

Enforcing patents in the UK

By **Gary Moss**, Taylor Wessing, London

1. What options are open to a European patent holder, whose rights cover your jurisdiction, when seeking to enforce its rights in your jurisdiction?

The primary option is to commence proceedings for infringement in the appropriate court, as to which see section 2 below.

Normally a patentee will seek by way of relief an injunction restraining further infringements, damages or an account of profits and delivery up of any infringing materials. We discuss these in greater detail in section 16.

However, court proceedings are not the only route available and alternative forms of dispute resolution are discussed in section 17 below.

In addition, under Section 61(3) of the Patents Act 1977 the proprietor of a patent and an alleged infringer may, by agreement, refer to the Comptroller of Patents at the Patent Office the question of whether there is infringement. Note that such reference has to be by agreement of the parties. Where such a reference is made then the Comptroller may award only damages or an account of profits – he does not have power to award an injunction or delivery up. Note also that under Section 61(5) if the Comptroller reaches a conclusion that the question referred would be more properly determined by the court, he may decline to deal with it and thereafter the court would have jurisdiction.

Additionally, under a recently introduced procedure a patent proprietor may request the Comptroller to issue an opinion as to whether a particular act constitutes an infringement of the patent. In these circumstances the consent of the alleged infringer is not required. However, any such opinions are not binding. They were generally thought useful to enable proprietors to obtain opinions from the Comptroller on the

issue of infringement and then use those to put pressure on the alleged infringer.

2. Does your jurisdiction have specialist patent courts? If not, what level of expertise can a patent owner expect from the courts?

The United Kingdom in fact comprises three separate jurisdictions namely: England and Wales; Scotland; and Northern Ireland.

Of these, England and Wales is by far the largest, covering approximately 53 million people out of a total population of 60 million. By far the largest proportion of patent infringement suits are determined in the courts of England and Wales.

England and Wales has three specialist tribunals for the determination of patent disputes. The first is the Patents Court, which is a division of the Chancery Division of the High Court. The High Court is the primary court of first instance in England and Wales for dealing with significant disputes, generally reckoned to be those over £50,000. There are currently two main patents judges, Mr Justice Pumfrey and Mr Justice Kitchin. Prior to their elevation to the bench, both were practitioners at the intellectual property bar and had significant experience in patent matters. In addition, there are a number of Chancery judges who are designated as able to hear patent cases – in practice, they tend to deal with the less technically complex cases.

The second tribunal is the Patents County Court (PCC). The PCC was originally established in 1990 at a time when the county court was generally the court designated for dealing with smaller claims. The concept behind the PCC was to have a more streamlined procedure enabling the hearing of smaller, less complex disputes. It was envisaged as a way of giving SMEs the ability to have their patent disputes determined both speedily and relatively inexpensively. The PCC continues to fulfil

that role although in practice, following the Woolf Reforms of 1998, the streamlined procedure is now available in all courts.

The primary judge of the PCC is His Honour Judge Fysh. Before going to the bench, Judge Fysh was an intellectual property practitioner of many years' standing. Where the workload of the court requires additional judges, deputy judges are recruited from among senior practitioners at the patent bar.

As indicated under section 1 above, it is also possible (by agreement) to have infringement issues determined by the Patent Office, the members of which will be specialists (from both a patent and technical standpoint).

In Scotland, patent actions will normally be determined by the Court of Session. Because of the relatively few number of patent cases which are heard, there is no specialist jurisdiction in Scotland. We are not aware of there having been any patent cases before the courts of Northern Ireland in recent times.

3. Is it possible to cross-examine witnesses at trial? How far are proceedings based on written evidence? Are there restrictions on the use of evidence from experts?

In the majority of cases in the UK oral testimony by witnesses (both lay and expert) remains the norm. However, over the past 15 years or so, in an effort to streamline the process, the English courts have tended to dispense with oral testimony in chief. Instead, witness statements and expert reports are exchanged by the parties in written form some time in advance of the trial (in most major cases there will be two rounds of evidence, in chief and in reply). The witnesses will then confirm the truthfulness of those written statements under oath at the trial. They are then tendered for cross-examination by the opposing party.

The ability to challenge forensically a witness's evidence by means of cross-examination is still regarded as a fundamental aspect of the British legal system. A party will not be allowed to adduce evidence from a witness who has not been tendered for cross-examination unless that party can establish that it does not have the ability to require the witness to attend the court or to be cross-examined in some other way, eg via a video link. This would require the party wishing to rely on the written evidence to show that the witness is too ill to attend, or has died, or cannot be compelled, eg because they are not within the jurisdiction. Even the latter may be

difficult to establish in the case of a witness whose attendance by way of video link or written deposition could be compelled through an overseas court.

