

THE HIGH COURT

[2013 No.1 PAP]

IN THE MATTER OF IRISH PATENT NUMBER EP 1085877 FILED ON THE 10TH DAY OF JUNE 1999 AND REGISTERED IN THE NAME OF ASTRAZENECA AB IN RESPECT OF AN ALLEGED INVENTION FOR "USE OF A COMPOSITION COMPRISING FORMOTEROL AND BUDESONIDE FOR THE PREVENTION OR TREATMENT OF AN ACUTE CONDITION OF ASTHMA"

AND

IN THE MATTER OF THE PATENTS ACT 1992 AND THE PATENTS (AMENDMENT) ACT 2006

JUDGMENT of Mr. Justice Barrett delivered on the 1st day of April, 2014

Facts

1. This is an application for discovery made in the context of proceedings that are concerned with the alleged invalidity of an Irish patent granted in respect of an asthma treatment drug. Specifically the petitioner in these proceedings is seeking an order pursuant to Order 31, Rule 12 of the Rules of the Superior Courts, 1986, as amended, directing the respondent to make discovery of various specified documents.

Discovery in Ireland and England

2. A distinct feature of the proceedings to which the present application for discovery relates is that almost equivalent proceedings will soon be adjudicated upon in England. Indeed the English court of trial will have regard to substantially the same pleadings as arise in the present case. Moreover, the jurisprudence by which the English proceedings will be decided is substantially the same as that which will apply in the Irish proceedings when these proceedings come to trial. However, there is at least one significant difference between the two sets of proceedings: the rules of discovery in England and Ireland are not the same. Though they are directed to a common end, which is to advance the interests of a fair and proper determination of a hearing between the parties, the Irish rules appear more liberal in terms of what may be discovered.

3. Despite the fact that the present proceedings have been commenced in Ireland before an Irish court, concern matters of Irish law and are subject to the Irish rules of discovery, the respondent has nonetheless suggested that to save time, cost, and avoid conflicts of evidence between the two sets of proceedings, it would be practical and sensible to confine the discovery process to what has been obtained in England. Thus, it has been suggested in correspondence by the respondent's solicitors that:

"We see no reason why your client should depart from its position in England for these proceedings, or use this jurisdiction to seek to obtain more discovery here than it believes is necessary ...in England. This jurisdiction should not be used as some sort of haven for discovery."

4. It might perhaps be contended that there is at least one entirely legitimate reason why the petitioner would depart from its position in England, namely that in coming before this Court the petitioner is no longer in England. The present proceedings have been brought in a separate jurisdiction with its own laws, rules and traditions. The notion that to invoke Irish laws and rules in proceedings before the Irish courts is to use Ireland as a "haven for discovery" is not one with which this Court concurs. While it would of course be open to the petitioner to agree to a suggestion such as that which was made by the respondent, it has elected, and is entitled, not to do so.

Principles to be applied

5. Before considering whether or not to allow the discovery sought, it is helpful to assess briefly the applicable jurisprudence. An expansive consideration is not required as there is already a comprehensive excursus on the relevant issues in the judgments of Kelly J. in *P.J. Carroll and Co. v. Minister for Health and Children* [2005] IEHC 432 and *Medtronic Inc. & Others v. Guidant Corporation and Others* [2007] IEHC 37 and the judgment of Finlay Geoghegan J. in *Schneider (Europe) GmbH v. Conor Medsystems Ireland Ltd.* [2007] 2 I.L.R.M. 300.

6. In essence, Order 31, Rule 12 of the Rules of the Superior Courts requires that an applicant for discovery demonstrate that the documents sought are both relevant and necessary, with Murray J. noting in *Framus v CRH plc* [2004] 2 I.R. 20 at p. 38, that:

"[T]he primary test is whether the documents are relevant to the issues between the parties. Once that is established it will follow in most cases that their discovery is necessary for the fair disposal of those issues."

7. What was described by Fennelly J. in *Ryanair p.l.c. v. Aer Rianta c.p.t.* [2003] 4 I.R. 264 at 275 as "the universally accepted test of what is the primary requirement for discovery, namely the relevance of the documents sought" received its classic expression in *Compagnie Financière du Pacifique v. Peruvian Guano Co.* (1882) 11 Q.B.D. 55, a decision of the English High Court, in which Brett L.J., at p. 63, indicated to be discoverable any documents that:

"may- not which must- either directly or indirectly enable the party requiring the affidavit either to advance his own case or to damage the case of his adversary". [Emphasis added].

8. In the Supreme Court decision in *Aquatechnologie v N.S.A.I* [2000] IESC 64 at para. 24, Murray J. likewise indicated that an applicant for discovery:

"must show it is reasonable for the court to suppose that the documents contain information which may enable the applicant to advance his own case or to damage the case of his adversary". [Emphasis added].

