

BRITISH GAS OUTSMARTS METER PATENT ...

On 16 September 2016, in *Meter-Tech LLC and Vanclare SE LLC v British Gas Trading Limited* [2016] EWHC 2278 (Pat), Daniel Alexander QC, sitting as a Deputy High Court Judge found the relevant claims of the Claimants' patent for smart metering systems invalid on the basis of obviousness. Had the claims been valid, historic, current and proposed British Gas smart meters would have infringed the patent. A proposed amendment to the patent was refused on the basis that the amended patent would remain invalid for obviousness and the patent was revoked.

Two interesting points arise out of this judgment, concerning experimental use and obviousness over the common general knowledge.

Section 60(5)(b) of the Patents Act 1977 provides a defence to infringement where use which would otherwise amount to infringement is done for experimental purposes relating to the subject matter of the invention. The court found that a small-scale trial where 1,000 smart meters had been ordered and 120 meters had been installed in consumers' properties was for experimental purposes. The court was not satisfied, however, that this experimental use related to the subject matter of the invention, as the systems installed had been made by a third party and were essentially being used as off the shelf products. Furthermore, the use by British Gas was not directed at improving the underlying system but was concerned primarily with customer satisfaction surrounding installation time and usability. The court also found that an ongoing implementation on a far larger scale was also experimental but again

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did not relate to the subject matter of the invention. Unfortunately, the full reasoning on this point turned on a confidential factual scenario. The case shows that, if it can be shown that customer trials are directed at improving the system forming the basis of the invention, such use may provide an experimental defence, even where it is on a relatively large scale.

Turning to obviousness over the common general knowledge, the judge held that it would not be fair to reach a decision on this issue. His reasoning was that although the extent of the common general knowledge had been pleaded, the route to obviousness had not. This seems a trifle harsh on the alleged infringer since, as is often the case with patent claims, claim construction had developed during the course of litigation with the result that the construction that British Gas was required to address at trial was not necessarily clear from the original pleadings. Although the judge found that the technical contribution of the patent was a single step beyond the common general knowledge, he refused to find that the claims were obvious over the common general knowledge on the grounds that to make such a finding would be unfair when the claimant had not known that it faced this argument. He explicitly stated, however, that he was not finding that the claims were not obvious over the common general knowledge. This part of the decision demonstrates the difficulties involved in pleading a case on obviousness over common general knowledge alone in sufficient detail to enable a finding of invalidity to be made, where the pleading must often be drafted before an expert witness has had the opportunity to consider all possible claim constructions.

Roger Wyand QC and **Richard Davis** of Hogarth Chambers, instructed by Mathys & Squire LLP, appeared for British Gas, the successful Defendant/Part 20 Claimant.