



Neutral Citation Number: [2024] EWHC 2111 (Pat)

Claim No: HP-2022-000024

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (ChD)
PATENTS COURT

The Rolls Building
7 Rolls Buildings
Fetter Lane
London EC4A 1NL

Date: Monday, 12 August 2024

Before:

MS. PAT TREACY
(SITTING AS A JUDGE OF THE CHANCERY DIVISION)

Between:

DAVID PARSONS

Claimant

- and -

CONVATEC LIMITED

Defendant

MR. PATRICK GREEN KC and MR. BEN NORTON (instructed by Kingsley Napley LLP) appeared for the **Claimant**.

MR. BRIAN NICHOLSON KC and MR. DAVID IVISON (instructed by Freshfields Bruckhaus Deringer LLP) appeared for the **Defendant**.

Hearing date: 23 July 2024

APPROVED JUDGMENT

DEPUTY JUDGE TREACY:



Background

Parties and nature of claim

1. The Claimant, Dr Parsons, is a chemist and was for about 30 years (between 1991 to 2022) an employee of the Defendant, Convatec.
2. Convatec is a medical products and technologies company. Convatec is focused on therapies for the management of chronic conditions, including advanced wound care.
3. The Claimant was represented by Mr Patrick Green KC and Mr Ben Norton, and the Defendant by Mr Brian Nicholson KC and Mr David Ivison. I am grateful to both counsel for their helpful skeleton arguments in advance and also their more detailed submissions during the hearing.
4. In 2022, Dr Parsons commenced these proceedings for employee compensation under Section 40(1) (“**s.40(1)**”) of the Patents Act 1977 (“**the Act**”).
5. That provision currently reads:

(1) Where it appears to the court or the comptroller on an application made by an employee within the prescribed period that—

(a) the employee has made an invention belonging to the employer for which a patent has been granted,

(b) having regard among other things to the size and nature of the employer’s undertaking, the invention or the patent for it (or the combination of both) is of outstanding benefit to the employer, and

(c) by reason of those facts it is just that the employee should be awarded compensation to be paid by the employer,

the court or the comptroller may award him such compensation of an amount determined under section 41 below.

6. Before 1 January 2005, s.40(1) provided:

Where it appears to the court or the comptroller on an application made by an employee within the prescribed period that the employee has made an invention belonging to the employer for which a patent has been granted, that the patent is (having regard among other things to the size and nature of the employer’s undertaking) of outstanding benefit to the employer and that by reason of those facts it is just that the employee should be awarded compensation to be paid by the employer, the court or the comptroller may award him such compensation of an amount determined under section 41 below.



7. Mr Nicholson’s skeleton argument summarised the implications of the 2005 amendment as follows:

‘Before 2005, §40(1) of the Act was applicable only where the patent for the invention in question had been of “outstanding benefit” to the employer. Since 2005, §40(1) of the Act has been applicable where the invention, or the patent for the invention, or the combination of both, has been of “outstanding benefit” to the employer.’

8. Mr Green, on behalf of Dr Parsons, did not disagree with that summary nor with Mr Nicholson’s further comment that:

‘neither the pre- or post-2005 provisions relate to a free-standing ‘invention’ devoid of any patent. The invention in each case is: “an invention...for which a patent has been granted”.’

9. Mr Justice Zacaroli summarised the way in which Dr Parsons had put his claim under the statutory provision in his Judgment in *Parsons v Convatec Ltd* [2023] EWHC 1535 (Pat):

- ‘(1) Dr Parsons, alone or jointly with others, made an invention;*
(2) The invention – as between Dr Parsons and Convatec – belongs to Convatec;
(3) A patent has been granted for the invention;
(4) The patent (or, in relation to claims governed by s.40 as amended by the 2004 Act, the invention, or the combination of both) is of outstanding benefit to Convatec;
(5) It is just that Dr Parsons should be awarded compensation by the employer;
and
(6) The claim is brought within the prescribed period, or such extended period as the Court allows.’ [13]

Summary of procedure

10. The procedure so far is summarised below. The conduct of each party is criticised in some respects by the other. The implications of steps taken and arguments made to date are also disputed. To the extent necessary those disputes are dealt with below. In summary, the claim was served at the beginning of last year and no Costs and Case Management Conference (“CCMC”) has yet been applied for.
11. The Claim Form was issued on 5 September 2022. A Letter Before Claim was sent on 30 November 2022 and draft Particulars of Claim provided on 22 December 2022. The Claim Form and Particulars of Claim were served on 31 January 2023.
12. In February 2023, Convatec applied to strike out / obtain Summary Judgment on part of Dr Parsons’ claim. That application and an additional application made by



Dr Parsons were heard by Mr Justice Zacaroli, as he then was, on 8 June 2023. The applications were largely dismissed. Before the hearing, Dr Parsons had agreed to amend his pleadings to remove certain patents. This was reflected in a consent order dated 9 June 2023. On 26 June 2023, Mr Justice Zacaroli ordered the parties to take steps to progress the action.

