

## **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

### **THIRD PRELIMINARY DECISION**

#### **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 resulting in a first preliminary decision on 12 February 2002, the usual evidence rounds were completed. The substantive hearing is due to commence on 25 November 2002.
- 2 There are however issues outstanding regarding the confidentiality of certain items of evidence and information, and whether disclosure and inspection of further documents should be ordered. On 30 October 2002 I gave a second preliminary decision in respect of the former, and both parties are agreed that I should deal with the latter on the papers.
- 3 In their letter dated 23 August 2002, the claimants request the comptroller to order disclosure and inspection of a number of items under rules 103(3) and 106 of the Patents Rules 1995, and to order the supply under rule 112 of a copy of a 1996 research agreement between the University of Southampton and a company "X", whom I shall identify thus in this decision since a dispute between the parties as to whether its identity should be confidential has not yet been resolved. The agreement is referred to in both the first and second witness statements of Philip Howse.
- 4 Before dealing with these requests, it will be helpful to mention briefly what this dispute on inventorship and ownership is about. In the applications in suit Philip Howse and Roger Ashby are named as the inventors. The nub of the claimants' case is that the idea of using magnetic particles instead of electrostatic particles in insect traps had originated from Colin Metcalfe, with later contributions on the encapsulation of magnetic powders being made by David Lax. The claimants allege that Mr Metcalfe telephoned Dr Howse (now Professor Howse although for convenience I will refer to him by his title at the relevant time) on 24 April 1998 to suggest the use of magnetic particles, having read a newspaper

article dated 2 April 1998 about a cockroach trap invented by Dr Howse which used electrostatic powder. However, the defendants allege that Dr Howse had by then already conceived the idea of using magnetic particles to trap or kill insects having disclosed it in confidence to others in autumn 1997, and that Mr Ashby's contribution related to the magnetic materials themselves.

### **Supply of copies under rule 112**

- 5 I will deal first with the request for a copy of the 1996 research agreement (which is also referred to in the request for disclosure). This request is made under rule 112 of the Patents Rules 1995, which requires a copy to be furnished of any document (other than a published UK specification or application) referred to in evidence which is required by the Act or Rules to be filed at the Office.
- 6 I am in no doubt that a specific document is being identified at least in the second witness statement of Dr Howse (at present subject in its entirety to confidentiality directions under rule 94(1)): this goes further than the first witness statement by identifying the date of the agreement and the parties to it. This document ought therefore to have been supplied to the Patent Office and to the claimants under rule 112.
- 7 The defendants resist this on the grounds that the document and the identity of "X" are confidential, but the claimants, referring to *Alfred Crompton Amusement Machines Ltd v Customs and Excise Commissioners (No 2)* [1974] AC 405, do not believe this to be a proper objection to disclosure, and are content that the document be supplied to their legal advisers in confidence. I have not been specifically referred to anything in *Alfred Crompton* but I accept the claimants' contention and I consider that it applies to both the supply of a copy under rule 112 and the disclosure of documents under rule 103.
- 8 I therefore order the defendants to supply a copy of this document to the Patent Office and to the claimants within 7 days of the date of this decision. It is open to them to request that the document is subject to confidentiality under rule 94(1), but it should be made available to at least the legal advisers of the claimants. If a request for confidentiality is made, I will consider this on its merits, taking account of any response which the defendants may make in response to my second preliminary decision of 30 October 2002 concerning confidentiality in relation to *inter alia* the second witness statement of Dr Howse and the identity of "X".

### **Disclosure**

- 9 I turn now to the request for disclosure, and I reiterate the point which I made in my first preliminary decision in this case, in which I declined to order disclosure of certain documents before the evidence rounds had commenced. Disclosure is not common in proceedings before the comptroller and, as explained in the Patent Office's Tribunal Practice Notice 1/2000, it is not expected that this will change following the Office's reconsideration of its tribunal functions in response to Lord Woolf's report *Access to Justice*. The basic tests for the comptroller to apply are still those set forth in *Merrell Dow Pharmaceuticals Inc's (Terfenadine) Patent* [1991] RPC 221, namely whether the documents relate to the matters in question and whether their disclosure is necessary to dispose fairly of the proceedings or to reduce costs, although it is accepted that the Office

should now put greater emphasis on the principle of proportionality and the need to ensure that proceedings are dealt with expeditiously.

- 10 Although in my earlier decision I suggested that the completion of the evidence rounds might be a convenient point to consider whether an order for disclosure of documents is necessary, the consideration at that point will still be governed by the above principles.
- 11 I will deal in turn with specific items for which disclosure is sought, retaining the numbering adopted by the claimants. The parties would in fact appear to be in broad agreement on categories (1) and (3), which are documents relating to:

*“(1) the alleged conceiving of the idea of using magnetic particles to trap and/or kill insects before any contact between the University of Southampton, Philip Howse or Roger Ashby and any of the Referrers (including experiments allegedly performed and/or contributions allegedly made by Philip Howse, Roger Ashby, Karen Underwood, Ian Baxter and/or at their direction)”*

*“(3) the receiving or alleged creation of information contained in the patent applications in issue by the Applicants or any of them including discussions between Philip Howse and Colin Metcalfe, David Lax, Roger Ashby, Karen Underwood, Susan Allard and/or any others concerning the subject matter thereof”*

The defendants have said that they agree to the claimants' requests on these, provided that (1) includes experiments or contributions made by the claimants or at their direction, and (3) includes the claimants and any other persons with whom the claimants discussed the subject matter. The claimants accept these provisos.

