Towa Corporation *v* ASM Technology Singapore Pte Ltd and anor
[2014] SGHCR 16

Case Number : Suit No 359 of 2013 (Summons No 1490 of 2014)

Decision Date : 08 August 2014

Tribunal/Court : High Court

Coram : Justin Yeo AR

Counsel Name(s) : Mr Foo Maw Jiun and Mr Ng Chong Yuan (Rodyk & Davidson LLP) for the Plaintiff; Mr Daniel Lim (Joyce A Tan & partners) for the Defendants.

Parties : Towa Corporation — ASM Technology Singapore Pte Ltd and anor

Civil Procedure – Inspection of Property

Patents and Inventions – Infringement

8 August 2014

Justin Yeo AR:

1 The Plaintiff commenced the present suit against the Defendants for infringement of the Plaintiff's patent occasioned by the Defendants' machine (referred to as the "IDEALmold machine"). The present application is brought by the Plaintiff for inspection and examination of the IDEALmold machine, pursuant to O 29 r 2 of the Rules of Court (Cap 322, R 5, 2006 Rev Ed) ("Rules of Court"). I dismissed the Plaintiff's application on 10 July 2014 and now render written grounds for my decision.

Background

2 Towa Corporation ("the Plaintiff") is a company incorporated in Japan and the proprietor of Singapore Patent No SG49740 ("the Patent"), a patent for moulding resin to seal electronic parts such as semiconductor devices. ASM Technology Singapore Pte Ltd ("the First Defendant") is a company incorporated in Singapore and carries on the business of providing semiconductor equipment and materials. It is a wholly owned subsidiary of ASM Pacific Technology Ltd ("the Second Defendant"), a company incorporated in the Cayman Islands but with its registered address in Hong Kong. The First and Second Defendants are referred to collectively as "the Defendants".

3 By way of a letter dated 11 October 2013, the Plaintiff's counsel wrote to the Defendants' counsel requesting for inspection of the IDEALmold machine. The Defendants replied on 14 March 2014, rejecting the inspection request. The Plaintiff thereafter took out the present application for inspection of the IDEALmold machine pursuant to O 29 r 2 of the Rules of Court. The Plaintiff's inspection protocol set out the proposed method of inspection as follows ("the Inspection Protocol"):

(1) Observations, photos and a video of the IDEALmold machine and its components shall be made while the said machine is in operation.

(2) Observations, photos and relevant measurements of the IDEALmold machine and its components shall be made when the said machine is not in operation, and such operation will be stopped for a reasonable period of time as may be mutually agreed between the Defendants and the Plaintiff.

(3) The relevant and competent representative(s) of the Defendants shall be present during inspection to answer all relevant technical questions that the Plaintiff may have in relation to the IDEALmold machine, its components, features and manner of operation. The Plaintiff is permitted to make audio and written recordings of all such answers provided.

(4) The Plaintiff shall provide to the Defendants, a copy of the photos, videos and audio recordings referred to in (1) to (3) above, within seven (7) working days of the completion of the said inspection.

Parties' Arguments

4 The Plaintiff argued that O 29 r 2 of the Rules of Court provided the court with jurisdiction to order inspection of any property which is in the possession of a party to the cause or matter, and which is the subject-matter of the cause or matter. According to the Plaintiff, an order for inspection should be allowed where (a) the property to be inspected is the subject matter of a patent infringement suit, and (b) there is a genuine and substantial issue to be tried (on which, see [25]-[27] below). The Plaintiff took the view that the test is one of a low threshold, and that inspection should generally be granted in patent cases.

5 The Defendants raised a preliminary issue concerning paragraphs 1 and 2 of the Inspection Protocol. In the Defendants' view, both paragraphs, and in particular paragraph 1, involved an inspection of the IDEALmold machine's process. The Defendants submitted that the court had no jurisdiction under O 29 r 2 of the Rules of Court to make an order for an inspection of process. The Plaintiff took the position that the court had such jurisdiction. This preliminary issue will be discussed in greater detail at [10]-[20] below.

6 Other than the preliminary issue, the Defendants objected to the inspection of the IDEALmold machine on six main grounds, which may be summarised as follows:

(a) The Defendants had provided a written product and process description (the "Written Description") which contained sufficient detail for understanding the mechanics of the IDEALmold machine.

(b) The Plaintiff already had access to the IDEALmold machine, as evidenced by the photographs exhibited by the Plaintiff and the Plaintiff's ability to cite serial numbers of the IDEALmold machine.

(c) Inspection of the IDEALmold machine involved the inspection of the Defendants' confidential information.

(d) The Plaintiff had not provided a construction of the Patent.

