

**THE HIGH COURT
COMMERCIAL**

[2006 No. 1388 P]

BETWEEN**MEDTRONIC INC., EVYSIO MEDICAL DEVICES ULC AND MEDTRONIC VASCULAR, (GALWAY) LIMITED****PLAINTIFFS****AND****GUIDANT CORPORATION, GUIDANT EUROPE NV/SA., GUIDANT LUXEMBOURG SARL****AND BY ORDER****ABBOTT VASCULAR DEVICES HOLLAND BV ABBOTT SA/NV AND ABBOTT IRELAND****DEFENDANTS****Judgment of Mr. Justice Kelly delivered on the 23rd day of February, 2007****Introduction**

1. This judgment deals with disputed cross applications for discovery in this patent infringement suit. In order to understand the matters at issue it is necessary to sketch out the background to the proceedings.

Background

2. The action was commenced by the issue of a plenary summons on 28th March, 2006. An amended statement of claim was delivered on 26th October, 2006.

3. The plaintiffs maintain that the defendants have infringed two European patents. The first is numbered EP0888093B (the 093 patent), the second is numbered EP0888094B (the 094 patent).

4. The infringement of these patents is alleged to have occurred by the defendants manufacturing, putting on the market and offering for sale two coronary stent systems. They are known in short form as the VISION and XIENCE stents respectively. This activity is alleged to have been carried on in the defendants' premises in Clonmel, Co. Tipperary.

5. The defendants deny any wrongdoing but they admit that the third defendant and, after 21st April, 2006, the sixth defendant made the VISION stent.

6. In addition to denying any infringement the defendants have counterclaimed for the revocation of the patents on the grounds of lack of novelty, lack of inventive step, and lack of patentability by reason of insufficient disclosure.

7. During the course of the proceedings, the fourth to sixth defendants were joined by order of the court on 23rd October, 2006, because they had taken over the respective businesses of the first to third defendants. The pleadings in the case closed with the delivery of an amended reply and defence to counterclaim in November, 2006. Correspondence took place on the question of discovery and agreement was reached on all but the documents the subject of this judgment.

Main Issues for Trial

8. In replies to particulars dated 12th June, 2006, the plaintiffs set out in some detail the technical elements listed in the two patents claims. The main issue to be decided by the court in respect of the plaintiffs claim for infringement is whether and to what extent the VISION and XIENCE products of the defendants demonstrate the elements set forth in the patents claims which are reproduced in those replies to particulars.

9. The two main issues likely to require adjudication on the counterclaim seeking revocation of the patents are whether the inventions were novel having regard to the state of the art at their priority date and whether the inventions were obvious.

10. By way of footnote I should record that the defendants maintain that the state of the art can be gleaned from inter alia 36 publications which they list in the particulars of objection, the prior art cited in the patents themselves and common general knowledge.

Plaintiff's Application for Discovery

11. This application can be dealt with very speedily since by the time of the hearing there was very little between the parties.

12. Prior to bringing their motion seeking discovery, agreement was reached between the plaintiffs and the defendants on various categories of documents to be discovered. At the time the notice of motion issued on 10th November, 2006, they were in dispute about four remaining categories of documents. By the time that motion came to hearing the dispute had been resolved in respect of all but two subheadings of one such category of document. Even that dispute had almost petered out by then. Accordingly, insofar as the plaintiff's application is concerned, this judgment will deal with the request for discovery of the following documents which are described at category 1(b) and (d) of the notice of motion. The documents sought are:-

"All documents howsoever described –

(b) disclosing or evidencing, in respect of the manufacture of the said products taking place in the State, the company or entity on whose behalf the products were manufactured, including (but not limited to) all documents disclosing or evidencing all or any arrangements between the defendants or any of them, their servants or agents, for the manufacture of the infringing products;

(d) disclosing or evidencing, in respect of the sales of the said products taking place in the State, the company or entity on whose behalf the products were sold, including (but not limited to) all documents disclosing or evidencing all or any arrangements between the defendants or any of them, their servants or agents, or with third parties, for the sale of the infringing products in the State."

13. The defendants' objections to discovery of these two categories were fairly muted. Insofar as the first of them was concerned, the defendants indicated on affidavit sworn by Ms. Ciara Cullen, solicitor, on 24th November, 2006, that they would be prepared to make discovery of:-

"All agreements which record arrangements between the defendants or any of them, their servants or agents, for the manufacture of the allegedly infringing products in the State."

14. Insofar as the second category is concerned she likewise indicated willingness to make discovery of:-

"All agreements which record arrangements between the defendants or any of them, their servants or agents, for the sale of the allegedly infringing products in the state."

