

PATENTS ACT 1977

IN THE MATTER OF an application to
amend European patent (UK) number EP
0329959 B1 in the name of Hans-Gerd
Kaiser

and

IN THE MATTER OF oppositions thereto
filed by Anthony Malcolm Morgan and
John Bedford Gallienne Schmidt

INTERIM DECISION

1. A substantive hearing was held on 21 February 1997 on an application under section 72 by Anthony Malcolm Morgan (hereafter "Morgan") for revocation of the above patent (hereafter "the patent"). The decision which issued on 29 August 1997 held the claims of the patent to be invalid for want of novelty and inventive step but allowed the patentee Hans-Gerd Kaiser (hereafter "Kaiser") an opportunity to propose amendments with a view to rectifying the defects found.
2. Kaiser's agents duly filed proposals for amendment of the patent with their letter dated 23 December 1997, and the proposed amendments were advertised in the Official Journal.
3. Formal statements opposing the amendments accompanied by Forms 15/77 were lodged on 29 May 1998 by the agents Gill Jennings & Every on behalf of both Morgan and a third party, John Bedford Gallienne Schmidt (hereafter "Schmidt"). This was the point at which Schmidt became involved in the proceedings.
4. The grounds relied on by both Morgan and Schmidt are substantially identical and may be very briefly summarised as falling into two categories, namely (1) the proposed amendments

would not render the claims patentable having regard to the prior art; and (2) the Comptroller should in any event refuse discretion to amend having regard to the knowledge and conduct of the patentee.

5. Following initial disagreement as to the subsequent conduct of the proceedings, the parties were able to settle on a timetable and order for filing evidence in relation to the application to amend. In accordance with this timetable, Kaiser filed evidence on 8 April 1999. This took the form of two statutory declarations by respectively Kaiser and his German patent attorney (Margarita Heiber). Although the agreed timetable allowed for Morgan and Schmidt to file evidence of their own, they declined to do so at that stage.

6. Morgan and Schmidt indicated through their agent that they required cross-examination of Kaiser and his attorney. In respect of Kaiser himself this was resisted on grounds of ill-health. It is not necessary for me to consider this specific question any further except to say that in the light of this, the other side requested, through their agent's letter dated 17 September 1999, leave to introduce further evidence in the form of a statutory declaration by Morgan and exhibits. These papers purportedly relate to attempts by Kaiser to enforce the patent in 1993. The reason given (and as elaborated further before me at the hearing) was that the opponents had been planning in the process of cross-examination to seek the explanation of Kaiser as to why he had not disclosed this information previously. The opponents were content to drop their insistence on cross-examination of Kaiser if the new documentary evidence could be introduced late into the proceedings in lieu of cross-examination.

7. The parties finally came before me at a hearing on 29 September 1999 at which Mr Mark Vanhegan instructed by Dibb Lupton Alsop appeared for Kaiser and Mr Michael Silverleaf instructed by Gill Jennings & Every appeared for Morgan and Schmidt.

8. At the hearing, I heard substantially the whole of each side's case on as regards the substantive issues of the novelty and inventive step of the claims as proposed to be amended. For reasons which will become clear it is not necessary for me at this stage to go into this any further.

9. Amendment is a matter for the discretion of the comptroller or court and it is clear that no amendment will be allowed which would leave the patent in a state which included bad claims, or which would otherwise leave the patent open to revocation (for example by falling foul of section 76). Moreover, it used to be accepted, and indeed it was accepted by the parties to the

present proceedings at the earlier hearing, that in the exercise of discretion, the comptroller needed in addition to consider the conduct of the patentee and the need for him to make full disclosure of all relevant matters, as set out for example by Aldous J in *Smith Kline & French Laboratories Limited -v- Evans Medical Limited* [1989] 1 FSR 561 at page 569.

