

PATENTS ACT 1977

IN THE MATTER OF

an application by

Carless Refining & Marketing Limited

for disclosure relating to an order

under section 37 on GB Patent No 2287052

in the name of Sofitech

DECISION

Introduction

1. UK Patent No. 2287052 in the name of Sofitech N.V. (hereafter “the Opponent” in the section 37 proceedings) was filed on 1 September 1994 under application No. GB 9508385.3 claiming priority dates of 1 September 1993 and 29 June 1994. The patent was granted on 13 March 1996. It relates to a biodegradable wellbore fluid having a continuous oil phase which comprises at least 50% by weight of an n-alkane having from 10 to 20 carbon atoms, or a mixture of such alkanes.

2. On 12 March 1998, Carless Refining & Marketing Limited (hereafter “the Referrer” in the section 37 proceedings) filed an application under section 37 for an order that it be included among the persons registered as proprietors of GB Patent No. 2287052 (hereafter “the patent”), either solely or jointly with the current proprietor.

Background

3. In order to prepare the case for the main hearing, the Referrer in a letter dated 23 July 1999 requested copies of Mr Sawdon’s (the inventor’s) notebooks and any internal business documents of International Drilling Fluids Limited (hereafter “IDF”) relating to the invention which was the subject of the patent for the period 1 September 1992 until 31 August 1993. (Until 1 September 1993 IDF was a part of the New London group and was then acquired by the Schlumberger group of which Sofitech N.V., the registered proprietor, is a company).

4. On 25 August 1999 the Opponent questioned the relevance of such documents and submitted that it would be onerous and expensive to collect, collate and review documents to identify and make available to the Referrer those documents that might relate to the invention. Subsequently, on 31 August 1999, the Opponent advised that there was nothing relating to the invention in the notebooks or internal business documents in the period 1 September 1992 until 12 March 1993. Further, they were of the view that there was nothing in the notebooks or documents that would be of any benefit to the Hearing Officer deciding the matter of entitlement at the main hearing scheduled for 10 November 1999.

5. Although the request to the Opponent relating to the notebooks was dealt with to the Referrer's satisfaction, the request relating to the internal business documents was not. The Referrer argued that it was clear from the exhibits attached to Mr Sawdon's Affidavit that members of the team involved with drilling fluids corresponded regularly and that it was therefore likely that there was correspondence following the meeting on 12 March 1993 between IDF and the Referrer at which n-alkanes were discussed which was likely to be relevant to the issue of entitlement. Therefore, on 7 September 1999 the Referrer sought a direction from the Comptroller under rule 106 that the Opponent disclose any internal business documents of IDF between 12 March 1993 and 1 September 1993 relating to the invention which is the subject of the patent.

6. The preliminary view of the Office on 15 September 1999 was that disclosure of documents after the meeting held on 12 March 1993 was unlikely to be of help in reaching a decision in the main hearing. However, the Referrer, who was considering whether to request a hearing to decide the disclosure issue, proposed in a letter dated 22 September 1999 to the Opponent's agent that if they were prepared to proceed on the basis that the case would be contested on the footing that the Opponent may be in possession of documents after 12 March 1993 which undermine its case, then the Referrer would not pursue an application for disclosure. In a letter dated 29 September 1999, the Opponent confirmed that they would not agree to proceed on such a basis.

7. Therefore, a preliminary hearing to decide the issue of disclosure prior to the main

hearing was arranged for 8 October 1999. At the preliminary hearing, the Referrer (hereafter “the Applicant”) was represented by Miss Butcher of Ashurst Morris Crisp and the Opponent (hereafter “the Respondent”) was represented by Mr Nash of Haseltine Lake & Co.

Relevant law on disclosure

8. In **Merrell Dow Pharmaceuticals Inc’s (Terfenadine) Patent [1991] RPC 221**, the Patents Court confirmed that the Comptroller has the power to order discovery. The Court also confirmed that the principles mirror those followed by the High Court under Order 24 of the old Rules of the Supreme Court, namely that discovery should only be ordered if documents relate to matters in question in the proceedings (Order 24, rule 1) and disclosure is necessary to dispose fairly of the proceedings (Order 24, rules 8 and 3(1)). Consequently, rule 103(3) of the Patents Rules 1995 provides that the Comptroller has all the powers of a judge in the High Court in relation to discovery, other than the power to punish summarily for contempt of court.

