CASE UPDATE

THE COURT OF APPEAL CLARIFIES THE PROCEDURE AND PRINCIPLES TO BE APPLIED IN PATENT ENTITLEMENT PROCEEDINGS

1 October 2018

For any queries relating to this article, please contact:

Tan Tee Jim *S.C.*
Head, Intellectual Property
DID: 6557 4615
tanteejim@leenlee.com.sg

Vanessa Goh
Associate, Intellectual Property
DID: 6557 4783
vanessagoh@leenlee.com.sg

Authors:
Tan Tee Jim, *S.C.*
Vanessa Goh
Amanda Ong

Lee & Lee
50 Raffles Place, #06-00 Singapore Land Tower, Singapore 048623
Tel: +65 6220 0666

Introduction

1. In *Cicada Cube Pte Ltd v National University Hospital (Singapore) Pte Ltd and another appeal* [2018] SGCA 52, the Singapore Court of Appeal (the "**SCA**") dismissed the cross-appeals of the parties, deciding that (1) the National University Hospital (Singapore) Pte Ltd ("**NUH**") was not time-barred from seeking a declaration of entitlement in respect of a patent titled "Laboratory Specimen Collection Management System" (the "**Patent**") from the court; and (2) both parties share joint ownership of the Patent.

2. In arriving at its decision, the SCA clarified the procedure for patent entitlement proceedings and provided guidance on identifying the inventive concepts of a patent.

Facts

3. In 2004, NHG embarked on a project to digitize the clinical care processes in its hospitals (including NUH). In the course of that project, it became clear to NUH that a component pertaining to sample collection was required in order for NUH to have a complete electronic laboratory trail from test-ordering to result-reporting. NUH therefore appointed Cicada Cube Pte Ltd ("**Cicada**") to develop a software for this purpose.

4. On 14 August 2007, Cicada filed an application for the Patent, and the Patent was granted by the Registrar of Patents to Cicada as the sole proprietor of the Patent on 30 July 2010. On 27 July 2012, three days before the expiry of two years from the date of the grant of the Patent, NUH filed a reference with the Registrar under s 47 of the Patents Act ("**PA**") for a determination of entitlement to the Patent (the "**Reference**"), asking for an order that NUH be named as the sole proprietor, and that an NUH employee, Dr Sethi, be named as the sole inventor. About two and a half years later, on 18 February 2015, the Registrar declined to deal with the reference on the basis that the matter was relatively complex.

5. Consequently, on 17 March 2015, NUH filed an originating summons in the High Court (the "**OS**"), seeking an order that NUH be named as the sole proprietor of the Patent, and that Dr Sethi and/or another NUH employee, Peter Lim, be named as joint inventors. Leave of court was later sought and obtained to amend the OS to include an alternative prayer that NUH be named a joint proprietor of the Patent alongside Cicada.

6. Cicada opposed NUH's application on, inter alia, the following grounds: (1) that NUH was time-barred by s 47(9) of the PA, which provided that the court shall not in the exercise of "any such declaratory jurisdiction" determine patent entitlement if proceedings in which the jurisdiction is invoked were commenced more than two years after the date of grant of the patent (unless the applicant can show that the registered proprietor of the patent knew at the time of grant that he was not entitled to the patent), and (2) that its directors were the sole inventors of the Patent.

7. The High Court found that (1) NUH was not time-barred by s 47(9) of the PA from applying to the court for the determination of patent entitlement and that (2) NUH and Cicada were jointly entitled to the ownership of the Patent.

8. Both parties' appeals against the High Court's decision were dismissed by the SCA.

Procedure for determination of patent entitlement post-grant under PA, s 47

9. The SCA held that the High Court and Registrar have concurrent jurisdiction to determine questions of entitlement in that an applicant can choose to either file a reference with the Registrar or to apply to the High Court to determine the question. Accordingly, there is no need for an applicant to submit a reference to the Registrar under s 47(1) of the PA and wait for the Registrar to decline to deal with the matter under s 47(8) before he can invoke the High Court's jurisdiction.

10. The SCA further found that just as the Registrar is constrained by the time limit in s 47(5)(b), the High Court is similarly constrained by the same time limit in s 47(9). Therefore, applications to the High Court to determine patent entitlement must be filed within two years of the grant of the patent, failing which an applicant will be subject to the additional burden of showing that the registered proprietor of the patent knew at the time of the grant or transfer that he was not entitled to the patent.

11. In the case, the SCA found that although NUH had filed the OS in the High Court more than two years from the grant of the Patent, Cicada had, through its two directors, known at the time of grant that it was not solely entitled to the Patent. In arriving at that finding, the SCA relied on documentary evidence suggesting close cooperation between the parties in relation to the invention, and considered that the fact that the two directors did not actively hide the existence of the Patent from Dr Sethi did not bar a finding that Cicada (through the two directors) had the requisite knowledge. Therefore, NUH was not time-barred by s 47(9).

