



BL O/287/05  
25 October 2005

## PATENTS ACT 1977

BETWEEN

Clear Focus Imaging Inc

Claimant

and

Contra vision Limited

Defendant

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### PROCEEDINGS

Application under section 71(1) of the Patents Act 1977 for a Declaration of Non-infringement in respect of patent number GB2165292

HEARING OFFICER

Peter Back

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## PRELIMINARY DECISION

### Introduction

1. Clear Focus Imaging Inc, the claimants in this case, seek a declaration of non-infringement in relation to the above Contra Vision Limited patent in respect of certain of their products. This decision is concerned with the admissibility of pleadings as a preliminary matter. The difference between the parties stems from the manner in which the claimants have dealt with the "Agreed Directions" ("Directions"). These directions were agreed between the parties, and communicated to the Patent Office on 18 March 2005 as a result of postponement of the substantive hearing which was due to take place on 21 March 2005. The claimants have subsequently filed a Re-amended Statement of case, which the Proprietors say should not be admitted. The matter has come before me to be decided on the papers.

### History

2. The Directions provided for the claimants to file any further evidence of one of their witnesses, Mr Reeves, by 2 May 2005, followed by evidence in response by the proprietors and evidence strictly in reply by the claimants. The Re-amended Statement, together with photocopies of some perforated material was filed on 3 May 2005. Witness Statements of Larry Reeves and Greg Ross were foreshadowed.

3. It was understood by the Office, from telephone conversations with Mr David Croston, who is the agent acting for the claimants, and Mr Mark Goodwin, the agent acting for the proprietors, at this point that the parties had agreed to an extension of the original timescale by 1 month and to the filing by the proprietors of a Re-amended Counterstatement, taking into account the matters raised in the claimants' Re-amended Statement. This was set out in an official letter of 19 May 2005. The new timetable gave the claimants until 2 June to file evidence. Mr Reeves' Witness statement was eventually filed on 15 June, together with a JP patent specification and a translation of it. No Witness Statement of Greg Ross has been filed. In a letter of 15 June 2005, the claimants asked retrospectively for an extension of time in respect of the filing of Mr Reeves' Witness Statement (though not the JP specification).
4. The proprietors wrote to the Office on 15 June objecting that the Directions made no provision for filing of a Re-amended Statement, and that it should not be admitted. Also that the claimants' evidence had been filed out of time, and that since no actual product samples had been provided, the evidence was irrelevant.
5. On 30 June 2005, a single physical sample of perforated material (not apparently corresponding to either of the photocopies) was filed at the Patent Office under cover of a letter stating that "segments", (in the plural), were enclosed, and without any request for an extension of the time. The letter also stated that a segment of perforated material had been sent to the proprietors.
6. The Office then invited the parties to settle the difference between them on the issue of the admissibility of the Re-amended Statement, since the Directions had been agreed between the parties and the Office was not aware of what was discussed, so did not know precisely what their expectations were.
7. The proprietors wrote on 13 July 2005 stating that they agreed to an extended timetable, to include filings of evidence up to the filing of the sample on 30 June. The proprietors are not however content with the filing of the Re-amended Statement by the claimants. The claimants wrote on 20 July and 18 August stating that changes to the Re-amended Statement were occasioned by a number of factors.
8. Firstly, new paragraph 28(a) is inserted, they say, because the proprietors for the first time in their skeleton of 16 March 2005, specified infringement of claims 47 to 49 as well as claim 45 upon which they are dependent. The effect of paragraph 28a is to extend the arguments in relation to claim 45, to claims 47, 48 and 49.
9. New paragraphs 32(a) and 35(a) are included in order to allege lack of novelty in claim 43, and claims 45 and 47 to 49, respectively. This, they say, is in view of the judgment in *Kirin-Amgen Inc v Hoechst Marion Roussel Ltd* [2005] RPC 91 ("*Kirin-Amgen*") which held, putting a gloss on it, that a difference in the method of manufacturing an otherwise identical

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<sup>1</sup> The agent's letter gives the respondent as *Transkaryotic Therapies Inc*, but this judgment is reported as above.

product does not make the product itself new. Since claim 43 etc. include process steps, the claimants now argue, following *Kirin-Amgen*, that the process element in a product by process claim is not effective to confer novelty, and that the claim is consequently anticipated by prior art including the JP patent specification which has been filed as evidence.

