

PATENTS ACT 1977

IN THE MATTER OF a reference under sections 8, 12, 13 and 82 by I.D.A. Limited, Colin Thomas Metcalfe, David Julian Lax and Polymer Powder Technology (Licensing) Limited in respect of UK application No GB 9814507.1, international application No PCT/GB99/02090, European application No 99929525.6 and Australian application No 4631799 in the name of the University of Southampton, and of applications for a patent deriving or claiming priority therefrom

SECOND PRELIMINARY DECISION (INCLUDING DIRECTION AS TO CONFIDENTIALITY)

Introduction

- 1 The applications in suit relate to the control of insect pests, particularly cockroaches, by exposing them to a composition containing magnetic particles. The GB application was filed on 3 July 1998 and the other identified applications claim priority from it. The above reference was filed on 17 September 2001, and after a hearing to settle certain preliminary matters, the defendants filed a counter-statement and the usual evidence rounds were completed. The substantive hearing is due to commence on 25 November 2002.
- 2 On 29 May and 25 June 2002, during the evidence rounds, I gave directions that certain evidence filed by the defendants was to be treated as confidential and to be made available only to the claimants' professional advisers. The claimants have disputed this, and also they have subsequently filed their evidence in reply with a request for it to be treated as confidential. This has resulted in a considerable volume of correspondence between the Office and the parties, with a view to establishing what the public interest required, whether there was common ground between the parties, and if not whether a compromise was possible. In the course of this correspondence the defendants alleged that the claimants had breached my earlier directions, and this is denied by the claimants.
- 3 In the event, it has not proved possible for the parties to reach agreement on all these matters, and they have agreed that the comptroller should decide the issue of confidentiality on the basis of the submissions on file. Thus I will now do, but I should make it clear that this decision relates only to the issue of confidentiality, and does not embrace the requests for disclosure and inspection of documents which the claimants have made in their letter of 23 August 2002. These will be separately considered.

Defendants' evidence in chief

- 4 In my earlier directions I afforded confidentiality respectively to three first witness statements and to a second witness statement of Professor Philip Edwin Howse. This had

been requested by the defendants on the grounds that the statements related to information which was the subject of confidentiality obligations owed by the University of Southampton to a third party not involved in the dispute, whom I shall refer to in this decision as “X”. I also directed that the copies of the covering letters accompanying the evidence which were to be made public should be edited to mask certain portions going to the reasons for the requests, including the name of “X”.

- 5 As the defendants did not agree to the evidence being shown to the claimants or their professional advisers before the comptroller had determined the issue of confidentiality, I was unable to seek the views of the claimants before issuing my directions. The claimants were not content with the directions, believing their subject matter to be relevant to issues central to the proceedings. Their view is that the evidence should either be in the public domain, or failing that, that the “confidentiality club” in respect of these directions should be extended beyond the professional advisers to include two of the claimants, Mr Metcalfe and Dr Lax, on the grounds that technical input is necessary and seeing material which is said to pre-date the invention would enable them to understand its technical implications.
- 6 The defendants do not accept this, but are prepared to make the evidence available to any independent expert proposed by the claimants, to be approved in advance by the defendants and who will be under appropriate obligations of confidentiality. The claimants however believe that this would be disproportionate in cost and time.
- 7 The Office has expressed its willingness to review the existing directions (see letters to the parties dated 27 August 2002). The defendants believe these to have been correct, but the claimants have drawn my attention to paragraph 118.13 of the Office’s “Manual of Patent Practice”, which explains the criteria to be applied in considering requests for confidentiality in the light of the judgment of the Patents Court in *Diamond Shamrock Technologies SA’s Patent* [1987] RPC 91, and to the subsequent decision of the comptroller in *Knuttsen and Bjork’s Patents* [1996] RPC 461 in which these principles were applied. The relevant criteria as laid down in the Manual are:

“....

- (c) Material which is going to form no part of the decision can remain confidential.
- (d) Material supplied by a third party on the basis of confidence, which involves minimal excisions from a decision, should be maintained as confidential unless there is some overwhelming public interest, which makes it desirable that the public should have sight of it.
- (e) The appropriate procedure is for the matter to be dealt with prior to a substantive hearing so that if ruled against, the person proffering the document can make up his mind whether he will go forward publicly, or have the material withdrawn.”