13. In October 2023, Convatec instructed its current solicitors. On 5 December 2023, Dr Parsons filed and served an Amended PoC (“**APoC**”) dealing with the amendments arising from the 26 June order and the 9 June consent order.
14. The Defence was served on 11 December 2023. That document was accompanied by a letter from Freshfields, stating that Convatec was ‘unable to respond to a number of allegations regarding ‘the inventions’ as the APoC do not properly articulate a case in relation to such inventions’. That letter proposed that the Claimant should provide a ‘Statement of case on Inventions and Products’ which would provide significantly more detailed information. The parties agreed to treat Convatec’s letter as a request under Part 18 of the CPR. It is referred to below as the “**RFI**”.
15. Dr Parsons provided his response to the RFI (the “**RFI response**”) on 9 February 2024.
16. On 19 March 2024, Convatec served the current application on Dr Parsons. Dr Parsons’ solicitors responded substantively on 30 April 2024, stating that the hearing was unnecessary and that the next step should be for Convatec to file an Amended Defence to address Dr Parsons’ criticisms of its pleading.

This application and the parties’ positions

17. The parties disagree about the nature of the application. Both parties say that the other’s pleadings are inadequate. Both parties say that the orders they seek are perfectly proper. On the other hand, they both say that owing to procedural defects in the other’s approach the Court is precluded from giving the other the primary order it seeks. Despite this, both parties agree that the Court needs to intervene to break the impasse.

What does Convatec seek?

18. Convatec’s position is that this is a pre-CMC with the broad objective of finding a way to break a procedural deadlock and get the matter moving towards trial.
19. Convatec’s position is that it is Dr Parsons’ responsibility to plead his case first and that his PoC must engage with the core requirements of s.40(1). Convatec says that it is unable to plead to significant parts of Dr Parsons’ APoC.
20. Convatec says that Dr Parsons’ APoC is unsatisfactory because it gives only a very broad description of the technical fields in which the claimed inventions were made together with a brief description of various ‘inventive concepts’ and a list of the patents relevant to each claimed invention. Consequently, it is said that Convatec does not know with sufficient clarity what the invention is. Convatec says that where an



invention is pleaded in proceedings under s.40(1) it must be identified objectively which, it says, means starting with the claims of any relevant patent.

21. Mr Nicholson's skeleton argument put Convatec's position as follows:

Based on the discussion above, the exercise of identifying an "invention" for the purposes of a claim under §40(1) must be, in summary:

(a) identify a particular claim of a particular patent;

(b) construe that claim – i.e. interpret it from the perspective of the notional skilled addressee of the patent by reference to the specification and the claims having regard to the common general knowledge;

(c) extract from the claim as construed the underlying inventive concept, stripping out any features which are not material to the concept underlying the claim as construed.

22. It is further submitted that when Convatec sought to clarify these issues, Dr Parsons' RFI Response did not properly engage. In essence, that Response contested the basis on which the further information was sought ('1. Not entitled. Sufficiently pleaded.') and gives a broad response to Convatec's request that it identified the claim/s of each patent which constituted an invention belonging to Dr Parsons: ('2. Without prejudice to the foregoing, the inventions made by the Claimant belonging to the Defendant to which the claim relates are those specified in the claims of the specifications of the applications and patents identified in Schedule 1 to the Amended Particulars of Claim, in accordance with s.125(1) of the PA 1977').

23. Convatec submits that this is an indiscriminate assertion that all the claims of all the patents listed contain inventions. This is said to be both unhelpful and inaccurate as it is clear, Convatec says, that at least some of the claims of some of the patents cannot 'contain the invention' relied on by Dr Parsons.

24. Convatec's draft order requires Dr Parsons to respond to its RFI. It has annexed a table for completion. In respect of each patent said by Dr Parsons to be relevant to his claim, that table would require Dr Parsons to provide details of:

- (i) the claim or claims relied on;
- (ii) the text of each claim;
- (iii) the inventive concept of each claim;
- (iv) the actual deviser(s) of the inventive concept of each claim and the facts and matters relied on;
- (v) the Convatec products which use the claimed invention; and
- (vi) the way in which the Convatec products use the claimed invention.



25. Dr Parsons' failure to provide this information about his case is said to prevent Convatec from fully pleading its Defence.
26. Convatec says that it is not open to Dr Parsons to refuse to provide the information sought, as he had previously agreed to do so and that the Court should not entertain any dispute about whether the information is to be provided.

What is Dr Parsons' response?