10. The proprietors in their letter of 8 September 2005 say that the amendments are of a major nature, not minor matters as alleged by the claimants. They point out that their skeleton argument was provided to the claimants before the Directions were agreed, and that the claimants should have indicated at that point that they would want to change the pleadings – in which case they would not have agreed the Directions. The proprietors do not appear to address the claimants’ point that the amendments are at least partly in response to a change in law, nor the point that the claimants, if they are to deal with the validity of an independent claim for reasons of added subject matter, would also be obliged to deal with validity of dependent claims.
11. The Office initially took the view that since it was not privy to the parties’ discussion in drafting the Directions, it was not in a position to know whether they intended strict compliance with its terms. For example, although the Directions refer only to the filing of further evidence from Mr Reeves, it would not seem unreasonable for the Claimants in a situation such as this to amend their pleadings in order to give full effect to any new evidence that was filed. However the proposed amendments are not related to Mr Reeves’ new evidence and the proprietors at least have made it clear that they consider the Directions should be strictly adhered to. In the absence of agreement between the parties, or compelling reasons to divert from the Directions, it is right that the parties should comply strictly with its terms.

#### **Admissibility – general considerations**

12. On a general point, the Claimants have quoted the overriding objective of the Civil Procedure Rules, which requires cases to be dealt with fairly, expeditiously and proportionately. It is sometimes the case that pleadings need to be amended in order to identify the real dispute to be adjudicated between the parties, however the need for expedition is equally important, and a party cannot be afforded indefinite scope to reformulate its case. It is unfair if one side repeatedly adjusts its position requiring the other to invest time and money responding to the amendments.
13. The history in this case includes the claimants amending their Statement of Case when they came to file evidence in August 2004. They were also responsible for the adjournment of the hearing in March 2005. The parties each allege that the other was responsible for the adjournment. Although the question whether it was or was not strictly in reply has not been tested by argument and consideration at a hearing, it is clear to me that the postponement arose because the claimants included, in their final round of evidence, evidence that was not strictly in reply. Prima facie, the proprietors appear to be correct in their assertion that the evidence provided by Mr Reeves, as to products being adhered to the outside of windows, in his Witness Statement of 4 February 2005, had not been adduced before. Mr Reeves’ first Witness Statement refers to film adhered to the inside of windows. It contains certain

inconsistencies that render it unclear but these do not amount to evidence of films adhered to the outside of windows. His second Witness Statement is twice as long as his first and deals almost entirely with the manufacture of films adhered to the outside of windows. Gregory Ross's evidence in chief is two pages of general statements and his evidence in reply is 10 pages of detail. The claimants have not in fact denied that this is new evidence. They said instead in their letter of 9 March 2005; a) that the matter should be tested at the hearing and b) that the Proprietor would have had ample time to consider it by the time of the hearing.

14. Subsequent events, including the claimants' negotiating the opportunity to file new evidence and the filing of that evidence, confirm the origin of the delay. My initial position on this general point is consequently that the claimants have already had two opportunities to amend their case and I am consequently reluctant to allow any further opportunity.
15. So far in considering the general factors in relation to admissibility of the Re-amended Statement, the balance is significantly against admission. There are other factors however and I will consider the specific amendments:

**Admissibility – the specific amendments.**

16. The Claimants say in relation to new paragraph 28(a) that the inevitable consequence of a finding that claim 45 includes added matter and is thus found in these proceedings to be invalid, would be that the claims dependent on claim 45 would also be invalidated. Paragraph 28(a) consequently extends the attack to claims 47, 48 and 49 which are dependent on claim 45.
17. Part of the claimants' justification for the amendment is that they say the proprietors did not specify that claims 47 to 49 might be infringed until this was stated in the proprietors' skeleton argument on 16 March 2005. This appears to me to be incorrect. The proprietors' letter of 12 January 2004 gives a full declaration as to which products, in which of the three stages of manufacture and use, might infringe the patent. It states that the claims that might be infringed include claims 2, 7-10, 43-45, 47-50, 52 and 55-57. That is 16 claims in all of which 8 are dependent and 8 independent. The claims currently in question, 47 to 49 are among this list. The letter is included as Annex D to the original statement, so the claimants have clearly taken it into account in drafting the original pleadings. The claimants are mistaken when they say in their letter of 18 August 2005 that "no indication whatsoever was given in respect of which claims were alleged to be infringed." Although the proprietors by the use of "including" has not unequivocally stated that certain claims are not infringed, it is clear which they are mainly concerned with. Consequently if the claimants had wished to adduce any arguments or evidence in relation to claims 47 to 49, they should have done so in the original Statement.
18. However, they say this amendment is a mere clarification and does not constitute a new attack, and that does appear to be the case. The validity of claims 47 to 49 would inevitably come into question if claim 45 were invalidated by reason that it involved added subject matter. I observe that this position is so inevitable that I do not consider it would be necessary to amend the pleadings simply for this purpose. However since the claimants have

sought the amendment, I will allow it as it makes no difference to the conduct of the case whether or not this is an explicit pleading.

