Neutral Citation Number: [2020] EWHC 730 (Pat)

Claim No: HP-2019-000052

**IN THE HIGH COURT OF JUSTICE**
**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**
**INTELLECTUAL PROPERTY (ChD)**
**PATENTS COURT (by video conference)**

Royal Courts of Justice
The Rolls Building
7 Rolls Buildings
London, EC4A 1NL

Date: Wednesday, 25th March 2020

**Before**:

**MR. JUSTICE BIRSS**

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**Between:**

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| **ILLUMINA CAMBRIDGE LIMITED** | **Claimant** |
| **- and -** | |
| **(1) LATVIA MGI TECH SIA**<br>**(a company incorporated in the Republic of Latvia)** | |
| **(2) MGI TECH CO., LTD**<br>**(a company incorporated in the People's Republic of China)** | **Defendants** |
| **(3) MGI INTERNATIONAL SALES CO., LTD**<br>**(a company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China)** | **Proposed Defendants** |
| **(4) MGI COMPLETE GENOMICS HONG KONG CO. LTD**<br>**(a company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China)** | |
| **(5) BGI GENOMICS UK CO LIMITED** | |

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**MR. ANDREW LYKIARDOPOULOS QC** (instructed by **Powell Gilbert LLP**) appeared for the **Claimant.**

**MR. THOMAS MITCHESON QC** (instructed by **Allen & Overy LLP**) appeared for the **First and Second Defendants and the Third and Fourth Proposed Defendants. The Fifth Proposed Defendant did not appear**

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# Approved Judgment

Transcript of the Stenographic Notes of Marten Walsh Cherer Ltd.,
2nd Floor Quality House, 6-9 Quality Court, Chancery Lane, London WC2A 1HP.
Email: info@martenwalshcherer.com
Web: www.martenwalshcherer.com

**MR. JUSTICE BIRSS:**

1. This judgment was given at a case management hearing conducted using a video conference system. No-one needed to be physically in the same location. The solicitors, counsel and court staff cooperated to ensure that the hearing went smoothly, and that the papers were all exchanged electronically. It was a public hearing because the media were able to attend. A notice inviting media attendance was published on the cause list for the hearing and a representative of the media did attend.

2. This is an application to join a party into these proceedings. The party is called BGI Genomics UK Co. Limited. It is a United Kingdom company, part of Chinese-based group called the BGI group. The overall group has two parts. One part is generally referred to as MGI, and the other part generally referred to as BGI.

3. The case concerns rapid DNA sequencing. It is a patent infringement action. The patents relate to DNA sequencing machines and reagents used in DNA sequencing. The claimant, Illumina, has brought the infringement claim against two companies: Latvia MGI Tech SIA and MGI Tech Co., Limited. They are a Latvian and a Chinese company, both working on genomic sequencing technology. They are both in the BGI group.

4. An interlocutory injunction application was heard in December 2019 by Mann J. He gave a judgment the effect of which is that there are interim injunctions or undertakings in place pending trial. There is to be an expedited trial in November of this year.

5. The issue I have to resolve is whether a UK company BGI Genomics UK Co Limited should be joined into the proceedings as the fifth defendant. This company was referred to at the hearing before Mann J. It is the company which is going to be operating a laboratory in Whitechapel which is being set up at present. It is clear, on the evidence before Mann J and before me, that the company intended to use the sequencing technology this case is concerned with, including the sequencing machines and the reagents in issue. The claimant's position is that those activities will infringe the patents. The position of the defendants as a whole is that there is no infringement and the patents are invalid. Those are matters for another day.

6. The claimant contends that it has a properly arguable case of infringement against the putative fifth defendant, that the company has evinced a threat to infringe so that a claim can be brought against it. Furthermore it would make sense that the claim is brought in the same proceedings as these. The relevant provisions of the CPR are rule 19.2 (a) or (b). Either is satisfied because it would be desirable that the two sets of proceedings should be dealt with together.

7. In my judgment, there is a powerful case that this is the right thing to do.

8. Mr. Mitcheson QC appears for the first two defendants and for the proposed third and fourth defendants who are joined by consent today. However neither he nor his instructing solicitors are instructed by BGI Genomics UK Co Limited. Nevertheless Mr Mitcheson contends that I should not make an order under rule 19 joining the

putative fifth defendant into the proceedings. He says it is not desirable to do so for reasons I will explain in a minute.

9. The other matter I need to deal with it is the significance of the fact that Mr. Mitcheson and those instructing him are not instructed by BGI Genomics UK Co Limited. The putative fifth defendant was written to by a letter of 6th March 2020 by the claimant's solicitors. However it has only instructed solicitors, Bristows, very recently. Bristows attended the hearing but the firm is not formally instructed. They wrote to the court a letter dated 24th March, that is yesterday, explaining that they "represent the interests of" the putative fifth defendant. They have asked that this application be deferred until they can be formally instructed.

