

Confidentiality too far?

Chris Pamplin considers the question of expert confidentiality & trade secrets

Private and Confidential

IN BRIEF

► An illustration of the heavy weight of confidentiality that experts often carry, particularly in cases involving subject matter of a commercially sensitive nature.

When litigation involves sensitive commercial information it poses particular problems with expert confidentiality. On occasion, the court and parties might consider that the expert's standard obligations and duties are insufficient.

Such a situation may arise in cases dealing with experimental processes and patents, particularly the experiments carried out in the 'work-up' to the final outcome.

In *Mayne Pharma Limited & Another v Debiopharm SA & Another* [2006] EWHC 164 (Pat), the claimants sought to invalidate four patents relating to a drug used in the treatment of colorectal cancer. The claimants alleged that one of the patents (which defined a method of preparing the compound under conditions within a specified pH range) was anticipated by a piece of prior art. The claimants filed a notice of the prior art and a notice of experiments they themselves had carried out. The prior art document, however, made no mention of pH range. The defendant, who had done its own experiments, could not replicate the experiments as described in the notices.

Ordering disclosure to the defendant expert witness, Pumfrey J said that the defendant's expert had identified a number of differences between the experiment as performed using the information in the notice of experiments and when conducted in light of the prior art disclosure. However, the expert could not comment on the effect of these differences without knowing why the claimants' experiment was conducted as it was.

In ordering disclosure of work-up experiments, the court is opening up to scrutiny some of the most sensitive commercial information and creating a danger that this could be abused. To guard against this possibility, the court can permit

restrict disclosure to certain select persons. Where disclosure is to be made, or an inspection carried out by a party's expert, it is not uncommon for confidentiality undertakings to be required from that expert. These undertakings can be so strict as to operate to severely restrict the expert's ability to operate in future in a particular field.

The question of expert confidentiality and trade secrets came before the courts recently in *Magnesium Elektron Ltd v Neo Chemicals & Oxides (Europe) Ltd & Others* [2017] EWHC 2957 (Pat).

The case concerned a claim for infringement of the claimant's patent of a rare-earth mixed oxide used in automotive emissions catalysts. It was alleged that a substance manufactured by the defendant in China infringed this patent. Tests on the imported product raised *prima facie* evidence of such an infringement. Birss J, granting leave for service out of the jurisdiction, ordered that there should be an inspection of the defendant's process in China. However, recognising the commercial sensitivity of the manufacturing processes of the two competitors, the court ordered that the inspection team must be restricted to specific individuals who had signed strong confidentiality undertakings.

The judge recognised that if permission was to be given to disclose confidential product information to an expert witness, the court must be satisfied that this was necessary to address a serious issue at trial and, if so, should be protected by confidentiality provisions.

To facilitate this, the court created two tiers of confidentiality. The external lawyers and two named experts were to constitute an inner circle and would be permitted to see the whole product and process description (PPD). However, the in-house lawyers and

the claimant's commercial director would only be permitted access to a redacted version. So sensitive was the PPD, involving a secret ingredient 'X', that the experts in the inner circle agreed to undertakings that imposed full industry-wide lifetime restrictions, effectively preventing them from future work in the field of catalysts. The argument was that, once in possession of the information, it would be almost impossible for them not to make use of it when undertaking future work of their own.

The parties agreed a process for the testing of some of the raw materials by laboratories in China and the UK but were unable to reach agreement on testing samples of the final product. The claimant argued that it was not possible for its inspection team to be present at the manufacturing facility for every minute of the process. Therefore it could not be certain that the samples handed to it at the end of the inspection were the same as those it had seen at the various stages of the inspection. Furthermore, some of the samples exported for testing in the UK would first have to be tested in China to determine whether they were safe to be transported by air.

A difficulty arose when one of the claimant's experts in the inner circle declared that his expertise was insufficient to give an opinion on the equivalence of the samples. The claimant sought permission to introduce a third expert into the inner circle. This expert, a professor in the field of catalysts, was not, however, prepared to give any undertaking containing a restrictive covenant preventing him from doing further work in this field.

The court had a difficult task to perform in effecting a balanced approach. The court recognised that, whichever course was taken, there would be risks. It did not wish to hamper proceedings by denying access to an expert who, by common agreement, was admirably suited to assist. Neither did the court want to run the risk of confidential information leaking out.

Although the court came close to denying access of the new expert to the inner circle, it eventually decided that the interests of justice demanded it. Although the professor was not required to enter into the same lifetime restrictions that the other experts had agreed to, he was given very firm instruction by the judge concerning the nature of his duty of confidentiality. He was required to confirm that he fully understood the consequences of this and that the possession of the information would constitute a real burden.

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