BLO /112/90

PATENTS ACT 1977

IN THE MATTER OF an application
under Section 72 by Genesis (UK) Ltd
for the revocation of Patent No
2142955 in the name of
N L Petroleum Services (UK) Ltd

DECISION

Patent No 2142955 has a claimed priority date of 6 July 1983 and was granted on 7 August 1985. The application for revocation was made on 9 August 1985 on the grounds of lack of novelty, founded on GB patent 2151017 in the name of Genesis (UK) Ltd (Genesis), lack of inventive step and that the specification does not disclose the invention clearly enough and completely enough for it to be performed by a person skilled in the art.

On 9 December 1985, NL Petroleum Services (UK) Ltd (NLP), the patentees, initiated infringement proceedings under the patent against International Drilling Fluids (IDF), a company unconnected with Genesis.

During 1986, NLP and Genesis discussed amendments to the patent with a view to settling the revocation proceedings. NLP applied for amendment under Section 75 before the Comptroller, but were informed that this procedure was open to them only if IDF and Genesis were in agreement. As IDF did not agree to this procedure, NLP were informed that the amendments would have to be submitted to the High Court in accordance with the foot-note to Order 104, Rule 3 of the Rules of the Supreme Court.

At the beginning of 1987, Marks & Clerk withdrew their Authorisation as Agents acting for Genesis. Attempts to contact Genesis proved unsuccessful and NLP were informed that the revocation action would be taken up by the Office

in the public interest, but with action stayed during pendency of the infringement proceedings.

The infringement action was withdrawn in May 1989. No amendments were submitted to the court while the infringement action was pending, the submission being delayed on "commercial grounds". Subsequently the amendments were advertised and NLP were asked to explain the delay in prosecuting these amendments. The necessary evidence was filed on 10 January 1990 in a Statutory Declaration by Mr R P Harding of A R Davies & Co, the Agents for NLP. In a letter issued on 22 March 1990, the Examiner reported that the evidence provided did not satisfy the Comptroller that there had been no undue delay in prosecuting amendments to the patent, and that it was not intended to exercise the Comptroller's discretion to allow the amendments to be made under Section 75. NLP did not request a hearing on this matter, and indicated their intention to allow the patent to lapse in due course.

The Comptroller's practice in this situation is to decide the issue of revocation under Section 72 in the public interest because, if a patent is allowed to lapse, the patentee has rights under the patent in respect of the period between publication and lapse. Revocation, in contrast, extinguishes all those rights.

Patent No 2142955 is directed to the problem of detecting the presence of native hydrocarbons during drilling of a borehole when the drilling mud being used is based on oils which have similar properties to the native hydrocarbons. The solution to this problem proposed in the present patent is to examine a sample brought up in the drilling mud, or an extract from such a sample, by passing electromagnetic radiation, and particularly ultraviolet light, into the sample and determining either how much radiation is absorbed by the material or how much emitted radiation is produced. The emitted radiation is at a

different wavelength to the radiation which is passed into the material, a phenomenon which is commonly known as fluorescence.

Claim 1 of Patent No 2142955 reads as follows:-

> 1. A method of testing for the presence of native hydrocarbons down a borehole during drilling of the borehole using an oil-base drilling mud, comprising collecting a sample of rock cuttings brought up from the vicinity of the drill bit by the circulating mud flow, exciting the sample or a fluid prepared from the sample with electromagnetic radiation of one or more wavelengths, sensing the radiation absorbed and/or emitted by the excited sample or sample preparation, monitoring the excitation and/or emission wavelengths against intensity and/or monitoring the emission wavelengths against the excitation wavelengths, and determining whether the profile so obtained is characteristic of only the drilling mud or of a combination of the mud and native hydrocarbons.

The preferred exciting radiation is ultraviolet as is set out in claim 2.

Claim 1 covers two different methods of testing the sample or the fluid prepared from the sample. The first method senses radiation which has undergone absorption in the sample (hereafter called absorption) and the second method senses radiation which has been emitted by the excited sample (hereafter called emission). The later alternatives in the claim do not provide any further, alternative, methods of testing since the conditions defined thereby are specific to one or other of the two main methods.

The patent claims priority from GB Application No 8318295

filed on 6 July 1983. That application describes the testing, by emission, of a sample of rock cuttings brought up from a borehole or the oil extracted from such a sample. There is no mention of testing using absorption in that application. The use of absorption as an addition or alternative to emission to test the sample or oil extract was introduced when Patent Application No 8410205 from which the patent was derived, was filed on 19 April 1984.

