

# **D YOUNG & CO** **INTELLECTUAL** **PROPERTY**

**European patent prosecution & litigation: UK**  
Antony Craggs & Garreth Duncan

# Speakers



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Slides and a recording of this  
webinar will be emailed to you  
later this week.

# Agenda

## Agenda

Annual stocktake

Doctrine of equivalents

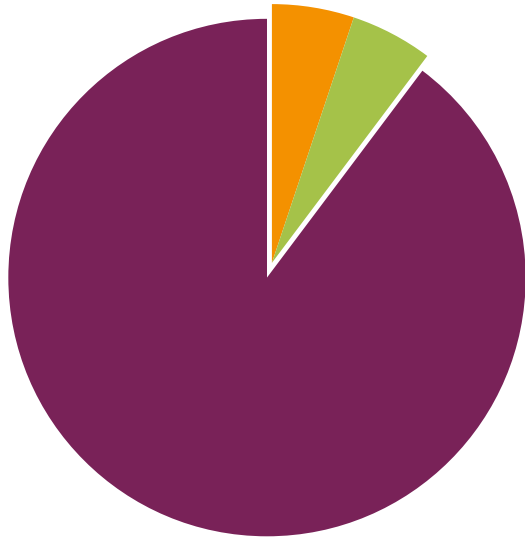
SEPs & FRAND

Plausibility and infringement of Swiss Form Claims

Arrow declaration

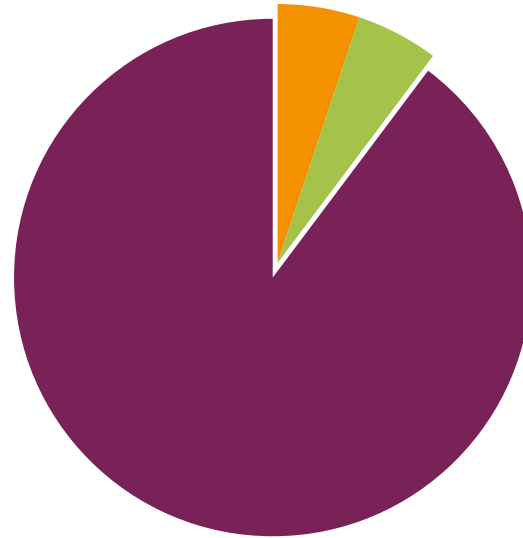
# Stocktake: 2018

Claimant



- IPCom
- Takeda
- Everyone else

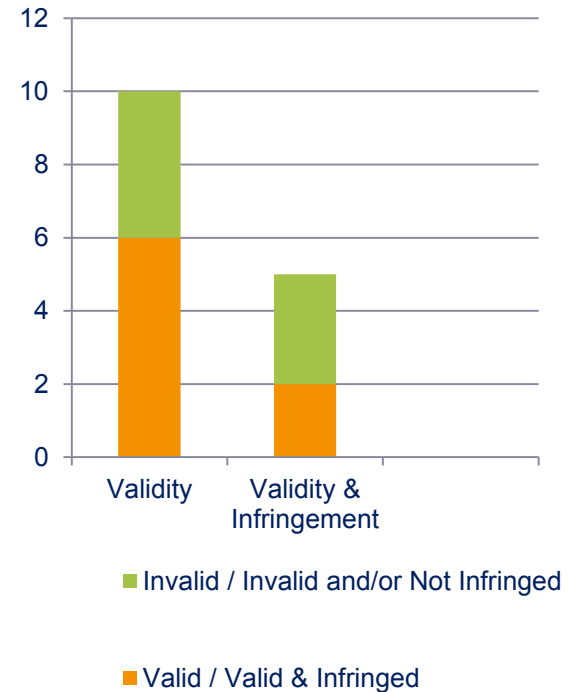
Defendant



- Fibrogen
- Vodafone
- Everyone else

# Stocktake: 2018

- In 2018, approximately 13 came to trial.
- Of the 13 cases, 10 trials addressed validity. Of these, 6 found one or more patents to be valid.
- Of the 13 cases, 9 trials addressed validity and infringement, with 6 finding at least one patent to be valid and infringed.
- The remaining cases were directed to SPCs or licences.