- 8 Having considered the evidence afresh in the light of the points made by the parties, it seems to me that it relates to matters which bear upon who first conceived the idea of using magnetic particles instead of electrostatic particles, and when. If not withdrawn, this evidence is almost certain to have a substantial bearing on the outcome of the proceedings and is most unlikely to satisfy criteria (c) and (d) above. I therefore believe that there is a presumption that it should be in the public domain, notwithstanding that the defendants have given obligations to a third party not involved in the proceedings and wish these to be

protected.

- 9 This brings to the fore the question of whether the name of “X” should remain confidential in the evidence and associated correspondence. In the defendants’ evidence which is open to public inspection, paragraph 4 of the first witness statement of Professor Howse foreshadows the filing of his second witness statement in confidence on the grounds that confidentiality obligations prevented him from disclosing the name of the sponsor for whom he was working at the relevant time. If there was nothing more, I could perhaps have seen some justification for the request, bearing in mind that Professor Howse was working for them on electrostatic rather than magnetic powders.
- 10 However, as has been pointed out by the claimants, there are a number of passages in the defendants’ evidence which appear to name “X”, and involvement of “X” with the claimants in the fields of pest control and electrostatics has been mentioned in the first witness statement of the defendants’ patent agent, Susan Allard, which is open to public inspection. Further, I note that the evidence in reply subsequently filed by the claimants picks up this point in exhibit CTM 14 to Mr Metcalfe’s second witness statement and goes further by suggesting that there may have been some continuing negotiations between “X” and the defendants in respect of the present invention (see the concluding paragraph in the second witness statement of Mr Brown). In all of these passages “X” is named, and as regards the evidence in reply they are not amongst those passages for which the defendants suggest in their letter dated 11 October 2002 that confidentiality should be maintained.
- 11 I believe that this tips the scales in favour of the name of “X” being open to public inspection in the evidence which is at present confidential, and in the covering letters dated 14, 17 and 31 May 2002 which accompanied the various items of this evidence.
- 12 I am therefore minded to direct that the existing directions should be withdrawn and the documents laid open in their entirety to public inspection.
- 13 The defendants have asked for an opportunity to consider their position before any of the existing confidentiality directions are varied or withdrawn. I observe that criterion (e) in the passage from the Manual quoted above envisages that they should have an opportunity before the substantive hearing to consider whether they wish to go ahead publicly or have the matter withdrawn.
- 14 I am conscious that if the directions are withdrawn, and that if in consequence the defendants’ obligations to a third party prevent them from putting in crucial pieces of evidence, then they may not be able to put forward their best case - which hardly serves the interests of justice. Before making any further order, I will therefore give the defendants a period of 7 days to consider their position and to comment as to what might be the best way forward. I observe that the defendants have to date rested their case on the assertion that third party obligations prevent the evidence from being made public, and have given no other convincing reasons why it should not be shown to any of the claimants, or why the entire contents of the evidence need to be kept confidential.
- 15 I would point out however that if the defendants do wish to withdraw any of the material, the question of whether it should be disclosed under rule 103 or made available for inspection under rule 106 may still need to be considered.

16 The defendants have also requested that whilst this matter is under consideration a number of passages in the claimants' correspondence should not be open to public inspection. I am satisfied that under rules 94(1) and rule 110(1) there is discretion for the comptroller to accede to this request at this stage, and I am satisfied that it is reasonable in the circumstances. I will make no formal direction pending comments from the defendants as requested above, but in the meantime the following passages will be masked from the copies of the letters on the public file:

14 August 2002 - the name of "X" in 1(i), 2 and 3;

23 August 2002 - in the first and fourth complete paragraphs on page 2, the identity of "X" and of the witnesses providing the statements covered by my direction dated 29 May 2002 and in paragraphs; and in paragraphs 1(2) and (3) of "Disclosure" the identity of "X";

5 September 2002 - the matter in brackets in paragraph 3.4; and

10 September 2002 - third paragraph.

17 The defendants have also filed a letter dated 29 October 2002 headed "Confidential:Professional Advisers Only", which deals with this matter in the context of the alleged breach of confidentiality. No formal request for confidentiality for this letter has been made, and so for the time being again I will make no formal direction pending the aforesaid comments from the defendants.

