

**WINTHROP PHARMACEUTICALS
(MALAYSIA) SDN BHD**

... **Appellant**

AND

**SHIONOGI SEIYAKU
KABUSHIKI KAISHA**

... **Respondent**

**(Court of Appeal of Brunei Darussalam)
(Civil Appeal No. 10 of 2013)**

Before: Mortimer P, Davies and Burrell JJ A.
21st May, 2014

Patent continued under s115(4) of Patents Order (Brunei) – term of patent – interpretation of s115(4)(a) – effect of Supplementary Protection Certificate

Mr On Hung Zheng and Mr Tang Weng Leong (M/S CCW Partnership) for Appellant
Mr Navasiwayam Kanasam a/I Palaniandy and Mr Tan Chee Huie (M/S Ahmad Isa and Partners) for Respondent

Davies, J.A.:

The judgment and this appeal

This is an appeal against a judgment of the High Court on 2 December 2013 dismissing an application by the appellant for a declaration of non-infringement of a Brunei patent. The success of the application and of this appeal depended and depend on whether, at that time, the Brunei patent was still in existence.

The learned judge held that the Brunei patent, registered in Brunei on 15 September, 2001, was still in existence and did not expire until 19 October 2020. The competing argument of the appellant was and is that it expired on 29 June 2012 when the United Kingdom patent, from which the Brunei patent derived, expired.

Having so held, the learned judge did not find it necessary to deal with the respondent's alternative argument that the Brunei patent was extended by a purported extension of the patent granted by the registrar of patents, Brunei, which, if valid, extended the term of the patent until 29 June 2017.

The relevant provisions and the parties' contentions

On 25 October, 2000, a patent was granted under the Patents Act 1977 (UK), the patent being number EP0521471 and titled "*Pyrimidine derivatives as HMG-CoA reductase*

inhibitors". It, in turn, became registered as a patent in Brunei on 15 September, 2001 pursuant to the provisions of the Inventions Act which has since been repealed.

Section 25 of the Patents Act (UK) relevantly provided:

"25. Term of Patent

- (1) A patent granted under this Act shall be treated for the purposes of the following provisions of this Act as having been granted, and shall take effect, on the date on which notice of its grant is published in the journal and, subject to subsection (3) below, shall continue in force until the end of the period of 20 years beginning with the date of filing the application for the patent or with such other date as maybe prescribed.*
- (2) A rule prescribing any such other date under this section shall not be made unless a draft of the rule has been laid before, and approved by resolution of, each House of Parliament. "*

It was agreed by the parties that the date of filing the application, in accordance with section 15 of the UK Act, was 30 June 1992 and that, accordingly, pursuant to section 25, the UK patent expired on 29 June 2012.

The Inventions Act, Brunei, which provided for the granting of patents granted in the United Kingdom, relevantly provided:

- "2. (1) Any person who has obtained a grant (which word shall include a renewal of a grant) of a patent in the United Kingdom or in Malaysia or of sole and exclusive privileges in an invention in the Republic of Singapore, or any person deriving his right from such grantee by assignment, transmission or other operation of law, may apply to the State Secretary within 3 years from the date of issue of such grant to have such grant registered in Brunei.*
- 4. (1) Upon such application being received together with the documents mentioned in section 3, the minister responsible for inventions matters, if he is satisfied that the granting of exclusive privileges in such invention would not be prejudicial to the public interest, shall issue to the applicant a certificate of registration in the form in the Schedule to this Act.*
- (2) Such certificate of registration shall confer on the applicant the sole and exclusive privilege of making, using and selling the said invention in Brunei during the remainder of the term for which the said letters patent or grant of exclusive privileges, or any renewal of the same, maybe in force.*
- (3) Privileges and rights so granted shall date from the date of the grant in the United Kingdom or the Republic of Singapore or Malaysia respectively and shall continue in force only so long as the grant remains in force in the territory in which it was originally issued:*

Provided that no action for infringement shall be entertained in respect of any manufacture, use or sale of the invention prior to the date of issue of the certificate or registration in Brunei. ”

Accordingly, the patent registered in Brunei pursuant to the Inventions Act, like the UK patent, would have expired on 29 June 2012.

The Inventions Act was repealed by the Patents Order 2011. However it contains provisions, described in their heading as transitional provisions, the first of which is section 115, subsection (4) of which is most relevant here. That subsection provides:

- “(4) Any certificate of registration issued under section 4 of the Inventions Act (Chapter 72) and is in force immediately before the commencement date, or issued after that date by virtue of subsection (1), (2) or (3) shall continue in force and the patent to which the certificate relates shall be treated for the purposes of this Order as if it were a patent under this Order granted in pursuance of an application made under this Order and the proprietor of the patent shall accordingly have the same rights, remedies, privileges and obligations and subject to the same conditions (including the payment of any fee prescribed under section 35), as the proprietor of a patent under this Order subject to the following modifications-*
- a) The term of the patent shall date from the date of the patent in the United Kingdom, Malaysia and Singapore, as the case maybe, and the patent shall, subject to this Order remain in force for 20 years from that date and only so long as that patent has not been revoked in the United Kingdom, Malaysia or Singapore, as the case maybe;*
- b) Such other modifications maybe prescribed.”*

The appellant contended and contends that section 115(4), being a transitional provision only, did not alter the term of the patent registered under the Inventions Act. The learned judge found, and the respondent now contends that that subsection extended the patent until 19 October 2020

Discussion

The appellant’s contention is, and must be, that section 115(4) continues the patent registered under the Inventions Act as if it were a patent under the Patents Order, unchanged as to rights, remedies and obligations and subject to the same conditions, including as to the term. If that contention is correct then, as also contended by the appellant, the patent expired on 29 June, 2012.