15. The plaintiffs were dissatisfied with that approach because they alleged that documentation going to the legal responsibility of the first, second, fourth and fifth defendants in respect of the infringing acts of the third and sixth defendants might well go beyond documentation in the nature of formal agreements between them. Thus, they said, that the entire categories sought are relevant to the question of responsibility for the allegedly infringing acts. With some nudging from the court the parties agreed that the relevant written agreements would be discovered but that insofar as any of their terms might have been changed concerning the matters relevant to the two categories in question, the documents evidencing such change or changes would also be disclosed. In my view that is sufficient to meet the plaintiff's legitimate entitlements.

The Defendants' Request for Discovery

16. The defendants' motion for discovery seeks five categories of documents, some of which are broken down into different subheadings. The motion was preceded by requests for discovery of many other documents and those requests were the subject of agreement. The schedule to the motion therefore identifies only those categories which remained in dispute at the time that the motion was issued. However, as some of the agreed categories may have a bearing upon those in dispute, I will, where necessary, record in the course of this judgment the categories which are the subject of agreement.

Legal Principles

17. Before considering in detail the requests for discovery at the suit of the defendants I ought to make mention of the legal principles which are applicable on an application of this type.

18. In *P.J. Carroll and Co. v. the Minister for Health and Children* (Unreported, High Court, 9th December, 2005) I dealt with the applicable legal principles on an application for discovery. My decision was upheld on appeal and in the course of his judgment Geoghegan J. (Unreported, Supreme Court, 1st June, 2006) recorded that the parties in that case accepted that I had set out the correct principles to be applied. The relevant passage from my judgement has been reproduced in full and applied by Finlay Geoghegan J. in her decision in *Schneider (Europe) GMBH v. Conor Med Systems (Ireland) Limited* given on 2nd February, 2007.

19. Given that the principles are fully set out in the *P.J. Carroll* case and repeated fully by Finlay Geoghegan J. in the case to which I have just referred it is not necessary that I should slavishly set them out once again for the purposes of this ruling.

20. It is only necessary that I should point out that under O. 31, r. 12 of the Rules of the Superior Courts an applicant for discovery has to demonstrate that the documents sought are both relevant and necessary for the fair disposal of the case or to save costs. The onus of establishing relevance and necessity for the purposes mentioned in the rule is on the moving party.

21. On the question of relevance, the judgment of Brett L.J., in the *Peruvian Guano* Case [1882] 11 Q.B.D. 55 remains the guiding norm. He said that the following are relevant:-

"Every document relating to the matters in question in the action, which not only would be evidence upon any issue, but also which, it is reasonable to suppose contains information which 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."

22. Fennelly J. in the course of his judgment in *Ryanair Plc. v. Aer Rianta* [2003] 4 I.R. 264 described that statement as remaining "the universally accepted test of what is the primary requirement for discovery, namely the relevance of the documents sought".

23. Brett L.J.'s views were considered by the Supreme Court in *Aqua Technologie v. NSIA* (10th July, 2000) where Murray J. said:-

"Furthermore, 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. An applicant is not entitled to discovery based on mere speculation or on the basis of what has been traditionally characterised as a fishing expedition."

24. Finally, on the topic of relevance, it is to be noted that in *Framus v. CRH Plc.* [2004] 2 I.L.R.M. 439 the Supreme Court approved of the approach of McCracken J. in this Court in *Hannon v. Commissioner of Public Works* (Unreported, 2001) where he dealt with the question of relevance as follows:-

"1. 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.

2. Relevance must be determined in relation to the pleadings in the specific case. Relevance is not to be determined by reason of submissions as to alleged facts put forward in affidavits in relation to the application for further and better discovery unless such submissions relate back to the pleadings or to already discovered documents. It should be noted that O. 31, r. 12 of the Superior Court Rules specifically relates to discovery of documents 'relating to any matter in question therein'.

3. It follows from the first two principles that 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 party's documentation is not permitted under the rules.

4. The court is entitled to take into account the extent to which discovery of documents might become oppressive, and should be astute to ensure that the procedure of discovery is not used as a tactic in the war between the parties."

25. So much for the question of relevance. The topic of necessity has also been dealt with fairly extensively in recent judgments of the Superior Courts. First, it is to be noted that the burden of proving that the discovery is necessary is not to be treated as a "mere formalistic requirement" (see *Ryanair Plc. v. Aer Rianta* [2003] 4 I.R. 264). Again in the course of the *P.J. Carroll* judgment I set out in detail the relevant portions of my own judgment in *Cooper Flynn v. Radio Telefís Éireann* [2000] 3 I.R. 344 and the approval given to that approach by Fennelly J. on appeal. It is not necessary to repeat those observations again. The position can be summarised as

follows. The court, in exercising the discretion conferred upon it by O. 31, r. 12, must have regard to the issues in the action as they appear from the pleadings and the reasons furnished by the applicant to show that the specified categories of documents are required. The court should also consider the necessity for the documents having regard to all the relevant circumstances, including the burden, scale and cost of the discovery sought. It should also be willing to confine categories of documents sought to what is genuinely necessary for the fair disposal of the litigation. Alternative means of proof which are open to the applicant should also be considered. In some circumstances an order which is too wide can constitute an obstacle to the fair disposal of proceedings rather than the converse. As was said by Murray J. in the *Framus* case:-

"I think it follows that 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 opponent in addition to ensuring that no party is taken by surprise by the production of documents at a trial. That is not to gainsay in any sense that the primary test is whether 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 fair disposal of those issues."

