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PATENTS ACT 1977

IN THE MATTER OF an application by
British Coal Corporation for the revocation
under Section 72 of GB Patent No 2180047 in
the name of Glaverbel

Pat / Linda
3Y60

PRELIMINARY DECISION

This application by British Coal Corporation (BCC) for revocation of Glaverbel's UK patent number 2180047 has been much protracted and its history already has included some four prior preliminary hearings. Two of these have relevance to the issue currently in dispute.

(i) The third preliminary hearing in December 1994 resulted in an order for the patentees to give discovery of documents concerned with the issue of obviousness, in particular those supporting the history of the making of the invention claimed in the patent in suit as described in the first declaration of M. Mottet, one of the inventors.

(ii) The subsequent fourth preliminary hearing in November 1995 was primarily directed to the issue of confidentiality of documents to be disclosed voluntarily by the patentees and relating to their proposed amendment of the patent in suit. During the hearing, however, reference was also made to the issue of confidentiality in respect of the obviousness discovery ordered as a consequence of the earlier third hearing. Whilst, in general, confidential terms for release of these documents looked to be on course for agreement between the parties, the patentees' counsel forewarned that the patentees were likely to object to release to one particular individual, Mr Tucker, named by the applicants. Consideration of the issue was deferred at that time, however, pending the results of enquiries by the patentees into the position and employment of Mr Tucker.

In the event, although there has been release of the discovery to the applicants' legal and patent advisors, the parties have been unable to agree regarding Mr Tucker, and the applicants thus requested a further preliminary hearing to resolve the impasse. The matter thus came before me

at a further preliminary hearing on 12 November 1996 at which the applicants were represented by Mr Guy Burkill and the patentees by Mr Andrew Waugh.

Before considering the specific arguments raised at the hearing, it is perhaps convenient to look at the background to the dispute and in particular at the discovery documentation itself and at the position of Mr Tucker.

The discovery documentation at issue is effectively M. Mottet's laboratory notebooks and supporting documents over the period August 1983 to August 1985, ie the period over which he has described developmental work and creation of the invention in his first affidavit. It consists largely of technical data (flow rates, nozzle sizes etc) from many tests and experiments on the adjustment of ceramic welding parameters. Whilst remarks and observations are recorded in the majority of tests there is no associated explanatory text or commentary summarising the technical data although data is at places summarised graphically, and a three-year project plan outlines the work to be carried out and specifies its objective. Drawings of the apparatus used are also included.

Mr Tucker has had a long association with ceramic welding and it does not appear disputed that he is an expert in the field. As an employee of BCC's Coal Research Establishment (CRE) since 1970 he has seen the development of ceramic welding within CRE since initial work in this field in 1980, and in February 1985 he became directly responsible for all CRE work on ceramic welding. Mr Tucker has provided evidence in a number of past patent disputes between BCC and Glaverbel and is very much seen by the applicants as their principal technical witness. In this regard, however, the patentees point to Patents Court proceedings in respect of one such earlier piece of litigation where the judge in his decision made critical reference to Mr Tucker's performance as a witness. Following the privatisation of various parts of BCC in 1995, Mr Tucker is employed by the now independent CRE Group Limited and holds a senior post in that firm's consultancy business area, where he seems largely involved with overseas technical assistance projects in Eastern Europe and China.

Returning to the point in issue, the two parties' positions although extensively argued can, I think, be quite briefly summarised. The patentees contend that the discovery documents, comprising as they do the results of considerable experimental work by M. Mottet, provide

valuable technical data on the adjustment of parameters in ceramic welding to achieve high delivery rates. They believe that this information gives a necessary edge over their competitors and they thus strongly resist its disclosure to an individual active (or potentially so) with a competitor company (CRE) even under stringent confidentiality terms.

They argue that amongst the mass of data relatively simple relationships between the parameters can be identified, and thus confidentiality terms will be ineffective to prevent such information being taken on board mentally by Mr Tucker for subsequent re-use, albeit subconsciously. They consider that Mr Tucker's employment situation as a consultant for a third-party organisation post-privatisation of BCC makes the position worse, and they point also to the criticism of him in the earlier court proceedings as an indication that he is not trustworthy. The patentees offer, as an alternative, disclosure to one or other of the applicants' independent experts (Messrs Reed and Bradley) who have also testified in these proceedings and which they argue should be adequate given the purpose and likely importance of the discovery documents in these proceedings. They are adamant, however, that they do not want disclosure to Mr Tucker on any terms.

The applicants for their part maintain that the information contained in the discovery documents is of such complexity that only a ceramic welding expert such as Mr Tucker can understand it. Messrs Reed and Bradley are gas-solid flow experts and not ceramic welding experts, and thus do not have the required background. They further point out that the information is some 11 or more years old and there is no proof that it would now be of any practical value to Mr Tucker as a competitor. Mr Tucker is their principal technical witness and the discovery order was made as a result of conflict between his evidence and that of M. Mottet. If he is prevented from seeing the material, it would mean that he would be unable to play a full role in these proceedings and it would negate the purpose for which the discovery had been ordered.

