



BL O/037/07

31st January 2007

PATENTS ACT 1977

BETWEEN

GAT Microencapsulation Gmbh

Claimant

and

Syngenta Ltd

Defendant

PROCEEDINGS

Application under section 72 of the Patents Act 1977
for revocation of patent number EP 824313

HEARING OFFICER

P Hayward

DECISION

This decision was given orally. The approved transcript of the decision is attached.

1 THE PATENT OFFICE

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Court Room 1,
Harmsworth House,
13-15 Bouverie Street,
London, EC4Y 8DP

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Wednesday, 31st January 2007

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Before:

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THE DIVISIONAL DIRECTOR

(Mr. P. Hayward)

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(Sitting for the Comptroller-General of Patents, etc.)

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In the Matter of the PATENTS ACT 1977

11

and

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In the Matter of European Patent No. EP0824313
in the name of SYNGENTA LIMITED

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and

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In the Matter of an Application for Revocation thereto
by GAT MICROENCAPSULATION GMBH
(formerly GAT FORMULATION GMBH)

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(Transcript of the Stenograph Notes of Marten Walsh Cherer Ltd,
6th Floor, 12/14 New Fetter Lane, London, EC4A 1AG.

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Tel. No: 020-7936 6000. E-mail: infor@martenwalshcherer.com)

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MR. DAVID MOORE (Jensen & Son) appeared on behalf of the
Applicant.

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MR. MICHAEL TAPPIN (instructed by Syngenta Ltd.) appeared on
behalf of the Respondent.

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DECISION AS APPROVED BY THE HEARING OFFICER

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1 THE HEARING OFFICER: The issue before me this morning is,
2 essentially, whether the counterstatement in this case is
3 adequate or not adequate in respect of the allegation of
4 obviousness.

5 The claimants have alleged in their statement that the
6 patent-in-suit is obvious in the light of some prior
7 publications and the common general knowledge. The statement
8 then discusses, briefly, what the documents disclose; the
9 difference between those documents and claim 1; the common
10 general knowledge. It then goes on to some of the other claims.

11 In the counterstatement the defendants have denied the
12 obviousness allegation; they have admitted the publication dates
13 of some of the publications and then have said: "The patentee
14 will refer to each of the said documents at the hearing for
15 their full and correct disclosure and for the differences
16 between the same and the claims of the patent. It is denied
17 that it would be obvious for the skilled person to combine the
18 disclosure of any of the said documents with any others of the
19 said documents". They then go on to make two other admissions,
20 the fact that certain pyrethroids are photo-unstable and that
21 titanium dioxide is an ultra violet protectant.

22 First, let me address the question of the principles I
23 should apply in deciding whether or not the counterstatement
24 is adequate. At the end of the day, I do not think there was

1 any dispute on the principles this morning between Mr. Moore
2 and Mr. Tappin. I have been quoted case law, the Tribunal
3 Practice Notice 1/2000 and the Civil Procedure Rules
4 but they all go to the same point, that the pleadings
5 must be sufficient to define the issues so that the
6 parties know to what their evidence needs to be
7 directed. I take that to be the underlying principle I must
8 apply. It is not something that is free of ambiguity because
9 there is a question as to how much detail is needed -- how
10 much detail the other side really needs -- and I will come back
11 to that shortly.

12 I also observe that if an allegation is being denied, the
13 counterstatement is required both in the Tribunal Practice
14 Notice at paragraph 23 and in the corresponding part of the
15 Civil Procedure Rules to say what is being denied and why. I
16 emphasise the "and why".

17 Perhaps I can also pick up one point from the same
18 Tribunal Practice Notice, paragraph 22. It says there
19 that statements, and, by corollary, that must apply to
20 counterstatements, must now be "reasonably detailed".

21 Mr. Tappin said that Syngenta's counterstatement met all
22 the requirements that would be necessary for the High Court. He
23 said that this was a perfectly normal sort of counterstatement

1 for revocation proceedings in court: you just identify
2 the documents and say you are resisting the arguments; if
3 the other side do not understand the case against them, they
4 can seek further information.

5 I was also referred to the guidance the Patents
6 Court Guide gives on the adequacy or otherwise of pleadings.
7 I would like draw attention to two passages in that.
8 First, it says in section 12: "As early as possible the
9 patentee should identify which of the claims of its patent are
10 contended to have independent validity", and it also says this
11 should be kept under review. Then in section 13: "With a view
12 to the early elimination of non-issues, practitioners are
13 reminded of the necessity of making admissions in accordance
14 with CPR Rule 32.18 at an early stage. It should be done as
15 early as possible, for instance, in a defence or reply." It
16 does not, I note, say that it can only be done then.

