

In the High Court of Justice

Claim No. HP-2018-XXX

Business & Property Courts
of England and Wales

Intellectual Property List (ChD)

Patents Court

BETWEEN:

Pony Corp.

Claimant

- and -

Donkey Corp.

Defendant

His Honour Richard Hacon

Ms Zoe Butler (SA) for the Claimant

Mr Alex Wilson (SA) for the Defendant

Hearing date: 31 October 2018

Outline

Overview of Patent Proceedings in England & Wales

Scene 1 - Trial (Case management hearing not shown)

Scene 2 - Judgment Handed Down

Scene 3 - Form of Order Hearing

Alternative Tribunals

The tribunals in England

- (1) The Patents Court
- (2) The Intellectual Property Enterprise Court (IPEC)
- (3) The UK Intellectual Property Office (UKIPO)

Alternative schemes of procedure in the Patents Court

- (a) Shorter trial scheme
- (b) Flexible trial scheme

- ➡ UKIPO proceedings **will** be stayed in favour of court proceedings
- ➡ EPO proceedings **may** lead to a stay of Court proceedings

Procedure in an infringement action

(1) Pleadings

- Claim charts

- Product or process description

(2) Amendment

- May be conditional or unconditional

(3) Case management conference

- How the procedure up to trial will be conducted

(4) Disclosure

- Documents to be disclosed – now often limited disclosure

Procedure in an infringement action

(5) Evidence of fact

Written witness statements

(6) Expert evidence

Experts' reports to inform the court about the technical field

(7) The trial

Cross-examination to test the written evidence

(8) The judgment

Injunction granted to successful patentee, subject to public policy

Separate trial to decide damages or profits to be paid

Other procedural issues

Amendment of claims of granted patents

- The patentee may apply to amend the claims of the patent:
 - To the court during court proceedings; or
 - Centrally at the EPO

Stay of Proceedings pending UKIPO or EPO proceedings

- A party may apply to the court for a stay of court proceedings pending:
 - EPO Opposition Proceedings
 - EPO Central amendment proceedings
- In Court's discretion:
 - Facts rarely support a stay

Scene 1 – Trial – Conditional Application to amend the Patent

Claimant's submissions on formal allowability of amendment:

- Integer E' is an allowable restriction of the scope of protection of claim
- Clear support for this feature in the application as filed, see for example the specific embodiment of the invention which clearly describes a clearance of $<20\mu\text{m}$
- No intermediate generalization – the skilled person would understand from the application that the clearance was important independent of other features of the rotary valve system – clear & unambiguous disclosure

Defendant's submissions on why permission should be denied:

- Amendment adds subject matter as it takes a feature from the preferred embodiment without the other features – intermediate generalization
- Amendment fails to cure the invalidity

Scene 1 – Trial – Claimant’s Skeleton Argument

Infringement: no dispute regarding Product X

- Donkey admits Product X falls within scope of claim 1 of the Patent both as granted and amended

Infringement: Product Y - Unamended claim Integer F is satisfied:

A. *“Inner peripheral surface of shaft hole directly supports the outer peripheral surfaces of said rotary valves”:*

- Based on normal interpretation of this wording of integer F, it does not exclude the presence of concave portions on the outer peripheral surface - irrespective of the function of the concave portions, the inner peripheral surface of the shaft hole clearly directly supports the outer peripheral surface of the rotary *valve*.

B. *“... and the clearance between them is set at less than 20µm”*

- Based on normal interpretation, there is no requirement that there be less than 20µm clearance at every point along the surface
- But if wrong on that, applying the doctrine of equivalence (*Actavis v Eli Lilly*, Supreme Court), the presence of concave portions has no material effect on the way the invention works - the clearance between the 2 surfaces is less than 20µm across substantially the entire surface and achieves the same technical effect, namely avoiding the tilt of the rotary shaft, and it would have been obvious to the skilled person that this effect was achieved in substantially the same way
- Reference to the prosecution history is appropriate only in rare cases (*Actavis v Eli Lilly*), but in any event nothing said that is inconsistent with this scope of protection – the use of the word “all” in context didn’t exclude small concave portions but was a reference to the clearance across substantially the entire surface

Scene 1 – Trial – Claimant’s Skeleton Argument

Infringement: Product Y - Amended claim Integer E' is satisfied:

C. *“outer peripheral surfaces of said rotary valves are cylindrically-shaped, except for the outlets of said introduction passage”*

- On a normal interpretation, this language does not exclude the presence of concave portions on the outer peripheral surface of the rotary valve. Such a valve is still substantially cylindrically-shaped.