Claim 1 can thus be split notionally into two parts, the first involving measurement by emission alone and having a priority date of 6 July 1983, and the second involving measurement by absorption, either alone or in conjunction with emission and having a priority date of 19 April 1984.

The Genesis Patent No 2151017 was published on 10 July 1985 and has a filing date and priority date of 1 November 1983. The patent is directed to the same problem as the NLP patent; that of testing for indigenous or native hydrocarbons in a sample extracted by an oil based drilling mud. As in the NLP patent, the sample or an extract therefrom is subjected to ultra-violet radiation at a selected wavelength and either absorption in or emittance from the sample is determined. Determination of the presence of native hydrocarbons is made by comparison with measurements on drilling mud made under the same conditions, a technique also used in the NLP patent in which the measured results are compared with constants obtained from different drilling mud concentrations.

The priority date of the Genesis patent of 1 November 1983 falls after the priority date of 6 July 1983 for the emission measurement alternative in claim 1 of the NLP patent but before the priority date of 19 April 1984 for the absorption measurement alternative in claim 1 of that patent. Thus, the Genesis patent forms part of the state of the art as defined by Section 2(3) in respect of the

absorption alternative of claim 1 of 2142955. I consider that the claim is prior published by the Genesis patent and therefore does not define a patentable invention.

I must now consider the question of whether or not the Comptroller's discretion should be exercised to allow amendment to be made under Section 75.

There is no evidence to indicate when NLP become aware that the claims of 2142955 were bad. When the Counterstatement was filed on 16 December 1985, the allegations of lack of novelty and inventive step were denied. However, by 4 February 1986 NLP appear to have decided that amendment was necessary since, on that date their representatives were meeting representatives from Genesis with a view to settling the revocation proceedings by amendments which would exclude measurement of absorption from the scope of the present patent. A formal proposal to amend under Section 75 was made on 7 July 1986 and I consider that NLP were fully aware of the faults in their claims by that date.

As soon as the correct forum for submission of amendments, while an infringement action was pending, had been determined as the High Court, NLP could have initiated amendment proceedings. No such action was taken between the beginning of 1987 and withdrawal of the infringement action in May 1989, despite two enquiries from the Office in May 1987 and June 1988. According to A R Davies & Co, the Agents acting for NLP, in a letter dated 4 September 1987, the submission of amendments was "delayed on commercial grounds". The "commercial grounds" are explained in some detail by Mr Harding in his Statutory Declaration. According to that source there was a general depression in the oil industry and a cutback in exploration drilling and it appeared that IDF had not been awarded contracts for operating their spectral testing service for some time. NLP decided to postpone any

application to the Court to amend the patent, pending resolution of the future ownership of Genesis and a possible settlement of the infringement proceedings in the event that IDF ceased to operate a spectral testing service. NLP also decided that they would not take any action to further the progress of the infringement action.

In my opinion, NLP made a deliberate decision to delay initiating amendment action for a period of time which would be determined only by commercial considerations, and which turned out to be almost 2½ years. They were aware that the claims of their patent were invalid but made no attempt to amend the claims in the public interest.

Aldous J, in his decision in Smith Kline & French Laboratories v Evans Medical Limited [1989]FSR 561, reviewed a number of earlier authorities on the subject of delay in applying to amend a granted patent, and extracted from them some principles to apply to the case before him. Two of those principles, the third and fourth as set out on page 569 of the decision appear of particular relevance to the present case. They are:-

> (1) It is in the public interest that amendment is sought promptly. Thus, in cases where a patentee delays for an unreasonable period before seeking amendment, it will not be allowed unless the patentee shows reasonable grounds for his delay. Such includes cases where a patentee believed that amendment was not necessary and had reasonable grounds for that belief.
>
> (2) A patentee who seeks to obtain an unfair advantage from a patent which he knows, or should have known should be amended, will not be allowed to amend. Such a case is where a patentee threatens an infringer with his unamended patent after he knows or should have known of the need to amend.

In the present case, the delay of almost 2½ years before seeking amendment is unreasonable and "commercial grounds" are not reasonable grounds for that delay when the patentees were aware that their claims were bad.

The situation is aggravated by the maintenance of infringement proceedings after the patentees become aware that their claims were anticipated. I agree with the Examiner, that the Comptroller's discretion to allow amendment under Section 75 should not be exercised, on the grounds of undue delay in the prosecution of those amendments.

Having already decided that claim 1 of patent no 2142955 does not define a patentable invention, I accordingly revoke the patent.

Dated this 1st day of October 1990


K E PANCHEN
Superintending Examiner, acting for the Comptroller

THE PATENT OFFICE