26. These general principles are applicable to discovery in patent actions as much as in any others. Such was the case in England as is clear from the observation of Oliver L.J. (as he then was) in *SKMSA v. Wagner* [1982] R.P.C. 497 at 499 where he said:-

"Discovery in a patent action is no different in principle from discovery in any other action."

27. The Civil Procedure Rules in England have introduced a new approach on the topic there but the old rubric continues to apply here. The matter is summarised in "*Matthews and Malek Disclosure*", 2nd Edition, 2000, at p. 105 where they say:-

"In patent actions where invalidity of the patent was pleaded and the defendant had given particulars of objections, discovery on that issue was confined to the matters relied upon and the particulars given. The same was true where particulars of a patent infringement were given. Apart from that, in general, discovery in a patent action was no different in principle from discovery in any other action. So, where there was a claim to see a class of documents, the class had not to be defined or described so widely as to include documents which were not relevant to the issue"

28. In the present case the defendants say that whilst applying the *Peruvian Guano/Ryanair* test of relevance they have not sought blanket discovery. Instead, they contend that they have endeavoured to pinpoint categories of documents and furnished reasons for the discovery of those documents.

29. I turn now to the categories in dispute. Categories 1.4, 1.5, 2.1, 2.3, 2.4, and 2.5 are concerned with the question of validity of the patents whilst categories 2.12, 3.1, 4.1 to 4.3 deal with infringement. The remaining categories, (save 5.1), touch upon the quantum of damages.

Categories 1.4 and 1.5

30. The defendants seek the following:-

"1.4 All documents that constitute, refer, or relate to communications between the plaintiffs themselves and any third party on the subject of -

- (i) any patent where Ian M. Penn and Donald R. Ricci are named as inventors, including but not limited to the patents;
- (ii) any produce made, used, sold, imported, or exported by the plaintiffs in connection with any patent where Ian M. Penn or Donald R. Ricci are named as inventors, including but limited to the patents;
- (iii) this litigation;
- (iv) any prior litigation relating to the patents or any related patent or related patent application.

1.5 All documents including notes, papers and slides relating to presentations, whether internal or external, draft or final, electronic or otherwise, made by or on behalf of the plaintiffs, Ian M. Penn or Donald R. Ricci, in the United States, or anywhere in the world, concerning coronary stents or coronary stent systems including but not limited to the TCT 2003 presentation entitled 'Coated Stent Platform' presented by Donald R. Ricci."

31. In the affidavit grounding the application Mr. John Whelan, solicitor, says that these categories of documents are relevant to the question of whether the plaintiffs are entitled to the ownership of the patents and, in particular, as to whether the inventors identified in them, namely Ian M. Penn and Donald R. Ricci, are the true inventors. The defendants are aware of a dispute between at least Drs. Robert Fischell, Timothy Fischell and David Fischell and Messrs. Penn and Ricci regarding inventorship of the patents. The defendants are further aware that the plaintiff Evysio and Messrs. Penn and Ricci required the Fischells to sign an agreement as part of the settlement of litigation stating that Fischells could not bring suit or assist in any suit against the plaintiffs. The defendants say they should not be prejudiced in Irish proceedings by virtue of that settlement. It is in these circumstances that they require discovery of any communications between any of the plaintiffs and/or Drs. Penn or Ricci and the Fischells and the arrangements or agreements reached in relation to inventorship, misappropriation of trade secrets, breach of contract, breach of duty of good faith or fair dealing.

32. Mr. Whelan goes on to postulate that if it is shown to the court on foot of the documents discovered under this category that the plaintiffs are not the true inventors then this may be relevant to the court's consideration of a finding of infringement and/or whether it would be equitable for the plaintiffs to recover damages. In the light of the dispute in the United States and the covenant prohibiting the Fischells from assisting in litigation, it is said information regarding entitlement to ownership is relevant to these proceedings. It is also argued that the documents are relevant to related issues as to whether the patents are novel and involve an inventive step and as to whether there had been any prior disclosure of the invention by the inventors or the plaintiffs.

