

Wish Actavis had never happened? You are not alone

A stellar judiciary panel debating the release of the equivalents 'genie' found it granted practitioners no wishes, says **Guy Burkill QC**

The significance to patent law of the recent Supreme Court decision in *Actavis v Lilly* can hardly be overstated, and a clear demonstration of that fact was the 800-strong audience present at the 1 November panel discussion of the case under the banner '*Equivalents: K = Na. Is the genie out of the bottle?*'

Identifying the true scope of a patent claim is commonly one of the most significant issues, if not the single most significant issue, in patent litigation. Once that has been determined, answers to questions of infringement and of anticipation may often readily follow.

Before 1981, claim scope was addressed in two ways: literal infringement and infringement under the so-called "pith and marrow" doctrine (essentially, "equivalents" in old-fashioned language). That split approach was swept away by the House of Lords in the *Catnic* case, where Lord Diplock indicated that a single approach of "purposive construction" should be applied. He held that there was no such dichotomy, only a single cause of action, and to treat it otherwise "is liable to lead to confusion".

That continued to be black-letter law until the Supreme Court's *Actavis* decision in July this year. *Actavis* now holds that claim construction (interpretation) is not the last word; the scope of protection must also consider immaterial variants beyond the meaning of the claim. So a claim that on its clear wording was limited to a sodium (Na) salt was nonetheless infringed by a product using potassium (K).

After 36 years, therefore, there has again been a complete reversal in the approach to claim scope. While dictated by the terms of the European Patent Convention's Protocol on the Interpretation of its Article 69, as amended in 2000, the effect is highly reminiscent of the old "pith and marrow" doctrine. Significant parts of patent law textbooks should be rewritten (though reprinting the pre-1981 editions might be an over-reaction).

The change will be welcomed by patentees – their scope of protection potentially widened, and in no way narrowed. But for



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potential infringers, and those advising them, it raises corresponding uncertainty. And the interaction with validity issues raises deeper questions – a valid claim properly construed cannot cover something which is old, but can the scope of protection which it confers do so? Is Lord Diplock's concern that a dichotomous approach was "liable to lead to confusion" still well-founded today?

In keeping with the importance of the subject matter, UCL's Institute of Brand and Innovation Law assembled a stellar panel to discuss the case. The panel included Lord Neuberger and Lord Sumption, two of the Supreme Court Justices who had heard and decided it.

And to provide an international flavour, three distinguished judges from Germany, Holland and the US attended: Prof Dr Peter Meier-Beck of the German Federal Supreme Court, Judge Rian Kalden of the IP Division of the Dutch Court of Appeal, and Judge Kate O'Malley of the US Federal Circuit Court of Appeal.

Presiding as chairman was Sir Robin Jacob, now at UCL but well known to patent practitioners as a former Patent Judge and Appeal Court Judge. Lord Hoffmann, a former Law Lord whose earlier decisions on claim construction including *Kirin-Amgen* can no longer be regarded as authoritative, could not be present as billed, but sent a message defiantly asserting that that case was rightly decided!

In advance of the event, Sir Robin circulated a list of 25 questions for the panellists. Pre-reading these suggested that we might be about to witness a ferocious cross-examination reminiscent of Sir Robin's career at the bar – all were calculated to probe the correctness of the *Actavis* case and its potential consequences on validity, patent drafting, harmonisation, and legal certainty.

In the event, the discussion was good natured and no less illuminating. (It was recorded on video and is now available online, though watching it in that form will surely be less enthralling than the live event).

Those who may feel inhibited in discussing or citing the *Actavis* case because they don't know whether it should be pronounced 'ACTavis' or 'ActARRvis' need worry no longer – the panel consistently settled on the former, with stress on the first syllable.

Both Sir Robin and Lord Neuberger pointed out from the outset that judges are inevitably inhibited in discussing cases extra-judicially – it would be quite wrong if one party could cite a decision but the other party could then point out that the judge who decided it had subsequently said something different. Sir Robin said in terms that anyone expecting specific answers to specific issues should leave now: and indeed many of the panel responses were inevitably in very general terms.

The first question was the direct one – was *Kirin-Amgen* now wrong? Lords Neuberger and Sumption confirmed that the scope of protection could not simply be construction, because the statute now requires account to be taken of equivalents.