There are no restrictions on the use of evidence from experts as such. However, in practice courts will endeavour to limit the number of experts used by each party. Usually the court will seek to limit each side to one expert per technical discipline, although cases involving complex areas of technology can involve a number of disciplines which can lead to each party utilising more than one expert.

As regards experts generally, it should be noted that the courts have stressed that the function of such witnesses is to assist the court and not to act as an advocate for the case of the party from whom they have received instructions. This rule is applied very strictly and the court will take a dim view of an expert who it believes is simply putting forward the best case possible for his or her instructing party.

4. Are infringement and invalidity dealt with simultaneously? What level of proof is necessary to demonstrate one or the other?

In the vast majority of cases infringement and validity are dealt with by the same court at the same time. All of the jurisdictions mentioned under section 2 above have jurisdiction to hear both infringement and validity issues. Under UK law it is not possible to "infringe" an invalid patent and therefore the invalidity of a patent is a complete defence to a charge of infringement.

In all cases the level of proof required is the normal standard, namely balance of probabilities. Note that in the United Kingdom there is no presumption of validity of a granted patent requiring a higher level of proof to establish invalidity, as is the case in the United States. Moreover, the fact that a Patent Office Examiner may have considered a piece of prior art prior to granting the patent will be of no evidential value whatsoever if that prior art is raised again in any invalidity suit.

5. To what extent is pre-trial discovery permitted? If it is permitted, how is discovery conducted?

Pre-trial discovery is a key feature of the United Kingdom legal system. However, in an effort to reduce the costs of litigation over the past few years its general scope has been reduced to a significant extent. This has now been further restricted in patent cases.

Prior to the changes coming about as a result of the civil justice reforms at the

beginning of this decade, the UK rules on discovery obliged each party to disclose any document in its possession, custody or control which was relevant to the matters in issue or which might lead to a chain of enquiry which was relevant to the matter in issue. This made documentary discovery quite wide ranging, although it was never as wide ranging as US discovery.

Under the new procedure a party must now provide "standard disclosure". Standard disclosure requires a party to disclose only:

- The documents on which it relies.
- The documents which:
 1. adversely affect its own case;
 2. adversely affect another party's case; or
 3. support another party's case.
- Documents which it is required to disclose by a relevant practice direction.

It should be noted that the above is considerably more limited than the previous obligations.

These obligations have been further limited in the case of patents in the following manner:

- Where a defendant has produced a product description it is not obliged to provide documents relating to the issue of infringement.
- In the case of validity, neither party is obliged to disclose any documents falling outside a period beginning two years before the priority date of the patent in suit and ending two years after the priority date.
- In relation to allegations of commercial success, instead of providing documentary discovery the party relying on such allegations must serve a schedule setting out the details of the alleged commercial success covering such issues as the product in question, the level of sales, the period of sales etc.

The disclosure process imposes significant obligations on the parties' lawyers. As officers of the court they have an overriding duty to ensure that the court rules are complied with by the party for whom they are acting. That duty outweighs their duties to their client. This includes making searching enquiries to ascertain that all relevant documents required to be disclosed have been disclosed. It also imposes obligations to ensure that items such as product descriptions fully and accurately describe the product in question and are not defective to any material degree.

In addition to the above, it is open to a party to seek disclosure over and above standard discovery. In deciding whether or not to order a specific disclosure order, the court takes into account all the circumstances of the case and in particular the Overriding Objective of the Rules of Civil Procedure which requires the court to deal with cases proportionately, expeditiously and fairly. In practice, this places an obligation on the party seeking specific disclosure to establish to the satisfaction of the court that the standard disclosure is inadequate and that the additional disclosure sought is necessary for the just disposal of the case.

6. To what extent does any doctrine of equivalents apply in an infringement action?

This is an extremely complex issue. In *Kirin-Amgen Inc v Transkaryotic Therapies Inc* [2004] UKHL 46, the House of Lords ruled that under United Kingdom law there is no doctrine of equivalents. Rather the patent claims are to be given a purposive construction having regard to the purpose of the patentee as would be determined on reading the specification as a whole by the person skilled in the art. The claims should not be given a strict literal interpretation; at the same time it is the claims which determine the monopoly and they should not be regarded merely as a guideline.