33. As to the documents sought at category 1.5, it is said that they are relevant in that they will show any admissions or disclosures made by the plaintiffs and/or Messrs. Penn and Ricci which may impact upon the claimed priority dates for the patents and are also relevant to the common general knowledge. As to the presentation on the coated stent platform given by Mr. Ricci it is said that that is sought in order to show what he alleged to be the key features of the patents and the public admissions made by the alleged

inventors in relation to them. This documentation is said to be relevant in respect of the claims that the plaintiffs are likely to make concerning the features of the patents.

34. In the course of written submissions the defendants dropped their request for the documents sought at 1.4(iii) and (iv).

35. The plaintiffs point out that the question of ownership of the patents does not arise on the pleadings. At para. 5 of the amended defence the defendants accept that the second plaintiff currently appears as the registered proprietor of the patents in question.

36. The plaintiffs also point out that the entitlement of a patentee to sue for infringement is not dependent upon proof that the patentee or any other person is the inventor of the invention.

37. They also contend that the only circumstances in which the issue of the inventorship of a patented invention may arise is in the context of a challenge to the proprietor's entitlement to the grant of a patent by way of an application for revocation under s. 58(e) of the Act. The defendants have admitted the proprietor's registered ownership of the patent. They have not brought an application for revocation under s. 58(e). Thus it is said, the discovery sought here is not relevant to the issues which will fall to be tried.

38. They point out that whilst Mr. Whelan in the course of his affidavit avers as to the knowledge of the defendants concerning the dispute between one of the plaintiffs and Drs. Penn and Ricci this matter is not mentioned in the pleadings. It is to the pleadings that one must turn in order to assess relevance. It is not permissible to do so by reference to affidavit evidence (see *Hannon v. Commissioner of Public Works*).

39. In any event they point out that whilst not accepting that the dispute involving Dr. Fischell and Drs. Penn and Ricci could have any relevance to the issues in suit, they point out that the plaintiffs' solicitors have set out in correspondence and confirmed on affidavit that the proceedings between those parties failed because they were time barred and furthermore that the invention in issue in the United States proceedings was not that disclosed in the patents in suit.

40. There is no allegation of prior disclosure in the pleadings.

41. In my view, the contentions made by the plaintiffs are correct and I disallow the claim for discovery as not being relevant to the issues which will fall to be tried by reference to pleadings in this case. Neither do I consider the documents to be necessary for the fair trial of the issues in suit. There is, particularly in the case of the documents sought at 1.5, something of a fishing expedition involved.

42. Consequently I refuse to order discovery of these two categories.

Category 2.1

43. The defendants seek the following:

"2.1 For the period 1 March, 1994 to 1 April, 1999, all documents concerning any application disclosing or claiming a stent covered by the patents, (whether issued, pending or abandoned) filed in the Irish Patents Office, at the European Patents Office, (including any requests for an inventor's certificate, abstract, supplementary protection certificate, or any other documents issued) including without limitation all communications with any person, agent (including patent agents), entity or government agency relating to any such application or proceedings, as well as all attorney or agent files, prosecution history files, draft applications, published applications, memoranda, documents and things relating to inventor or examiner interviews, official correspondence, and all references cited therein."

44. The plaintiffs have agreed to make discovery of the complete file in respect of their applications before both the Irish Patent and the European Patent Office. Having so agreed, they contend that no sufficient reasons have been given to explain why documents beyond those contained in the file should be discovered.

45. I should record at this juncture that the plaintiffs have already agreed to hand over (if they have not already done so) both the inventor's notebooks and the laboratory books pertinent to the patents in suit. I should also record that the original request was wider than what is now sought in that it referred to other patent offices apart from the Irish and European ones.

46. The defendants contend per Mr. Whelan's affidavit that the documents requested

"will assist [them] in showing that inventions covered by the patents were contained in the prior art and/or had been disclosed at the time the patents were applied for and/or constituted common general knowledge. In this regard the defendants contend that the nature of the application filed by the plaintiffs which discloses or claims a stent covered by the patents is relevant to the issues in these proceedings."

47. In correspondence the defendants' solicitors asserted (see letter 18 October, 2006) that

"these are matters that go to the validity of the patents having regard to the challenge to validity made by the defendants on the pleadings. The defendants are of the view that all documents are relevant, and no reason is given by the plaintiffs as to why such documentation might not be relevant. The other documentation is required for the same reason that the discovery of files for the patents are being made".

48. The plaintiffs submit that no evidence has been put before the court so as to enable it to decide as a matter of probability whether the documents are relevant to the issues to be tried. Rather they say that what is sought is a general trawl through the plaintiffs' documentation in order to find out whether there might be a document in existence which may be relevant to the defendants' case. Such a course is impermissible (see *Hannon v. Commissioner of Public Works*). The plaintiffs also contend that the documents sought are extremely wide and that the defendants have not discharged the burden of demonstrating the necessity of such documents for the fair disposal of the trial in circumstances where they have been in a position to particularise no fewer than 36 pieces of prior art in the absence of any discovery at all.