(e) The Inspection Protocol, and in particular paragraph 3 thereof, was excessive. The Plaintiff was effectively attempting to substitute the legal process of interrogatories and/or cross-examination by asking for the technical representatives of the Defendants to be present during inspection to answer all relevant technical questions.

(f) There would be serious difficulties and inconvenience caused to the Defendants if inspection was allowed. The Defendants would technically infringe the Patent if they were to operate the IDEALmold machine. Furthermore, as each IDEALmold machine belonged to a customer of the Defendants, to operate the machines without the relevant customers' consent

would potentially raise many legal issues.

7 The Plaintiff countered each of the above grounds as follows:

(a) The Written Description neither replaced nor dispensed with inspection; indeed, O 87A r 5(4) of the Rules of Court encouraged inspection to accompany written product description. In any case, the Plaintiff's independent expert, Mr Selvarajan Murugan ("Mr Murugan"), had considered the Written Description and had provided his opinion that the Written Description was insufficient for him to conduct a comparison between the IDEALmold machine and the claims of the Patent, and that inspection was therefore required. Specifically, Mr Murugan highlighted three areas where the Written Description was insufficient:

(i) First, the element of "detachably mounting" or "detachably mountable" as set out in Claims 1 and 4 of the Patent:

> 1. A method of molding resin to seal electronic parts … said method comprising:
>
> a step of adjusting the number of molding units by *detachably mounting* an additional molding unit (5a, 5b, 5c) with respect to said molding unit (5) being already provided in an apparatus for molding resin to seal electronic parts;
>
> …
>
> 4. An apparatus for molding resin to seal electronic parts, comprising:
>
> …
>
> additional molding units (5a, 5b, 5c) being rendered *detachably mountable* with respect to already provided said molding unit (5), thereby freely increasing/decreasing the number of said molding units.
>
> …
>
> [emphasis added]

According to Mr Murugan, the Written Description provided only that connecting screws were used to secure the moulding units to each other. On the information provided, Mr Murugan claimed to be unable to determine whether the IDEALmold machine satisfied the element of "detachably mounting" or "detachably mountable".

(ii) Second, the element of "resin pressurizing plungers" as set out in Claims 1 and 4 of the Patent:

> 1. A method of molding resin to seal electronic parts for sealing electronic parts being mounted on lead frames with a resin material through a molding unit (5) having a mold (26, 28), … *resin pressurizing plungers* being provided on said pots …
>
> …
>
> 4. An apparatus for molding resin to seal electronic parts, comprising:
>
> …

a molding unit having a mold (26, 28), resin material supply pots being arranged in said mold, *resin pressurizing plungers* being provided on said pots, …

…

[emphasis added]

According to Mr Murugan, the Written Description merely indicates that the plungers "transfer the molten resin from the resin supply pots to the internal cavity of the mold chase set via the runners". On the information provided, Mr Murugan claimed to be unable to determine whether the resin plungers were "resin pressurizing plungers".

(iii) Third, the elements of the resin tablets "being aligned with each other" or being "in alignment with each other" as set out in Claims 2 and 5 of the Patent:

2. …

…

a step of transferring said unsealed lead frames (14) being set in said lead frame aligning unit (2) and said resin tablets (21) *being aligned with each other* in said resin tablet discharge unit (4) into a clearance between a fixed mold section (26) and a movable mold section (28) in each said molding unit (5, 5a, 5b, 5c) while supplying said unsealed lead frames (14) into prescribed positions of said cavities in each said molding unit (5, 5a, 5b, 5c) and supplying resin tablets (2) into said pots,

…

5. …

…

a resin tablet discharge unit (4) for discharging said resin tablets (21) *in alignment with each other*; and

…

[emphasis added]

According to Mr Murugan, the Written Description provided only that "[a]fter the resins have been placed on the pellet holder, the onloader moves to the pellet holder to pick up the resins". On the information provided, Mr Murugan claimed to be unable to determine whether there was any alignment of the resin tablets.

(b) The Plaintiff's representative had stated on affidavit that the Plaintiff did not have access to an IDEALmold machine. The Plaintiff's counsel clarified this point at the first hearing before me, explaining, citing affidavit evidence, that the photographs of the IDEALmold machine had been obtained through investigative means.

(c) Confidentiality is never a bar to discovery (see *Warner-Lambert Co v Glaxo Laboratories Limited* [1975] RPC 354 ("*Warner-Lambert*")). In any event, the Plaintiff had long indicated its

willingness to furnish appropriately worded non-disclosure agreements. The reason that the non-disclosure agreements were not included in the Inspection Protocol was because the Defendants had never made an issue about confidentiality.