9. There have been occasional discordant notes in the general 'may, not must' thrust of the applicable jurisprudence. Thus, in *Hannon v Commissioner of Public Works* [2001] IEHC 59, McCracken J., having referred, at para. 3, with approval to the *Peruvian Guano* case, noted, at para. 6, that *inter alia*:

"The Court must decide as a matter of probability as to whether any particular document is relevant to the issues to be tried. It is not for the Court to order discovery simply because there is a possibility that documents may be relevant." [Emphasis added].

It follows as a necessary corollary of this that, per McCracken J. at para. 6:

"[A] party may not seek discovery of a document in order to find out whether the document may be relevant. A general trawl through the other parties documentation is not permitted under the rules."

10. A separate constraint that arises was amplified upon in *Framus v. CRH plc* [2004] 2 I.R. 20, in which Murray J. stated, at p.38, that:

"I think ...there must be some proportionality between the extent or volume of the documents to be discovered and the degree to which the documents are likely to advance the case of the applicant or damage the case of his or her opponentThat is not to gainsay in any sense that the primary test is whether documents are relevant to the issues between the parties."

11. Notwithstanding McCracken J.'s observations in *Hannon*, more recent caselaw continues to be shot through with references which suggest that a *Peruvian Guano*-style 'may, not must' test in fact continues to be applied when determining relevance and hence typically, though not invariably, necessity. If, for example, one looks to the judgment of Finlay Geoghegan J. in *Medinol Ltd v Abbott Ireland and Ors* [2010] IEHC 6, one finds the following reference, at para. 15:

"As it is not in dispute that Boston Scientific is a distributor, it does not appear to me that this application is simply a fishing expedition. If there were no communications between the defendants and Boston Scientific in relation to possible infringement, then the category will be easily discovered. If such correspondence does exist, then, depending on its content, it may well fall within the Peruvian Guano principles which may damage the defendants' denial that the accused products do not infringe the Patent. Accordingly, I would allow this category". [Emphasis added].

12. Notably Finlay Geoghegan J. applies a 'may, not must' test. Again, at para. 19, in a reference back to the *Medtronic* case, Finlay Geoghegan J. states:

"I note that in Medtronic, Kelly J while allowing a broader category to that now sought ...did so with some reservations. Nevertheless, I have concluded that such documents are relevant to the counterclaim for invalidity and in particular to the grounds of lack of novelty and lack of inventive steps/obviousness referred to in the Particulars of Objections insofar as they may disclose a line of enquiry which the defendants may wish to pursue with their expert witnesses and which may advance its counterclaim or damage the plaintiff's defence to the counterclaim. I have concluded, therefore, that those documents are necessary for the fair disposal of the issues on the pleadings and will allow this category." [Emphasis added].

13. Yet again, at para. 28, Finlay Geoghegan J. states that:

"The defendants are entitled to discovery of this category for reasons similar to those for which I have permitted discovery of Category 1 (d) sought by the plaintiff They may advance the defendants' defence or damage the plaintiff's claim. Certain of the documents may be privileged but can be made the subject of a claim for privilege in the affidavit of discovery in the normal way." [Emphasis added].

14. The above is merely an analysis of but one of the more recent relevant authorities and shows just how embedded within our legal system a *Peruvian Guano* style 'may, not must' test has now become, caveated by the need for proportionality to which Murray J. refers in *Framus* and indeed to which Fennelly J. had previously made reference in *Ryanair v. Aer Rianta*.

15. In addition to the foregoing, one finds in certain of the case-law reference to the notion of "*litigious advantage*". This appears to have been first employed in this jurisdiction by Kelly J. in *Cooper Flynn v. Radio Teilifis Eireann* [2000] 3 I.R. 344 where he alluded favourably to the judgment of Bingham M.R. in *Taylor v. Anderton (CA.)* [1995] 1 W.L.R. 447 at p. 462, in which the Master of the Rolls referred to the requirement that a party not be unfairly advantaged or disadvantaged as a result of a document not being produced for inspection. The notion of "*litigious advantage*" is not an additional criterion for discovery in the sense that a document need not be relevant, necessary and also advantageous to the litigation arising before it will be required to be disclosed. Rather the concept of "*litigious advantage*" is part of the matrix within which a consideration of what is relevant and necessary should be undertaken. As Fennelly J. stated in the *Ryanair* case at p. 276:

"It may not be wise to substitute a new term of art, "litigious advantage" for the words of the rule. Nonetheless, the discussion gives guidance as to the context in which the matter has to be considered. Within that context, the court has to reach a conclusion as to the likely effect of the grant or refusal of the discovery on the fair disposal of the litigation."

16. As will be seen below from this Court's consideration of the specific forms of discovery sought in this instance, the concept of "*litigious advantage*" is perhaps best viewed as, and only as, an additional crutch that supports a decision as to discovery made by reference to classic *Peruvian Guano*-style principles.

Application of principles

17. There are five categories of discovery that are in dispute between the parties in the present proceedings. These are set out below along with the court's conclusion as to whether and to what extent discovery is to be allowed.