49. The defendants contend that because of the Supreme Court's acceptance in *Ranbaxy Laboratories v. Warner Lambert Co.* [2006] 1 I.R. 193 of the statement by Lord Diplock in *Catnick Components Ltd. v. Hill and Smith Ltd.* [1982] R.P.C. 183 at 243 the documents sought are both relevant and necessary. The statement of Lord Diplock was:

"A patent specification should be given a purposive construction rather than a purely literal one derived from applying to it

the kind of meticulous verbal analysis in which lawyers are too often tempted by their training to indulge. The question in each case is 'whether persons with practical knowledge and experience of the kind of work in which the invention was intended to be used, would understand that strict compliance with a particular descriptive word or phrase appearing in a claim was intended by the patentee to be an essential requirement of the invention so that any variant would fall outside the monopoly claimed, even though it could have no material effect upon the way the invention worked'."

50. In *Ranbaxy* McCracken J. expressed the view that the purpose of a claim in a patent was to provide certainty as to the extent of the monopoly granted. The understanding of the persons to whom the claim was addressed rather than the understanding of the patentee or inventor is the test. Thus what is admissible is not the evidence of the patentee or inventor himself but of a person to whom the claim is addressed and such person's opinion as to the meaning of the claim. The defendants point out that McCracken J. referred to the judgment of the Court of Appeal in *Rohm and Haas Co. v. Collag Limited* [2002] F.S.R. 445 where a letter written by the claimant to the European Patent Office was held to be admissible. This was because it contained objective information about and commentary on experiments and could therefore be of assistance in resolving some puzzling features of the specification.

51. There is no doubt but that evidence of the intention of a patentee is not admissible. That much is accepted by the defendants. However, they say that the documents sought in this category contain objective information or commentary relating to inventor or examiner interviews or official correspondence. They are thus relevant as evidence of persons skilled in the art and whom it said can assist the court in interpreting the patents. Thus they say that the distinction which the plaintiffs seek to draw between the patent file and the other documents is artificial.

52. Whatever may be said in favour of the relevance of these documents to the issues to be tried, (which is fairly tangential), I am of the view that the defendants have not discharged the burden of demonstrating a necessity for such documents in order to have a fair trial of these issues. Given the material that has already been agreed to be disclosed I am not convinced that discovery of this additional material is necessary and so I would not be justified in ordering it. The making available of the entire Irish and European patent file is sufficient. I refuse discovery in respect of this category of documents.

Category 2.3 and 2.4

53. The defendants seek the following:-

"2.3 For the period 1st March, 1994 to 1st April, 1999, in respect of the second named plaintiff and for the period January, 2006 to date, in respect of the first and third named plaintiffs, copies of each item of prior art, or possible prior art, (i.e. including such prior art considered but deemed by the plaintiffs not to be prior art), known to the plaintiffs that has at any time been considered or evaluated by or on behalf of any of the plaintiffs as to its potential effect upon the patentability on the subject matter disclosed in the patents, including the invalidity or scope of any claim of the patents.

2.4 For the period 1st March, 1994 to 1st April, 1999, in respect of the second named plaintiff all documents that were considered, studied, or referred to by any person involved in the preparation or prosecution of the patents in connection with such preparation and prosecution proceedings including without limitation, each document concerning prior art, at any time in respect of the first and third named plaintiffs all documents that were considered, studied, or referred to by any person involved in any analysis, or evaluation of the validity, enforceability, strength and/or infringement of the patents, and including without limitation, each document concerning prior art."

54. The reason given for this request is that the documents in category 2.3 are alleged to be relevant to demonstrating that the inventions covered by the patents are contained in the prior art and/or have been disclosed at the time that the patents were applied for and/or constituted common general knowledge. The definition of prior art furnished in the defendants request means *inter alia* all documentation in the plaintiffs' possession, power or procurement that was made available to the public whether in Ireland or elsewhere before the date of filing of the patent applications. It is said that the documents sought here go to the core of the defendants' defence on the grounds of invalidity. The defendants are at a loss to understand the position being adopted by the plaintiffs which is that this documentation is not relevant to these proceedings. The defendants also point out that the plaintiffs themselves sought discovery from the defendants of

"all documents howsoever described concerning or evidencing the alleged invalidity of the 093 patent and the 094 patent and in particular the alleged lack of novelty and lack of inventive steps/obviousness to the claims of these patents".

55. The defendants have agreed to provide discovery of this documentation and say their request ought to be granted in such circumstances.