For a more detailed explanation as to how patent claims are to be construed please see the judgment of Lord Justice Jacob in *Rockwater v Technip France SA & Technip Offshore UK Limited* [2004] RPC 46 (which was generally cited with approval in *Kirin-Amgen*) and in *Mayne Pharma v Pharmacia Italia SPA* [2005] EWCA Civ 137 (which was given after the decision in *Kirin-Amgen*, but took into account the comments of the House of Lords).

7. Are there certain types of patent right that may be granted by the EPO – biotech or computer software-related, for example – that are more difficult to enforce than others?

In general the answer to this question is no. However, it should be noted that there has been very limited judicial pronouncement in the UK regarding computer software-related inventions and the degree to which these may be patentable. There is still uncertainty as to how readily these may be enforced.

8. To what extent are courts willing to consider, or bound by, the opinions and decisions of other courts that have dealt with similar cases?

The United Kingdom courts operate on a basis of precedent in which previous decisions will be binding upon them. This rule relates particularly to decisions given by the higher courts (Court of Appeal or House of Lords). Where there are prior decisions of courts on the same level, the later court might be willing to depart from a previous decision if it is satisfied there are new facts or new arguments which were not considered by that prior tribunal.

9. To what extent are courts willing to consider the reasoning given by foreign courts that have handed down decisions in similar cases?

These will be of significant persuasive effect. The United Kingdom judges have been at the forefront of attempts to harmonise patent law throughout Europe. This necessarily involves giving appropriate consideration and respect to prior decisions of judges in other jurisdictions where they have been considering essentially the same patent and the same alleged infringement while at the same time applying the same law.

10. What options are open to a defendant seeking to delay a case? How can a plaintiff counter delaying tactics?

Generally the abilities for a party to delay a case are very limited. In the recent past the Patents Court has made significant strides in ensuring that patent cases are disposed of reasonably expeditiously. The court is very reluctant to allow a party to delay the disposal of the case once commenced unless there are very good reasons for doing so. It will also not necessarily rubber stamp an agreement between the parties to delay the disposal of the case unless it is satisfied that there are good reasons for doing so.

One tactic which has sometimes been employed is to seek a stay of the litigation proceedings pending the outcome of oppositions in the European Patent Office (EPO). Although the courts have been at pains to stress that there is no hard and fast rule and that each case turns on its own facts, in practice it can be difficult to secure such a stay. This is because of the length of time which oppositions take including appeals – currently the estimate is at least five years. The court is unwilling to allow a patentee's rights to be frozen for that length of time and will be similarly reluctant to require a defendant to have hanging over it an allegation of infringement for that length of time. Where the parties comprise sizeable commercial organisations, the view of the

United Kingdom court is that any perceived prejudice incurred by proceeding with the UK action in the meantime, which usually comes down to a question of wasted expense, can be dealt with by appropriate orders in costs.

Circumstances which may justify a stay are:

- Where the defendant is an individual or small entity and can show that having to spend money fighting the UK action while an opposition is pending will cause it significant prejudice.
- Where the patentee has delayed until well into the opposition period before commencing proceedings despite having known about the alleged infringement.

11. How available are preliminary injunctions and how do you get them?

Theoretically, preliminary injunctions are available where the claimant can show that it will suffer irreparable harm and damage if the defendant's activities are allowed to continue pending the trial. In practice, they have become relatively rare in patent actions, save in cases involving the launch of generic pharmaceuticals. This is because of the timescales for UK patent actions (see section 12 below) and the possibility for even further expedition. In practice, in most instances if a claimant seeks a preliminary injunction they will be met by the response from the court that, rather than arguing over the preliminary injunction, it would be more sensible to have a full trial of all the issues in three to four months.

12. How long does it take to get a decision at first instance? Is it possible to expedite this process?

The Patents Court has made great strides over the past few years in ensuring that patent actions are disposed of expeditiously. The normal timescales for even a reasonably complex patent action are in the region of nine to 12 months from commencement of the action through to trial. Decisions can be expected within four to six weeks thereafter.

Furthermore, the court has been amenable to expedition in appropriate cases where, for example, one of the parties can demonstrate that it has a real need to have a definitive ruling within a relatively short space of time. A timescale of four to six months from commencement of the action to trial is not uncommon.

13. What avenues for appeal are open to the defeated party in a first instance case? What criteria are there for granting an appeal? How long does the appeal process take?

Appeals from both the Patents Court and the Patent County Court are to the Court of Appeal. Appeals from decisions of the Patents Office go first to the Patents Court and then on to the Court of Appeal – this is one of the drawbacks of commencing any infringement litigation in the Patent Office in that one is adding an extra level of appeal.