9. We now have the new Civil Procedures Rules. The significant changes in relation to disclosure in these new rules concern general disclosure which is not applicable in Office proceedings. However, there is nothing in Part 31 of the Civil Procedures Rules 1998 which would indicate that the rules and practice on disclosure in the Office should not continue to mirror the courts in deciding whether to grant specific disclosure. Thus I consider it is right that the Comptroller should continue to mirror the courts on the matter of disclosure and should follow the principles outlined in the new Civil Procedure Rules.

The arguments for and against disclosure

10. At the hearing, Miss Butcher submitted that it was important for the Applicant to determine what was in Mr Sawdon’s head and what conclusions were drawn from the 12 March 1993 meeting. Although there were a lot of IDF documents relating to n-alkanes pre-12 March 1993, the Respondent was silent on the post- 12 March 1993 documents, other than to refer to the administrative burden of identifying relevant documents. She added that a

search had already been carried out by the Respondent to identify documents which help their case so why not a search to identify those which might not help their case.

11. Miss Butcher then referred to certain case law in support of the Applicant's case for disclosure of the post- 12 March 1999 documents. The Applicant maintained that the current case was more relevant than **Ajinomoto's Patent No. 916,284 [1965] FSR 95**, in which discretion was exercised where problems existed that cannot be resolved under the Rules. Documents could be identified to the Hearing Officer who could then disclose to the Applicant if they were considered relevant. The application for disclosure in **Temmler-Werke's patent [1966] RPC 187** was considered premature and was not similar to the present entitlement proceedings in which the documents are considered critical to the fundamental issue. In **John Guest (Southern) Ltd's Patent [1987] RPC 259** although disclosure of all documents had been sought, only disclosure of certain documents that were considered relevant was in fact agreed. In this respect, the Applicant had already identified a narrow time period of about 6 months and had restricted the documents to only those persons directly involved in the drilling fluids project. Finally, in **Merrell Dow Pharmaceuticals Inc's (Terfenadine) Patent [1991] RPC 221**, the Comptroller's powers concerning disclosure was clearly established as following those of the High Court.

12. Miss Butcher added that the Applicant suspected that the documents post- 12 March 1993 may be important to the section 37 proceedings and questioned whether the exercise by the Respondents to identify relevant documents would in fact be too onerous. She also indicated that the Applicant was likely to appeal if the section 37 proceedings failed before the Comptroller and would then be able to take advantage of the disclosure rules available in the High Court. However, there was concern that should the Comptroller turn down an application for disclosure at this stage, a subsequent request for disclosure in the High Court would be subject to estoppel.

13. According to Mr Nash, the Respondent agreed with the preliminary view of the Office and confirmed that what was important was what happened before the 12 March 1993 meeting. He was of the opinion that the Applicant was speculating and added that the Applicant would

have the opportunity of cross examining Mr Sawdon, the inventor, under oath at the main hearing on his sworn Affidavit. The Respondent would be put to significant effort and expense - effectively having to turn out the contents of their filing cabinets - if disclosure was allowed. Although six persons had been named by the Applicant, there were up to ten who were also involved in the project. They did not all work in St Austell and some of them were no longer working for Sofitech.

14. Mr Nash referred to the quote made by Aldous J. in **Merrell Dow Pharmaceuticals Inc's (Terfenadine) Patent [1991] RPC 221** that although the Comptroller should follow the principles on discovery applicable in the High Court, it should not mean that the burden of discovery should become more widespread in Patent Office proceedings, that discovery is not normal in proceedings before the Comptroller, and that experience has shown that discovery has not been necessary in most cases that have come before the Comptroller.

15. Mr Nash submitted that this disclosure exercise was not unlike that in **LIFESAVERS Trade Mark [1997] RPC 563** and in particular referred to the reference to **Compagnie Financière du Pacifique v. Peruvian Guano Co. (1882) 11 Q.B.D. 55** which deals with the relevance of discovery and makes it clear that discovery should not require parties to civil litigation to turn out the contents of their filing systems as if under criminal investigation merely on the off-chance that something might show up. There was also the issue of time pressure due to the main hearing being only a few weeks away.