"Category 1

All documents relating to the patent application filed with the European Patents Office and the Irish Patents Office (as a designated state) in respect of European Patent No. EP1085877 (together with the relevant national designated equivalents referred to as 'the 877 Patent') as disclose the state of the art prior to the priority date of the '877 Patent, namely 11 June 1998 (including but not limited to the prior art documents pleaded by the Petitioner)."

In its affidavit evidence, the petitioner offers a convincing rationale as to why it is the case that this documentation may be relevant. The respondent has rightly drawn attention to the fact that this category of discovery, on its face, appears to be unrestricted in time. However, as counsel for the petitioner indicated at the hearing of this matter by the court, this category has an implicit temporal constraint in that the documents sought in this category must relate to patent applications filed in respect of the '877 Patent, whether with the European Patents Office or elsewhere. The court orders that this category of discovery be effected subject to the time constraint just identified.

"Category 2

All documents howsoever described concerning the conception, development and reduction to practice of the subject matter disclosed or claimed in the '877 Patent, and for the avoidance of doubt the earlier related Swedish Application No. 9802073 from which the priority date of the '877 Patent is derived, including (but not limited to) all laboratory notebooks of the named inventor, Mr. Tommy Ekstrom, and his laboratory technicians, correspondence, files, memoranda, notes, calendars and research of the said named inventor and any co-worker who assisted him with regard to the subject matter of the '877 Patent in respect of each feature of the '877 Patent or any other equivalent patent."

In its affidavit evidence, the petitioner offers a convincing rationale as to why it is the case that this documentation may be relevant. In its affidavit evidence, the respondent, *inter alia*, makes play of the fact that the reference to "any co-worker who assisted him" is overly broad and oppressive. It is true that in a commercial organisation all co-workers are or ought to be working to the same end which is lawfully to advance the company's lawful interests as they are perceived to be at any one time. Thus in theory the reference to "any co-worker" could extend to a great number of people which raises the risk of offending the principle of proportionality referred to by Murray J. in *Framus*. To avoid this eventuality the court orders that this category of discovery be effected subject to the constraint that the reference to "any co-worker who assisted him" is to be narrowed in effect to 'any co-worker who directly assisted him'. Such a category of worker should be readily identifiable by the respondent.

"Category 3

All documents which disclose or evidence the consideration (if any) given by the inventor of the '877 Patent, Mt Tommy Ekstrom, and/or his laboratory technicians, and/or by or on behalf of the Respondent to the prior art referred to or related to that listed in the Particulars of Objections dated 7 October 2013, including any documents disclosing or evidencing any consideration or evaluation by the inventor and/or his technicians and/or by or on behalf of the Respondent as to the potential effect of any such alleged prior art on the patentability of the subject matter disclosed in the '877 Patent or any other equivalent patent."

In its affidavit evidence, the petitioner offers a convincing rationale as to why it is the case that this documentation may be relevant. Strikingly, in its affidavit evidence the respondent indicates that "[t]his category would be entirely covered by the category of document that the Respondent has agreed to provide as set out in paragraph 6 above". As the petitioner meets the standard for discovery and the respondent appears to indicate that it has the relevant documentation readily to hand, the court orders that this category of discovery be effected as sought by the petitioner.

"Category 4

All documents which concern or refer to the issue of validity of the '877 Patent which have been shown to, provided to, sent to or received from any expert, consultant or in house counsel and/or patent attorneys who are or had been retained by the Respondent in respect of such issue."

In its affidavit evidence, the petitioner offers a convincing rationale as to why it is the case that this documentation may be relevant. Indeed this seems a category in which a classic litigation disadvantage would arise for the petitioner, were it not to have access to the documentation sought. The court orders that this category of discovery be effected subject to two constraints: first, obviously, no privileged documentation need be produced; second, the same time constraint as was mentioned in the context of Category 1 above applies, *i.e.* the documents sought in this category must relate to the patent applications eventually filed in respect of the '877 Patent, whether with the European Patents Office or elsewhere.

"Category 5

To extent not covered by another category, all documents that the Respondent will rely on to demonstrate that the '877 Patent is valid and should not be revoked, whether on the grounds of lack of novelty, lack of inventive step and/or insufficiency or otherwise."

With regard to the fifth category of discovery sought, two points might be made. First, it is not clear to the court what additional documents would be yielded under this heading of discovery that would not be yielded under the other headings referred to above. Second, even if it is the case that additional documents would fall to be provided under this heading, the court accepts the respondent's contention that to order discovery of the documents referred to in this category at this time would be premature. This is because the respondent does not yet know what documents it is going to rely upon at the trial of this action. Counsel for the respondent undertook during the course of argument before the court that if any documents that the respondent eventually seeks to rely upon do not come within any of the categories of discovery now ordered by the court, then they will be disclosed at the same time as the respondent's expert reports. This appears to the court to be a timely moment for such disclosure to be effected. The court therefore declines to order this category of discovery at this time.