospect of a second set of amendments which might be necessary if a stay were not allowed. However, the discretionary issue would still have to be surmounted, and it is only if the defendant was successful with the revocation issue, that the question of the precise form of amendment arises.
- 12 In summary, it seems unlikely that a stay to await the outcome of the EPO

opposition will save the parties time or money. Whatever happens in the EPO, the very significant issue of discretion will have to be litigated before the comptroller.

- 13 Another consideration is the cost to the parties of running the two actions simultaneously. The defendants say that would place an undue financial burden on them, and indeed I am very conscious of the great expense of running patent actions. However, although I invited submissions, they have provided no information to back this up, and assessing their financial standing without direct information is problematic. Their website is modest and there does not seem to be a huge volume of industry comment about their activities, but they are evidently involved in large markets and they say on their website that they are an IP and patent based undertaking. The subject matter of the present patent also seems to be their core technology, so one might expect a reasonable commitment to this defence. It also appears to be inevitable that the present issue must be addressed at some point. Running both cases together may create problems of clashes of hearing dates or deadlines, but I am prepared to accommodate genuine difficulties in that respect by varying the timetable of the present action if it becomes necessary. While conscious as I say of the expense of such actions, I consider in the circumstances, and with the safeguard I have indicated on timetables, that a stay should not be allowed for financial reasons.
- 14 The final consideration is the public interest. That would be best served by resolving the question of validity of the patent sooner rather than later. The EPO hearing is set down for November 2007, and the decision would be expected to issue a month or two later, which amounts to a stay of 6 or 7 months. That is not a huge delay in the circumstances, but as the claimant points out there is the possibility of appeal which could delay matters for much longer. Most importantly however, as noted above, the EPO result will not influence the key issue in the present action relating to the comptroller's discretion in assessing the proposal to amend.
- 15 In summary, for the reasons discussed above there appears to be little to gain in delaying proceedings until the EPO opposition is completed, and I therefore refuse the defendant's request for a stay, made in paragraph 33 of their counter-statement. The proceedings will therefore revert to the normal sequence of events under the customary management of the Office's Litigation Section.

Appeal

- 16 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal must be lodged within 28 days.

P M MARCHANT

Deputy Director acting for the Comptroller