

ENGLISH COURT OF APPEAL 'WIDENS THE TARGET' FOR ARROW DECLARATIONS (AND HANDS CONTROL TO DEFENDANTS)

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Patentees don't like Arrow declarations! So much so that, for each such declaration that has been granted to date in the English Courts (and some that haven't), the patentee in question has brought interim proceedings to strike-out the claim for the declaration (or that it be summarily refused), and further, when unsuccessful, has gone on to the Court of Appeal for another shot.

This pattern has been observed from the Court of Appeal's judgments in [Fujifilm v AbbVie \[2017\] EWCA Civ 1](#), [Glaxo v Vectura \[2018\] EWCA Civ 1496](#), and, most recently [Mexichem v Honeywell \[2020\] EWCA Civ 473](#). In each of the Fujifilm and Glaxo cases, the claimant was represented by Gowling WLG and was subsequently awarded Arrow relief from the High Court of England and Wales. (These are the only two instances in which Arrow declarations have been awarded by the English court - see [here for our commentary on Fujifilm](#) and [here for our commentary on Glaxo](#)). The Mexichem case is the third time in so many years that the Court of Appeal has been called upon to consider the merits of this new form of relief, at the interim stage.

The Arrow jurisdiction

The concept of an Arrow declaration first arose in [Arrow v Merck \[2007\] EWHC 1900 \(Pat\)](#) (itself also an interim strike-out application). It is, in effect, a declaration that a product or process of the applicant (or an aspect of a product or process), was obvious or anticipated at the relevant date (generally the priority date of the patent family of concern).

If the Arrow declaration is granted, the result is that the applicant's product or process is either outside the scope of any patents granted in the future, or if inside, that such a

patent must be invalid (as it covers something obvious or old). As the Court of Appeal has stated (in Glaxo - see below): "The Arrow declaration is, in effect, a declaration that a party has a Gillette defence as of a particular date against attacks by later patents."

Since the Arrow case, the court's discretionary power to grant Arrow declarations has been reviewed by the English Court of Appeal in the Fujifilm and Glaxo cases. Pursuant to those judgments, it is now settled that such declarations may in principle be granted where justified by the circumstances. At the heart of those circumstances is the concept that any such declaration must serve a "useful purpose". As stated by the Court of Appeal in the Mexichem case: "A declaration should not be made where it serves no useful purpose, but, subject to that, the approach is one of discretion rather than jurisdiction."

The breadth of *Arrow* relief

In FujiFilm, the Arrow declaration related to the obviousness of a specific dosing regimen for Humira (and its biosimilars). In Glaxo, the Arrow declaration related to a highly particularised process for formulating asthma drugs. Both declarations were specific to aspects of the applicant's product or process for producing it. Both complied with the Court of Appeal's statement in Glaxo, that the declaration must "identify the combination of features of the products and processes in question on which the assessment of obviousness is to take place."

In contrast, in the Mexichem case, the claimant appears to seek significantly wider Arrow relief than has previously been sought and granted. These are that, at the relevant priority date, it was obvious in the light of Inagaki (a prior art citation which disclosed the existence of the compounds) to use compounds referred to as 'ze' (or 'yf') as a refrigerant in a mobile air conditioning unit (MAC). MACs may, for example, be installed in vehicles.

As the Court of Appeal noted: "Sensibly understood, what Mexichem is seeking is a declaration that **the mere idea of using Inagaki's disclosure of ze and yf as a refrigerant in a MAC** is obvious." (emboldening added).

At first instance ([2019] EWHC 3377 (Pat)), HHJ Hacon (sitting as a judge of the High Court) refused the defendant's (patentee's) application to strike out the Arrow relief sought, saying that in his view the Court of Appeal had not "intended to rule out declarations in a more general form, i.e. not directed at specifically identified products or processes". He said although the declarations were "not ... directed at clearing the path for the marketing of a particular product or ... process", they could "serve as an unchallenged foundation for argument on the inventions claimed in patents which may be

granted to the Defendant in the future".

Giving as an example a future patent claiming 'a refrigerant comprising ze (or yf) with lubricant X', Judge Hacon said the declaration would foreclose any argument as to whether ze (or yf) conferred inventive step, and: "Argument would then focus solely on the inclusion of lubricant X in the product and whether it was inventive to include lubricant X."

On that basis, HHJ Hacon said that "As matters stand now, it seems to me possible that there would be a useful purpose". He therefore dismissed the application to strike out.

In the Court of Appeal, the defendant argued that Judge Hacon had been wrong in several respects. The themes included the following:

- i. that any declaration granted in the terms sought would not, in fact, finally resolve anything - litigation over the question of obviousness of any such future patents would still be needed, so there was no "utility" (or useful purpose) in those declarations; and
- ii. that the reasoning of the judge would necessarily lead to a "step-by-step" obviousness analysis of any future patents, of the sort warned against in *Technograph Printed Circuits Limited v Mills & Rockley (Electronics) Ltd* [1972] RPC 346.

In relation to point (i), the Court of Appeal noted that while a party seeking to avoid patent infringement would like a declaration to render every aspect of his product obvious: "Even in such a case ... it is impossible to ensure that there is no feature of the product (e.g. one of which the patentee and the court were unaware at the time the declaration was granted) which could still be validly protected." It held that: "There is no threshold requirement for the grant of an Arrow declaration that the party seeking it must have a fully formulated product description, far less that it must have a product in actual production". Further: "At this stage, namely that of striking out or summary judgment, it is enough for the party seeking the declaration to show that there is a real prospect of its being able to establish ... that it would be useful for specified features of a product ... to be declared old or obvious".