27. Dr Parsons says that Convatec's application is misguided and procedurally flawed. His position is that his pleadings are perfectly adequate, covering the core requirements of s.40(1). Dr Parsons' position is that no previous claimant has been required to list every claim of every patent in every patent family he relies upon and state the inventive concept of each claim with reference to features of that claim. He says that such a claim-by-claim approach is not required, that Convatec is aware of the case it has to meet and that the next step must be for Convatec to serve an Amended Defence.
28. As a preliminary point, Dr Parsons says that the Court is not obliged simply to grant Convatec's order, as submitted by Convatec and that there is no procedural bar to the Court considering whether the information should be provided. His reasons are: first, the authorities relied on by Convatec dealt with failures to reply to or engage with an RFI in breach of a court order, which is not the position here; and secondly, because Dr Parsons' agreement to respond to the RFI was expressly limited. He agreed to do so only to the extent to which Convatec was entitled to the information requested.
29. In addition, Dr Parsons says that it is improper for Convatec to seek a specific response to an RFI without an application satisfying the requirements of CPR 18. Not only does the Application fail to identify what part of the CPR is relevant, more substantively, neither the original RFI nor the current application meet the basic threshold for seeking clarification or additional information as described in the Practice Direction to Part 18:

'A Request should be concise and strictly confined to matters which are reasonably necessary and proportionate to enable the first party to prepare his own case or to understand the case he has to meet.'
30. In the light of the above, Dr Parsons' position is that Convatec's application should be dismissed, because it is procedurally defective and because it is unnecessary and disproportionate.
31. Dr Parsons puts forward an alternative draft order under which Convatec would be obliged to amend its Defence in several specific respects.
32. Dr Parsons' position is that Convatec should set out its case on the essential elements of his claim as pleaded in the APoC. He says that it is clear that Convatec has knowledge of its own business and of Dr Parsons' role within it, as demonstrated by previous comments in evidence by Convatec's then solicitor; that Convatec



understands the claim it has to meet; and that Convatec is capable of responding to that claim without the further information sought.

What does Convatec say to Dr Parsons' suggestion?

33. Procedurally, Convatec says that it is not open to the Court to entertain Dr Parsons' proposal. Dr Parsons has not made an application seeking an order that Convatec should amend its Defence nor has he applied to strike out those parts of the Defence which he considers to be defective. During oral submissions, Mr Nicholson noted that Freshfields had written to Kingsley Napley several times before the hearing to say that if Dr Parsons wished to bring a substantive application this must be done under Part 23. No application has been brought and Convatec says that it is not open to Dr Parsons to 'piggyback' on Convatec's draft order without making an application.
34. On substance, Mr Nicholson says that his client cannot plead to a case '*which it simply does not understand*'.

The way forward

35. Notwithstanding their procedural disputes and the significant unhappiness on the part of each party as to the conduct of the other to date, both parties agree that it is important to put the case into a position where it can be listed for a CCMC. Both parties agree that pleadings which adequately define and engage with the issues are necessary before this can happen. The current position is that while an APoC and a Defence have been served, both are said to be inadequate.
36. This application involves, in essence, a request, initially by Convatec but subsequently by Dr Parsons, for the Court to give directions so that the case can proceed to a CCMC in a form which will allow the Court to make further directions to move the case towards trial.
37. In the circumstances, and without overlooking the importance of compliance by parties with specific provisions of the CPR when making applications and otherwise engaging in litigation, the most efficient and fairest way of moving proceedings forward (as both parties say must be done) is to deal with the essence of the application and then give appropriate directions. This will give effect to the overriding objective by actively managing this case as required under CPR 1.4. I do not consider that I am precluded from proceeding in this way by Part 18 or by Part 23 or by other specific provisions of the CPR.
38. As far as Part 18 is concerned, the authorities relied on by Convatec (*Fearis v Davies* [1989] 1 FSR 555 at 557, and, in the CPR context, *Sheeran & ors v Chokri & ors* [2020] EWHC 2806 (Ch)) do not preclude me from considering whether Dr Parsons should be ordered to respond to Convatec's RFI and/or to consider that a different order or no order should be made. Those authorities were, in my view, dealing with factually, substantively and procedurally different situations to this case. I do not consider that I am precluded from considering Convatec's RFI and whether it should be responded to in whole or in part by the fact that Convatec's application did not explicitly refer to Part 18 and the threshold requirements under it. Mr Nicholson's



skeleton argument and his submissions engaged with those requirements in substance and I can assess, on the basis of those submissions, what further particulars, if any, are required.

39. As to Part 23, I do not agree that the lack of an application notice and supporting evidence from Dr Parsons precludes me from considering whether Convatec's Defence may need to be amended. While it is true that there is no existing application for the Defence (or parts of it) to be struck out, I am not contemplating such a step. For reasons I will explain below, I agree with both parties that the pleadings need to be amended, but not necessarily in the very specific ways they seek to mandate. Part 23 does not preclude me from considering whether, in the light of all the circumstances, amendments to the pleadings are, or may be, required.

Legislative background

40. At the heart of the application is the way in which pleadings in proceedings under s.40 as amended are to be particularised and what their essential elements are. S.40(1) has been set out above at paragraph 5. It falls within the part of the Act which deals with employee inventions (Sections 39-44). Other parts of the Act deal with, for example, rights to apply for a patent and be mentioned as inventor (Sections 7-13); with applications for patents and the procedure leading to grant (Sections 14-21); with infringement (Sections 60-71); and with validity and revocation (Sections 72-74).