18 I would however mention that, in accordance with my conclusion above, I would be minded not to exclude any of this correspondence from public inspection. It would seem particularly undesirable in the case of the letter of 10 September, since it goes to the claimants' requests for cross-examination and disclosure. This reinforces the view that the evidence in question and the ancillary correspondence are of sufficient importance to the determination of the reference to warrant them being open to public inspection.

Breach of confidentiality order

19 The defendants have alleged that the claimants have acted in breach of the existing confidentiality orders by mentioning the name of "X" in subsequent correspondence, an allegation which the claimants deny. In raising this (in their letter dated 10 September 2002), the defendants ask the comptroller "to consider this serious matter". It is however not clear what action the comptroller is being asked to take, or indeed can take. I am not aware of, and have not been directed to, any provision of the Patents Acts and Rules which give the comptroller power to take any action in respect of a breach of confidentiality directions under rule 94(1).

20 If the defendants consider that there has been a breach, it will be for them to pursue such action at law as they consider appropriate. If they consider that this is a matter for the comptroller, they should specify what they want the comptroller to do and the legal basis for this. In the meantime, I do not propose to take any further action in the matter, beyond reiterating that any confidentiality directions remain in force until varied or withdrawn by subsequent directions.

Claimants' evidence in reply

- 21 This evidence comprises second witness statements from Mr Allan Ernest Churchman, Mr Colin Thomas Metcalfe, Mr Ralph Lyman Brown and Dr David Julian Lax and a first witness statement from Mr Nasser Al Salem. These were originally filed with a request for them to be kept confidential in their entirety (although they have been made available to the defendants' professional advisers), on the grounds that it might not be helpful to the University of Southampton and could affect the funding of departments other than the Department of Entomology.
- 22 However, subsequent correspondence has made clear that such fears are not justified. The area for which confidentiality is requested has been narrowed down to a relatively small number of documents or parts thereof, on which there is a measure of agreement between the parties. The claimants appear to be willing to make at least some of this available to the defendants on a "need to know" basis. I will deal with the particular documents in turn.
- 23 ***The passage headed 35C(i) [Myparagraph18] and the corresponding exhibit AEC2 in Mr Churchman's second witness statement.*** The claimants requested confidentiality for this on the grounds that it contained information proprietary to Dr Aston. The Office pointed out that this did not appear to cover the first paragraph of 35C(i), which related to a quite different matter, and the claimants have agreed. I am satisfied that confidentiality is justified for the remainder of this passage and for the exhibit for the reasons sought, given that the information would appear to be relatively peripheral to the matters to be determined.
- 24 ***Paragraph H32 in Mr Metcalfe's second witness statement.*** The claimants requested confidentiality for "a portion" of this on the grounds that it related to the claimants' business and was not related to the present proceedings, but following a query by the Office they have accepted that confidentiality is not necessary. I agree.
- 25 ***Parts of exhibit CTM17 to Mr Metcalfe's second witness statement.*** Although the defendants do not consider this to be confidential, I accept the claimants' contention that the parts which they identify, namely all of sections (a), (c) and (e) and the part of (d) after "plans to run our", relate to projects which have no relevance to the present proceedings. I agree that these parts may be treated as confidential.
- 26 ***Exhibit CTM 11 in Mr Metcalfe's second witness statement , exhibit RLB 5 in Mr Brown's second witness statement, and references thereto in the statements.*** These exhibits are copies of the same agreement, and the defendants have said that they believe it to be a confidential document to which none of the claimants are signatories. Indeed paragraph 8.3 of the agreement states that the parties are required to keep the contents confidential subject to certain exceptions for the proper carrying on of business. The claimants are content for the documents and passages in question to remain confidential until the substantive hearing.
- 27 However, Mr Metcalfe's witness statement suggests that the document includes pages from the Companies House website, and the Office has raised with the parties the question of whether the document is truly confidential, without eliciting any comments going beyond

what is stated above. This is not a satisfactory state of affairs. If parts of this document are open to the public it is inappropriate for confidentiality to be accorded, and the mere fact that a party believes it to be confidential does not necessarily mean that it should be excluded from public inspection (see the aforesaid paragraph 118.13 of the Manual).