The applicants are willing to accept the most stringent confidentiality terms for Mr Tucker's access to the information and they argue that there is nothing to suggest that this will be inadequate to protect the patentees' interests. They strongly refute any suggestion that the comments of the Patents Court judge in the earlier proceedings should in any way be taken to impugn Mr Tucker's honesty and point to the successful appeal in that case as vindication. They are adamant that disclosure to Mr Tucker is right and that nothing else will do.

These then are the two polarised positions between which I must decide and it is not something I have found easy to do. My approach has been to ask myself the following questions:-

(1) Is the discovered data *prima facie* confidential?

If the answer to this is 'no' then the decision is clear. If 'yes', however, then -

(2) Is further disclosure, beyond that already granted to the applicants' legal advisors, necessary?

If the answer to this is 'no', then the decision is clear. If 'yes', however, then -

(3) Have the applicants a valid expectation that there will be disclosure to Mr Tucker?

If the answer is 'no', then disclosure to an alternative is indicated, for example Professor Reed and/or Dr Bradley (as the only suggested alternatives to Mr Tucker). If 'yes', however, then -

(4) Is disclosure to Mr Tucker essential to satisfy the purpose for which the discovery was ordered?

If the answer is 'no', then again disclosure to an alternative is indicated. If 'yes', however, then -

(5) Is the danger of damage to the patentees' business interests of disclosure to Mr Tucker such as to justify over-ruling discovery to Mr Tucker?

If 'yes', then disclosure to an alternative is indicated. If 'no', then disclosure to Mr Tucker must be the decision.

Turning to the first of my questions, I consider that the discovery documents, comprising as they do effectively the laboratory notebooks of M. Mottet, are of a type which in any circumstances an organisation would consider to be commercially confidential information. The applicants

have not disputed that the discovery documents are to be regarded as confidential, although they cast doubts on the commercial importance of the information as a result of its age. The answer to my first question, thus being 'yes', I will turn to the second.

There is dispute between the parties as to the degree to which the discovery documents are comprehensible by 'non-expert' legal advisors. The documents as already explained comprise a mass of experimental data, sometimes in tabular form and other times in graphical form, relating to variation of various flow and apparatus parameters. The patentees argue that in any one experiment it is clear what is being done. That may well be the case. However, that is perhaps not the same as assimilating the story that the data tells, and I am inclined to concur with the applicants' submission that technical expertise is necessary to understand fully what the data and information teaches. Thus the answer to my second question is also 'yes', and I must move to the third.

It is clear that Mr Tucker has been involved in numerous proceedings on behalf of British Coal and CRE and has a long experience in the ceramic welding field. In these particular proceedings he is the principal expert witness for the applicants and is best able to address the obviousness issue for which discovery has been ordered on behalf of the applicants. He has also raised questions concerning the affidavit and evidence of M. Mottet, which until the appearance of the documents to be discovered, has lacked documentary support. Discovery of these documents to Mr Tucker should provide the opportunity for deciding whether M. Mottet's affidavit and evidence is adequately supported by the test reports, drawings, graphs and the project plan contained in the confidential file and also address the conflict of evidence issue. Therefore, I am of the opinion that it is quite natural for the applicants to expect disclosure to Mr Tucker. Thus the answer to my third question is also 'yes'.

I now move on to consider the fourth question which is perhaps the nub of the issue and it is the one which has given me the greatest difficulty. I have perused the confidential documents handed to me by patentees' Counsel at the hearing and which are the subject of the discovery on obviousness. These documents as previously indicated comprise a file of test reports and related papers. The reports are very detailed and cover tests in which several parameters are varied. In view of the specific context of these documents, I am of the opinion that it is not clear that the file would be fully understood by a technician who is not skilled in the art of ceramic welding,

and thus on the absence of such that the obviousness issue would be addressed satisfactorily in these proceedings.

However, the patentees object to the applicants' ceramic welding expert Mr Tucker. They perceive him to be partisan in view of the number of declarations and affidavits he has made on behalf of British Coal and CRE over the last 10 years. They have indicated that they would instead be content for Professor Reed and Dr Bradley to review the confidential documentation on behalf of the applicants instead of Mr Tucker. However, notwithstanding the evidence submitted in these proceedings by Professor Reed and Dr Bradley they are, by their own admission, experts on matters relating to gas-solid flow with no direct experience of ceramic welding. Indeed, their evidence on behalf of the applicants is addressed specifically at the gas-solid flow aspects of the patent in suit and not at the ceramic welding aspects. The patentees themselves, through M. Mottet's evidence, draw attention to this perceived deficiency when responding to the evidence of Messrs Dean and Bradley. Given my view that someone skilled in ceramic welding is necessary, I am unconvinced therefore that disclosure to one or other of these parties will be adequate in the context of the hearing.

The parties have not suggested any independent ceramic welding expert as an alternative to Mr Tucker. Whilst there was some dispute between the parties as to the number of firms active in this field, it is clearly not extensive and it seems likely that the patentees would have equal reluctance to disclose what they see as their trade secrets to a third-party competitor should I direct such. The feasibility of such a course has, further, not been investigated and would no doubt add yet further extensive delay to these protracted proceedings. Having dismissed Messrs Dean and Bradley as alternatives, therefore, I am left with Mr Tucker. On balance, therefore, the answer to my fourth question is also 'yes'.

