

PATENTS ACT 1977

IN THE MATTER OF

applications by Baker Hughes Incorporated to amend
or correct Patent Numbers GB 2291909 and GB 2302110
and opposition thereto by Halliburton Energy Services Inc

PRELIMINARY DECISION

Introduction

1. Baker Hughes Incorporated (“Baker Hughes”) applied to the comptroller initially under section 27 of the Act to amend, and subsequently under section 117 of the Act to correct, the specifications of Patent Numbers GB 2291909 and GB 2302110. Halliburton Energy Services Inc (“Halliburton”) has opposed the applications; and the parties have agreed to consolidation of the various proceedings. This preliminary decision relates solely to the admissibility of certain evidence filed by Baker Hughes out of time.

Background

2. The proceedings to amend under section 27 were initiated in June 1998 by Baker Hughes and notice of opposition was given in October 1998 by Halliburton. Statements were filed in November 1998 and counterstatements in April 1999. Evidence was filed by Halliburton in July 1999 and by Baker Hughes in October 1999. Because of deficiencies in the evidence filed by Baker Hughes, it filed replacement or revised evidence in November 1999, December 1999, and March 2000. The evidence filed by Baker Hughes included a statutory declaration dated 27 October 1999 by Sarah Elizabeth Merrifield, a Chartered Patent Agent and partner of Boulton Wade Tennant; evidence which was subsequently replaced by a revised statutory declaration from the same deponent dated 2 March 2000. Halliburton filed evidence-in-reply in May 2000.

3. The proceedings to correct under section 117 were initiated in April 1999 by Baker Hughes and notice of opposition was given in January 2000 by Halliburton. Statements were filed in January 2000 and counterstatements in April 2000. The corrections requested under section 117 are textually identical to the amendments requested under section 27.

4. In March 2000 Baker Hughes suggested that the various proceedings be consolidated and in May 2000 Halliburton agreed to this proposal. An official letter issued on 8 August 2000 seeking confirmation from both parties that, following consolidation, the evidence filed in respect of the section 27 proceedings also applied to the section 117 proceedings. Confirmation was received from Halliburton in a letter dated 22 August 2000. However Baker Hughes in a letter dated 5 September 2000 stated that it wished to file further evidence.

5. In response, an official letter issued on 25 September 2000 pointing out that the purpose of the official letter of 8 August 2000 had not been to invite fresh evidence, and noting that, since both sides had already had considerable opportunity to file evidence, detailed reasons were required as to why time should be allowed for filing fresh evidence and why such evidence had not already been filed. In a letter dated 2 October 2000 Baker Hughes responded that the applicants "were prompted to make a careful review of all the evidence on file and it seemed to us that there were some issues of delay raised by Halliburton that had not been fully addressed". A further statutory declaration from Sarah Merrifield dated 22 September 2000 was enclosed with this letter, which sought leave from the Hearing Officer for the introduction of the statutory declaration as evidence out of time. An official letter issued on 2 November 2000 pointing out that not only was this evidence out of time, it was from a deponent who last gave evidence in March 2000, little more than six months before, and that the reasons given in Baker Hughes letter of 2 October 2000 appeared *prima facie* to be insufficient for the comptroller's discretion to be exercised favourably.

6. In a letter dated 9 November 2000 Baker Hughes responded that the deponent had been absent through maternity leave since April 2000 and was therefore unavailable to make a further declaration at an earlier date. In a further letter dated 15 November 2000, Baker Hughes stated that the official letter of 8 August 2000 had prompted a review of the documents, leading to the

view that “ to thoroughly complete the account and to clarify the chronology of events, it would be beneficial to submit some further evidence regarding the period between July 1997, when Baker Hughes Incorporated became aware that UK Patent Numbers 2291909 and 2302110 contained errors, and June 1998 when the current proceedings were initiated”.

7. Baker Hughes also requested in the letter of 15 November 2000 that the issue of the admissibility of Sarah Merrifield’s statutory declaration of 22 September 2000 be settled on the basis of the papers on file.

Reasoning

8. It is well established practice that the factors to be taken into account, when considering how the comptroller’s discretion should be exercised in circumstances such as these, will include the conduct of the parties; the reasons for and extent of the delay and its likely impact on proceedings; the relevance of the fresh evidence and the risk of prejudice to the party seeking admission if discretion were refused; and the views of the other party and the extent to which it would be disadvantaged if the fresh evidence were admitted.

9. On the question of delay, it is clear that the fresh evidence could have been presented on time, given that it did not arise as a consequence of any new circumstances beyond a simple review of the documents on file. In this light, the unavailability of the deponent from April 2000 does not appear to me to be material. Although Halliburton has made no formal objection, it is not unlikely that admission of this fresh evidence would be met by a similar request from Halliburton; and to avoid disadvantage to Halliburton it would be difficult for me to refuse such a request. This would cause yet more delay to proceedings which have already been running for a substantial length of time.

10. As to substance, the reasons given by Baker Hughes that the evidence was filed “to thoroughly complete the account and to clarify the chronology of events” do not seem to me to be compelling, indicating more a wish to tidy up loose ends than a need to put in place an essential plank of the case. As noted above, it was necessary for Baker Hughes to take several

bites at the cherry when filing its first round of evidence; and it seems to me that the filing of this latest declaration is an attempt to have yet one more bite.

11. I remain unconvinced that Baker Hughes has discharged the onus on it to demonstrate that the nature of the fresh evidence and the reasons why it was not submitted in proper time justify the further delays that would be caused by its admission.

12. Having carefully considered all of the submissions on file, I find, for the reasons I have given, that I would not be justified in exercising the comptroller's discretion in the circumstances. I therefore refuse to admit the statutory declaration of Sarah Merrifield dated 22 September 2000.

13. I shall defer consideration of costs in relation to this decision, while noting that Halliburton has not commented on the admissibility point in issue and is unlikely therefore to have been put to significant costs in the matter.

14. On the basis of the papers on file, this case now appears to be ready for substantive hearing, for which arrangements will now be put in hand.

Appeal

15. Since this is a decision on a matter of procedure, any appeal shall be filed within fourteen days from the date of the decision.

Dated this 2nd day of January 2001

S N DENNEHEY

Divisional Director, acting for the comptroller

THE PATENT OFFICE