- 28 It is desirable, as stated above, for the matter to be dealt with before the substantive hearing. Before giving any directions I will therefore give the parties a period of 7 days to identify which parts of the document, if any, are open to public inspection via the Companies House website or otherwise. Failing any such identification I will direct that that it and the references thereto should be open to public inspection. In the meantime however, the exhibits and the references thereto (the concluding sentence of paragraph 3.1 of Mr Metcalfe's statement and the wording after "commenced" in 35D(v) of Mr Brown's statement) will not be open to public inspection. In respect of Mr Brown's statement, this is narrower than suggested by the defendants, but I cannot see that any wider confidentiality is justified merely to protect details of the agreement.
- 29 **Correspondence.** The claimants' two letters dated 23 August 2002 headed "Confidential Disclosure to the Patent Office Only" and "Confidential, Professional Advisors Only" which accompanied various items of the evidence in reply have been kept off the public file pending clarification of the confidential status of this evidence. In the light of the above I see no reason for these letters to be excluded from public inspection, except, and for the time being, for those parts identified in paragraph 16 above.

Confidentiality direction

- 30 In respect of the defendant's evidence and correspondence which is already subject to confidentiality directions, I will make no order varying or withdrawing the existing directions under rule 94(1) without giving the defendants an opportunity to comment on my findings above. The defendants have a period of 7 days from the date of this decision to make such comments, and the claimants will then be given an opportunity to comment on these. In the meantime, the existing directions remain in force.
- 31 In respect of the claimants' evidence in reply, I direct that all this evidence should be open to public inspection with the exception of:
- (i) part 35C(i) of Mr Churchman's second witness statement (except the first paragraph) and Exhibit AEC2;
 - (ii) all of parts (a), (c) and (e), and the wording after "plans to run our" in part (d), in Exhibit CTM 17 to Mr Metcalfe's second witness statement;
 - (iii) the concluding sentence of paragraph 3.1 of to Mr Metcalfe's second witness statement, and all of Exhibit CTM11 thereto; and
 - (iv) the wording after "commenced" in part 35D(v) of Mr Brown's second witness statement, and all of Exhibit RLB5 thereto.
- 32 I direct that items (i) and (ii) shall not be open to public inspection, but shall be disclosed at least to the professional advisers of the defendants. They may be disclosed also to such

other persons as the claimants and defendants may agree between themselves.

- 33 I will make no formal direction in respect of items (iii) and (iv) without giving the parties an opportunity to confirm what parts if any of these are already open to public inspection. The parties have a period of 7 days from the date of this decision to do this. In the meantime items (iii) and (iv) will not be open to public inspection, but shall be disclosed at least to the professional advisers of the defendants and may be disclosed to such other persons as they may agree between themselves.
- 34 I also direct that the correspondence filed by the parties, with the exception of that covered by the existing directions, should be open to public inspection, except for the parts of the claimants' letters identified in paragraph 16 above, and the defendants' letter dated 29 October 2002. In respect of these, I will make no formal direction until the parties have had an opportunity to comment, as provided above, on my findings in respect of the existing directions. In the meantime items these parts will not be open to public inspection, but shall be disclosed at least to the professional advisers of the parties and may be disclosed to such other persons as they may agree between themselves.
- 35 Given that there is now relatively little time before the date currently set for the substantive hearing, and that the parties are shortly to meet to discuss a possible settlement of the dispute, I will leave it to them to make such arrangements as they consider appropriate for the supply to the defendants of a suitably edited version of the claimants' evidence in reply.

Costs

- 36 Neither party has made a specific request for costs in respect of the determination of confidentiality, and I consider that it would be preferable for any such costs to be left for the substantive hearing.

Appeal

- 37 This being a procedural matter, the period for appeal is 14 days.

Dated this 30th day of October 2002

R C KENNELL

Deputy Director acting for the Comptroller

THE PATENT OFFICE