10. However, since the present proceedings started, there have been three judgments in quick succession which have an important bearing on the question of to what extent the conduct of the patentee can and should be taken into consideration. They are:

Palmaz's European Patents (UK) [1999] RPC 47

Kimberly-Clark Worldwide Inc -v- (1) Procter and Gamble Ltd and (2) The Procter and Gamble Company (6 July 1999)

Texas Instruments Incorporated -v- Hyundai Electronics UK Ltd (30 July 1999)

11. A strand develops through these cases which is brought to its final fruition by Pumfrey J in *Texas Instruments*. I can do no better than to quote from his judgment:

"As Laddie J has recently explained in *Kimberley-Clark v Procter & Gamble* (unrep. 6 July 1999) the grounds for invalidating a patent are those specified in the 1977 Act, which are derived from the corresponding provisions of the EPC. The revocation of a partially valid patent in such circumstances [*i.e.* when the conduct of the patentee has been culpable] is tantamount to revocation on the ground that the patentee's behaviour has been such as to disentitle it to amend. As Laddie J says, this is additional ground of revocation not specified in the Act or in the EPC. In the *Kimberley-Clark* case there was material before Laddie J suggesting that in seven other major EPC contracting states the behaviour of the patentee is irrelevant to the question of amendment, and that is also the position when the EPO considers amendment in the course of opposition proceedings. He said this:

" 'I do not believe it is appropriate for the courts here to stand out and effectively maintain a unique power on moral quasi-moral grounds to prevent inventors of good inventions from securing patent protection by refusing permission to amend. I think the old law should not apply to applications to amend under the 1977 Act.'

"In my judgment, this is correct. Accordingly had it been necessary for me to do so I would have held that discretionary considerations of the kind advanced in *SKF v Evans* and *Hsiung's Patent* are not available as objections to amendments made under the Patents Act 1977 either to national patents or to European patents (UK) which otherwise satisfy the requirements of section 76 of that Act. I accept, however, that an amendment which resulted in an invalid claim should not be made, and the patent should simply be revoked."

12. All the above judgments have been at the Patents Court level and could potentially be overturned on appeal. However it was common ground between Mr Silverleaf and Mr Vanhegan that the comptroller is bound by the precedents and accordingly I may not take account of the conduct of the patentee in considering the exercise of discretion in relation to the presently proposed amendments. For the record I agree with this conclusion. There does however arise out of this a difficult procedural issue relating to the additional evidence the opponents are seeking to introduce. Put simply, the problem is this: the opponents may wish to appeal (and Mr Silverleaf gave a very strong indication that this was indeed the case) on the very question of whether the conduct of the patentee can and should be taken into account, and it is possible that a higher court may take a different view to that of the Patents Court in the judgments cited above. In such an event, evidence about the prior knowledge of the patentee would once again become relevant to the issues presently before me.

13. Mr Silverleaf argued that I should admit the evidence as it would then be in the proceedings and available to support his clients' case if on appeal it was subsequently held that the conduct of the patentee was a factor to be taken into account. This was opposed by Kaiser on the grounds *inter alia* that the information had been in the hands of Morgan and Schmidt all along; that they had been given an opportunity to introduce evidence at the appropriate time in the agreed procedure and that they had declined to do so.

14. Mr Silverleaf's suggestion is seductive in its logic and would certainly be a pragmatic solution. However in the face of formal objection on perfectly reasonable grounds by the other side, it is a step I feel I cannot take. As it was put to me by Mr Vanhegan, I have to take the law as I find it. Mr Silverleaf himself did not suggest that there is even the faintest possibility that the precedents could be distinguished as things currently stand. So I have no option but to conclude that evidence of the conduct of the patentee is not relevant to any question that I have to determine and is therefore inadmissible.

15. Mr Silverleaf indicated that his clients would wish to appeal against this ruling and I therefore stayed the present substantive proceedings to allow for this. When any such appeal is completed, or in the alternative if no appeal is lodged within the period allowed, I shall issue directions on the further conduct of the proceedings.

16. This being a decision on a matter of procedure, the period for appeal is two weeks.

Dated this 1st day of October 1999

G M BRIDGES

Divisional Director, acting for the Comptroller

THE PATENT OFFICE