17 It continues "Thus in a defence a party may admit the acts
18 complained of or that his article/process certain features of
19 the claim. In reply a patentee may be able to admit prior
20 publication of cited documents. Parties should also consider
21 making a request to identify points not in dispute."

22 There are a few things there. The parties are expected
23 to identify which claims have independent validity and they
24 are expected to make admissions at an early stage if they help
25 narrow the issues between the parties. That, I would suggest,

1 all help reduce the filing of unnecessary evidence.

2 Mr. Tappin said that these requirements were,
3 nevertheless, normally met in court by fairly sparse pleadings.
4 I have to say, in my experience, pleadings on patent matters
5 before the Patent Office certainly tend to be fuller. I think
6 that reflects the fact that our proceedings are supposed to
7 be simpler and that the parties are often not as expert
8 in High Court procedures. Mr. Moore also made the point that
9 there is a stronger costs sanction in court for misbehaving
10 than we have before the Office. We have a costs sanction but,
11 generally speaking, we award costs on scale so I agree that in
12 practice the penalty for misbehaving is usually somewhat
13 less severe.

14 So it seems to me the question is: Do the claimants
15 know what they have now got to do and what they must address
16 in evidence? Are they being put into a position where
17 they are going to have to file evidence that, in the end, will
18 prove to be unnecessary or a waste of time because there is not
19 really a point in dispute, but they do not know whether it is in
20 dispute with the counterstatement as it stands?

21 Mr. Tappin says there is not a problem here because the
22 claimants clearly know what they have to do -- what evidence
23 they have got to file; they are going to have to file evidence
24 on all the statements they have made.

25 Mr. Moore said, "No. There is a risk of us being

1 ambushed because things might come out at the last minute
2 because we do not know what their case is".

3 I do not find that terribly convincing. It is not
4 a complete non-point, but I think Mr. Tappin is right
5 when he says it is unlikely that they would get as far as the
6 hearing not knowing what they had to deal with, because it would
7 come out in the evidence rounds.

8 What I think is the stronger point is that, with the
9 counterstatement in its present form, the claimants are going
10 to be put to the trouble to provide evidence on a lot of
11 things that may not actually be in dispute. They will
12 therefore be put to unnecessary expense and inconvenience,
13 and dealing with these issues may delay the proceedings
14 as well.

15 Let me look at those issues in more detail. In the
16 Statement of Claim there is an assessment of the content of the
17 disclosure in the cited documents: "Both documents disclose
18 microcapsules having UV sensitive biologically active
19 materials and use a UV protectant, namely, activated charcoal
20 and a range of photostable compounds", etc.

21 The counterstatement does not really say whether any of
22 that is being denied. The counterstatement simply says: "The
23 patentee will refer to each of the said documents at the
24 hearing for their full and correct disclosure". That does not
25 say whether it is agreeing or denying with the statement of

1 what those documents disclose. I agree with Mr. Moore that
2 the counterstatement is not sufficiently detailed for them to
3 be able to focus their evidence properly and avoid wasting their
4 time on evidence that is not needed in that respect.

5 I think a similar thing applies when we look at the
6 assessment of the differences between the prior art and
7 claim 1 in the present case. Again, the Statement says
8 something about what the differences are and the patentee has
9 said nothing. It has not said whether it agrees with the
10 Statement of Differences or disagrees with the Statement of
11 Differences. It simply says, "We will tell you about them
12 later" and I do not think that is good enough.

13 Again, the claimants have said what they consider to be
14 the common general knowledge. I think Mr. Tappin said this
15 morning that he thought that the counterstatement implicitly
16 denied the statement of common general knowledge but I have
17 to say, as it is currently worded, I cannot see that denial in
18 it. It may be they meant to deny, it but the way it is
19 worded does not do so.

20 So I can see three areas there where I do not feel the
21 counterstatement is adequate as it stands, and where there is
22 potential prejudice to the claimant because it puts them in a
23 position where they do not really know to what they have got
24 to direct evidence. They are left with a position of having to

1 file evidence to absolutely everything. That is not a proper
2 way to conduct proceedings before the Office.