41. Section 125(1) of the Act ("**s.125(1)**") provides a definition of '*Extent of Invention*':

'For the purposes of this Act an invention for a patent for which an application has been made or for which a patent has been granted shall, unless the context otherwise requires, be taken to be that specified in a claim of the specification of the application or patent, as the case may be, as interpreted by the description and any drawings contained in that specification, and the extent of the protection conferred by a patent or application for a patent shall be determined accordingly.'

42. While both parties agree that s.125(1) is relevant there are significant differences between them as to its implications for the pleadings.

43. Other relevant provisions of the Act are Section 7 which reads:

'(1) Any person may make an application for a patent either alone or jointly with another.

(2) A patent for an invention may be granted—

(a) primarily to the inventor or joint inventors

...'

and Section 14, particularly Sections 14(2), (5) and (6) which read:

'(2) Every application for a patent shall contain—



- (a) *a request for the grant of a patent;*
- (b) *a specification containing a description of the invention, a claim or claims and any drawing referred to in the description or any claim; and*
- (c) *an abstract;*

but the foregoing provision shall not prevent an application being initiated by documents complying with section 15(1) below.

[...]

- (5) *The claim or claims shall—*
 - (a) *define the matter for which the applicant seeks protection;*
 - (b) *be clear and concise;*
 - (c) *be supported by the description; and*
 - (d) *relate to one invention or to a group of inventions which are so linked as to form a single inventive concept.*
- (6) *Without prejudice to the generality of subsection (5)(d) above, rules may provide for treating two or more inventions as being so linked as to form a single inventive concept for the purposes of this Act.’*

Authorities

44. There are very few authorities on the application of s.40(1). I was referred to two: (*Kelly v GE Healthcare Ltd* [2009] EWHC 181 (Pat) (*‘Kelly’*) and *Shanks v Unilever Plc* [2019] UKSC 45 (*‘Shanks’*)). I was also referred to other cases in which the identification of an ‘invention’ is relevant (outside the context of enforcement or validity proceedings). Two were said by Mr Green to be of particular relevance: *Markem Corp v Zipher Ltd* [2005] EWCA Civ 267; [2005] R.P.C. 31, per Jacob LJ at [91-104] (*Markem*) and *DA Ltd v University of Southampton* [2006] EWCA Civ 145 (*DA Ltd*); [2006] R.P.C. 21, citing *Markem* at [43].

The positions of the parties

Dr Parsons

45. As it is initially for a claimant to plead its case, it is sensible first to consider the position taken for Dr Parsons.
46. According to Mr Green’s skeleton argument, Particulars of Claim in s.40(1) proceedings need identify only the inventions made by the claimant and the patents subsequently granted. He accepts that the inventive concept must be captured by the claims of the relevant patent(s) but submits that it is neither necessary, proportionate



nor in accordance with the legislative scheme for a claimant to be required to identify every claim relied on in every patent in every patent family and, for each such claim, state the inventive concept of that claim with reference to the features of that claim.

47. During oral submissions, Mr Green's position was that overall the patent claims will encompass the inventive concept. He did not accept that a claim-by-claim approach to identifying an invention is necessary. While accepting the relevance of s.125(1), he noted that s.125(1) allowed specifically for the identification of inventions outside the specific claim language where *'the context otherwise requires'*.
48. Mr Green made several points on the wording of this provision and the appropriate approach in s.40(1) pleadings. His primary position is that a claimant is required to identify an invention for which a patent has been granted and that there should be a cross-check to ensure that the inventive concept is reflected in the patent. He submitted that it is fundamentally wrong to suggest that the invention must be identified by scrutinising individual claims of the patent using a claim-by-claim approach.
49. Mr Green submitted that proceedings dealing with employee inventions are different from those dealing with infringement and validity and that this contextual difference is exactly what is foreseen in the wording of s.125(1). He referred, by way of example, to the specific pleading requirements for infringement claims, explaining that Practice Direction 63 provides that in a claim for patent infringement the statement of case must include details of which of the patent claims are alleged to be infringed and give at least one example of each type of infringement alleged so as to establish the extent of protection conferred. Mr Green noted that no such specific requirements apply in s.40(1) proceedings or other proceedings dealing with employee inventions.
50. On the authorities, Mr Green submitted that the way in which an invention is to be identified for the purposes of a claim under s.40(1) was not a live issue in either *Kelly* or *Shanks*. However, it had been considered in other authorities dealing with employee inventions, relying particularly on *Markem* and on *DA Ltd*.
51. Both of those cases relate to disputes under Section 8 of the Act ("s.8"). Mr Green submits that the approach adopted in such cases is highly relevant to s.40(1) and that in both types of proceeding the context requires a different approach than when seeking to identify the scope of protection of a patent, as in infringement proceedings.
52. Mr Green relied principally on the Court of Appeal Judgment in *Markem*, which is worth setting out in some detail. The passage on which Mr Green relies comes from the Judgment of Jacob LJ, and starts at [91]. The relevant passage reads as far as is relevant as follows:

'The relevance of the claims

91. We next turn to the final point on the law. The parties were in dispute as to what place the claims of the patent application (s.8) or patent (s.37) had in entitlement proceedings. Mr Watson submitted they were near determinative of the subject matter



(and were in the case of a granted patent). So, he submitted, one looked at each claim and asked specifically “who contributed to that?” Mr Thorley submitted that the claims as such were only one factor: what really mattered was what was really invented, not the generalisation or sub-claims which form part of the patenting process. The deputy judge accepted Mr Watson’s submission. It was on that basis that his complicated judgment on remedies operated on a claim-by-claim basis.

