



Neutral Citation Number: [2020] EWHC 615 (Pat)

Claim No: HP-2019-000049

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (ChD)
PATENTS COURT

The Rolls Building
7 Rolls Buildings
Fetter lane
London EC4A 1NL

Date: Tuesday, 10th March 2020

Before:

MR. JUSTICE BIRSS

Between:

(1) VIIV HEALTHCARE COMPANY
(2) SHIONOGI & CO., LIMITED
(3) VIIV HEALTHCARE UK (NO.3) LIMITED

Claimants

- and -

(1) GILEAD SCIENCES, INC.
(2) GILEAD SCIENCES IRELAND UC
(3) GILEAD SCIENCES LIMITED

Defendants

MR. RICHARD MEADE QC , MISS CHARLOTTE MAY QC and DR. JAMES WHYTE
(instructed by Linklaters LLP) for the Claimants.

DR. MICHAEL TAPPIN QC (instructed by Herbert Smith Freehills LLP) for the
Defendants.

Approved Judgment

Digital Transcription by Marten Walsh Cherer Ltd.,
2nd Floor, Quality House, 6-9 Quality Court, Chancery Lane, London WC2A 1HP.
Telephone No: 020 7067 2900. Fax No: 020 7831 6864 DX 410 LDE

Email: info@martenwalshcherer.com

Web: www.martenwalshcherer.com

MR. JUSTICE BIRSS :

1. This is a patent action relating to European patent 3 045 206. The patent claims anti-HIV drugs. The drugs are HIV integrase transfer inhibitors. They are used, at least in part, in combination therapies against the AIDS disease caused by HIV.
2. The patent protects a commercial product called dolutegravir (DTG). The alleged infringement is a drug called bicitegravir (BIC). BIC is not alleged to fall within the claims on a normal construction but to be an infringement under the doctrine of equivalents based on the Supreme Court's judgment in *Actavis v Lilly* [2017] UKSC 48. The defendants deny infringement and counterclaim for revocation on the grounds of obviousness, insufficiency and added subject matter.
3. The only remedy claimed, apart from declarations, is a financial one.
4. This is a strike out application brought by Gilead, the defendants, against part of a pleaded case based on the doctrine of equivalents. The patentee has pleaded out its case on equivalence in its Particulars of Infringement based on the *Actavis* questions. Paragraph 3 (i) of the Particulars of Infringement relates to the inventive concept. Paragraph 3 (ii) pleads that the alleged infringing compound BIC achieves substantially the same result, and gives reasons (just as paragraph 3(i) gave reasons). Paragraph 3 (iii) asserts that the compound achieves the result in substantially the same way, again giving reasons. I will come back to paragraph 3(iv). Then 3 (v) and 3 (vi) deal with the obviousness question in *Actavis* and the final question of strict compliance with the language. The issue is the plea in paragraph 3 (iv).
5. The claim is to a class of chemical compounds based on a heterocyclic structure, which has a carbamoyl-pyridone scaffold. It has a ring, referred to in the patent as the A ring, which is itself a heterocyclic ring. The claim requires certain alkyl substitutions on the A ring. It includes the DTG compound. BIC also has alkyl substitutions in the A ring, but they are ones which take it outside the normal construction of the claim. These substitutions form a bridge, as it is called, and that is the only difference from the claim. The remainder of the scaffold of BIC is within the claim.
6. The patentee contends that this bridge is one of the smallest possible changes to take the compound outside the literal wording of the claim. That is for another day.
7. The patentee also relies on a paper called Lazerwith which I understand was written by authors, all or some of whom are or were employees of Gilead. It was published in 2016. What the patentee intends to establish using Lazerwith is set out in paragraph 3 (iv), making two possibly distinct points. One is that the development of BIC started from and relied on knowledge of DTG and, the other is that the BIC was developed with the aim of maintaining the characteristics of DTG by the use of the similar structural features.
8. It does appear to me, on the face of it at any rate, that Lazerwith would support those inferences but at this stage I simply can assume that this is so.
9. Gilead seeks to strike out these two points. It contends that this kind of patent infringement is objective. There is no mental element to the test under the relevant parts of section 60 of the Patents Act 1977, nor is there any mental element to the test

of whether a product falls within a claim under the doctrine of equivalents. Gilead points out that the plea in paragraph 3(iv) makes assertions about the intentions or state of mind of the Gilead scientists in developing BIC. Gilead submits that no part of the elements that have to be proved to establish the tort of patent infringement involve any mental elements, at least in this context, so the plea should be struck out. Also, and separately, there is an argument about the potential disclosure burden this argument would require, but I do not need to deal with that.

