

02 January 2013

PATENTS ACT 1977

BETWEEN

Sonomatic Ltd.

Claimant

and

Flexlife Ltd.

Defendant

PROCEEDINGS

Opposition to Section 27 amendment

HEARING OFFICER

A C Howard

Flexlife Ltd. represented by Wendy Crosby and Robert Ljungberg of Murgitroyd and Co.

Hearing date: 08 November 2012

DECISION

Background

- 1 This decision relates to an opposed application to amend UK patent GB2446670B (the patent), in the name of Flexlife Ltd. (the proprietor). The patent was originally granted on 9 December 2008.
- 2 The invention concerns the inspection of flexible pipelines, such as those used in the oil and gas industry. In offshore oil and gas extraction, these pipelines are often located underwater. Such pipelines are designed to withstand the subsea environment as best they can, and include multiple layers, with differing physical properties, which define an annulus of the pipeline. However, damage and degradation can still occur resulting in flooding of the annulus between layers of the pipeline. Such flooding may be seawater from outside the pipeline, or fluid from inside the pipeline. The patent describes and claims a method of monitoring flexible pipelines using ultrasonic scanning to indicate a level of flooding within the annulus of the pipeline.

The proposed amendment

- 3 The patent comprises a single independent claim which reads as follows:

A method of monitoring the condition of a flexible pipeline comprising the steps of scanning the pipeline with an ultrasonic scanner and producing and/or recording a signal indicative of the level of flooding within the annulus of the pipeline.

- 4 On 7 February 2012 the proprietor requested to amend the granted patent under Section 27 of the Patents Act 1977 (The Act). The proposed amendment is to add the following to the end of claim 1 (with a corresponding amendment to the consistory clause on page 6 of the description):

“...and using the information provided from the signal to determine the level of flooding within the annulus and to identify a flooded section of the flexible pipeline.”

- 5 Support for this amendment is said to be provided by page 8 lines 8, 19, 23-24 and 26-27 in particular. The reason for the amendment was given as being “to more clearly distinguish from [two] citations”; namely a 1995 article from the technical journal “Engineering Structures” by J.M.M. Out *et al*, and a paper by De Oliveira Carneval *et al* from the European Conference on “Non Destructive Testing” held in September 2006. Neither is said to teach or suggest the additional features of the proposed amendment.

Opposition

- 6 The proposed amendment has been opposed by Sonomatic Ltd. (the opponent) on several grounds, namely:

- (i) Novelty and inventive step: It is alleged that claim 1 as amended would not be novel over the above-mentioned publications by Out *et al* and De Oliveira Carneval *et al* as well as an additional document “NDT of Flexible Risers, A Safety Review for HOIS” by B.M. Hawker. It is also alleged that claim 1 as amended would not be inventive over RU2153602C1 in combination with acknowledged prior art of the invention and common general knowledge, US5329561 in combination with acknowledged prior art of the invention, or JP60174948 in combination with acknowledged prior art of the invention. All of these patent documents were considered pre-grant, during examination of the patent application. As the reason for making the request is to distinguish the invention over *De Oliveira Carneval* and *Out*, this further raises the question of whether the amendment achieves its intended purpose.
- (ii) Stating the reason for making the amendment, and providing full disclosure: It is alleged that the opponent made the proprietor aware of four prior art documents in an email dated 3 August 2010, but the proprietor has disclosed only two of these documents in their request to amend the patent. The other two documents are “Internal ultrasonic inspection of flexible pipe” by Baltzersen *et. al.*, and the Hawker paper referred to above. It is also alleged that the proprietor has not given full disclosure of the reason for the need to amend in light of the two documents they did identify in the request.
- (iii) Clarity: The term “flexible” is said to lack clarity. It is alleged that page 1 lines 8-9 defines that the pipe making the pipeline can “bend relatively easily”, but offers no guidance on how “relatively easily” should be determined. It is also alleged that there is no antecedent for “the annulus”.

- (iv) Added matter: It is alleged that page 8 lines 17-24 does not support the proposed amendment, and that it is not clear how the 3D image is produced, or how it identifies a flooded annulus. It is further alleged that the claim defines “level of flooding”, whereas the description discloses “depth of the water”, and that it is not clear how these relate.