- 12 I am satisfied that documents within these categories relate to the matters in issue, and that their disclosure is necessary to dispose fairly of those proceedings. I therefore order the disclosure of documents relating to:

- the conceiving of the idea of using magnetic particles to trap and/or kill insects before any contact between the University of Southampton, Philip Howse or Roger Ashby and any of the claimants, including experiments performed and contributions made by the parties (and specifically by Philip Howse, Roger Ashby, Karen Underwood and Ian Baxter) or at their direction, and

- the receiving or creation of the information contained in the patent applications in suit by the parties and any persons with whom they discussed the subject-matter of the applications, and specifically any discussions between Philip Howse and Colin Metcalfe, David Lax, Roger Ashby, Karen Underwood and Susan Allard.

- 13 Category (2) reads

*“the alleged discussion of the above with ... and related companies including the alleged Research Agreement dated ... 1996 between them and Southampton University and communications concerning the alleged use of magnetic particles with ... and related companies” :*

the research agreement is that identified above which I have ordered to be furnished under rule 112, and I have omitted the date and the identity of "X". The defendants resist disclosure on the grounds that this is confidential information. However I accept the claimants' arguments, outlined above, that this is not a sufficient reason to object to disclosure. Further, bearing in mind (i) that the defendants' case turns on events which took place during the tenure of the research agreement before the first contact between Dr Howse and Mr Metcalfe, and (ii) the claimants' evidence in reply hints at continuing negotiations between "X" and the defendants concerning the present invention (see paragraph 10 of my decision of 30 October 2002), I consider that for the most part documents within category (2) will relate to the matters in question, and that their disclosure is necessary to dispose fairly of the proceedings. However, the concluding wording "communications concerning the alleged use of magnetic particles" seems to me to be unduly wide, in that it embraces - or at least does not clearly exclude - uses other than the trapping or killing of insects.

14 I therefore order the disclosure of all documents relating to discussions and communications with "X" and related or successor companies concerning the use of magnetic particles to trap and/or kill insects. This disclosure does not include the research agreement itself, in view of my order above that copies should be supplied under rule 112. It is open to the defendants to request confidentiality for any disclosed document that is subsequently filed with the Office, and the same considerations as outlined in my order under rule 112 will apply to any such request.

15 I see no reason to order disclosure within category (4)

*"the alleged communication of the contents of the patent applications in issue to Boulton Wade Tennant".*

The defendants state that any such documents have already been provided with the first witness statement of Susan Allard, their patent agent at Boulton Wade Tennant. The same request was made at the preliminary hearing in January 2002, when I accepted Ms Allard's contention that there were no further documents except for an initial draft patent application dated 4 June 1998 which she had inadvertently overlooked, and which is now exhibited to her witness statement. I cannot see what is to be gained by now asking the defendants to provide a signed statement confirming that no other relevant documents within the class exist. Although the claimants allege that "fresh documents have come to light from Boulton Wade Tennant since the hearing at which disclosure was first offered in January 2002", it is not clear what documents the claimants are referring to and they proffer no further explanation.

16 I also see no good reason to order disclosure under category (5):

*"contracts or communications between the Applicants and Referrers concerning the ownership of the patent applications in question" .*

Any documents relating to contracts or communications between the claimants and defendants concerning ownership of the patent applications must by definition already be in the hands of the defendants, and I cannot see what purpose would be served by ordering disclosure.

17 I do not believe that category (6):

*“the alleged effectiveness or otherwise of the defendants’ alternative electrostatic technology”*

relates to the matters which are to be decided. Even if I am wrong about that, I do not consider that disclosure of such documents is necessary to dispose fairly of the proceedings or to save costs. The category - the alleged effectiveness or otherwise of the defendants’ alternative electrostatic technology - is extremely broad, and seems likely to cover a very large amount of documentation bearing in mind that Dr Howse has been working on electrostatic traps for many years. The claimants allege that the documents are relevant to the real nature of what Dr Howse allegedly discussed with “X” in August 1997, and that disclosure is likely to show that “there were problems with the alternative electrostatic technology which, if Dr Howse had an answer to the problem, would have led to the patent applications in suit being made before his meetings with the claimants”. However, I cannot see that these documents are likely to throw sufficient light on when precisely Dr Howse might have decided to patent an alternative technology to justify the burden of producing them.

