



BL 0/304/05

15th November 2005

PATENTS ACT 1977

BETWEEN

Gerkros Boilers (Tipperary) Limited

Claimant

and

Alley Enterprises Ltd

Defendant

PROCEEDINGS

Application under Section 72 for revocation
of patent number EP 0616676

HEARING OFFICER

Peter Back

PRELIMINARY DECISION

- 1 Application for revocation of European Patent No. EP 0616676 in the name of Alley Enterprises Ltd (“the Defendant”) was filed on 12 May 2005 by Gerkros Boilers (Tipperary) Limited (“the Claimant”).
- 2 The patent relates to boilers and the application for revocation is made on the grounds that boilers manufactured and sold by the Claimant and used by the public before the priority date of the patent, include features which fall within the scope of the patent.
- 3 A number of preliminary issues have arisen which the parties were unable to resolve between themselves and these issues came before me at a hearing on 10 November 2005 where Mr Jonathan Hill, instructed by solicitors Edwards Geldard appeared as counsel for the Defendant and Mr Richard Price of Taylor Wessing appeared for the Claimant.
- 4 I will list the issues in the order in which they were addressed at the hearing:

i **Inspection**

The claimant has identified boilers which they claim anticipate the patent. These are located in the homes of members of the public in Ireland and at their own premises. Naturally, the Defendant wishes to inspect these boilers and there is no dispute that they should be allowed to do so. The Claimant has agreed to facilitate this inspection and the main issue between the parties on this matter is that the Defendant wishes to carry out this inspection in private whereas the Claimant wants to accompany the Defendant during the inspection.

ii **Brand Names**

The Defendant claims that the Claimant's boilers were sold under a range of brand names and that information concerning these brand names would help them establish the dates on which various boilers were made available to the public. They are asking the Claimant to disclose details of all of these brand names. The Claimant says that these brand names are irrelevant and would not justify the time and effort necessary to identify them.

iii **Disclosure**

The Defendant has requested extensive disclosure from the Claimant. In particular, the Defendant has made a formal request that specific disclosure be ordered. The Claimant is agreeable to an Order that both parties give standard disclosure in accordance CPR Rule 31 as modified by paragraph 5 of the Practice Direction to Rule 63 and requests that if the defendant considers this to be inadequate to then seek an Order for specific disclosure.

iv **Mr Bailey (service test engineer) and CRE (boiler testing facility)**

There is a disagreement between the parties as to the relevance of Mr Bailey's evidence and the documents held by CRE relating to tests carried out on the Claimant's boilers in July/August 1997. The Defendant has asked the Patent Office to consider why it is that the Claimant is reluctant to agree to their request to release Mr Bailey and CRE from an obligation of confidence regarding this testing. The Claimant believes that conversations held some 6 years after the priority date have no relevance to this action.

v **Extension of time for submission of the Defendant's evidence**

Although this was initially an issue there appeared to be no dispute that some extension of time would be necessary to allow the Defendant to consider the outcome of the inspection referred to above.

Inspection

- 5 I am pleased to say that at the hearing the parties quickly reached a consensus on how the inspection should be conducted so I do not need to repeat their arguments in any great detail. The Claimant was anxious to ensure minimum disturbance to the households where

the boilers are located and to ensure that any dismantling of the boilers to allow inspection was rectified by one of their own engineers. The Defendant wanted a degree of privacy during their inspection and were uncomfortable about allowing the presence of two of the Claimant's engineers; namely a Mr Crosse and a Mr Daly who they felt may be biased. Both parties were anxious to keep the numbers present during the inspection under control.

- 6 After some discussion the parties agreed on who would be present at the inspection, how it would be conducted and the dates for the inspection and I will detail these in the Directions which I will give at the end of this decision.