Further submissions and hearing

- 7 In the run up to the hearing evidence rounds proceeded according to the normal timetable. The material submitted in this phase by each side comprised letters from the respective parties’ attorneys bearing statements of truth and incorporating, in the main, mixtures of assertion of fact and further argument. In the absence of cross-examination by either side, I have to take what amounts on its face to be factual evidence as unchallenged, save that I must resolve any conflict in the evidence on the balance of probabilities having regard to the material which has been put before me.
- 8 Shortly before the appointed date for the hearing, the opponent decided not to attend on the basis that the papers already filed provided sufficient support for their case. The proprietor decided however to go ahead with the hearing which duly took place on 8 November 2012, with Wendy Crosby and Robert Ljungberg of Murgitroyd and Company in attendance on behalf of the proprietor.

The law

- 9 The sub-sections of Section 27 of the Act which are relevant to these proceedings read as follows:
- (1) Subject to the following provisions of this section and to section 76 below, the comptroller may, on an application made by the proprietor of a patent, allow the specification of the patent to be amended subject to such conditions, if any, as he thinks fit.*
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- (5) A person may give notice to the comptroller of his opposition to an application under this section by the proprietor of a patent, and if he does so the comptroller shall notify the proprietor and consider the opposition in deciding whether to grant the application.*
- (6) In considering whether or not to allow an application under this section, the comptroller shall have regard to any relevant principles under the European Patent Convention.*
- 10 The wording used in the statute indicates that amendment of a granted patent is a discretionary matter. This means that the onus is on the party requesting the amendment to satisfy the comptroller that it should be allowed.

Discussion of the grounds of opposition raised

Novelty and Inventive step

- 11 The opponent has alleged that the patent as amended would not be novel or inventive over a number of prior art documents. In a later submission the issue of enablement was also linked to the possible existence of an inventive step. As such, I am in essence being asked to assess the validity of the amended patent, and to refuse the amendment on the grounds that it would be invalid.
- 12 While in their counterstatement the proprietor gives full arguments as to why the amended claims are considered to be clearly distinguished from all prior art documents cited by the opponent, in their later submissions it is requested that the issue of validity is excluded from consideration. The reason given for this is that Section 74(2) of the Patents Act does not allow the validity of a granted patent to be put at issue by an opposition to a post-grant amendment under Section 27. Section 74(2) reads:

The validity of a patent may not be put in issue in any other proceedings and, in particular, no proceedings may be instituted (whether under this Act or otherwise) seeking only a declaration as to the validity or invalidity of a patent.

The expression “*any other proceedings*” refers back to a list of proceedings given in Section 74(1), which does not include opposition to an amendment under Section 27.

- 13 The proprietor also cites section 27.28 of the Manual of Patent Practice (MoPP), which reads:

“Both in the notice of opposition and supporting statement and in any subsequent proceedings the opponent must address himself solely to the allowability of the proposed amendments, and may not attack the validity of the patent as it would be after amendment, except that if the amendments have been sought in order to remove an admitted defect casting doubt on the validity of the patent, the opponent may argue that the proposed amendments are not adequate to remove the defect (James Gibbons Ltd's Application [1957] RPC 158, Bridgestone Tire KK's Patent - BL O/166/92). The opponent may not object that the proposed amendment would introduce plurality of invention (see 26.01).”

- 14 The authorities referred to in the MoPP, namely *James Gibbons Application*,¹ *Bridgestone*² and *Bucher-Guyer*³, all support the notion that the opposition to a post-grant amendment is not an opportunity to attack the validity of the patent, either as granted or as amended.
- 15 *Gibbons* is a decision under Section 29 of the 1949 Act, but this is framed in similar terms to those of Section 27 of the current Act with regard to both the requirements for amending post-grant, and the grounds of opposition to such amendments.

¹ James Gibbons Ltd's Application [1957] RPC 158

² Bridgestone Tire KK's Patent - BL O/166/92

³ Bucher-Guyer AG Maschinenfabrik's Patent - BL O/167/86

Moreover, all these three decisions are at the level of the Office and are therefore not strictly binding on me. However, in the absence of any binding authorities and having regard to the fact that these decisions have stood the test of time, I would need good reason to depart from them. I therefore agree that validity as such should not be an issue in these proceedings. However this is not to say that it may never be appropriate to carry out an analysis which is akin to determining validity when addressing the question of whether the amendments achieve their intended purpose (see below).

Does the amendment achieve its intended purpose?