56. Insofar as category 2.4 is concerned the defendants say that these documents are relevant so that they can demonstrate that the invention was obvious and/or did not involve any inventive step. In the defendants' letter seeking voluntary discovery a reason provided for requesting disclosure of this documentation was that the documents

"go to arguments relating to commercial success and long felt want that would be relied upon by the defendants at trial in demonstrating that the invention was obvious and/or did not involve an inventive step".

57. The plaintiffs point out that nowhere in the pleadings is there any reference to commercial success or long felt want to be found.

58. The defendants argue that the offer of the plaintiff to make discovery of the documents cited in the patents as being prior art is of little practical significance to them because they are aware of such documents. They also point out that the plaintiffs appear to accept that in general terms documents relating to the research carried out by them which led to the patents are relevant because they have already agreed to make discovery under category 2.2 of

"all documents concerning the conception, development or reduction to practice of the subject matter disclosed or claimed in the patents".

59. The defendants say that the offer made by the plaintiffs in respect of the discovery of prior art cited in the patents is insufficient. An analysis of prior art and other documentation which was considered by the plaintiffs during the preparation and prosecution of the patents is relevant to the question of validity, they contend. Applying the *Peruvian Guano* test, such documents may well advance the defendants' case or damage that of the plaintiffs, they say. The defendants also point out that obviousness is one of the issues in the case. They rely on the case of *Molnlycke AB v. Proctor and Gamble Limited* [1994] R.P.C. 49 as setting out the basis for determining obviousness. Nicholls V.C. said:-

"The Act requires the court to make a finding of fact as to what was, at the priority date, included in the state of the art and then to find again as a fact whether, having regard to that state of the art, the alleged inventive step would be obvious to a person skilled in the art.

In applying the statutory criterion and making these findings the court will almost invariably require the assistance of expert evidence. The primary evidence will be that of properly qualified expert witnesses who will say whether or not in their opinions the relevant step would have been obvious to a skilled man having regard to the state of the art. All other evidence is secondary to that primary evidence. In the past evidential criteria may have been useful to help to elucidate the approach of the common law to the question of inventiveness. Now there is a statutory definition, evidential criteria do not form part of the formulation of the question to be decided."

60. In *SKM v. Wagner Spraytech* [1982] R.P.C. 497, Oliver L.J (as the then was) formulated a test for ascertaining whether discovery should be ordered. It is to ask whether there was any way in which knowledge of the inventors' researches could assist the defendants' case on obviousness. He said:-

"...The case is clearly not going to be fought without the presence of expert witnesses on both sides. Knowledge of the inventor's experiments will assist the defendant in two respects. He can obtain his own experts' opinion upon whether the steps taken by the inventor were the steps which the ordinary skilled man would or could take and whether such steps were no more than steps which would or should have been obvious to any skilled man; and he can, as was suggested in the Australian case, utilise any knowledge which he acquires regarding the inventor's experiments or researches in cross examination of the plaintiffs' technical witnesses by reference to what an admittedly skilled man actually did."

61. In that case discovery of the inventor's notes, research development and design files was ordered. It is very similar to part of the discovery which has already been agreed under category 2.2. It is said that the documents contained in the categories which I am now considering are likewise discoverable on the basis that they may assist the defendants' case. It is argued that such discovery will enable the court to obtain a full picture of the state of the art as of the priority date for the patents and may assist it in understanding what people skilled in the art actually did. It is also pointed out that the defendants have themselves agreed to a discovery request of the plaintiffs framed in broadly similar terms.

62. Counsel for the plaintiffs point to a number of later decisions in the English courts which have mitigated, to some extent, it is said, the approach of the Court of Appeal in *SKM*. They drew my attention to the observations of Laddie J. in *Hoechst Celanese Corporation v. B.P. Chemicals Limited* [1997] F.S.R. 547 and those of Pumfrey J. in *Norton Health Care Limited v. Minnesota Mining and Manufacturing Company* [1999] S.F.R. 636. In the latter case the judge noted the need for restraint in respect of the investigation of secondary indications of obviousness and non-obviousness. He said:-

"Since the decision of the Court of Appeal in *SKM SA v. Wagner Spraytech Limited* a case concerned with an application for discovery of the inventors' notes, it has been accepted that documents recording the activities of workers in the relevant field at the relevant date are *prima facie* discoverable since they may throw light on what skilled men actually did. Such documents may be used, as the Court of Appeal indicated in *SKM*, to test the evidence of experts as to the approach of the skilled man.

It is also been pointed out that there are difficulties with this approach. In particular, the approach of any man who is not aware of the pleaded prior art is unlikely to be of much assistance in considering an allegation of obviousness based on the pleaded prior art."