3 Mr. Tappin did say that the defendants cannot put in
4 what I might call a full defence (he did not use those words,
5 I hasten to add) without first getting expert evidence. I do
6 not accept that as a good enough reason for not having fuller
7 pleadings than we have got at present. Yes, there may be
8 things that will come out in the expert evidence. That is not
9 uncommon. But a claim has been made against them. They must,
10 I would hope, by now - nearly six months after they received
11 the claim - have formed a view as to the grounds on which they
12 can defend themselves against that claim and they have
13 an obligation to say now what those grounds are.

14 So far I have dealt mainly with the complaint that the
15 pleadings are not adequate in respect of the main claim,
16 claim 1. It was also alleged that they were not adequate in
17 respect of the subordinate claims. The Statement of Claim
18 simply says, in respect of the subordinate claims, other than
19 claim 12 (I will come back to that) that they represent
20 standard design variants and options to the man skilled in the
21 art and cannot provide the inventive step.

22 That might seem a fairly bald statement but, having
23 looked at the nature of those claims, it is probably an adequate
24 statement at this stage. That is, it fair in its degree of

1 detail given the nature of those claims.

2 As I said earlier, a defendant or the patentee is
3 expected to say which claims have independent validity.
4 I do not think it is going too far here to expect
5 the defendants to say which of the subordinate
6 claims they would argue have independent validity. That,
7 again, may cut down on some unnecessary evidence, at least so.
8 far as some of the subordinate claims are concerned. I accept
9 it will make little difference for those that are merely
10 selecting one alternative out of claim 1.

11 Claim 12 is in a slightly different position. That is a
12 process claim but I understand (and I have not looked at it in
13 detail) the claimant's case here to be that it is a bit like
14 the subordinate claims; it is just another routine variant.
15 Again, it is not dealt with at all in the counterstatement.
16 It should be dealt with.

17 In short, I agree with the claimant that the way in
18 which the counterstatement deals with the obviousness argument
19 in paragraph 3(a) of the Statement of Claim is not adequate.

20 For the sake of completeness, we did discuss as well
21 this morning whether there were also grounds for saying that
22 the pleading in the counterstatement in respect of paragraph
23 3(a) of the Statement was inadequate. I think Mr. Tappin
24 explained this morning that, as he understood it, his
25 client's pleading meant that you need a dispersant. That

1 is what "fully dispersed" in claim 1 means. I
2 think it is arguable whether their pleading clearly says
3 that, but I do not think it is a major issue. I think it is
4 implicit and, although the pleading could have been expressed
5 slightly better, I do not think there is any real ambiguity
6 there.

7 So what are the consequences of my finding that the
8 counterstatement is not adequate? Mr. Moore says I should
9 strike out. Mr. Tappin did, at one point, query whether the
10 Office has the power to strike out even though the Office has
11 exercised its assumed power to strike out in the past, but I
12 do not need to go into that.

13 Mr. Moore said I should strike it out because the
14 counterstatement is no more than a bare denial and the Practice
15 Direction to Part 3 of the Civil Procedure Rules says that a
16 bare denial may warrant strike out action. Mr. Tappin said that
17 if I found against him on the adequacy of the counterstatement
18 he should be given a chance to amend it. He quoted a number of
19 sections from the White Book which were indicative of when
20 strike out would be used by the courts. Of course, this
21 Tribunal is not bound by the White Book but we readily admit it
22 provides useful guidance on many issues, and particularly on
23 issues that do not often come before us like striking out.

24 Mr. Tappin particularly referred to the quote in the
25 White Book on page 97 of the current edition from the
26 Asiansky Television case: "The essential question

1 in every case is: what is the just order to make, having
2 regard to all the circumstances of the case? As May LJ put it
3 [in Purdy v. Cambran [2000] CP Rep 67 at para 51] it is
4 necessary to concentrate on the intrinsic justice of a
5 particular case in the light of the overriding objective. The
6 cases to which I have referred emphasise the flexible nature
7 of the CPR and the fact that they provide a number of
8 sanctions short of the draconian remedy of striking out the
9 action. It is to my mind important that the Master or Judge
10 exercising his discretion should consider alternative
11 possibilities short of striking out."

12 The point I take from this comment is that striking out is
13 a draconian action and it should only be used as a last resort
14 in a really gross case.

15 There was a similar quotation in connection with abuse
16 on page 99 of the White Book: "The court has power to strike
17 out a prima facie valid claim where there is abuse of process.
18 But there has to be an abuse, and striking out has to be
19 supportive of the overriding objective. It does not follow
20 from this that in all cases of abuse the correct response is
21 to strike out the claim. The striking out of a valid claim
22 should be the last option. If the abuse can be addressed by a
23 less draconian course, it should be". That reinforces the
24 quote from two pages earlier.