- 16 The commentary on Section 27(1) of The Act in paragraph 27.07 of MoPP says that:
- “The reasons must be such that it can be established that the amendments effect a proper cure for any defect that they are intended to rectify.”*
- 17 In the proprietor’s arguments on why validity should not be questioned in these proceedings, they contend that the relevance of *Out* and *De Oliveira Carneval* to the invention should not be considered as they have never admitted any defect which casts doubt over the validity of the patent. On the other hand, in its final submission, the opponent suggests that referencing these two citations in the request to amend constitutes an admission of such a defect.
- 18 I do not think that too much importance should be placed on the exact meaning of the term “defect”, which it would appear comes from *Gibbons Ltd’s Application* at page 163 lines 1-6. The sense here is that in order to be permitted, an amendment must satisfy the need which has been advanced as justification for making it. Indeed, page 163 lines 11-14 of *Gibbons* reads:
- “I hold, therefore, that the Comptroller has the right, and indeed the duty, to examine any proposed amendment in the light of the reasons given by the applicant who seeks the indulgence, and reject it if, in his opinion, it does not achieve the result which it purports to do.”*
- 19 As discussed previously, although *Gibbons* is an office decision under the 1949 Act, I regard it as being of persuasive authority. Therefore, in deciding whether to allow the amendment, I consider that the correct approach is to assess whether it satisfies the reason given for making it.
- 20 When the request to make the amendment was filed, the reason given was “to more clearly distinguish from these citations”, the citations referred to being those by *Out* and *De Oliveira Carneval*. In the hearing Mr Ljungberg confirmed that motivation for the amendment, but added that clarifying the scope of the invention more generally was also an important consideration. In this regard I should say that when requesting an amendment, the general rule is that all the reasons for the request should be disclosed at the outset. Failure to do so may jeopardise the prospects of discretion being exercised in favour of allowance. However in the present case I would regard the achievement of improved clarity as linked to the originally disclosed reasons, and Mr Ljungberg’s comments as being by way of amplification of the original reasons rather than an attempt to put forward a different justification for the amendment.

- 21 At this point I should make clear that it appears to me, as a general proposition, to be a reasonable position to take that while a claim is not considered defective (in the sense that there is not believed to be a serious risk that it could be found invalid), it is nevertheless felt desirable to make an amendment in order to more clearly distinguish it over prior art.
- 22 Accordingly, the amendments will not have achieved their stated objective if the claim is not clear of the citations, and so I am of the view that it is necessary for me to consider the extent to which the amended patent would be distinguished over these documents. This is consistent with the approach adopted by the Superintending Examiner in *Borden's Patent*⁴, another Office decision which was referred to in the opponent's final submissions.
- 23 It is clear from the specification that the purpose of the invention is to identify flooding in the annulus of a flexible pipeline. Claim 1 as granted only provides a signal indicative of the level of flooding, whereas the amended claim 1 would define how that signal is used to identify a flooded section.
- 24 The proprietor and opponent are not in substantial disagreement over what is disclosed by each of *Out* and *De Oliveira Carneval*, and neither do I demur: both disclose the use of ultrasound in the non-destructive testing of flexible pipelines. However, while neither discloses that this is to detect the level or presence of flooding in an annulus of the pipeline, the opponent has argued that, if flooding is present in the annulus of a pipeline, it is an inevitable consequence that it will be detected by ultrasonic inspection, and therefore each document anticipates the invention as defined in amended claim 1. I do not agree with this. As neither document sets out to identify flooding in the annulus, I see nothing that would lead the skilled person to use an output signal in the manner defined by the proposed amendment to claim 1. I therefore consider that claim 1 as amended would be more clearly distinguished over both cited documents, and as such, the proposed amendment does achieve its intended purpose.

Stating the reason for making the amendment, and providing full disclosure

- 25 The opponent argues that the request should be refused because the proprietor should have disclosed all four of the document of which they were made aware in 2010. In this respect a number of authorities have been referred to me:
- (a) In *Hsuing's Patent*⁵ the Court of Appeal held that "where a patentee sought to amend his patent, the onus was on him to make full disclosure of all matters material to the exercise of discretion to allow amendment". Therefore, unless full particulars of legitimate reasons are given, discretion should not be exercised in favour of allowing the amendments.
- (b) In *Clevite Corporation's Patent*⁶ the Patents Appeal Tribunal held that "The comptroller was entitled to know whether it was mere whim or necessity which drove the applicants to seek leave to amend". Although the *Clevite* judgment

⁴ Borden's Patent BL O/160/86

⁵ Hsuing's Patent [1992] RPC 497

⁶ Clevite Corporations Patent [1966] RPC 199

was under the 1949 Act, its relevance under the 1977 Act has been confirmed by the hearing officer in *Waddingtons Ltd's Patent*⁷.