63. Later he said:-

"If this sort of investigation is not kept firmly in its place the resulting wastefulness is that vividly described by Laddie J. in *Hoechst Celanese Corporation v. B.P. Chemicals Limited*. In that case Laddie J. also sets out the difficulties in scrutinising the inventor's own steps to the invention and in seeking to draw inferences of obviousness or non-obviousness from those steps... Experience has shown that investigation of secondary indications of obviousness and non-obviousness can wholly overshadow the assessment of the primary issues. The expense of making the discovery which such an investigation requires, together with the expense and the party's time, the expert's time and the court's time, is disproportionate to the limited utility of the result. I consider that unless it is clearly shown that evidence of this nature will save costs and is actually necessary for the purpose of fairly disposing of the issue, then the relevant discovery should not be ordered."

64. Whilst these decisions do undoubtedly counsel caution and restraint they do not (and indeed could not) dilute the thrust of the decision in *SKM SA*.

65. Bearing all of these observations in mind and the defendants' agreement to a discovery request from the plaintiffs framed in broadly similar terms I have come to the conclusion, with some reservations, that it is appropriate to order discovery of these two categories of documents as being relevant and necessary.

Category 2.5

66. The defendants seek -

"All documents shown to, provided to, sent to, or received from any expert or consultant who has been retained to evaluate any matter at issue in this case or any other litigation involving the patents or any related patent, or to testify at trial in this case or any other litigation involving the patents or any related patent".

67. The reason sworn to for seeking these documents is that the defendants consider that they will assist in ascertaining the validity of the patents because they will indicate the views and opinions expressed by experts and consultants in respect of matters such as validity, value, prior art and third party infringement. They make it clear that the discovery sought is not in respect of expert reports that will be prepared as part of the proceedings. Rather it is directed at previous expert and consultant's reports that were obtained by the plaintiffs and which were not prepared specifically in contemplation of these proceedings. If of course there are reports that were prepared in contemplation of the proceedings, privilege can be claimed in respect of them. The defendants point out that the plaintiffs themselves sought discovery from the defendants of all documents disclosing or evidencing any evaluation of whether the features, configuration or design of the products was the subject of patent protection. The defendants have agreed to provide discovery of this documentation.

68. I am of opinion that this material is discoverable subject of course to a claim to privilege being made if appropriate. It is difficult to see how the plaintiffs contend that discovery should not be ordered in circumstances where their request for similar documents was obviously considered by them to be both relevant and necessary and was acceded to by the defendants.

Category 2.12

69. Here there is sought:-

"For the period of January, 2003 to date, all documents and things that constitute, refer or relate to communications by the plaintiffs or any other officers, directors, employees, agents or attorneys, regarding any accused product in this litigation, or any prior litigation."

70. This is an extraordinarily broad category of documents. In recognition of that fact the defendants have expressed themselves as being willing to limit the request to all documents which refer to, analyse or otherwise consider the nature and quality of the accused products as defined in the defendants' discovery request, their success and their alleged infringement of the patents.

71. The defendants say that they consider that the documents will assist the court in understanding whether the plaintiffs themselves believe that there has been an infringement of the patents by the defendants. They compare the documents as being no different to the discovery of, for example, board minutes of any plaintiff company in respect of matters that relate to issues relevant to proceedings brought by a plaintiff company.

72. I am satisfied that these documents are not appropriate for an order for discovery. They are not in my view relevant or necessary. The issue which the court has to consider is whether the VISION and XIENCE stents being manufactured by the defendants possess the technical features which are set forth in the patents claims. I am not convinced that these documents will be of any assistance to the court in that regard. I am also satisfied that even with the request being narrowed down in the manner that I have described the request remains too wide.

Category 3.1

73. The documents sought here are –

"For the period 1st March, 1996 to date, all documents relating to any attempt by the plaintiffs or the alleged named inventors on the face of the patents to licence, offer to licence, sell, offer to sell, or concerning any sale agreement, assignment, offer to assign, or other transfer or offer of rights relating to the technology disclosed in the patents (including for the avoidance of doubt any of the Canadian patent application nos. 2171047; 2175722; 2185740; and 2192520) and to include but not be limited to any documents exchanged between the plaintiffs in relation to the negotiation of the licensing of the patents, any queries raised by licensing in relation to the validity of the patents or prior art, any responses provided thereto, any due diligence documents or reports and any internal or board minutes of any meeting of any of the plaintiffs related to the licensing of the patents."

74. The plaintiffs have already agreed to make discovery of all documents relating to the licences pleaded at para. 11 of the amended statement of claim.

75. Those agreements were pleaded to demonstrate the entitlement of some of the plaintiffs to participate in and recover in these proceedings.