19. New paragraph 32(a) raises a new ground against validity of claim 43. This arises according to the claimants because of the change in law brought about by the judgment in *Kirin-Amgen* as noted above. I do think the claimants are entitled, and indeed obliged, to argue their case in relation to validity, in accordance with the law as it now stands, and the proprietors are obliged to do so too. It would be unsatisfactory to argue the validity of these claims on the basis of superseded law in the full knowledge that it may produce the wrong result. No valid decision could be made if the Hearing Officer were denied the possibility of considering arguments on the new case law. I therefore consider this is an exceptional situation which is sufficiently important to overturn the considerable presumption against further amendments which has so far accrued.
20. That is one aspect; the other is the consideration of the prior art specification JP14101/82 which has not so far been adduced in these proceedings, and the consequent need for further preparation by both sides. I consider that this prior art should be admitted since it would be perverse to invite arguments on the new law, but exclude prior art that the new law brings into consideration.
21. I consider the new grounds and evidence must be admitted almost regardless of conduct, but I have also considered whether the claimants have been sufficiently assiduous in preparing their case. The *Kirin-Amgen* judgment issued in October 2004. The amended Statement had already been filed by this time, in August 2004. The claimants could have introduced this development at any time up until the Directions were agreed, in March 2005, but it would be unreasonable to expect a detailed review of the case (as a result of which the *Kirin-Amgen* point would have arisen) to occur until a major milestone such as immediately before the March 2005 hearing. The proprietors say in their letter of 8 September 2005 that they would not have agreed to the Directions if the claimants had raised it at that time. However, as I say, I consider it would not have been possible to proceed with the hearing ignoring this issue, so it would have been necessary to admit the arguments or adjourn for further consideration had the hearing gone ahead. Little time passed between the time when a detailed review of the case might first have been expected prior to the March hearing and the filing of the Re-amended Statement in May 2005 during which the claimants apparently became aware of the need to run the *Kirin-Amgen* point. I do not think they have clearly been remiss in failing to raise the point earlier. I am also conscious that the hearing is now provisionally being set down for January 2006, which gives the proprietors time to consider these matters. I will therefore admit the new paragraph 32(a) and the new evidence comprising the JP specification and its translation.
22. Paragraph 35(a) applies the same considerations to claims 45, 47, 48 and 49, as paragraph 32(a) does to claim 43, and I will consequently admit paragraph 35(a) as well, for the same reasons. For the avoidance of doubt, I admit the pleading in paragraph 35(a) in relation to claims 47 to 49 as a de-novo attack on those claims on the basis of the new law in *Kirin-Amgen*; (not as an extension of the pre-existing pleading in paragraph 35 against claim 45). And I permit it only because each of the claims 47 to 49 contains its own process steps.

That they do so is unequivocal in respect of claims 48 and 49; less so in respect of claim 47 but it is arguable that the steps of cutting the film material and adhesive layers amount to process steps, particularly when considered in relation to the other claims, and I consequently consider that the ground in relation to claim 47 should also be admitted.

23. I note that paragraph 35 in the Re-amended Statement has itself been amended over the version in the amended Statement so that it refers to claim 47 as well as claim 45. This amendment has not been acknowledged by the claimants, and I suspect it may be an unintended, typographical error. In any event, it appears to have no further effect beyond paragraph 35(a) and can therefore also be admitted, or ignored if it turns out to be a mistake.

### **Directions**

24. I hereby direct that:

The Re-amended Statement and evidence filed by the claimants be admitted.

The proprietors file any Re-amended Counterstatement and any evidence by 25 November 2005.

The claimants file any evidence strictly in reply by 16 December 2005.

### **Costs**

25. I will defer consideration of costs until the substantive decision.

### **Appeal**

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

**Peter Back**

Divisional Director acting for the Comptroller