92. [...] So if one goes on a claim-by-claim approach, one can assert of a particular claim that “that claim is Markem’s because it was first proposed at Markem”. We have already identified why that approach is not good enough. On top of that, however, we think the claim-by-claim approach is itself fallacious and not what is called for by the Act.

93. Mr Watson relies upon s.125(1) to submit that “invention” as used in s.8 and the other entitlement provisions means what is claimed. But s.125 contains the key words “unless the context otherwise requires.” And there are quite a lot of places in the Act where that is so, as we set out in more detail below.

[...]

98. s.125(1) is itself said to be derived from the EPC. Obviously the relevant provision is Art. 69 and its Protocol. Art. 69 is about “the extent of protection”. So s.125(1) — the section on which Mr Watson relies — is essentially about the monopoly granted, not inventive concepts — Eureka moments.

[...].

100. So what then about s.8 ? Does “invention” there mean what is claimed or does the context otherwise require? We think it must have some more general meaning than what is in the claims. The most obvious reason for that is that s.8 applies to situations where there are no claims at all — indeed even prior to a patent application. And applications themselves are not required to have claims. The question of entitlement can therefore arise before any claims exist — and in principle must remain the same whatever claims later emerge. Moreover, as the Deputy Judge observed, it is often the practice of patent agents to put in first drafts which are wider than they expect to end up with so as to draw a wide search. As for the final claims in the patent as granted, their form and content will depend upon a number of individual factors — what has turned up in the prior art forcing reduction in scope, what subsidiary claims the patent agent has formulated based on the description and what monopoly is actually thought to be valuable (there is no point in claiming wider).

101. Accordingly we think one is driven to the conclusion that s.8 is referring essentially to information in the specification rather than the form of the claims. It would be handy if one could go by the claims, but one cannot. s.8 calls for identification of information and the rights in it. Who contributed what and what rights if any they had in it lies at the heart of the inquiry, not what monopolies were actually claimed.



102. *It is not possible to be very specific about how this is to be done. But as a general rule one will start with the specific disclosure of the patent and ask whether that involves the use of information which is really that of the applicant, wholly or in part or as joint owner. [...] What one is normally looking for is “the heart” of the invention. There may be more than one “heart” but each claim is not to be considered as a separate “heart” on its own. That is consistent with the view of Laddie J in University of Southampton’s Appn. [2005] RPC 11.*

103. *Likewise we think that Christopher Floyd QC, sitting as a Deputy Judge was right when he said in Stanelco Fibre Optics v. Bioprogress (unrep. 1st October [2004] EWHC 2187 Ch):*

“15. It is clear that a mechanistic, element by element approach to inventorship will not produce a fair result. If A discloses a new idea to B whose only suggestion is to paint it pink, B would not be a joint inventor of a patent for A’s product painted pink. That is because the additional feature does not really create a new inventive concept at all. The feature is merely a claim limitation, adequate to overcome a bare novelty objection, but having no substantial bearing on the inventive concept. Patent agents will frequently suggest claim limitations, but doing so does not make them joint inventors. Some stripping of a claim of its verbiage, may be necessary to determine the inventive concept, and consequently the inventor. But one must keep in mind that it is the inventive concept or concepts as put forward in the patent with which one is concerned, not their inventiveness in relation of the state of the art.”

53. Mr Green says that this Judgment makes clear that when thinking about ‘inventions’, it is necessary to consider whether it is appropriate to seek to derive the invention from the specific claims of the patent or whether the context requires otherwise: *Markem* establishes that in some claims it is necessary to seek ‘*the heart of the invention*’ and that this is not to be derived only by construing the claims. There is a distinction to be drawn, he says, between what has been invented and what monopolies are ultimately claimed through the prosecution process, finding their way into the claims of the granted patent. He says that this is the case whether the patent has in fact been granted or whether (as was the case in *Markem*) the patent had not yet been granted.
54. Mr Green relied on *DA Ltd* as a ‘synthesis’ of his submissions, citing Jacob LJ:
- ‘Next I should expand a little on the ‘inventive concept’ for the purposes of entitlement disputes. Markem has already pointed out that one is not bound by the form of the claims, if any. I think there is a great danger in being over-elaborate about this, about dividing the information in a patent into a myriad of sub-concepts, each of which is considered separately. One must proceed more like a hedgehog than a fox. And after all there is supposed to be only one inventive concept in a patent, see s.14(5)(d).’*
55. Mr Green submitted that this encapsulated his overall position on the requirements when identifying ‘inventions’ in a context not directly related to the scope of the



protection conferred by the claims. In summary, Mr Green submits that it is not necessary to atomise every aspect of a patent and analyse it so as to derive the invention from that analysis.