76. The plaintiffs contend that the Canadian patent applications referred to in this category are irrelevant to the issues in this case. However, they specifically rely upon those patent applications in the proceedings because they claim they are the basis for priority dates for the patents in suit. Indeed it is noteworthy that the plaintiffs have also raised the Canadian patent applications in the course of replies to particulars. It is also of interest that the plaintiff sought discovery from the defendants of all documentation relating to the internal arrangements between the defendants in respect of the manufacturing of products and sale of products. On this basis it is said that it was just as reasonable for the defendants to seek documents in relation to the internal and intra- plaintiff licensing of the patents, the subject of the claim.

77. The defendants also contend that the commercial success of the patents will be an important issue to be relied upon by them in the defence of the action. In that regard, the plaintiffs counter that if the defendants want to raise that issue then it is incumbent upon them to plead that the patents were or were not a commercial success. However, they have not done so.

78. The defendants contend that a lack of commercial success will be relied upon them in support of their claim of obviousness. They draw my attention in *Re: John Guest (Southern) Limited Patent* [1987] R.P.C. 259. That was an appeal to the patents court from a discovery application before the patent office. Discovery was ordered of licence agreements in circumstances where a patentee relied on the commercial success of its product in response to an allegation of obviousness.

79. I am inclined to the view that discovery ought to be made in respect of this category of documents particularly having regard to the wide request that the plaintiffs themselves made and to which I have alluded which was responded to affirmatively by the defendants.

Categories 4.1 – 4.3

80. The documents sought here are –

"For the period 1st March, 1994 to date, all documents concerning any reverse engineering of, attempts to reverse engineer, or any other attempts to determine the structure or operation of any aspect of any of the accused products and any comparison of any of the accused products with any claim of the patents or plaintiffs covered products.

For the period of 1st March, 1994 to date, all documents concerning any third party conduct or method that the plaintiffs believe practices or is likely to practice any invention claimed in the patents and/or considering or analysing the alleged benefits of any and all claims of the patents and the plaintiffs product.

For the period 1st March, 1994 to date, all documents concerning any experimental use of any alleged invention claimed in the patents and any related patent or related patent application."

81. During the hearing agreement was reached in respect of category 4.1. There is agreement that the plaintiffs will discover all documents disclosing any analysis by the plaintiffs of the accused products having regard to the claims of the patents or any plaintiff

covered products.

82. The defendants say that the plaintiffs' evaluation of the defendants' products and other products available on the market is relevant to the question of infringement. They also point out that in the plaintiffs own discovery request they sought and were given all documents disclosing or evidencing any evaluation of whether the features, configuration or design of the defendants products were the subject of patent protection. They also contend that the documents which are sought would provide objective information of the type considered relevant in the *Wagner Spraytech* case.

83. I am of opinion that these documents are relevant and appropriate for discovery applying the *Peruvian Guano* and *Wagner* test to them. Consequently there will be an order for their discovery.

Categories 4.4 – 4.5

84. The documents sought here are –

“For the period 1st March, 1994 to date, all plaintiffs yearly and quarterly merger filings and annual reports within the patents or any related patent or related patent application are mentioned or referred to directly or indirectly and all documents (whether or not prepared by the plaintiffs or on the plaintiffs' behalf) concerning the value of any of the patents or any related patent or related application, including all documents concerning the value of any rights under any of the patents or any related patent or related patent application.

4.5 For the period 1st March, 1994 to date, all documents (including agreements) concerning any third party and inter-company royalties, royalty rates, revenue sharing payments, or milestone payments paid or received in connection with any of the patents, related patent, related patent application or plaintiff (sic) covered product and includes but is not limited to documents sufficient to show and/or explain the methodology for calculating and/or determining such payment amounts, revenue costs and profits, including the ability to identify labour, material, variances, overhead, selling and administrative costs and the components that make up these costs. This request includes royalty summary reports showing such payments paid or received by any of the plaintiffs by month or quarter.”

85. It is to be noted that the plaintiffs have indicated that they will make discovery of all documentation going to the question of quantum of damages. They have also made it clear that they do not produce any products which are the subject matter of the patents. Consequently the measure of damages will be the licence fee which the plaintiffs would have obtained from the defendants. It follows that the documentation on quantum consists of the licence agreements previously entered into in respect of the patents. That documentation is going to be made available. Such being the case, I am satisfied that the documentation sought in this request is not relevant to the issues to be tried and is unnecessary. In these circumstances I refuse to order discovery of these documents.

Category 5.1

86. The documentation sought here was that concerning any policy or procedure concerning the retention or destruction of records, documents or files. At the hearing this was not pursued and is no longer sought. Consequently no decision is required in respect of it.

Result

87. There will be an order for discovery of the documents sought at categories 2.3, 2.4, 2.5, 3.1, 4.2 and 4.3.

88. Discovery is refused in respect of categories 1.4, 1.5, 2.1, 2.12, 4.4 and 4.5.

89. Category 4.1 was the subject of agreement and category 5.1 was not pursued