18 Categories (7) and (8):

*“(7) disputes, commercial considerations and/or advice which led, might have led or were said to have led Roger Ashby to refuse to sign an agreement with the Referrers including those with Exosect Limited, William Aston and/or Robin Fuller”*

*“(8) the alleged condition of the delivery of suitable financing or funding from the Referrers referred to in paragraphs 35A(vi) and 35A(vii) of the witness statement of Roger Ashby”*

go to the reasons why Roger Ashby might have been unwilling to sign various agreements relating to the ownership of the intellectual property and its licensing to one of the claimants, Polymer Powder Technology (Licensing) Limited. Such matters may relate to the issues to be decided, but the disclosure sought in (7) is vaguely defined and appears potentially wide-ranging. The condition in the paragraphs referred to in (8) relates to funding to be supplied by the claimants or their associates, and I would therefore expect them to have copies of any relevant correspondence with Mr Ashby. On balance I am not satisfied that disclosure is necessary to dispose fairly of the proceedings or to reduce costs.

### **Inspection**

19 Again dealing with the requests in turn and retaining the numbering used by the claimants, the claimants ask at (1) for inspection of all pages of:

*“the original diaries of the Defendants’ witnesses Philip Howse, Roger Ashby and Karen Underwood during the period from May until July 1998”*

and the defendants in response want to inspect the diaries of Colin Metcalfe, David Lax, Ralph Brown and Allan Churchman. However, the defendants say that the diaries of Dr Howse are no longer in existence, and the claimants say that those of Dr Lax have been

destroyed for the period in question following in his retirement.

- 20 The claimants are “surprised and disturbed” at the destruction of Dr Howse’s diaries and suggest that an order be made that he “discloses” them by identifying the diaries, when they were last in his possession, and when, how and why they were destroyed, so that the comptroller can draw the appropriate inferences. I cannot see the point of such an order, and why cross-examination of Dr Howse to elicit this information would not allow the comptroller to draw appropriate inferences. The same applies to the claimants’ similar reaction to the destruction of Dr Howse’s laboratory notebooks (see category (2) below). Also, I have to say that I would have found the claimants’ concern a little more convincing if it had not followed directly a paragraph merely stating that Dr Lax’s diaries had similarly been destroyed on his retirement.
- 21 The claimants give no reasons for their request, but I note from the parties’ statements of case that there is some disagreement between the parties as to who precisely attended a series of meetings between various representatives of the parties in the period between Mr Metcalfe’s first meeting with the University on 27 April 1998 and the filing of the UK patent application on 3 July 1998. Since the parties are in agreement, I will therefore grant an order for the inspection of such diaries as have been specified by the parties and survive.
- 22 I therefore order each party, within 7 days of the date of this decision, to give the other an opportunity to inspect and copy the original diaries of Roger Ashby, Karen Underwood, Colin Metcalfe, Allan Churchman and Ralph Brown for the period from 1 May 1998 up to and including 3 July 1998.
- 23 Under category (2) the claimants ask for inspection of all pages of

*“the original laboratory notebooks of Philip Howse and Karen Underwood and others directed by them (including those referred to in paragraph 8 of the witness statement of Karen Underwood) concerning electrostatic and magnetic powders, traps and bait stations from May until July 1998 and the period in 1997 referred to in paragraphs 4 and 5 of the second witness statements of Philip Howse”*

The defendants have said that the laboratory notebooks of Dr Howse are no longer in existence. As to the notebooks of Karen Underwood, they object to the inspection of entries relating to electrostatic powders and to traps and bait stations in general, and point out that her work on magnetic particles has been exhibited to her witness statement. The claimants say that their request is justified in order to provide a contemporaneous record revealing the true history of the development of electrostatic and magnetic technology at the University of Southampton.

- 24 I have some sympathy with the defendants. The invention is concerned with the use of magnetic particles to trap or kill insects, and I do not think that this justifies the claimants in ranging widely over the alternative electrostatic technology (as would, for instance, have been the case were I to have ordered disclosure under category (6) above). Nevertheless, the inspection sought is relatively limited and I believe that it would assist in the fair disposal of the proceedings to have as far as possible a complete picture of the work carried out by the defendants over the critical period immediately preceding the filing of the GB patent application. I therefore order the defendants, within 7 days of the date of

this decision, to give the claimants an opportunity to inspect and copy the original laboratory notebooks of Karen Underwood, and of anyone else that she or Philip Howse directed, insofar as they relate to electrostatic and magnetic powders, traps and bait stations, for the period from 1 May 1998 up to and including 3 July 1998.

- 25 For both categories (1) and (2) I accept the parties' contentions that the diaries and laboratory notebooks of Dr Howse and the diaries of Dr Lax for the periods requested are no longer available. I will make no order in respect of these, for the reasons that I have explained above.

### **Orders**

- 26 The orders that I have made for supply of copies, disclosure and inspection are set forth above. On disclosure, I direct that each party should within 7 days of the date of this decision furnish to the other a list of the relevant documents, and should within 7 days of furnishing the list give the other party an opportunity to inspect and copy them.

### **Costs**

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

### **Appeal**

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

Dated this 7<sup>th</sup> day of November 2002

**R C KENNELL**

Deputy Director acting for the Comptroller

**THE PATENT OFFICE**