

Declaratory relief: What's the use?

Thomas Raphael QC and Oliver Caplin

The recent case of *Pfizer Ltd v Roche* [2019] EWHC 1520 (Pat), handed down by Birss J on 20 June 2019, provides us with a useful tool to consider two points: one very much a patents law question concerning the availability of specialist “Arrow Declarations”, and the other a much more general observation about the geographical component of utility that declaratory relief must offer before it is granted by the courts. This latter point will be of interest to litigators across the speciality spectrum.

Arrow Declarations

What are they?

It has for a long time been uncontroversial that to obtain declaratory relief from the courts one must show the declaration sought fulfils a “useful purpose”: *Messier Dowty Ltd v Sabena SA* [2000] 1 WLR 2040 and *FSA v Rourke* [2002] CP Rep 14. The eponymous Arrow Declaration, so-called because Kitchen J first indicated (in the context of a strike out application) that the Court had jurisdiction, in principle, to grant one in *Arrow Generics v Merck & Co Inc* [2007] FSR 39, is a declaration that certain acts would have been obvious in light of the state of art at a particular date.

The requirement of “useful purpose” applies to Arrow Declarations just as much as it does to any other declaration (as indeed Birss J made clear in *Pfizer* at §63). That is satisfied for Arrow Declarations in general because, in essence, an Arrow Declaration allows a potential patent infringer (in relation to a patent that has not yet been granted – for example, where there are only pending applications) to be able to know in advance that its product will not infringe any later granted patent because he or she will have a ready-made obviousness defence (a so-called *Gillette* defence). That is clearly a very useful purpose indeed for the would-be

infringer. So far, so very useful.

The Pfizer conundrum

The nub of the issue in *Pfizer* was this: Can it still be said there is a useful purpose when the pending applications in relation to a potential patent had nothing to do with the UK? *Pfizer* said yes: the question of “useful purpose” should be interpreted widely, such that if the declaration was of use to the party seeking it, it should be granted. Roche said no: there could be no useful purpose where there was no dispute before the Court about UK legal rights or disputes of fact that were relevant to UK legal rights.

The recent case law on Arrow Declarations has shown an expansion. The Arrow Declaration was invented in *Arrow v Merck* itself and the validity of the jurisdiction has been recently confirmed when challenged by the Court of Appeal in *Fujifilm v Abbvie* [2018] Bus LR 228 (CA). In *Fujifilm v Abbvie* [2017] EWHC 395 (Pat), Henry Carr J had even granted an Arrow Declaration in a case where there would never be any UK patent rights due to a combination of de-designations and undertakings. It was *Pfizer*'s argument that the declaration it sought lay within this line of development.

Nevertheless, Roche was successful. Birss J also refused permission to

appeal.

Birss J considered that what *Pfizer* was asking for went further than Henry Carr J's decision in *Fujifilm v Abbvie*, Distinguishing *Fujifilm*, Birss J explained that unlike in that case where *Abbvie*'s declarations and somewhat confused offers of undertakings, had bred anything but certainty over the position, Roche had clearly and unambiguously disclaimed its right to seek a UK designation of its patent for bevacizumab. There was, the Judge decided, no useful domestic purpose, therefore, that an Arrow Declaration could offer: see §122 of the judgment.

The critical reasoning of the Judge is this: Birss J did accept that the Arrow Declaration would in principle offer a useful purpose – but not to *Pfizer* domestically within the UK and in respect of UK legal rights. Rather, he considered, its real use would be in the context of proceedings in Belgium (the point being that *Pfizer* could take its Arrow Declaration to the Belgium courts, and seek to influence their decision on infringement (or lack of it) of the Belgian designation of Roche's patent by reference to it).

That “foreign” (as it were) useful purpose though was not sufficient, the Judge decided, under English law, to justify the grant of a declaration.

This decision is in a number of respects

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different to the approach taken in cases outside the intellectual property sphere, such as *Cockerill J's decision in Deutsche Bank (China) Co Ltd v Bright Food Hong Kong Ltd* [2017] EWHC 3543 (Comm). The Commercial Court has on numerous cases granted declarations with a useful purpose outside the UK and in respect of foreign legal rights.

The utility of declaratory relief outside the patents context

The modern case law had begun moving to a position where the discretion to grant declarations has become unfettered, following *Messier Dowty v Sabena* and *FSA v Rourke*. Now, however, *Pfizer v Roche* brings to the foreground the wider question of whether there is, in reality, a hidden constraint built into the concept of useful purpose, limiting what useful purpose may be legitimate, and in particular limiting legitimate utility by reference to territoriality in certain respects.

While *Pfizer v Roche* may turn out to be limited to the patent context at present this is not clear and the decision may have wider consequences. If so, the scope of any territorial limitation will require further thought.



Thomas Raphael QC
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Thomas Raphael QC acted for Pfizer, together with Richard Meade QC and Thomas Jones from 8 New Square. Thomas is a leading commercial silk with specialism in private international law who has recently handled the private international law and commercial sides of many "crossover" cases involving intellectual property, including *Actavis v Lilly* [2018] 1 All ER 171 (SC); *Fujifilm v Abbvie* [2017] Bus LR 333, [2018] Bus LR 228 (CA); *Chugai Pharmaceutical Co v UCB Pharma et al* [2017] Bus LR 1455.

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Oliver Caplin specialises in private international law issues, and often acts in jurisdiction disputes in the IP domain. He recently acted in *Fujifilm v Abbvie* [2017] Bus LR 333 (led by Thomas Raphael QC), *Chugai Pharmaceutical Co v UCB Pharma et al* [2017] Bus LR 1455, and *Eli Lilly & Co v Genentech Inc* [2018] 1 WLR 1755.

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