Brand Names

- 7 Mr Hill put it to me that it is important for the Defendant to have access to information which would help it determine when the Claimant's boilers appeared on the market and that the various trade or brand names assigned to these boilers would assist in that process. I did not find this particularly convincing and put it to Mr Hill that a brand name on a product tends to be indicative of the origin of that product rather than the technical details of the product or of the date on which it was marketed, and that it was quite possible for the technical details of a product to change whilst retaining the same brand name. In response I understood Mr Hill to concede that there was an "indirect link" to how many boilers were sold and when by the Claimant.

- 8 In the present case, the issue in dispute is the design of baffles in the boilers and when boilers including these baffles were sold to the public. Given that brand names tend to be merely indicative of the origin of a product rather than what is contained within the product and after hearing the views of both parties on this issue, I consider that the disclosure of this information on brand names/trade marks by the Claimant as requested by the Defendant is not justified. This decision should not unduly harm Defendant's case given that their evidence regarding the baffle design should primarily come from the joint inspections of the boilers.

Disclosure

- 9 It emerged at the hearing that both parties would have no objection to standard disclosure as defined by CPR Rule 31 as modified by paragraph 5 (2) of the Practice Direction to Rule 63 but the Defendant is seeking disclosure which goes beyond that. CPR Rule 63 states that:

5.1 Standard disclosure does not require the disclosure of documents where the documents relate to -

- (2) *any grounds on which validity of a patent is put in issue, except documents which came into existence within the period -*
- (a) *beginning two years before the earliest claimed priority date;*
 - and*
 - (b) *ending two years after that date ...*

- 10 The Patent Hearings Manual at paragraph 3.43 states that *“It is most unlikely it would ever be appropriate for a hearing officer to order standard disclosure, though it sometimes takes place anyway by voluntary agreement between the parties.”* Given that the parties appear ready to agree to at least standard disclosure I think it is only necessary for me to consider the Defendant’s request for disclosure which goes beyond that.
- 11 In addition to standard disclosure, the Defendant is asking for disclosure before and after the periods specified in CPR Rule 63 and for certain specific disclosures.
- 12 The Defendant is alleging that there has been fabrication of evidence regarding the dates on which the Claimant’s boilers were manufactured and made available to the public and that this may have taken place outside the two years after the priority date window. It was clear at the hearing that the Defendant had reduced the range of the specific disclosure it is seeking and in a draft direction notice helpfully provided by Mr Hill, this amounted to five issues over and above standard disclosure:
- i Mr Crosse's contentions that he designed the type A, C, D and E boilers when he claims, and that he manufactured prototype and early pre- production models of the same, and evaluated their respective manufacturing procedures, processes and performances at the dates he claims;*
 - ii the claim that type A, C, D and E boilers were sold to members of the public before 20 December 1991;*
 - iii the claim that Gerkros introduced a date stamping system for its boilers from 1989, applied by a hammer and stamp;*
 - iv the various shortcomings in the type B boiler described by Mr Daly in his statutory declaration dated 26 November 2004, which allegedly compelled Gerkros to redesign the type "B" baffle into the type `C" baffle in 87, and*
 - v Gerkros' dealings with CRE.*
- 13 It is my understanding that the Claimant has conceded iii above and agreed that such documents are disclosable. They agree the others in part and with the proviso that *“disclosure should be limited to documents that support or adversely affect a party’s case”* which is in essence what the CPR say about disclosure. After hearing both sides’ views on this point and with the premise that disclosure is aimed at putting the tribunal and parties in a position to reach a decision based on the best available evidence I am satisfied that the Defendant’s request for disclosure as it was formulated at the hearing and as set out in paragraph 12 above is, subject to the Claimant’s proviso, reasonable and proportionate and I will direct accordingly at the end of this decision.