If subsection (4) concluded with the word “*Order*” in the ninth line, the appellant’s contention would succeed. However it seems to us that that contention fails to give meaning to the words “*subject to the following modifications*” and paragraph (a) which follows. Those words and that paragraph, taken together, must mean, we think, that the

patent continued in force by the Patents Order is continued only subject to modification as to its term in accordance with paragraph (a).

It must be accepted, as the appellant contends, that such an interpretation of section 115 would mean that it is not merely a transitional provision because it, in addition, alters the term of an existing patent under the Inventions Act. But we think that there is no other sensible way to construe the above quoted words and paragraph (a).

The question then is: how does paragraph (a) modify the term of the patent? It follows from section 25 of the Patents Act (UK) and the Inventions Act that, prior to the modification, though by section 4(4) of the Inventions Act, privileges and rights granted by the certificate of registration under that Act date from the date of the grant in the United Kingdom, by subsection (3) the term of the patent is "*during the remainder of the term*" of the United Kingdom patent. That is, of course, a term of twenty years from the date of filing the application for the patent in the United Kingdom.

So it is reasonably clear that the modification in paragraph (a) is a modification of the term from what was provided before that section, that is, a term of twenty years from the date of filing in the United Kingdom. Instead it provides for a term of twenty years "*from the date of the patent in the United Kingdom*".

Unfortunately the Patents Act (UK) does not use the term "*date of the patent*". However it does provide that a patent granted under that Act "*shall be treated.....as having been granted, and shall take effect, on the date on which notice of its grant is published in the journal*". We think that the date of the grant is "*the date of the patent in the United Kingdom*" in section 115(4)(a). We think that that is the most sensible construction of that provision.

It should also be noted that the Patents Order brings to an end what appears to be the unsatisfactory position of patents granted under the Inventions Act.

Under the Patents Act (UK) the priority date of an invention to which a patent relates is the date of filing the application: section 5(1), (4). And by section 69, once the application has been published, the applicant has the same rights, until grant, as he would have had if the patent had been granted on the day of application to bring proceedings in respect of infringement. Consequently the period of protection against infringement under that Act is coterminous with the term of the patent.

The owner of a patent registered in Brunei under the Inventions Act had no such right. On the contrary, section 4(2) provided that the certificate of registration conferred on the applicant the sole right to make, use and sell the invention "*during the remainder of the term*" of the original grant and subsection (3) provided that the rights and privileges so granted should date from the date of the grant in the United Kingdom. Neither conferred protection against infringements prior to the date of the grant in the United Kingdom and there is no other provision of that Act which did so.

Consequently the period of protection against infringement was not, under that Act, coterminous with the term of the patent. This might reasonably be thought to be unfair to the proprietor of the patent.

The modification by section 115(4)(a) of the Patents Order appears to ensure that, unlike the provisions of the Inventions Act, the period of protection against infringement of the patent was a period of twenty years and that it was coterminous with the term of the patent. It is true that the way in which this was achieved had the effect of extending the patent registered by the Inventions Act. But given that the Patents Order otherwise intended to end the automatic registration of British patents, that this would perpetuate that connection and the reality that to make both terms commence from the date of the original application in the United Kingdom would be absurd,, this was, we think, a sensible solution.

On the other hand, with respect to future patents granted under the Patents Order, the Order provides, similarly to the Patents Act (UK), that both the term of the patent and the period of protection commence on the date of application. See sections 17, 64,74.

We think therefore that there was a rationale for the provisions in section 115(4)(a); to correct the anomaly in the Inventions Act that the period of protection was not coterminous with and was less than its term.

The appeal must therefore fail.

We add that we think that Mr On, counsel for the appellant, said everything that could be said for the appellant.

Discussion of the alternative basis for continued existence of the patent

Because of the conclusion which we have reached it is unnecessary to decide this question. However, because it has been argued and because we think that the Registrar of patents acted on an incorrect basis in purporting to grant an extension of the patent registered under the Inventions Act, we propose to express our reasons for this briefly.

In acting as he did, the Registrar assumed that the United Kingdom patent had been extended by a Supplementary Protection Certificate granted pursuant to EEC Regulation 1768/92 which extended, for a period of five years after the expiry of the United Kingdom patent, protection for medical products the subject of the patent. This Regulation was made by the Council of Ministers of the EEC established by the EEC Treaty to which the United Kingdom was a party. The United Kingdom was therefore bound by such a regulation. Article 10(1) of that Regulation authorised the granting of such Certificates. It is unnecessary to discuss the rationale for this. It is sufficient to say that they are not issued under the Patents Act and do not extend the term of patents granted under that Act though some provisions of that Act apply to such Certificates as if they were patents under the Act: see *The Patents (Compulsory Licensing and Supplementary Protection Certificates) Regulations 2007*.

That is sufficient to explain why such a certificate as was granted here was not an extension of the patent and was therefore not a basis for an extension of the patent in Brunei. In any event, of course, for the reasons we have given earlier, the Brunei patent had not expired when the purported extension was granted.

Orders

1. Appeal dismissed.
2. The appellant pay the respondent's costs of the appeal.

Mortimer, P.

Davies, J.A.

Burrell, J.A.