# Stocktake

|                            |            |        |
|----------------------------|------------|--------|
| <b>Patents (2010-2018)</b> | <b>103</b> |        |
| <b>Valid</b>               | 39         | 37.86% |
| <b>Invalid</b>             | 64         | 62.14% |
| <b>Infringed</b>           | 56         | 54.37% |
| <b>Non-infringed</b>       | 35         | 33.98% |
| <b>Valid and infringed</b> | 30         | 29.13% |

# Stocktake

| Patents (2010-2018) |          |        |         |        |        |        |
|---------------------|----------|--------|---------|--------|--------|--------|
| Judge               | Arnold J |        | Birss J |        | Carr J |        |
| Patents             | 30       |        | 28      |        | 8      |        |
| Valid               | 8        | 26.67% | 16      | 57.14% | 6      | 75.00% |
| Invalid             | 22       | 73.33% | 12      | 42.86% | 2      | 25.00% |
| Infringed           | 16       | 53.33% | 16      | 57.14% | 6      | 75.00% |
| Non-infringed       | 12       | 40.00% | 8       | 28.57% | 0      | 0.00%  |
| Valid and infringed | 8        | 26.67% | 11      | 39.29% | 6      | 75.00% |

# Doctrine of Equivalents

## Protocol on the Interpretation of Article 69 EPC

- Article 1

### General principles

Article 69 should not be interpreted as meaning that the extent of the protection conferred by a European patent is to be understood as that defined by the strict, literal meaning of the wording used in the claims, the description and drawings being employed only for the purpose of resolving an ambiguity found in the claims. Nor should it be taken to mean that the claims serve only as a guideline and that the actual protection conferred may extend to what, from a consideration of the description and drawings by a person skilled in the art, the patent proprietor has contemplated. On the contrary, it is to be interpreted as defining a position between these extremes which combines a fair protection for the patent proprietor with a reasonable degree of legal certainty for third parties.

- Article 2

### Equivalents

For the purpose of determining the extent of protection conferred by a European patent, due account shall be taken of any element which is equivalent to an element specified in the claims.



# Doctrine of Equivalents

- What is the doctrine of equivalents?
  - i) Does the variant infringe any of the claims as a matter of normal construction; and, if not
  - ii) Does the variant nonetheless infringe because it varies from the invention in a way or ways which is or are immaterial?
  - If the answer to either issue is “yes”, there is an infringement; otherwise, there is not.

# Doctrine of Equivalents

- What is the doctrine of equivalents?
  - i) Notwithstanding that it is not within the literal meaning of the relevant claim(s) of the patent, does the variant achieve substantially the same result in substantially the same way as the invention, ie the inventive concept revealed by the patent?
  - ii) Would it be obvious to the person skilled in the art, reading the patent at the priority date, but knowing that the variant achieves substantially the same result as the invention, that it does so in substantially the same way as the invention?

# Doctrine of Equivalents

- What is the doctrine of equivalents?
  - iii) Would such a reader of the patent have concluded that the patentee nonetheless intended that strict compliance with the literal meaning of the relevant claim(s) of the patent was an essential requirement of the invention?
- To establish infringement by doctrine of equivalents:
  - Questions i) and ii): “yes”
  - Question iii): “no”

# Doctrine of Equivalents

- What issues remained to be determined?
  - Purposive construction
  - Impact on validity
  - Use of prosecution history
  - Limits of doctrine of equivalents

# Doctrine of Equivalents

- Purposive construction
  - Generics v. Teva
  - Fisher & Paykel v. ResMed
  - Illumina v Premaitha
  - Liqwd v. L'Oréal
  - Icescape v. Ice-World

# Doctrine of Equivalents

- Impact on validity
  - Generics v. Teva
- Use of prosecution history
  - Icescape v. IceWorld
- Limits of doctrine of equivalents
  - Icescape v. IceWorld

# SEPs & FRAND

- What is a Standard Essential Patent (SEP)?
- What is FRAND?
- What were the issues?
  - Does the court have jurisdiction to determine essentiality?
  - Does the court have jurisdiction to determine FRAND?

# SEPs & FRAND

- [Cont.]
  - What is FRAND?
    - Geography
    - Portfolio
    - SEPs and non-SEPs?
    - Length?
    - Rate?



# SEPs & FRAND

- Unwired Planet v. Huawei:
  - 2012: Licence between Ericsson and Huawei expires
  - 2012: Ericsson disposes of a portion of its patent portfolio to Unwired Planet
  - 2013-2014: Unwired Planet seeks to procure licence from Huawei

# SEPs & FRAND

- Unwired Planet v. Huawei:
  - 2014: Unwired Planet commences patent infringement proceedings against Huawei (and others)
  - 2015-2016: Five technical trials listed (three proceed, two are stayed): two of the six patents are found to be valid, essential and infringed
  - 2016: FRAND trial
  - 2018: FRAND appeal