12. The SCA also set out general guidance for potential applicants seeking to challenge a registered proprietor's entitlement to a patent. Applicants may apply either directly to the High Court or file a reference to the Registrar under s 47 of the Act. In both situations, applicants will be subject to the two-year time bar. For the latter option, if the two-year mark is approaching and the Registrar has yet to decide or decline to hear the reference, the applicant should withdraw the reference and commence proceedings in the High Court within the two-year time limit, so as to avoid being saddled with the further requirement of proving the registered proprietor's knowledge.

Identifying inventive concepts of a patent

13. The SCA held that the question of entitlement is answered by a two-part inquiry which requires (1) the identification of the inventive concepts in the patent and the inventors, and (2) the determination of who owns the patent (whether by virtue of written agreement with the inventor(s), employer-employee relationship, or otherwise).

14. The SCA acknowledged the possibility that a patent can have more than one inventive concept. It held that a court can look at both the claims and specifications in determining the inventive concepts. In particular for granted patents that have been examined by the Registrar, the claims are a useful "starting point" for ascertaining the inventive concept(s) of a patent. In identifying the inventive concepts, the SCA held that it was useful to consider the problems that the invention was intended to solve. In terms of characterising the inventive concepts, the SCA noted that specificity in the identification of the inventive concepts was important since it sets the parameters for the court's subsequent determination of the contributions made by the parties competing for ownership of the Patent.

15. In the absence of any documentary evidence or contemporaneous record of the time at which the inventive concepts came about and who were responsible for them, the SCA relied on documentary evidence suggesting close cooperation (in particular, collaboration in drafting a proposal and co-authorship and joint publication of at least two articles on the subject matter of the Patent) in finding that Dr Sethi (who was Chief of the Department of Laboratory Medicine at the material time) and Cicada's two directors had come up with the inventive concepts of the Patent. Also, given that the invention required input from both the healthcare sector and the software sector, the SCA held that it was difficult to attribute inventorship to one party to the exclusion of the other where the invention involved substantial cross-pollination of ideas from the two different sectors.

Other points addressed by the SCA

16. The SCA also addressed Cicada's alternative submission that the High Court proceedings ought to amount to a "new reference" on the basis that the difference in orders sought by NUH between the Reference and the High Court proceedings amounted to "a significant change of case" on NUH's part.

17. It found that the High Court proceedings did not amount to "a new reference", as the essential question to be determined under s 47 was who was entitled to the ownership of the Patent, and NUH's amendments to its application relating to the specific reliefs did not result in a fundamental change of the question. In particular, NUH's first amendment of the OS to include an alternative prayer that it be named joint proprietor only changed NUH's claim in extent rather than in kind. As for the inclusion of an additional or alternative person who could be regarded as the rightful inventor at the High Court level, the SCA similarly held that this did not change the substance of NUH's case, as the ultimate question was whether NUH was entitled to the ownership of the Patent.

Concluding remarks

18. The SCA's decision provides guidance on the procedure for patent entitlement proceedings as well as identification of inventive concepts. Potential applicants have the flexibility to either file a reference with the Registrar or to apply to the High Court to determine such questions, but must in both cases be mindful of the two-year time limit. Furthermore, for inventions that involve cooperation and collaboration across industries, it may be more difficult to maintain or establish sole inventorship in entitlement proceedings, especially where there is no documentary evidence or contemporaneous record relating to the conception of the inventive concept(s).

Lee & Lee acted for NUH and in the High Court action and the appeals. For any queries concerning the case, please contact:

Tan Tee Jim, S.C.
Head,
Intellectual Property and Technology Department,
DID: 6557 4615
tanteejim@leenlee.com.sg

Vanessa Goh
Associate,
Intellectual Property and Technology Department,
DID: 6557 4783
vanessagoh@leenlee.com.sg

About Lee & Lee

Lee & Lee is one of Singapore's leading law firms being continuously rated over the years amongst the top law firms in Singapore. Lee & Lee remains committed to serving its clients' best interests, and continuing its tradition of excellence and integrity. The firm provides a comprehensive range of legal services to serve the differing needs of corporates, financial institutions and individuals. For more information: visit www.leenlee.com.sg.

The following partners lead our departments:

Kwa Kim Li Managing Partner kwakimli@leenlee.com.sg	Quek Mong Hua Litigation & Dispute Resolution quekmonghua@leenlee.com.sg	Owyong Thian Soo Real Estate owyongthiansoo@leenlee.com.sg
Tan Tee Jim, *S.C.* Intellectual Property tanteejim@leenlee.com.sg	Adrian Chan Corporate adrianchan@leenlee.com.sg	Louise Tan Banking louisetan@leenlee.com.sg