I must now consider whether the likely argument of potential risk of damage to the patentees' business interests should, irrespective of the above, lead me to refuse disclosure to Mr Tucker. Both parties drew my attention to the principles set out in the judgment in *Warner-Lambert Co v Glaxo Laboratories Ltd.* [1975] RPC 354, ie that there is no form of universal order and that each case should be considered on its own merits with a view to provide as full a degree of appropriate disclosure to one party as will be consistent with adequate protection of any commercial secrets of the other. Mr Burkhill for the applicants further drew my attention to the

precedent decisions of *Centri-Spray Corp v Cera International Ltd* [1979] FSR 175 and *Format Communications Mfg Ltd v ITT (United Kingdom) Ltd* [1983] FSR 473. These are cases where discovery and inspection of documents by an employee of one party was allowed, despite argument from the other side that it would imperil commercial secrets, because there was no clear independent alternative who could take an informed view. These he submitted were on all fours with the current situation. Mr Waugh for the patentees argued to the contrary on the basis that, in the prior cases which related to infringement, the discovery went to the core of the case (ie was or was not an infringing act taking place), whereas here the importance of the discovery documents to resolution of the issue was much less, being to provide documentary support or otherwise for M. Mottet's history of the genesis of the invention. To an extent I think Mr Waugh has a point, clearly this discovery has not the core importance it did in the precedent cases. Nonetheless, I am not convinced by his argument that it is unimportant in the probative sense in the context of these proceedings. A hearing officer at the earlier stage felt it important enough to order the discovery and, in that light, I am reluctant to effectively render that discovery ineffective unless absolutely necessary.

In the light of the above, disclosure to Mr Tucker is indicated in the absence of overwhelming evidence that it could cause serious commercial damage to the patentees.

During the hearing there was much argument as to the significance of the criticism of Mr Tucker as a witness by the Judge in earlier court proceedings between the parties and as to whether he was subsequently vindicated on appeal. Whatever the truth of this, I do not see that it is something I should properly take into account in this case and, whilst it is clear that it heavily colours the patentees attitude to Mr Tucker, there is nothing in it in my view to substantiate any suggestion that he cannot be trusted in the context of a confidentiality agreement.

Turning to the issue itself as to whether the documents contain confidential information which, in the hands of a competitor, would be likely to cause damage to the patentees, in my perusal of the confidential documents I am frankly unable to determine whether they contain such information. In view of the nature of the confidential information relating as it does to ceramic welding operations and to details of changes to various parameters, this conclusion should not be unexpected. The applicants dispute the likely value of the information to them as a

competitor because of its age and the parallel development of their own process by CRE. Notwithstanding this, the patentees insist it has potential value and, whilst their views are perhaps coloured by their suspicion of Mr Tucker, they have convinced me that they have genuine concerns. Where they have not convinced me, however, is that the risk in disclosure to Mr Tucker under any terms is such as to overrule my view that such disclosure is right in the context of this case.

My decision is thus to order that disclosure of the obviousness discovery documents to Mr Tucker should take place.

As I have stated above, the applicants are willing to accept the most stringent confidentiality terms for Mr Tucker's access to the confidential documents. Although I have not been directed by the patentees to any part of the documents to be discovered as being of particular commercial interest, the patentees have argued that they consider confidentiality terms would be ineffective to prevent relevant information, in particular relationships between the parameters to attain optimum performance, from being taken on board by Mr Tucker and re-used, perhaps subconsciously. However, as I have indicated I am of the opinion that only someone with familiarity of ceramic welding would be in a position fully to know what to look for in the documents and so be able to understand the message or meaning behind them. I recognise, however, that to allow an employee of a potential competitor to inspect confidential documents obviously risks breach of confidentiality. Therefore, I have considered whether the undertakings already made by the applicants in these proceedings can be strengthened in any way so as to at least in part allay the fears of the patentees. I conclude that they can be strengthened.

I am of the view, therefore, that a more stringent undertaking than has already been applied to the applicants' discovery should be applied to Mr Tucker's discovery. In addition to the conditions of the current confidentiality undertaking, Mr Tucker will only be allowed to inspect the documents in the presence of a representative of the patentees and at a location chosen by the patentees. Mr Tucker will not, without leave of the patentees or the comptroller, be allowed to take any notes or memoranda or make copies of any of the documents on the file. With these conditions I believe the danger of retention of information for reuse should be minimised.

Mr Waugh asked that, should I find against the patentees, that I stay the order pending consideration of an appeal, on their undertaking to thereafter pursue it with due diligence. Having regard to this and to the intervention of the Christmas holidays, I allow five weeks for the discovery to be made on the terms I have set, starting from the date of this decision.

Any notice of appeal from this decision should be lodged within fourteen days of the date of this decision. Subject to any appeal and following completion of the discovery, the parties should seek to agree an early date for the substantive hearing.

Signed this 10 day of December 1996

G M Bridges

Superintending Examiner, acting for the Comptroller



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