(d) Claim construction related to trial and was therefore irrelevant to the present application.

(e) The Defendants' concerns of technical infringement were unfounded because the operation of the IDEALmold machine would clearly have been with the Plaintiff's consent and be non-commercial in nature. It therefore would not constitute infringement. The Plaintiff also found it difficult to believe that the Defendants could not run the IDEALmold machines because in the usual course of research and development, the machines would presumably have had to be tested by the Defendants. As for the presence of the Defendants' technical representatives for questioning during inspection, the Plaintiff's counsel claimed to have knowledge of a case in which a court previously granted an inspection protocol that required technical representatives to be present for questioning, although he did not elaborate on or cite any authority for this practice.

Issues before this court

8 In view that the present application was taken out under O 29 r 2 of the Rules of Court, there are two legal issues before this court:

(a) First, does the court have jurisdiction to order inspection of process under O 29 r 2 of the Rules of Court?

(b) Second, what are the legal requirements for an inspection under O 29 r 2 of the Rules of Court?

9 I will address each of these issues in turn, before giving reasons for dismissing the Plaintiff's application.

Jurisdiction

10 As mentioned above, the Defendants submitted that the court had no jurisdiction to make an order for the inspection of process under O 29 r 2 of the Rules of Court. O 29 r 2 of the Rules of Court reads as follows:

Detention, preservation, etc., of subject-matter of cause or matter (O. 29, r. 2)

2. —(1) On the application of any party to a cause or matter, the Court may make an order for the detention, custody or preservation of any property which is the subject-matter of the cause or matter, or as to which any question may arise therein, or for the inspection of any such property in the possession of a party to the cause or matter.

(2) For the purpose of enabling any order under paragraph (1) to be carried out, the Court may by the order authorise any person to enter upon any immovable property in the possession of any party to the cause or matter.

(3) Where the right of any party to a specific fund is in dispute in a cause or matter, the Court may, on the application of a party to the cause or matter, order the fund to be paid into Court or otherwise secured.

(4) An order under this Rule may be made on such terms, if any, as the Court thinks just.

(5) An application for an order under this Rule must be made by summons.

(6) Unless the Court otherwise directs, an application by a defendant for such an order may not be made before he enters an appearance.

11 Key to the dispute is the reference to "property" in O 29 r 2(1) of the Rules of Court. The parties concurred that there were no local cases on the interpretation of this term in the context of O 29 r 2 of the Rules of Court. However, they drew my attention to the relevant jurisprudence from the UK. The UK courts have interpreted the equivalent provisions in the UK Rules of the Supreme Court ("UK RSC"), and it is to these cases that I now turn.

12 In *Tudor Accumulator Co Limited v China Mutual Steam Navigation Co Limited* [1930] WN 200 ("*Tudor Accumulator*"), the UK Court of Appeal held that a manufacturing process was not "property" within the meaning of the term in what was, at that time, O 50 r 3 of the UK RSC.

13 O 50 r 3 of the UK RSC was the precursor to O 29 rr 2 and 3 of a subsequent edition of the UK RSC, and O 29 of the UK RSC was the equivalent of O 29 of the Rules of Court. In *Unilever plc v Pearce* [1985] FSR 475 ("*Unilever*"), the court held that the position taken in *Tudor Accumulator* concerning the then-O 50 r 3 of the UK RSC was equally applicable to O 29 of the UK RSC. Under the framework envisaged in the UK, an order for the inspection of a process could only be made under the then-O 104 r 10(2) of the UK RSC, and not under O 29 of the UK RSC (*Unilever* at 479). The then-O 104 was the order relating to *inter alia* the UK Patents Acts 1949 to 1961 and 1977. The then-O 104 r 10(2) of UK RSC reads in material part as follows:

Proceedings for infringement or revocation: summons for directions (O. 104, r. 10)

10.— …

(2) The Court hearing a summons under this rule may give such directions —

…

(g) for the making of experiments, tests, inspections or reports,

…

and otherwise as the Court thinks necessary or expedient for the purpose of defining and limiting the issues to be tried, restricting the number of witnesses to be called at the trial of any particular issue and otherwise securing that the case shall be disposed of, consistently with adequate hearing, in the most expeditious manner.