10. Mr. Tappin who appears for Gilead also submits that it is clear that the judgment of the Supreme Court in *Actavis* cannot be read as if it swept away the objective nature of the test for patent infringement. I agree with him. It did not.
11. ViiV, the patentee, resists the strike out. It submits that while it is correct that the ultimate test is an objective one, the intentions of the defendant can be probative. One of the points relied upon by ViiV is the well-known decision in the sphere of passing off: *Slazenger & Sons v Feltham & Co* (1889) 6 RPC 531. It was quoted by Kitchin LJ in *Specsavers International Healthcare Ltd & Ors v Asda Stores Ltd* [2002] EWCA Civ 24. The following is taken from paragraph 115 of *Specsavers*:

“It has long been established that if it is shown that a defendant has deliberately sought to take the benefit of a claimant's goodwill for himself the court will not 'be astute to say that he cannot succeed in doing that which he is straining every nerve to do'.”
12. ViiV also submits that these are early days in relation to the cases on the revived UK doctrine of equivalence post-*Actavis*. The law is developing and so the court should be slow to strike out a plea of this kind in these circumstances.
13. The principles applicable to strike out are not in dispute. I do agree with ViiV that this is a developing area of the law and I will have that in mind. Nevertheless, at the end of the day, the court should not allow a pleaded case to go forward if it is not properly or reasonably arguable.
14. I agree with the submission of Gilead that the element to be proved in relation to infringement, whether one is looking across the whole of the infringement test, or at the particular aspect of question 1 of *Actavis* of whether the alleged infringement operates in the same way as the claimed invention, is an objective question. It is not a necessary part of the court's function in answering that question to make a decision about the intention of anyone, for example, the defendant or its employees.
15. Therefore in that sense whether the defendant copied the invention or not, does not establish infringement. However the question raised by the defendant is whether or not it could be relevant, in order to prove the objective fact that BIC works in the same way as DTG, to show that BIC was designed to operate in the same way as DTG. Or putting it another way, is it relevant to ask: was BIC found by looking for compound which did operate in the same way as DTG? In my judgment those facts are relevant to prove the element of the doctrine of equivalents that is in issue. Or it is, I believe, at least reasonably arguable that they are relevant.

16. Assume the defendant called an expert witness who expressed the opinion that BIC did not operate in substantially the same way as DTG. One can imagine the cross-examination. The patentee in those circumstances would wish to put Lazerwith to the expert. That would include the passages in Lazerwith which appear to show that BIC was developed by starting from or relying on the knowledge of DTG and was developed with the aim of maintaining the characteristics of DTG. These would be put to the expert as a way of challenging their opinion. What the expert might say in response of course remains to be seen. The expert might decide to change their opinion and accept that BIC was something which did operate in the same way. Equally well, the expert may say that despite what one might draw from Lazerwith, in fact the BIC compound, even though it was in fact designed with that objective in mind, operates in a different way from DTG for some technical reason. Those are all matters for trial. However, it seems to me that this sort of material is exactly the kind of material which a patentee would wish to put to an expert expressing a view on the objective question, in order to test their evidence.
17. The strike out application is not based on the old idea that one should not plead evidence. If this is a case which the patentee is going to advance then it is right to plead it so that the defendant can know the case it has to meet.
18. I am bound to say I am not convinced the analogy with *Slazenger v Feltham* can be taken too far but the case does make the basic point that if one is seeking to answer an objective question about how something produced by the defendant operates, then the fact the defendant produced it with that purpose in mind may have an evidential value on what is still ultimately an objective question. That is different from saying that intentions form part of the legal test which has to be established.
19. Also, as in passing off cases based on *Slazenger*, just because a party wants to advance an argument like that, the court will not necessarily permit them to do it without some basis in the first place. In passing off one cannot simply come to court and assert that the defendant intended to pass off. There needs to be some basis for making that plea, before the plea can be permitted. It seems to me the same applies in this case. The patentees in this case have the Lazerwith paper which they can rely on to draw an inference about the aims of the team which produced BIC. If the patentees had simply come to court and said that they wished to plead, without any basis, that the alleged infringing product had been designed that way, that would be a very different matter. However that is not the case I have to deal with.
20. Also, a different question is what the consequences of these sorts of arguments may be in relation to disclosure. That is a matter for another day but I will say now that I am not convinced it is necessarily so that substantial disclosure is reasonably required or proportionate on this question. It may be, for example, that the defendants will admit that the inferences the patentees seek to draw from Lazerwith as it stands are a fair summary of the way in which BIC was developed. In circumstances like that it would be very hard to see why further disclosure would be necessary. Even if admissions are not made, it is still not clear to me why further disclosure at least of a general kind or a substantial quantity of documents, would be required. It may also be a matter for the Product and Process Description.
21. At any rate, for all those reasons I will dismiss the application to strike out paragraph 3(iv) of the Particulars of Infringement.