Scene 1 – Trial – Claimant’s Skeleton Argument

Validity of Patent as granted (i.e. unamended):

- The only invalidity attack is an allegation of lack of inventive step based on a **combination** of the Main Cited Invention (MCI) + the Sub Cited Invention (SCI) – hopeless:
 - The patent relates to a **rotary valve** compressor, which is distinct from a **reed valve** compressor
 - MCI concerns a **reed valve** compressor
 - SCI concerns a rotary valve BUT discloses conventional means (namely rolling bearings) to try to overcome rocking → necessary to combine disclosure of <20µm clearing in MCI (which is described in combination with common features of reed valve compressor) with a rotary valve → this is an inventive step
 - Comment in MCI that invention could be applied to rotary valves of the SCI is a reference to the use of concave portions and high pressure gas, and not the clearance of <20µm; in any event wouldn’t be viewed by skilled person as sufficient motivation to combine the documents – if the SP had considered he would have dismissed as too general a statement that was unworkable without undue effort

Scene 1 – Trial – Claimant’s Skeleton Argument

Validity of Amended Patent:

- The limitation introduced by Integer E’ further distinguishes the invention of the Patent over the disclosure of MCI
 - MCI only discloses a clearance of $<20\mu\text{m}$ **in combination with** the use of concave portions on the outer surface of the rotary shaft (and the use of high pressure gas in the concave portions)  concave portions are an essential part of teaching of MCI
 - **No teaching** in either MCI or SCI that use of minimum clearance **without** the use of concave portions and high pressure gas would achieve reduced rocking, and it would not have been obvious at the priority date reading the documents in light of the skilled person’s common general knowledge that the clearance alone could achieve this result

Scene 1 – Trial - Defendant’s Skeleton Argument

Infringement: Product Y

- Unamended claim Integer F not satisfied:
 - A) *“Inner peripheral surface of shaft hole supports the outer peripheral surfaces”*: The high pressure gas in the concave portion supports in part the outer peripheral surfaces. This is a different (prior art) mechanism.
 - B) clear that max clearance of applies to **all** clearance - concave portions have >20µm clearance. This is a case where the file history can be relied upon- unambiguously resolves the issue AND in public interest (*Actavis v Eli Lilly*)- the patentee stated: tilt could be prevented if **all clearance was set at 20µm**
- Amended claim Integer E’ not satisfied:
 - *“outer peripheral surfaces are cylindrically-shaped except outlets of said introduction”*-the concave portions interrupt the peripheral surfaces so that not cylindrical. The Plaintiff’s argument is without merit- the claim very clearly does not allow such portions.

 **NO INFRINGEMENT**

Scene 1 – Trial - Defendant’s Skeleton Argument

Invalidity - Unamended claim obvious (lacks inventive step)

- Piston Valves. Common General Knowledge - 2 types existed:
 - Reed valves
 - Rotary valves
 - Both suffered from the same issue: piston rocking caused by same forces
- MCI taught how to overcome rocking:
 - Reduce clearance to $<20\mu\text{m}$
 - Use concave portions and compressed gas
- MCI cross-references SCI
 - Skilled Person (SP) taught what s/he likely already assumes- that the rocking solution of MCI can be applied to rotary valve too
 - SP would not be surprised by this as both types of valve are materially identical in relation to the problem that the patent addresses-rocking
 - SP would adapt SCI to replace roller bearings with solutions taught in MCI
 - No need for motivation- MCI provides express motivation
 - Cross reference clearly not limited to concave portions



Scene 1 – Trial - Defendant’s Skeleton Argument

Invalidity (2)

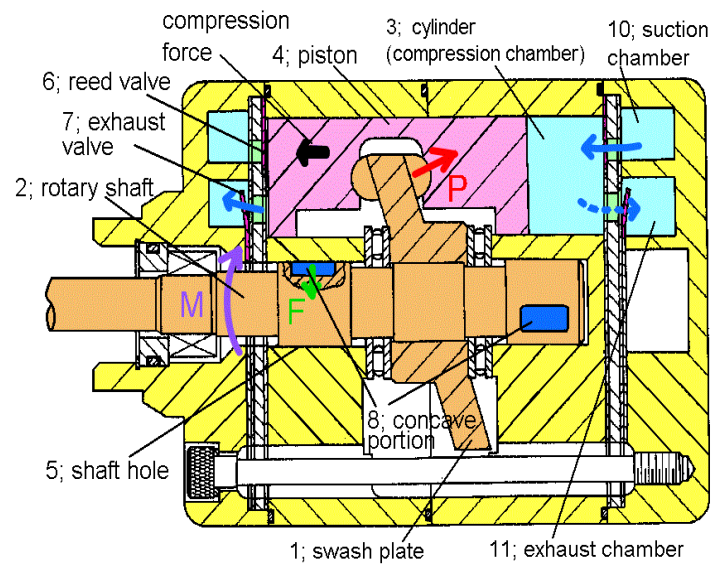
- Proposed Amended Claim
 - The additional limitation “*the peripheral surfaces of rotary valves are cylindrically shaped except for the outlets of said introduction passages*” cannot save the claims
 - SCI discloses such cylindrically shaped surfaces, SP could take 20µm clearance from MCI and not the concave portions
- Infringement Squeeze
 - Pony can’t say that Product Y, which has concave portions, infringes amended claim AND argue that the concave portions of MCI distinguish it from the Amended Patent