…

14 It bears noting that the final 1999 edition of the UK RSC prior to the change to the Civil Procedure Rules, contained an almost identical provision in the then-O 104 r 14(12)(h):

Summons for directions (O. 104, r. 14)

14.— …

(2) The judge hearing a summons under this rule may give such directions:

…

(h) for the making of experiments, tests, inspections or reports;

…

and otherwise as the judge thinks necessary or expedient for the purpose of defining and limiting the issues to be tried, restricting the number of witnesses to be called at the trial of any particular issue and otherwise securing that the case shall be disposed of, consistently with adequate hearing, in the most expeditious manner. …

…

15 In *The Supreme Court Practice 1982* vol 1 (I H Jacob gen ed) (Sweet & Maxwell, 1981), the commentary on the then-O 104 r 10(2)(g) stated (at para 104/10/8):

> **Inspection of process**.—The Court has power under this rule to order inspection of a party's process of manufacture and to order a reconstruction of a discontinued process for the purpose of such inspection. The Court will, however, only so order where this is necessary and some other way of establishing the facts is not possible. The costs of a reconstruction are usually left to the trial judge (*British Xylonite Ltd.* v. *Fibrenyle Ltd*. [1959] R.P.C. 252; *Dow Chemical Co.* v. *Monsanto Chemicals Ltd*. [1969] F.S.R. 504). Moreover evidence of a mere belief or suspicion that a process infringes is not normally sufficient for the court to order inspection (*Wahl* v. *Bahler-Miag (England) Ltd*. [1979] F.S.R. 183).

16 The Defendants' counsel brought to my attention the fact that para 87A/5/9 of *Singapore Civil Procedure 2013* vol 1 (G P Selvam gen ed) (Sweet & Maxwell Asia, 2013) ("*Singapore Civil Procedure*") contained an almost identical suggestion that the court had the power under O 87A r 5 of the Rules of Court to order inspection of process. The relevant paragraph of *Singapore Civil Procedure* reads:

> **Inspection of process—**The court has power under this rule to order inspection of a party's process of manufacture and to order a reconstruction of a discontinued process for the purpose of such inspection. The court will, however, only so order where this is necessary and some other way of establishing the facts is not possible. The costs of a reconstruction are usually left to the trial judge (*British Xylonite Ltd. v. Fibrenyle Ltd*. [1959] R.P.C. 252; *Dow Chemical Co. v. Monsanto Chemicals Ltd*. [1969] F.S.R. 504). Moreover evidence of a mere belief or suspicion that a process infringes is not normally sufficient for the court to order inspection (*Wahl v. Bahler-Miag (England) Ltd*. [1979] F.S.R, 183). Until the summons for directions is heard, the court's power to award inspection is governed by O.29, r.2. Under that rule, inspection even before pleadings can be ordered and will normally go as of course if a *prima facie* case of infringement is established; such an order will also be made if the court is satisfied that there is a genuine and substantial issue to be tried *(Unilever plc v. Pearce* [1985] F.S.R. 475).

17 However, the Defendants' counsel pointed out that the terms of O 87A r 5 of the Rules of Court did not actually suggest that the court could order an inspection of process. Unlike in the then-O 104 r 10(2)(g) of the RSC, there is no mention whatsoever in O 87A r 5 of the Rules of Court regarding the court giving a direction "for the making of experiments, tests, inspections or reports". He therefore submitted that O 87A of the Rules of Court did not provide any basis for the inspection of process. Indeed, even the reference in para 87A/5/9 of *Singapore Civil Procedure* to O 29 r 2 (with only the case of *Unilever* cited as an authority) in the context of "inspection of process" may be somewhat

puzzling, in view that the court in *Unilever* had emphasised that O 29 did not allow for an inspection of process (see [13] above).

18 The Plaintiff's counsel counter-argued that the court had jurisdiction under O 29 of the Rules of Court to order an inspection of process. He submitted that the holdings in *Unilever* and *Tudor Accumulator* were tailored to the UK context and that the same considerations might not be applicable in Singapore. In particular, he agreed that O 104 r 10(2)(g) of the UK RSC specifically empowered the UK courts to give directions in patent infringement for inspection, and that this encompassed an inspection of process. The Plaintiff's counsel surmised that this might have resulted in the UK courts coming to the conclusion that an inspection of process was not permitted under the term "property" found in O 29 of the UK RSC. As there was no equivalent of the then-O 104 r 10(2)(g) of the UK RSC in Singapore, he submitted that the Singapore courts could not adopt the UK interpretation of "property" as this would create a lacuna in Singapore law concerning the inspection of process.

19 I prefer the position advanced by the Defendants' counsel, for three reasons:

(a) First, it seems to run counter to the ordinary understanding of the term "property" to read into O 29 r 2(1) the power for the court to grant an inspection of process. To do so would be to stretch the term "property" in a manner that does not appear to cohere with the purpose of O 29 r 2. In this regard, it should be noted that the heading to O 29 r 2 relates to the "[d]etention, preservation, etc., of subject-matter of cause or matter".