JUDGMENT ON COSTS

22. I now come to summarily assess the cost of the strike out hearing I dealt with today. It is apparent that the right order for costs is that the successful party, the claimants, should have their costs of that application paid by the unsuccessful party, the defendants. Those are different from the costs relating to the directions which have also been given today.
23. I have a statement of costs from the claimants. In round figures the grand total is £93,000. That consists of two elements: one is the solicitors' costs of £47,000 and the other is counsel's fees of £46,000. The statement of costs from the defendants shows roughly the same amount for the solicitors' costs, £50,000. However the defendants' counsel's fees come to about £16,000.
24. Mr. Tappin who appears for the defendants submits that I should, first of all, take into account the fact that the solicitors' costs probably include costs relating to the directions and therefore should be reduced accordingly. I am told that both sides actually were trying to address only the costs of the strike out in these statements, but Mr Tappin's point is that it would appear that that may not have happened. I do not accept that.
25. Secondly, he submits that it is apparent that the bulk of the work that was done on the claimants' side was done by the grade A fee earner, the partner, as you can see from the work on the documents schedule. He submits that that needs to be take into account because too much focus was spent on partner time.
26. Most significantly, Mr. Tappin submits that the difference between counsel is striking. He submits that this was a case which was proper to be dealt with at the level his clients did, which is one leading counsel. That cost about £16,000. Whereas the claimant's counsel's costs were £46,000. The difference has three causes. One is that originally a single QC, Ms Charlotte May, was going to do this hearing. However it emerged that the two other counsel who were already in the case, Mr. Meade QC and Mr. Whyte, had become available as a result of a late settlement.
27. So, first, by having three individual counsel involved, partly at different times, instead of one; and second by having two counsel at the hearing (Mr Meade and his junior Mr Whyte) instead of one; and third by having a QC at the hearing (Mr Meade) whose costs for this case are higher than Mr. Tappin's; these things together explain the difference between the two totals for counsels' fees.
28. The claimants maintain that in the overall scheme of things, given the nature of this case, £46,000 is a fair, reasonable and proportionate sum for counsel.
29. I am not satisfied that I should allow the sum claimed for counsel in the claimants' bill. The claimants' wanted Mr. Meade and Mr. Whyte once they were available to represent them. They are entitled, if they wished to, to use them at the hearing having expected to be represented by Miss May QC. However there is no good reason why the costs consequences of that should be visited on the defendants.
30. Secondly, while again if they wish to be represented by a leader and a junior on a case like this that is a matter for the claimants. But I do not see why their opponent should

pay for the privilege. This application was the kind in which a leader did not need a junior.

31. Bearing all that in mind, I will assess the costs relating to counsel in the sum of £20,000. That takes into account the higher sum for Mr. Meade, which I do not think was necessarily any more or less reasonable than the sum for Mr. Tappin.
32. I do not believe there is any justification for reducing the sum claimed for the solicitors' fees.
33. Looking at it overall, I therefore summarily assess the claimants' costs in round figures as £67,000.