Expert report of Dr Frederick Nag

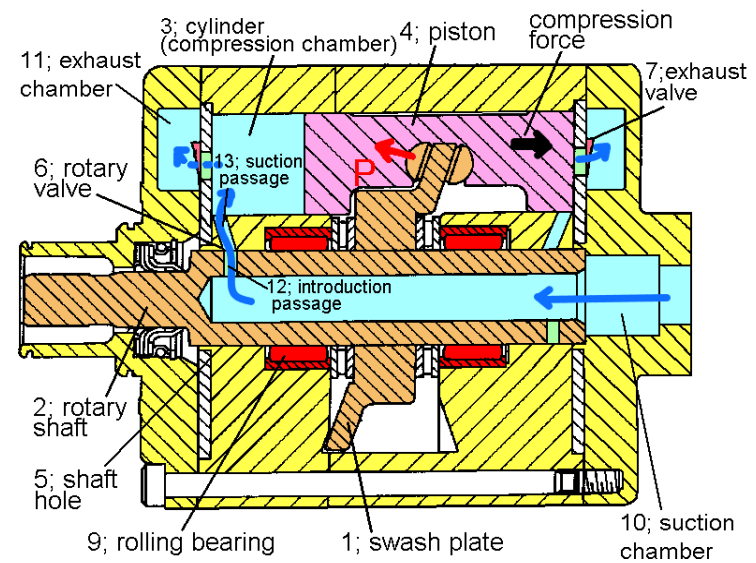
1. I am currently, Head of Research and Development at Aston Martin Motor Cars Plc, a position I have held for 12 months. I hold a PhD in fluid dynamics and a degree in Engineering. I have been asked to make this report on behalf of Donkey. I understand that my duty is to assist Court and this duty overrides any obligation I have to Donkey. I have also had explained to me by Donkey's lawyers the concept of the skilled person.
2. I have been provided with the Patent, the Main Cited Invention (MCI), and the Sub-cited Invention (SCI) as well as Product Descriptions in respect of Products X and Y. Annexed to this report are diagrams depicting compressors of each of the MCI and SCI (Annex FN-1), Patent (Annex FN-2) and Product Y (Annex FN-3).
3. I am very familiar with the technology underlying the dispute: for example, our latest vehicle uses the Super-reed Valve Compressor.
4. When I read the MCI I immediately recognised the problem of rocking described in that documents - the solution described in the Patent of reducing the clearance to less than 20 μ m (and using concave holes) is rather clever. I wish I has thought of this.
5. Once you read the MCI, it is very clear that the same solution could be applied to other compressors such as a Rotary Valve Compressor. In fact, I believe that it would be obvious to the skilled person to do so and that there would be no problem in doing so.