16. Miss Butcher accepted that Mr Sawdon would be available for cross examination but added that the Applicant was after documents that demonstrated the 'quality' of his ideas and thoughts and their subsequent development. The Applicant was not in fact seeking a trawl of the filing systems of the Respondent - the files had been identified by the Applicant as those specifically relating to the n-alkane drilling fluids project. Also, the Applicant was merely following the provisions of section 37 by choosing the Patent Office route and not the High Court route to resolve the entitlement matter.

Conclusion

17. At the hearing, I reminded the representatives of the parties that the preliminary view of the Office had been that disclosure of business documents of IDF after 12 March 1993 was unnecessary since there was a lot of evidence already available to the Referrer in the section 37 action before that date. I was mindful at the hearing that the Applicant who is requesting disclosure bears the burden of convincing the Comptroller that the documents sought are indeed relevant. I am also mindful that under certain circumstances requests for disclosure may amount to no more than fishing expeditions. Therefore, in this application for disclosure, the Comptroller has a clear responsibility to order disclosure only if the documents requested relate to the matter in question, i.e. the main section 37 proceedings, and that disclosure is necessary to dispose fairly of those proceedings; I shall now address both of these matters.

18. At the hearing the Referrer satisfied me that there is a case for suggesting that there may be documents relevant to the invention of the patent in existence after the meeting held on 12 March 1993. If such relevant documents exist then I should be made aware of the facts contained in them to allow the Comptroller to dispose fairly of the section 37 proceedings.

19. I am further satisfied that the Applicant only wishes to seek those internal business documents of IDF which relate to the n-alkane drilling fluids project. At the hearing, Miss Butcher agreed that the files would be restricted to the names of the individuals to whom Mr Sawdon had sent a detailed status report, viz. S Lescaut, C Wayte, A Seedat, L J Fraser, M H Hodder and D J Oakley, the names identified in the Applicant's letter dated 7 September 1999.

20. The Applicant has sought disclosure over a five and a half month period. However, I am of the view that relevant documents are more likely to exist in the few weeks immediately after the meeting rather than over the five and a half month period following the meeting. I am thus inclined to shorten the period available for disclosure that was originally applied for by the Applicant from five and a half months to seven weeks.

21. To conclude, I am of the view that it is likely that relevant documents exist after the March 1993 meeting that may indicate what was in the inventor's head before the meeting. I do not feel comfortable in assuming that internal IDF correspondence and memos relating to the n-alkane drilling fluids project stopped after that meeting. Neither do I accept that such a restricted disclosure of documents would be onerous upon the Respondent and involve the significant effort and expense that Mr Nash referred to at the preliminary hearing.

Order

22. I order that Sofitech N.V. discloses to Carless Refining & Marketing Ltd. those internal business documents of International Drilling Fluids Ltd. relating to the invention of GB 2287052 dated between 12 March 1993 and 30 April 1993. The disclosure should be restricted to those documents relating to the n-alkane drilling fluids project and to the individuals identified in the Applicant's letter dated 7 September 1999, viz. S Lescaut, C Wayte, A Seedat, L J Fraser, M H Hodder and D J Oakley. Sofitech N.V. may comply with this order either by supplying copies of the relevant documents or by allowing a legal representative of Carless Refining & Marketing Ltd. to inspect them and take copies. The disclosure should be made within 14 days of the date of this decision.

23. Representations to the Comptroller from either party on matters relating to any of the relevant documents should be made within 21 days from the date of this decision. Should no relevant documents within the terms outlined above be identified, the legal representative for Sofitech N.V. should inform the legal representative of Carless Refining & Marketing Ltd and the Comptroller accordingly within 14 days from the date of this decision.

Appeal

The period within which any appeal from this decision should be lodged is 14 days from the date of this decision.

Dated this 15th day of October 1999

R J MARCHANT

Assistant Comptroller, acting for the Comptroller

THE PATENT OFFICE