# SEPs & FRAND

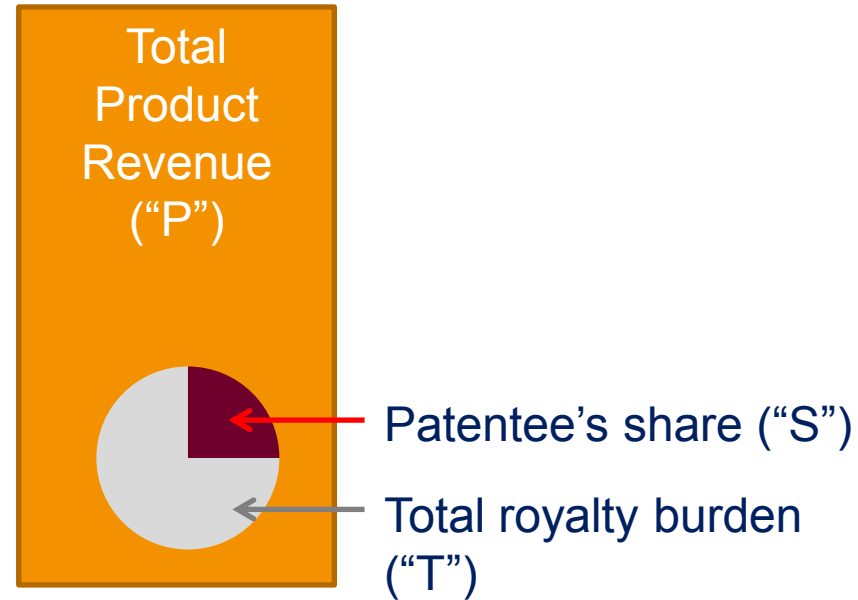
- Unwired Planet v. Huawei:
  - English Court can determine FRAND terms
  - It is FRAND to offer a worldwide portfolio licence
  - It is not FRAND to offer a SEP and non-SEP portfolio licence
  - Court concluded that if the prospective licensee does not take a global FRAND licence it will award a UK injunction.

# SEPs & FRAND

- FRAND Royalty Rate
  - Approaches:
    - Top Down
    - Comparable Licences

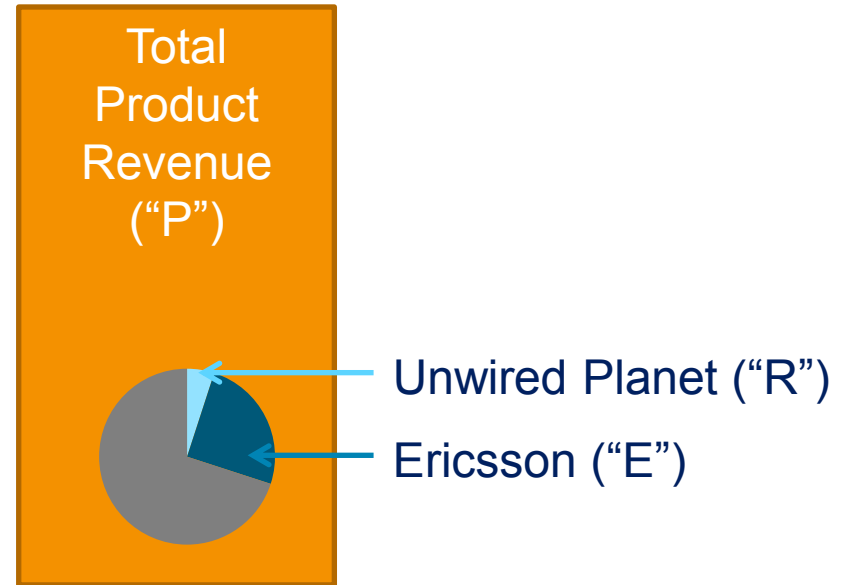
# SEPs & FRAND

- Top Down:
  - Determine total royalty burden (“T”)
  - Determine patentee’s share of burden (“S”)
  - FRAND Rate:  $(S \times T) \times P$
  - Example:  $(25\% \times 10\%) \times P$



# SEPs & FRAND

- Comparable Licences:
  - Determine Ericsson rate (“E”)
  - Determine Unwired Planet portion of Ericsson portfolio (“R”)
  - FRAND rate:  $(R \times E) \times P$
  - Example:  $(7.69\% \times 0.8\%) \times P$



# SEPs & FRAND

- Non-discrimination
  - What does the non-discrimination limb of FRAND mean?