Annex FN-1

Main Cited Invention

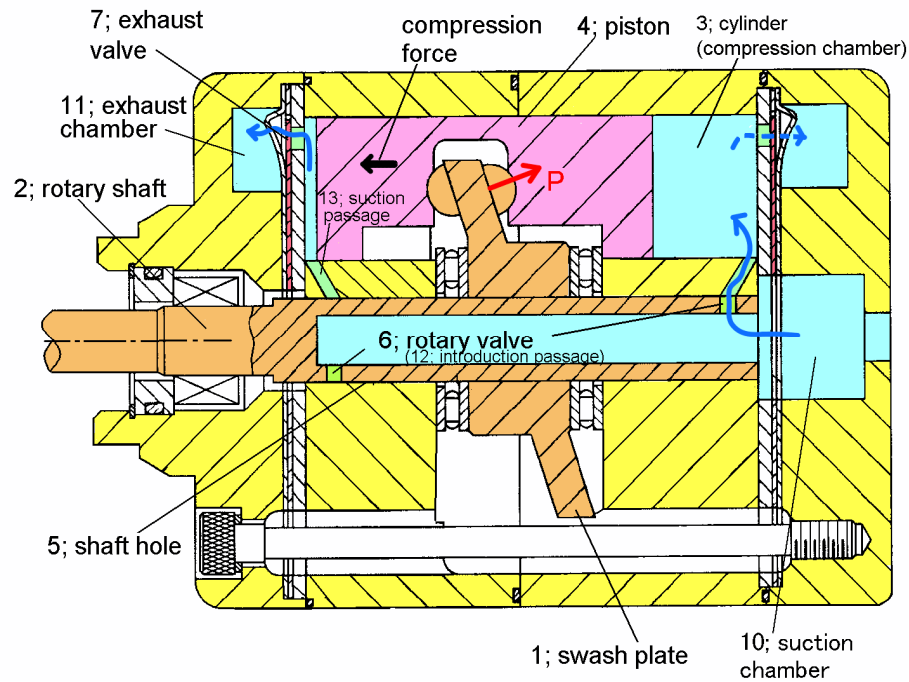


Sub Cited Invention



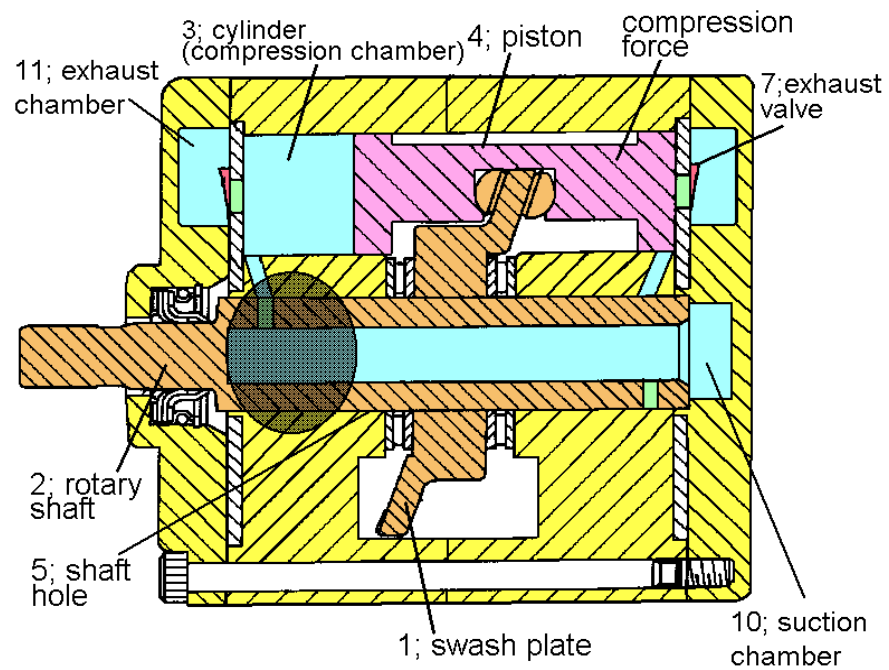
Annex FN-2

Patented Invention

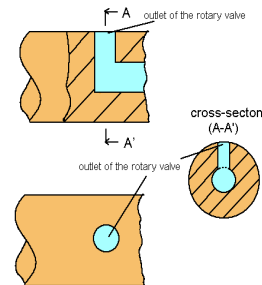


Annex FN-3

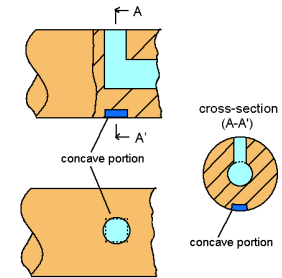
Product



X



Y



Scene 2 - Judgment Handed Down

- Patent as granted invalid (for lack of inventive step over the Main Cited Invention and the Sub Cited Invention); otherwise claim 1 would have been infringed by Product X and Product Y
- Permission granted to amend the Patent to introduce feature E' into claim 1
- Amended Patent valid, and infringed by Product X.
- However, Product Y does not fall within the scope of amended claim 1 (because it does not fulfil feature E')

Scene 3 - Form of Order Hearing

- Court hearing after judgment to discuss relief and ancillary issues:
 - **Injunctive relief in respect of Product X - if granted, stay pending appeal &/or stay for period to allow defendant to switch back to Product Y?**
 - Damages in respect of infringement by Product X - further inquiry proceedings
 - Permission to amend the Patent granted
 - Declaration of validity of Amended Patent, with certificate of contested validity
 - Declaration of infringement by Product X of Amended Patent
 - Declaration of non-infringement by Product Y of Amended Patent
 - Delivery up or destruction on oath of Product X
 - **Costs - which costs are borne by each of the parties?**
 - **Appeal - parties may request permission to appeal**