The next question was on fairness – was it fair to provide a patentee with protection that he could have claimed but chose not to? The panel essentially deflected this: Lord Sumption stressed one had to look at the situation as one then found it: "we are where we are". Lord Neuberger pointed out, to laughter, that fairness was a flexible concept, and Judge Kalden stressed the need for balance. Prof Meier-Beck pointed out that the solution would be drafting a claim in "means plus function" form but examiners didn't like these.

As to validity, and what to do where the prior art was the equivalent, the panel agreed that this was not in practice going to lead to a claim whose scope of protection covered the prior art. In the US, the doctrine of "ensnarement" would mean a patentee could not cover by equivalents what was known. Germany had *Formstein III* and in Holland "we call it *Gillette*" (ie, the classic UK case).

Numerical limits are found in many claims: the panel agreed that in such cases the court would be more strongly inclined to hold the patentee to the figures that he had chosen (but none would say that protection could never extend outside them). Judge O'Malley pointed out that such limits were usually due to prior art constraints. Prof Meier-Beck suggested that they were even more likely to be regarded strictly when the patentee had book-ended the claim with both lower and upper limits.

In response to a question as to whether the Supreme Court had considered EPC Art 84 (which requires that claims must "clearly define the matter for which protection is sought"), Lord Sumption observed that The "protection sought" is not the same as the

"extent of protection", and Prof Meier-Beck similarly noted that the subject matter of a claim is different from the scope of protection – and so in *Catnic*, the word "vertical" was clear even if its scope was not.

What should the patentee say when he really did want to claim, eg, sodium and nothing else? Lord Neuberger suggested using the expression "and nothing else"! Judge O'Malley proposed disparaging the equivalents.

None of the panellists supported a suggestion that parties might refer to the prosecution history of equivalent patents in other jurisdictions. Germany agreed with the UK that life was too short, and especially for that. The US has a clear rule not to do so. Holland is quite international but "not that international". Judge Kalden also graciously pointed out that the *Actavis* judgment was in error in referring to Dutch procedure: in Holland it was always permissible to look to prosecution history.

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Sir Robin stated that the Swiss Court and the Italian Court have both subsequently held in corresponding cases that there was no infringement, disagreeing with the UK Supreme Court decision in *Actavis*. (However, in fact the Swiss Supreme Court has just reversed that first instance decision).

So how successful is harmonisation? The panel was upbeat: Judge Kalden pointed out that, absent the UPC, it was necessary to make progress, but to a large extent we had and *Actavis* was a further step. As for divergence of decisions in the same case in different jurisdictions, Prof Meier-Beck stated that when he was appointed to the Supreme Court he was told by a colleague that, "we are not final because we are correct, but we are correct because we are final."

Sir Robin's skillful demonstration of how to "hot-tub" five expert witnesses over, he concluded the panel discussion by adding an unscheduled tribute to the career of Lord Neuberger, now retiring. Some out of court anecdotes were exchanged between them, including Lord Neuberger's account of how, when sitting in the Court of Appeal, he had asked Sir Robin to assign him to a patent case and had duly been given one involving loo rolls – at a time when his judicial title was Master of the Rolls.

Finally, a poll. Sir Robin asked for a show of hands of those who thought the *Actavis* decision was good for the law (sic, and NB not good for lawyers) or not so, with votes to be cast first by lawyers and then patent agents. The majority of the lawyers thought the decision was not good for the law; and perhaps surprisingly, an even larger proportion of patent agents agreed. Sir Robin expressed surprise: he suggested they could leave embodiments out (negligently?) but still have an enforceable patent. With that, the proceedings came to an end.

Is the genie out of the bottle? The panel gave no answer to that specific question (whatever it means), but the *Actavis* decision is of course here to stay and it appears to be welcomed by the judiciary in other major patent-litigating jurisdictions. The show of hands suggested it was less welcome by practitioners here – advising clients on infringement issues may have got significantly harder. Not one of their three fairytale wishes, then.

The equivalents bottle was in truth uncorked back in 2000, when an express requirement to consider them was added to the EPC Art 69 protocol – it has taken 17 years for that genie to emerge fully formed in UK law and it seems unlikely that it will vanish in a puff of smoke in any shorter timescale, if ever.

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Burkill was called to the bar in 1981 and took silk in 2002. In his career at the IP bar, he has latterly been particularly active in

technology-oriented patent cases involving telecoms, computer hardware and software and electronics, in which his knowledge of the law is coupled with a strong technical background. He has a first-class degree in engineering, with Cambridge's "electrical option".