56. Mr Green confirmed that his client accepted that the claims were relevant, as the statute would reward an employee inventor only if a patent had been granted for his invention but, as far as identifying and pleading the invention was concerned, his position was that it would be fundamentally incorrect to start with the precise claims as granted and construe those to try to identify the underlying invention.

Convatec

57. Mr Nicholson submitted that the way in which Dr Parsons has pleaded his case means that it is completely unclear how the 'inventions' have been identified or the pleaded 'inventive concepts' formulated. Mr Nicholson submitted that it is common ground that the exercise of identifying and defining an 'invention' for the purposes of the Act must be carried out objectively.
58. Mr Nicholson's position is that the starting point for defining an 'invention' for the purposes of a claim under s.40(1) must be within a claim of the specification of the patent in question which has been construed in light of the description and any drawings. His position during oral submissions was that the correct approach under s.40(1) is the normal approach under s.125(1), meaning that the invention must be sought 'within the four corners of the claim' consistent with the approach to identifying the 'inventive concept' for the purposes of assessing infringement by equivalence or the Pozzoli structured approach to obviousness: the claim as construed is always the starting point.
59. Mr Nicholson submitted that it follows that the exercise of identifying an invention in s.40(1) proceedings must be as set out in paragraph 21 above, in summary: identify a particular claim; construe that claim; extract from the claim as construed the underlying inventive concept.
60. Mr Nicholson submitted that, while a patent usually contains multiple claims, these generally start with a broad independent claim by which the patentee seeks to capture the invention in the most general terms, and then adds narrower and narrower dependent claims whose purpose is to provide fallback positions to protect the monopoly from attack based on e.g. prior art. He therefore suggested that a claimant under s.40(1) should only need to identify a single claim of the patent in suit. In his submission, this will typically be claim 1.
61. Mr Nicholson did not accept that Mr Green was entitled to take the approach to s.125(1) that he had done. He had two reasons: first, by pleading in the RFI Response, that the relevance of the claims to the invention is in accordance with s.125(1), Dr Parsons could not now say otherwise without applying to amend his pleaded case; and secondly, that there was no basis for Mr Green to rely on *Markem* and similar cases as he had not sought to explain why the context surrounding a s.40(1) case requires a departure from the normal position under s.125(1). Mr Nicholson submitted that, in the absence of very good reasons, there should be no such departure to avoid



the uncertainty that would otherwise arise if it is permissible to seek to ‘*identify the inventions in some unspecified bespoke manner reducing them to eight portfolios of patents with three or four-line inventive concepts which are entirely subjective and which cannot be reconciled with the claims in any meaningful way*’.

62. Mr Nicholson sought to distinguish *Markem* and other entitlement cases from s.40(1) claims on the grounds that the context in which entitlement cases are brought requires a departure from s.125(1) because such disputes can take place in respect of patent applications which do not have any drafted claims or, indeed, before the application is filed. The position is different under s.40(1), where a claim can be brought only in respect of granted patents with granted claims. Mr Nicholson submitted that a claim under s.40(1) was thus the same as ‘*any normal infringement or validity case, in all such cases section 125 applies, the invention has to be within the monopoly of the granted patent, which means looking at one of the claims*’. There was no authority establishing that s.125(1) does not apply in the context of s.40 claims.
63. Mr Nicholson agreed with Mr Green that neither *Shanks* nor *Kelly* engaged substantively with how the ‘invention’ which is relevant for the purposes of s.40(1) is to be identified. He noted that those cases were less complex, pointing out that in *Shanks* the Hearing Officer had to consider only a single claim of a single patent.

Summary of the position at the close of the hearing

64. After having heard the helpful submissions on behalf of both parties, it became clear that there was (at least) agreement on the following points: an invention must be identified; that invention must be the subject of a patent; that invention must have been made by the employee; and the invention, or the patent for it or both, must be of outstanding benefit to the employer. It was agreed that there must be a description of the invention enabling the Court and the parties to understand how it was said to be linked to the identified patent and that this must be derived on some objective basis. Both parties agreed that the invention must be covered by one or more of the claims in the patent.

Assessment

65. Leaving aside the procedural issues dealt with above, the only substantive issue to be resolved was whether in claims under s.40(1) the approach to identifying an ‘invention’ is the same as in infringement cases.
66. If the answer to that question is yes, the next issue is whether the existing pleadings are sufficient or, if not, whether they must be further particularised in line with the approach suggested by *Convatec*, identifying each invention by construing a claim or claims of the relevant patent and extracting from that claim or those claims the underlying inventive concept, or whether some other approach should be taken.
67. If the answer to the primary question is no, and s.40(1) claims do not require a claim-by-claim approach, various subsidiary issues follow:



- The relevance of the line of authority relating to the identification of employee inventions in cases such as *Markem*;
- Whether the Claimants' pleadings are sufficient given the context; and
- If not, what steps should be taken to prepare a sufficient pleading.