As to the 'step-by-step' argument at (ii) above, the Court of Appeal accepted that this argument had "greater force", but noted that "whilst the step-by-step analysis of obviousness has been held to be unfair in many cases, there is a class of case in which it is, at the very least, relevant to consider each step in a putative series of steps to be taken by the skilled person and consider whether any of them individually, and in the end cumulatively, is obvious ". Here the recent Supreme Court judgment in *Actavis v ICOS* [2019] UKSC 15 was cited, when Lord Hodge said: "Where the pattern of the research programme which the notional skilled person would undertake can clearly be foreseen, it

may be legitimate to take a step by step analysis". Accordingly, as with the conclusion on (i) above, the Court of Appeal held that "It is at least open to Mexichem to argue that a declaration about the step of deciding to use ze and yf for this purpose would serve a useful purpose."

Ultimately, of key importance to the Court of Appeal's reasoning in the Mexichem case was the scope of the patents the subject of the claimant's revocation arguments, and the use the patentee had made of them to date. While some of the six patents were focussed on discreet aspects of the refrigerant compositions which comprised xe or yf (such as the '245 patent which claimed an "azeotrope-lie mixture"), most were far more general, including the '977 patent claiming "use in an automotive air-conditioning system of a composition containing at least 50% by weight of [xe or yf]", and even broader, the '655 patent which simply claimed the "use of ze in an automotive air-conditioning system". Further, in Germany, the patentee had previously sued a company under the '977 patent for offering for sale yf in "auto-mobile A/C". As the Court of Appeal noted, therefore, the patentee: "does not accept that the broad idea of using yf (or ze) in a MAC is obvious".

On that basis, the Court of Appeal concluded (as the first instance judge had done) that it was possible that Mexichem could succeed in its claim for Arrow relief of the breadth sought at trial, and so refused to strike it out and dismissed the appeal.

Points to Note

In its most recent judgment in this still developing area of the law, the Court of Appeal appears to have broadened the Arrow jurisdiction to allow declarations to be granted to significantly wider concepts or ideas, rather than (as before) being limited to tightly defined products or processes.

The Court of Appeal made clear that the courts enjoy "a broad and flexible discretion to grant declaratory relief where it would serve a useful purpose to do so". The courts will plainly not fetter themselves in how they apply the jurisdiction. The facts of each case will require fresh consideration of the court's discretion each time. The Court of Appeal's judgment on the breadth of pleadable Arrow relief in the Mexichem case must therefore be seen in the context of the wider case, in which the patents themselves appear to be of similarly broad scope.

Another point worth mentioning is that the ultimate decision on whether to grant the Arrow declaration depends not just on the court's judgment on the merits of the substantive issues of patent law, but also whether a "useful purpose" is found to exist for granting

Arrow relief. This requirement stems from the English common law principles underpinning the award of negative declaratory relief.

So, for example, in *Generics v Yeda* [2017] EWHC 2629 (Pat), Arnold J. had been asked to revoke a patent to a particular dosing regimen and to grant an Arrow declaration to protect against two further pending divisional applications. Having found the dosing regimen in question obvious and therefore revoked the subsisting patent, he concluded that an Arrow declaration would have no useful purpose over that finding, as the reasoned decision that the dosing regimen was obvious would serve the same purpose (namely one of *res judicata* as between the parties on the obviousness of the dosing regimen) as an Arrow declaration to the same effect.

In contrast, in *Glaxo*, despite finding all five patents in suit invalid (for insufficiency due to uncertainty) Arnold J. did go on to grant the Arrow declaration sought, because one of the complaints was that the patentee had "shown a propensity over many years to describe what is essentially a single inventive concept in a variety of ways". Therefore, a finding that the inventive concept described in a certain way in one patent was invalid, might not automatically render the same inventive concept invalid if described using different words in another patent.

Again, the facts of each case will require careful consideration when deliberating the utility (or useful purpose) of any particular Arrow declaration.

Finally, we would highlight the final substantive paragraph of the Court of Appeal's judgment in the *Mexichem* case, which noted that, where a patentee is obliged to defend the validity of any one of its patents, it could consent to its revocation, or seek to amend its claims to narrow the inventive concept, prior to the trial. Floyd LJ said: "As Lewison LJ pointed out in the course of argument, the declarations are a means of ensuring that, whatever steps are taken by Honeywell to remove the issues of the inventiveness of the broad inventive concepts from scrutiny and adjudication by the court, *Mexichem* will remain in procedural control of those issues. It will also mean that *Mexichem* will obtain protection against further attempts by Honeywell to protect these broad concepts through the cited and other divisional applications which result in granted patents".

So it seems that the English courts will not only keep an open mind about the appropriateness and scope of the Arrow jurisdiction: but in these comments, the court recognises the procedural benefits (to the accused infringer) of merely pleading a claim for Arrow relief in a revocation action. Further, that the tool might be used not only for the ultimate relief it might offer, but also to narrow the issues in the run up to trial.

The earlier cases of FujiFilm and Glaxo have resulted in patentees resorting to drastic action in those (and some later) cases to give undertaking not to sue, or even to abandon the UK designations, on large swathes of their patent portfolio, apparently (although never explicitly) to avoid substantive judgments on the validity of the subject matter of those patents. In this latest judgment, the Court of Appeal seems to value the "procedural control" the Arrow jurisdictions hands to alleged patent infringers.

As we said at the outset - Patentees don't like Arrow declarations. After this judgment from the Court of Appeal, they might like them even less!

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