10. The first question I have to decide is whether I should defer this application. In my judgment, I should not defer this application. It seems to me that BGI Genomics UK Co Ltd has known about this for sufficient time that if it had wished to, it could and should have instructed lawyers to act for it in this jurisdiction to make submissions on this application. I am satisfied that it would not be a prejudice of any real significance to the company for this matter to be resolved now, and I will do so.

11. The two options Mr. Mitcheson proposed were first that the court should not make an order under rule 19, because he said it is not desirable that the company should be joined in the proceedings, and I will come back to that. His second suggestion was that, even if court was satisfied that such an order could be made, the order should include a liberty to apply to strike out or set aside the order to accommodate the position of the company not having solicitors or counsel representing it at the hearing today. I will decide what to do about that submission at the end of this judgment.

12. The first question I have to resolve is whether there is a properly arguable case that BGI Genomics UK Co Ltd could be a proper defendant to a patent infringement claim in this jurisdiction. On the material I have seen, I am satisfied there is a proper arguable case. It is quite clear to me on the evidence that the company, until these proceedings commenced, did intend to operate the technology which the claimant alleges infringes the patent. I should make clear, I am probably repeating myself, that is in no sense a finding that they do infringe or these patents are valid. At this stage all there is is a properly arguable case. It is pleaded out in the draft Particulars of Infringement. These were provided, amongst other things, to the company in the letter of 6th March. If the Whitechapel laboratory, as it intends to do, uses the sequencers in question, they will be using sequencers which are alleged to infringe, and using reagents which are alleged to infringe.

13. Therefore, particularly bearing in mind that BGI Genomics UK Co Ltd is a UK company, the claimants could, if they wished, issue a claim form today which would not be strikeable against that company.

14. The next question and really the only question is whether it is desirable, in those circumstances, to bring these two claims together.

15. I agree with Mr. Lykiardopoulos QC, it really would be extraordinary if two patent infringement claims about the same patent, with the same technology, and relate to companies which are ultimately part of the same group were not brought together to

be heard and dealt with at the same time. Nevertheless, I will examine the reasons which are advanced as to why it would not be desirable.

16. The first point made by Mr. Mitcheson is that the interim injunctive relief or undertakings mean that, in practice, it is not likely that BGI Genomics UK Co Ltd would ever infringe the patents, if it turns out that the patents are valid and have been infringed, because the undertakings will regulate the position before trial and the supplies were always going to come from the parties in the case. I see the sense in that but, in my judgment, it is open to the claimants, as they have suggested in Ms. Hopewell's evidence, and also, just, in their amended pleading (although it could be better expressed), to allege that given that the company does intend to operate the laboratory using the relevant machines and reagents, the company could obtain the relevant products from someone else and not necessarily from the first, second, third and fourth defendants. Therefore, it is not the case that it inevitably follows that if the first four defendants lose the action, the fifth defendant will necessarily not infringe.

17. This raises a general question of whether the proceedings, on their own, would be binding on the fifth defendant if they are not a party. Ordinarily, one would not have thought the court would have needed to be troubled with this, because given the way that corporate groups operate, they tend not to try to argue that a different member of the same corporate group is not bound by decisions in patent cases of this kind. However, what is clear to me is that BGI Genomics UK Co Ltd is taking the position that it is separate and distinct from the first four defendants. It may or may not be right about that for the purpose of the outcome of these proceedings, but that is all the more reason why it needs to be joined in these proceedings, in order that the result is binding on it. For those reasons, I reject Mr. Mitcheson's first point.

18. The other point that is suggested is that it is undesirable for customers to be embroiled in litigation. That is a truism, but it does not mean customers of alleged infringers are given any special treatment in the context of joinder into proceedings. There is a law of threats which can assist in certain contexts but that is not what is relevant in this case. I also bear in mind that BGI Genomics UK Co Ltd is, as Mann J described it, a special kind of customer, because after all it is ultimately a company in the same overall group. Its status as a customer is not a reason why this company should not be joined in these proceedings.

19. What is clear from Mr. Mitcheson's submissions however is that there is a possibility that some sort of agreement might be reached between BGI Genomics UK Co Ltd and the claimants as to its status in these proceedings. Accordingly, what I am going to do is make the order as sought by the claimants, but I will make a provision that it does not come into force for 14 days. That is not to give anyone liberty to apply to set it aside, but it is to give the fifth defendant and its legal advisers the ability to negotiate with the claimant. If they can come to an accommodation which means that the company does not have to be made a party, then the order will not come into force by consent; but otherwise, the order will come into force in 14 days. That is my decision.

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