How is an 'invention' to be identified for the purposes of s.40(1)

68. Both parties agree that the starting point must be s.125(1).
69. In summary, Mr Green says that the context of s.40(1) proceedings requires that the role of individual patent claims in identifying inventions in such proceedings differs from that in infringement or other similar proceedings which seek to identify the scope of protection conferred by a patent. He submits that the most relevant authorities are those under s.8.
70. Mr Nicholson says that there is no reason to deviate from the usual approach as adopted in infringement and validity cases, and that there is nothing in the context of s.40(1) proceedings that requires otherwise. Mr Nicholson's position is that everything must start with the individual patent claims, which must be construed to identify the inventive concept encapsulated in that claim. He submits that the 'Eureka moment' must be identified from the claim, essentially that the pleadings should reason back from the claims to the invention.
71. I prefer Mr Green's submissions.
72. No authority deciding the point was identified. The Court of Appeal stated in *Markem* '*... there are quite a lot of places in the Patents Act in which the context requires a different approach from the approach set out in s.125(1)*' [93]. The Court of Appeal did not provide a definitive list of the situations in which a different approach might be required. It is therefore necessary to consider whether there is anything in the context of s.40(1) cases that distinguishes them from proceedings in which it is the scope of protection conferred by the patent that is at the heart of the proceedings.
73. In s.40(1) proceedings, it is critical to identify the invention and (where there may be more than one inventor) the inventors. As noted by Mr Nicholson in his skeleton arguments, the requirement to identify the 'inventors' who made the invention (where necessary) is akin to the same task in an 'entitlement' dispute.
74. A clear distinction is drawn in s.40(1) itself between an invention and the patent which is subsequently granted. Elsewhere in the Act (such as Sections 7 and 14 for example), a similar distinction is drawn between the invention in respect of which a patent application is made and the scope of the protection or monopoly provided by a patent which is limited to the granted claims. S.40(1) requires that an invention must have been made '*for which a patent has been granted*' (s.40(1)(a)). It does not require that the invention originally made should or must be identified by scrutinising the claims ultimately granted.



75. As pointed out by the Court of Appeal in *Markem*, s.125(1) is all about the scope of protection conferred by the claims of the patent. It derives from Article 69 of the EPC dealing with the 'extent of protection' conferred by a patent. That language is mirrored in s.125(1) itself: '*... and the extent of protection conferred by a patent... shall be determined accordingly.*' To draw on the language used by the Court of Appeal in *Markem*, '*S125(1) [...] is essentially about the monopoly granted, not inventive concepts - Eureka moments*' [98].
76. I therefore disagree with Mr Nicholson's submission that the starting point for identifying the invention in s.40(1) proceedings must be in the specific language ('four corners') of the claims. It is the 'Eureka moment' that enables the claim to protection to be made, rather than the claim which provides the Eureka moment. I do not accept that the correct approach to defining an invention for the purposes of s.40(1) is the approach set out in s.125(1) as utilised, developed and applied in infringement and similar proceedings.
77. Having reached that conclusion, I also agree with Mr Green that the guidance given by the Court of Appeal in *Markem* is invaluable in pointing towards the material that is relevant when identifying an invention under s.40(1).
78. While I have already concluded that the term 'invention' must have a more general meaning than what is in the claims, there must be a clear link between the invention on which a claimant under s.40(1) relies and the patent which is said to have been granted 'for' that invention. The invention should be objectively identified by reference to the patent or patents relied on.
79. I agree with Mr Nicholson that the APoC in its current form is insufficient. It groups various 'inventions' into various technical fields, for example '*pertaining to the addition of Silver to Hydrocel*' and identifies families of patents (for example, 'Bray 2003'; 'Bowler Jaques & Parsons 2002') said to have been granted for particular inventions in each technical field. Under each patent family identified in the APoC a brief description of an 'inventive concept' is provided with no reference to any part of any of the patents/applications themselves. In my view, this is not sufficient to enable the parties or the Court to identify an 'invention' as required under s.40(1).
80. For the same reasons as those articulated by the Court of Appeal in *Markem*, I conclude that a claim-by-claim approach to identifying an invention is not appropriate; an invention must be identified from the information in the specification, rather than the specific form of the claims. However, the scope of the invention must be pleaded in a way that is clearly and objectively linked to the relevant patent(s)/applications, allowing it to be clearly identified by reference to those patent(s)/applications.
81. I therefore direct that Dr Parsons shall amend his pleadings accordingly, identifying by clear reference to specific parts of the relevant patent(s)/applications, including at least the description and at least one representative claim, the inventions which he says have enabled Convatec to achieve outstanding benefit.