Mr Bailey (service test engineer) and CRE (boiler testing facility)

- 14 The Defendant claims that the boiler testing facility called CRE has in its possession various laboratory reports prepared by Mr Bailey relating to efficiency tests carried out on the Claimant's boilers in July/August 1997. The Defendant has made allegations of fabrication of evidence of prior use by the Claimant and have given statutory declarations, particularly from a Mr Grant, contending that boilers containing anticipatory baffles were only used in boilers sold by Gerkros post-1997 according to a conversation they claim to have had with Mr Bailey. The Defendant has been unable to obtain any information relating to these tests because CRE and Mr Bailey say they are bound by a confidentiality agreement between them and the Claimant. The Defendant has asked the Claimant to release Mr Bailey and CRE from this agreement but they have declined to do so on the grounds that conversations alleged to have taken place in 1997 are irrelevant. Mr Hill put it to me that if Mr Bailey's account of the conversation in 1997 differs from Mr Grant's as stated by the Claimant and is irrelevant then what harm would it do to the Claimant's case if he was released from his obligation of confidentiality and that all the Claimant has to do is to send a letter to Mr Bailey saying that they are happy to release him from the confidentiality agreement regarding this specific issue. I am inclined to agree although this gives no guarantee that CRE and Mr Bailey will cooperate.
- 15 Having listened carefully to the arguments on both sides and for the reasons set out above I now make the following directions

Directions

- 16 If the Claimant still wishes to amend its statement, it should serve its amended statement of case on both the Defendant and the Patent Office by 4 pm on Friday, 25th November 2005.
- 17 If the Defendant wishes to amend its counterstatement it should serve its amended counterstatement on both the Claimant and the Patent Office by 4 pm on Friday, 2nd December 2005.
- 18 The Claimant is to permit the Defendant's expert and legal representatives to inspect the Claimant's boilers which are referred to in its Statement of Case and/or its evidence and retained within its own control, such inspection to take place between 4th and 6th December 2005.
- 19 The Claimant is to use its reasonable endeavours to facilitate the Defendant's expert and legal representatives to inspect the Claimant's boilers which are referred to in its Statement of Case and/or its evidence and are not within the Claimant's control, such inspection to take place between 4th and 6th December 2005. Those present during the inspection to be limited to one expert, one legal representative and one patent agent from each side and a Gerkros engineer other than Mr Crosse or Mr Daly. During the inspection, the Defendant is to be given time to inspect the boilers in private.

- 20 In addition to any standard disclose which the parties may agree between themselves, the Claimant is to give disclosure by 4 p.m on Friday 2 December 2005 by list in respect of the following issues:
- i Documents relating to Mr Crosse's contentions that he designed the type A, C, D and E boilers when he claims, and that he manufactured prototype and early pre-production models of the same, and evaluated their respective manufacturing procedures, processes and performances at the dates he claims;
 - ii Documents relating to the claim that type A, C, D and E boilers were sold to members of the public before 20 December 1991;
 - iii Documents relating to the claim that Claimant introduced a date stamping system for its boilers from 1989, applied by a hammer and stamp;
 - iv Documents relating to the various shortcomings in the type B boiler described by Mr Daly in his statutory declaration dated 26 November 2004, which allegedly compelled the Claimant to redesign the type B baffle into the type C baffle in 1987, and
 - v Documents relating to the Claimant's dealings with CRE.

In each case such disclosure being limited to documents that support or adversely affect a party's case.

- 21 The Claimant is to withdraw its objections to Mr Brian Bailey and CRE Limited discussing their dealings with the Claimant in July and August 1997 with the Defendant's representatives regarding the issues in this case, and to notify Mr Bailey and CRE Limited of the same by sending them a letter by 4 p.m. on Friday 18 November 2005, the letter shall be copied to Defendant's representatives.
- 22 The Defendant is to file its evidence by 4 p.m. on Friday 20 January 2006,
- 23 Claimant is to file any evidence in reply by 4 p.m, on Friday 3 March 2006.
- 24 The witness testimony submitted by the parties shall, unless the parties agree otherwise or further directions to the contrary are given, be subject to cross-examination at the hearing.

Costs

- 25 Both parties indicated that they would want to address me on the issue of costs relating to this preliminary hearing and they should make those submissions within 6 weeks of this decision.

Appeal

26 Under the Practice Direction to Part 52 of the Civil Procedure Rules any appeal must be lodged within 28 days.

PETER BACK
Divisional Director acting for the Comptroller