Appeals from first instance to the Court of Appeal may now be made only with permission. A litigant must seek the permission of the first instance court to appeal. If that is refused then one may apply for permission to the Court of Appeal. If the Court of Appeal, without a hearing, refuses permission to appeal then a request may be made that the decision be reconsidered at a hearing. But if leave is refused at the hearing no further appeal is possible. In theory, appeals can be raised on a point of law or against a finding of fact, but in practice one would struggle to bring an appeal on a finding of fact alone as the Court of Appeal is reluctant to overturn a first instance court decision on fact. This is because the Court of Appeal, unlike the court of first instance, does not have the opportunity to hear the witnesses in person. However, often litigants try to dress up factual issues as points of law by saying that the judge should not have found for the other party on the preponderance of facts.

One interesting feature is that obviousness/inventive step is a mixed question of law and fact of which only the factual element should be determined by the first instance judge. The Court of Appeal has on several occasions cautioned against litigants appealing against decisions on factual issues alone purely in the hope that another tribunal may take another view of those facts. It remains to be seen whether the first instance court will utilise that in order to cut down a party's ability to appeal on those issues.

There may be a further level of appeal to the House of Lords. Again that has to be with the permission of the Court of Appeal or the consent of the House of Lords if permission is refused by the Court of Appeal. In practice, the House of Lords will hear only appeals raising a point of law of public importance.

Appeals from the first instance to the Court of Appeal take approximately 12 months. Appeals to the House of Lords will take a further 12 months.

14. To take a case through to a first instance decision, what level of cost should a party to a litigation expect to incur?

One of the drawbacks of the United Kingdom system is that it is relatively expensive compared with other European systems.

Even in the most relatively simple patent cases, a litigant can expect to pay between £150,000 and £250,000 if the case goes all the way through to trial. For a case of medium complexity those costs would rise to £500,000 to £750,000. Very complex patent trials involving significant technologies would rise into the low millions.

One point which should be noted is that the United Kingdom has the rule that generally the loser pays the successful party's costs. The basis of award means that the actual recovery is usually somewhere between 60% and 80% of the actual costs incurred. However, over the past few years there has grown up a market in after-the-event insurance which enables litigants to insure against that potential liability.

It should also be noted that United Kingdom lawyers are now able to take on litigation on a no win, no fee basis. However the amount of uplift which they are permitted to charge is significantly restricted (depending on the perceived likelihood of success) and cannot in any event be more than 100% of the costs which would have been incurred on a normal charging basis.

15. Who can represent parties in court? Is specialist representation required?

Both solicitors and chartered patent attorneys can represent parties in the Patents County Court and also can act as the advocate at the trial. Barristers can also be instructed, by either the chartered patent attorney or the solicitor, to appear at a Patents County Court trial where specialist cross-examination and advocacy are required. In the Patents Court (part of the High Court) a chartered patent attorney with additional advocacy qualifications can conduct litigation, but will have a right of audience (ie, be allowed to act as advocate) only for cases on appeal from the Patent Office. In all other cases in the Patents Court advocacy and cross-examination may be conducted only by a barrister or a solicitor with a right of audience.

16. What remedies are available for infringement and how are these typically applied? Are punitive damages available and in what circumstances?

The normal remedies are:

- Injunction to restrain further infringements.
- Damages or an account of profits (these are alternatives and the claimant has to

elect which of these remedies he wishes to adopt).

- Delivery up of any infringing materials.
- Costs expended in pursuing the litigation.

Damages can be based on the amount of profits lost by the patentee by reason of the defendant's infringing acts. In order to establish an entitlement to lost profits the claimant has to show that on the balance of probabilities it would have made the infringing sales had the defendant not done so. Where the claimant cannot show this, damages will be based on a national royalty based on the rate a willing licensor would agree with a willing licensee.

A defendant may avoid liability for damages or an account of profits if it can show that at the date of the agreement it was not aware and had no reasonable grounds for supposing that the patent existed. Given the public nature of the Patent Office register it is difficult to succeed in such a defence.

Punitive damages are available only in exceptionally rare circumstances in the UK.

17. Are there any realistic alternatives to litigation in cases relating to patent disputes?

It is open to the parties to adopt alternative forms of dispute resolution, notably arbitration. Arbitrations are not common in the field of intellectual property infringement, mainly because there is no pre-existing agreement between the parties under which the arbitration can be initiated. Nevertheless it is open to the parties to agree to arbitrate once the dispute has arisen.

18. Has your jurisdiction signed up to either the London Protocol or the European Patent Litigation Agreement?

The UK has ratified the London Protocol but the European Patent Litigation Agreement is still being debated.