25 I think this is useful guidance and I am quite satisfied

1 that in the present case striking out at this stage would not be
2 an appropriate action. It might have been appropriate if the
3 counterstatement consisted solely of a sentence that said, "We
4 deny everything". But that is not what is there. There is
5 some more detailed pleading in respect of many of the
6 allegations in the statement. It is just in this one area
7 where I found it to be deficient. So I am going to allow the
8 defendant an opportunity to amend the counterstatement to
9 rectify this deficiency.

10 I need to set a timetable for that. I think indeed
11 Mr. Tappin has, himself, accepted that if I found against him
12 on adequacy of the counterstatement he should be given two
13 weeks to amend it. That is what I am going to allow, two
14 weeks from today to amend it. I hope at the end of that two
15 weeks there will be no argument as to whether the amended
16 countestatement is or is not adequate. If there is, I shall
17 want to address that very promptly rather than letting things
18 drag on for another three to four months. So at the end of that
19 two weeks, if the claimants still feels that the
20 counterstatement is inadequate, they are at liberty to come
21 back to me within a week and I will then issue further
22 directions. But, as I say, I sincerely hope that situation
23 will not arise.

24 Once that has been done, the normal timetable set out in
25 the Patent Rules will come into play; that is, that

1 there will be six weeks for each of the three evidence rounds.
2 I do not really need to direct that because it is in the
3 Rules. I will just say that I do not expect to see each side
4 asking, in turn, for extensions of every one of those six week
5 periods. I shall be looking for some good reasons for any
6 requested extensions.

7 The only remaining question is to whether I should
8 put the pressure on by setting a hearing date now so
9 as to prevent these proceedings dragging out. The claimants
10 have suggested I should do so and should set a date in
11 July. Mr. Tappin has said he is not available in July, and
12 Mr. Moore has kindly pointed out that counsel are not often
13 available in August for other reasons. I understand and
14 appreciate that.

15 Equally, I am conscious that Mr. Tappin's diary (and
16 possibly Mr. Moore's, though I don't know about that)
17 gets fairly full. I am concerned about waiting until
18 May/June before trying to set the hearing date, for fear that
19 it will by then be difficult to find a free slot for months
20 ahead. So I am going to direct that the parties should try and
21 agree a hearing date now. They should come back to me within
22 three weeks with suggestions for a hearing date. August
23 may be possible if Mr. Tappin is not out for the whole of
24 August because, believe it or not, we do have Hearing

1 Officers who function in August. June, I suspect, is too
2 early. It is not going to allow enough time. So it may have
3 to be pushed into the beginning of September but I would like
4 you to try and get a date sorted now.

5 MR. MOORE: Do you have any dates you are not available?

6 THE HEARING OFFICER: Yes. Do you really want to know?

7 MR. MOORE: It is just so we do not agree a date and then
8 suddenly ----

9 THE HEARING OFFICER: No. You would need to agree some possible
10 dates and put them up to me. I can tell you now that I am not
11 available in June, July, August or September because I am
12 actually retiring in May and therefore I will not be taking
13 the substantive hearing. One of my colleagues will be doing
14 so. But normally we can find a Hearing Officer free to do it.
15 This will be one who has got more chemical knowledge than I
16 have got but that will not be too difficult. I think the
17 thing to do would be to come up with a couple of options and
18 our Hearings Clerk will confirm whether or not we can find a
19 Hearing Officer free.

20 Do either of you wish to make any submissions on costs
21 in respect of this morning's hearing?

22 MR. MOORE: I would have thought costs in the cause.

23 THE HEARING OFFICER: Costs in the cause?

24 MR. MOORE: Yes. We just deal with it at the end of the hearing.

1 MR. TAPPIN: We will agree with that.

2 THE HEARING OFFICER: You are not going to disagree with that.

3 MR. TAPPIN: No.

4 THE HEARING OFFICER: I will leave it at that then. So costs will
5 be costs in the cause.

6 The only final thing I suppose I had better say for
7 completeness is that if you wish to appeal my decision this
8 morning you have 28 days in which to do it but you probably
9 knew that anyway. Unless there is anything else?

10 MR. TAPPIN: I do not believe so. Can I just check. We will,
11 presumably, get a transcript of the decision.

12 THE HEARING OFFICER: Yes, you will. Thank you all very much.

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