# SEPs & FRAND

| Unwired Planet Share (S) for Handsets |                       |                 |                      |       |
|---------------------------------------|-----------------------|-----------------|----------------------|-------|
|                                       | Unwired Planet Patent | HPA denominator | Adjusted denominator | S     |
| 2G                                    | 2                     | 350             | 154                  | 1.30% |
| 3G                                    | 1                     | 1089            | 479                  | 0.21% |
| 4G                                    | 6                     | 1812            | 800                  | 0.75% |
| Multimode                             |                       |                 |                      |       |
| 2G/3G                                 |                       |                 |                      | 0.57% |
| 2G/3G/4G                              |                       |                 |                      | 0.70% |



# SEPs & FRAND

| Unwired Planet Share (S) for Infrastructure |                       |                 |                      |       |
|---|-----------------------|-----------------|----------------------|-------|
|   | Unwired Planet Patent | HPA denominator | Adjusted denominator | S     |
| 2G  | 1                     | 305             | 134                  | 0.75% |
| 3G  | 2                     | 886             | 390                  | 0.51% |
| 4G  | 7                     | 1554            | 684                  | 1.02% |

# SEPs & FRAND

- Future?

# Warner Lambert v. Generics



# Warner Lambert v. Generics

- Swiss form claims (allowed by EPO EBA in G5/83)
  - “Use of substance X for the manufacture of a medicament for the treatment of indication Y”
  - Not permitted since 2011 by EPO – but will be around till 2036!
  - EPC 2000 form “Substance X for use in treating indication Y”
    - not considered by Sup Ct

# Warner Lambert v. Generics

- Pregabalin (Lyrica®) sold for three indications:
  - Epilepsy
  - Generalised anxiety disorder
  - Neuropathic pain
- Basic compound patent:
  - Disclosed epilepsy and anxiety indications
  - Expired in 2013

# Warner Lambert v. Generics

- Patent in suit:
  - Claim 1: “Use of [pregabalin] for the preparation of a pharmaceutical composition for treating pain”
  - Claim 3: Limited to treating neuropathic pain
- Action:
  - Generics launched “skinny label” product omitting pain indication
  - Revocation / Counterclaim for infringement

# Warner Lambert v. Generics

- First instance:
  - Invalid for insufficiency
  - No infringement
- Court of appeal:
  - Invalid for insufficiency
  - (Obiter) infringement

# Plausibility and Swiss Form Claims

- “Plausibility” in application as filed
  - EPO apply on inventive step
  - UK Courts apply on insufficiency
- Prevent speculative claims justified solely by post-filing data
- If not “plausible” from application as filed, later filed data can’t remedy
- “Plausibility” is assessed across entire scope of claim



# Plausibility and Swiss Form Claims

- Swiss form (second medical use) claims
  - Application as filed must contain some disclosure as to how or why known product could be expected to work for new indication
  - Data not essential
  - Credible theory with scientific reasoning sufficient
- Threshold not met for either claim 1 or claim 3 – patent revoked

# Plausibility – Squeeze on Second Medical use Claims?

- Waiting for clinical trial results before filing rarely an option
  - Disclosure of some trial protocols to regulators and patients mandatory
- Pre-clinical data not always available
- Scientific reasoning – a double edged sword?
  - good for sufficiency, bad for inventive step?
- Other drugs in same class?

# Infringement and Swiss Form Claims

- No infringement
- Direct infringement
  - Lord Sumption and Lord Reed – “as manufactured and packaged”
  - Lord Mance – “positive exclusion” may be required
  - Lord Hodge and Lord Briggs – “subjective intention”
- Indirect infringement

# Arrow declaration

- What is an Arrow declaration?
- What is a Gillette defence?
- Why is an Arrow declaration useful?

# Arrow declaration

- Glaxo Group v. Vectura
  - Background
    - 2010: Licence for Staniforth (but not Non-Assert Patents)
    - 2016: Staniforth expires (no licence taken for Non-Assert Patents)
    - 2017: Vectura sues in USA
    - 2018: GSK commence revocation proceedings in UK

# Arrow declaration

- Glaxo Group v. Vectura
  - Strike out application
    - Undertaking not to enforce the remaining Non Assert Patents
    - Application unsuccessful
  - No undertaking in relation to 415
  - Patents invalid & not infringed
  - Gillette defence

# Arrow declaration

- Fujifilm v AbbVie:
  - i) justice to the claimant;
  - ii) justice to the defendant;
  - iii) whether the declaration will serve a useful purpose; and
  - iv) whether or not there are any other special reasons why the court should or should not grant the declaration.

# Arrow declaration

- Glaxo Group v. Vectura
  - Vectura may be able to establish infringement with reformulated divisionals
  - Open question as to whether patents with differently formulated claims were obvious or not
  - Vectura had declined to give an undertaking in relation to 415
- Declaration granted



# Questions and future webinars



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## Any questions?

Email us directly or contact us by email at [registrations@dyoung.com](mailto:registrations@dyoung.com)

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