82. Once that has been done, it will be necessary for Convatec to prepare an amended Defence which will at the very least need to take into consideration the amendments made.
83. Finally, the draft orders prepared by both parties in advance of the hearing proposed directions leading to a CCMC. One of the suggested directions related to mediation. I had not heard from the parties on that topic at the time of writing this judgment but consider that this is a claim of a type where early mediation should be strongly encouraged. Given the time which has elapsed since the prospect of these proceedings first emerged and the parties' extensive development of their positions in correspondence, I am minded to direct that mediation should take place in the Autumn term but will accept further submissions from Counsel on that issue and more generally on the form of the order.

Postscript

84. The draft judgment was circulated to the parties just after 10 am on 1 August 2024 and the parties were requested to supply an agreed list of typographical corrections or other obvious errors in writing by 10.30 am on 7 August 2024.
85. Convatec's solicitors Freshfields sent an email on 7 August 2024 which was received at 10.31 am. That email dealt with the typographical errors agreed between the parties, as requested. Several minor typographical errors were identified. They have been dealt with in this final judgment. The email also proposed some further changes. These were not described as typing corrections or obvious errors nor had they been raised in advance with Dr Parsons' solicitors, Kingsley Napley. Kingsley Napley appear first to have learnt of the proposals when copied to Freshfields' email to the Court. Kingsley Napley regarded the proposed changes as unnecessary and objected to Freshfields' failure to discuss them in advance.
86. Freshfields' explanation for having submitted the proposals without prior discussion was that the proposed changes followed a discussion with junior counsel, which had been delayed owing to the vacation period. Freshfields also noted that Kingsley Napley had been able to comment upon the proposals subsequently, so that the Court was aware of their client's position.
87. The recent Court of Appeal Judgment in *Supponsor v AIM Sport Development* [2024] EWCA Civ 396 (*Supponsor*) explains the function of circulating a judgment in draft and the process for doing so as set out by Lord Judge CJ at [5] of *R (Mohamed) v Foreign Secretary (No 2)* [2010] EWCA Civ 158, [2010] 3 WLR 554:

“The primary purpose of this practice is to enable any typographical or similar errors in the judgments to be notified to the court. The circulation of the draft judgment in this way is not intended to provide an opportunity to any party (and in particular the unsuccessful party) to reopen or reargue the case, or to repeat submissions made at the hearing, or to deploy fresh ones. However on rare occasions, and in exceptional circumstances, the court may properly be invited to reconsider part of the terms of its draft. [...]. For example, a judgment may contain detrimental observations about an individual or indeed his lawyers, which on the face



of it are not necessary to the judgment of the court and appear to be based on a misunderstanding of the evidence, or a concession, or indeed a submission. As we emphasise, an invitation to go beyond the correction of typographical errors and the like, is always exceptional, and when such a course is proposed it is a fundamental requirement that the other party or parties should immediately be informed, so as to enable them to make objections to the proposal if there are any.”

88. Irrespective of the merits of Freshfields’ proposed changes, the fact that they were made to the Court without prior warning to the Claimant’s advisers or acknowledgement of that fact when emailing the Court is regrettable.
89. While there was no suggestion on the face of Freshfields’ email to the Court that the proposed changes had been agreed with Mr Parsons’ solicitors (they were described as the ‘Defendant’s proposed changes’), equally there was no indication that they had not been raised with Kingsley Napley at all. This only became clear when Kingsley Napley pointed it out later in the afternoon of 7 August, while commenting on the proposed changes. Freshfields’ clarification and explanation was received later that evening. That explanation did not to me appear to give sufficient regard to the importance of the ‘*fundamental requirement*’ of ensuring that the other party is immediately informed when one party proposes to go beyond ‘*the correction of typographical errors and the like*’.
90. While the lateness of identifying the proposals may have been unavoidable (despite the parties having been given a generous amount of time to comment on a short draft judgment), it is particularly unfortunate that the lack of notice to the Claimant was not clear on the face of the original email so that the Court was aware of the situation immediately.
91. Kingsley Napley have now had an opportunity to make their client’s objections to the Defendant’s proposals clear, but the piecemeal nature of the email correspondence is unsatisfactory, causing greater work and incurring costs for the parties.
92. Turning to the substance of Freshfields’ suggestions, I agree with Mr Justice Meade’s comments in *Optis v Apple* [2021] EWHC 2694 (Pat) that it is helpful to have the opportunity to consider whether there are potential errors or significant lack of clarity in a draft judgment which ought to be avoided. It is also important to avoid encouraging parties to reopen or reargue a case contrary to *Supponor* or accepting proposed amendments which intentionally or otherwise go beyond the substance of the Judgment.
93. In this instance Freshfields’ suggestions were said to go to the clarity of some aspects of the Judgment. Kingsley Napley did not see any difficulty with the Judgment as drafted. As both parties had made their position clear, I concluded that it would be sensible to revisit the paragraphs in question to check their clarity, bearing in mind their purpose in the context of the Judgment as a whole, namely: (i) to describe in summary what the Claimant’s pleadings said; and (ii) to give directions to enable the parties and the Court to identify the inventions relied on for the purposes of the s.40(1) claim by reference to the patents pleaded by the Claimant. Following that review, I made some minor clarifications.