- (c) In *Clive-Smith's Patent*⁸ the proposed amendments were extensive, and included a virtual rewrite of the description, and removal of two features from claim 1. The reasons given for this were generic (i.e. "to obtain enhanced clarity, linguistic correctness, and correction of minor errors, obscurities or inadequacies, typographical errors or obvious omissions"), and failed to identify a single specific defect, or explain why correction of the specification under s.117 had not been requested instead. Although part of the rationale for refusal of the request to amend was that insufficient reasons had been given, this is a very different situation to the present case and I consider it to be of only limited assistance to me.
- (d) In *Minister of Agriculture's Patent*⁹ a period of 4½ years had passed between the patentee being made aware of prior art, and the request to amend the patent so as to distinguish it therefrom. Although the hearing officer accepted that the patentee's failure to realise the relevance of this prior art was due to a lack of care rather than deliberate prevarication, it was held that in making the request to amend he should have disclosed the length of time he had been aware of the existence of the prior art (if not its relevance to the patent), and consequently the request to amend was refused. Although that case was also about full disclosure, there was no dispute over the fact that the document in question had prompted the amendment once its relevance had been appreciated, and this is an important distinction with the present request in which there has never been acceptance that the documents in question are relevant to the amendment.

- 26 In its original response to the opposition, the proprietor did not deny that it was made aware of *Baltzersen* and *Hawker* by the opponent. They did however contend that these two documents are not relevant to the request to amend, and as such there was no reason for them to be disclosed
- 27 However, at the hearing, Mr Ljungberg asked me to consider a new argument relating to these two documents. With regard to *Hawker*, he said that that in 2010 the proprietors had considered this not to be a public document due to it being stamped with "RESTRICTED - COMMERCIAL" on its cover page, and therefore discounted its relevance. With regard to *Baltzersen*, although the opponent did refer to this in an email in 2010, the details provided were insufficient to allow the proprietor to obtain a copy of the document; for this reason the proprietor was only able to identify it when it was referred to in these opposition proceedings.
- 28 These points, should I agree to consider them, would amount to a substantive amendment to the proprietor's case which, had the opponent been aware, they may have wished to put to proof. In the event they have not been able to do so and it would not be fair to allow these new elements to be admitted at such a late stage. In these circumstances I shall therefore proceed on the basis that the proprietor was made fully aware of both documents in August 2010, and I shall disregard the

⁷ *Waddingtons Ltd's Patent* [1986] RPC 158

⁸ *Clive-Smith's Patent* BL O/310/99

⁹ *Minister of Agriculture's Patent* BL O/011/92

suggestion of an assumption on the part of the proprietor that *Hawker* was not in the public domain.

- 29 The obligation to provide full reasons for making an amendment does not in my view mean that a patentee has to disclose every piece of prior art that has come to his attention. The obligation is to disclose all documents and/or other information which have actually prompted the amendment. In this case I have the proprietor's assertion that the amendment was prompted by only the two documents that were disclosed, and this must carry some weight. However, I do believe it is right for me to consider the relevance of the two additional documents referred to by the opponent, as if either or both of these were relevant to the validity of the unamended claim, then this would be suggestive that there has not been full disclosure.
- 30 *Baltzersen* discloses ultrasonic inspection of flexible pipelines to assess physical damage (in a similar way to *Out* and *De Oliveira Carneval*). There is no disclosure or suggestion of detecting the presence of flooding in an annulus of the pipeline. The opponent itself has not attempted to put forward any argument of substance as to the relevance of this document, and I can see no reason why the proprietor should have disclosed it in making their request to amend.
- 31 As regards *Hawker*, the opponent alleges that section 4.4.4 (pages 27-28) provides an anticipation of the invention both as granted and as amended. This passage discloses that some research has been done into the use of ultrasonic inspection of the outer armour and annulus of flexible pipelines. Zero degree probes were used as a means for detecting the presence of water in the annulus, but without success. This was because the outer sheath was acoustically well coupled to the outer armour layer whether the annulus was wet or dry, and so a reflection of fairly uniform amplitude was obtained over both wet and dry pipe sections. The message I draw from this is that although there was a recognised theoretical possibility of ultrasonic detection of water in the annulus of a flexible pipeline, research showed it not to be possible in practice. It is thus clear to me that *Hawker* does not provide an enabling disclosure of the invention as granted or amended, and nor do I think it likely that it could be used in as credible attack on validity under inventive step. I therefore find no reason to conclude that the proprietor ought to have disclosed this document.
- 32 I therefore conclude that full and sufficient reasons have been given for making the request to amend the patent.

Clarity

- 33 The opponent says that the term "flexible" lacks clarity, and that there is no antecedent for "the annulus". Although both of these terms appear in the amendment to claim 1, both also existed in claim 1 as granted, so it is not evident to me how the amendments as such would introduce lack of clarity.
- 34 Nevertheless I would comment that in the context of the invention, and read in the light of the description, I do not consider that a skilled person would have any trouble construing the term "flexible", it being noted in particular that "flexible pipeline" appears to be a standard term used in the art to refer to a pipeline of the invention. Similarly, although there may not be explicit antecedent for the annulus of the pipeline in claim 1, in the context of the invention, and in light of the description, it is

clear that the invention relates only to pipelines comprising a plurality of layers, and that it is therefore implicit that an annulus, which may become flooded, exists.

- 35 I therefore conclude that the amendments to claim 1 are not objectionable from the point of view of lack of clarity.

Added matter

- 36 The opponent further opposes the amendment on the grounds of added matter. A related point made in a later submission is that there is insufficient enabling disclosure of the invention both as granted and as amended. It is argued that the specification as filed does not disclose specifically the use of information provided by the signal produced from the scanner to determine the level of flooding and identify a flooded section of annulus. In response, the proprietor says that from a reading of the specification as a whole it is clear that this information is present. I agree. There are passages, which are pointed out in the proprietor's submissions, where it is clear that a signal may be used to identify a flooded section of annulus and the depth of water (e.g. page 8 lines 17-24). I therefore reject the contention that the amendments would add subject-matter. Moreover, as the proposed amendment is supported by the application as filed, it follows that the amendment itself does not give rise to any issue of enablement.

Behaviour of the proprietor

- 37 In their submission of 17 October 2012, the opponent raises the question of the behaviour of the proprietor. It is alleged that there was an exchange of emails in August 2010, in the course of which the proprietor "warned" the opponent about the existence of the patent. In this regard the opponent refers to the office decision of *Kaiser's Patent*¹⁰, in which it was held that failure to inform the comptroller that a warning letter had previously been issued to a third party, when the proprietor knew the patent to be invalid, meant that the request to validate the patent by way of amendment under s.27 should be refused.
- 38 This allegation was not present in the applicant's initial statement of case, and I would normally expect to see good reasons for allowing an important addition at such a late stage. I will nevertheless observe that the behaviour of the proprietor is no longer a factor to be taken into consideration when exercising discretion to allow a post-grant amendment. This is in order to conform to the practice of the European Patent Office as required by Section 27(6) of the Act (the coming into force of which post-dates the decision in *Kaiser's Patent*), and was confirmed by Floyd J in *Zipher v Markem Systems*¹¹.

Decision and order

- 39 For the reasons set out above, I consider that it is appropriate for the comptroller to exercise discretion in favour of the proprietor's request under Section 27 of the Patent Act 1977, and accordingly I allow UK patent number GB2446670B to be amended as requested.

¹⁰ Kaiser's Patent BL O/279/00

¹¹ Zipher Ltd v Markem Systems Ltd & Anr [2008] EWCH 1379 (Pat)

Costs

- 40 In section 27 proceedings, there is no automatic assumption that an award of costs will be made to a victorious patentee, because of the public interest in bringing about rigorous scrutiny of the amendments. Rather what I need to do is consider what is just, having regard to all the circumstances.
- 41 At the hearing, it was submitted to me that the proprietor had been put to considerable expense through the need to consider all the prior art documents referred to by the opponent in support of what was ultimately rejected as an incorrect line of challenge. I was asked not only to award costs but to make an award off the comptroller's normal scale, and following the hearing the proprietor submitted a list of itemised costs incurred in the proceedings. Ms Crosby referred to *Bridgestone* in support of her argument, although I would note that while this precedent supports an award of costs to the proprietor in circumstances where a large amount of the evidence was directed to a part of the case that was ultimately rejected, there was not an award of off-scale costs.
- 42 I am of the view that an award of costs is justified in the present proceedings, although I do not think it would be right to depart from the comptroller's scale. In considering what award is appropriate, I have taken note of the volume of material and the extent of the arguments filed in support of the opponent's case and to which the proprietor was obliged to respond. Taking all this into account I conclude that the appropriate amount of costs to be awarded is £3,000.
- 43 I therefore order the opponent, Sonomatic Ltd., to pay to the proprietor, Flexlife Ltd., the sum of £3,000 (three thousand pounds) as a contribution toward its expenses. This sum should be paid within seven days of the expiry of the appeal period below. Payment may be suspended in the event of an appeal.

Appeal

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

A C HOWARD