(b) Second, the Defendants' counsel rightly observed that the suggestion in para 87A/5/9 of *Singapore Civil Procedure*, *viz* that the court had power to inspect process, did not appear to be borne out by the wording of O 87A of the Rules of Court itself. In any case, O 87A of the Rules of Court did not apply to the present application, as the application was taken out pursuant to O 29 of the Rules of Court.

(c) Third, the Plaintiff's argument that there would be a lacuna in Singapore law unless the term "property" in O 29 r 2(1) of the Rules of Court included an inspection of process, is overstated. In this regard, the Plaintiff's counsel had himself raised the suggestion that the power to order an inspection of process may exist under O 25 of the Rules of Court, and/or the inherent jurisdiction of the court. Indeed, at the second hearing before me, the Plaintiff's counsel sought leave to proceed on precisely these grounds as alternatives to O 29 of the Rules of Court. At the delivery of judgment, I brought to the parties' attention O 34A r 1 of the Rules of Court which, in my view, is a possible basis for an order for the inspection of process. O 34A r 1 provides that the court has a wide discretion and a broad power to "make orders and give directions for the just, expeditious and economical disposal of proceedings" (see, *eg*, *Singapore Civil Procedure* at para 34A/1/1). In particular, O 34A r 1(1) provides:

> Notwithstanding anything in these Rules, the Court may, at any time after the commencement of any proceedings, of its own motion direct any party or parties to those proceedings to appear before it, in order that the Court may *make such order or give such direction as it thinks fit, for the just, expeditious and economical disposal of the cause or matter*. [emphasis added]

20 I therefore find that there is no jurisdiction under O 29 r 2 of the Rules of Court for the court to grant inspection of *process*. However, even if I had come to the conclusion that there was indeed jurisdiction to inspect a process under O 29 r 2 of the Rules of Court, I would not have granted an inspection of process in the present case, for reasons that I will elaborate on (see [35]-[38] below).

The legal requirements for inspection

21 Both parties accept that there is jurisdiction under O 29 r 2 of the Rules of Court for the court to grant the inspection of a *product*. I therefore turn to consider the legal requirements for such inspection. As the parties could not locate any precedents from Singapore case law on this point, it will be useful to examine the UK authorities given the similarity between the inspection provisions contained in the Rules of Court and the UK RSC.

Prima facie case, substantial and genuine issue to be tried

22 It is uncontroversial that inspection should never be ordered on a mere "fishing" application (see, *eg*, *American Chain & Cable Co Inc v Hall's Barton Ropery Co Limited* (1938) 55 RPC 287 ("*American Chain*") and *British Xylonite Co Limited v Fibrenyle Limited* [1959] RPC 252 ("*British Xylonite*") at 258 line 52 to 259 line 5, 263 lines 21-22). Mere suspicion on the part of a plaintiff that the defendant may be infringing the plaintiff's patent is not a ground for granting an order for inspection: see *Unilever* at 479, citing *Germ Milling Co v Robinson and Robinson* (1884) 1 RPC 217 and *Wahl and Simon-Solitec Limited v Buhler-Miag (England) Limited and Others* [1979] FSR 183 ("*Wahl*"). Ultimately, "one must look at the evidence to see what the case is with a view to deciding whether or not it would be appropriate to make an order for inspection" (*Wahl* at 185).

23 The precise test for a grant of inspection was considered in a line of UK cases. In *British Thomson-Houston Company Ld v Duram Ld (No 2)* (1920) 37 RPC 121 ("*British Thomson-Houston*"), an affidavit in support of the application for inspection was made by a scientific witness, who said that it was impossible to manufacture wire similar to that made by the Defendants without using the processes, or some or one of them, described in the specification of the patent (see *British Thomson-Houston* at 131). The scientific witness was described by the court as "an eminent and distinguished chemist, well acquainted with the process of the nature appearing in the Specification" (see *British Thomson-Houston* at 131). The scientific witness took the view that in order to present the plaintiffs' case properly, an inspection of the defendants' process ought to be given (see *British Thomson-Houston* at 131). The UK High Court held that before ordering inspection, the plaintiffs would be granted liberty to deliver questions in writing to the defendants. Importantly, the court observed that "it has been regarded as a rule that, if the plaintiff makes out a *prima facie* case of infringement and that inspection is necessary to enable him to prove it at the trial, an Order will follow almost as a matter of course" (*British Thomson-Houston* at 131). This will hereafter be referred to as the "*prima facie* case" test.

24 Subsequently, in the case of *American Chain*, the UK High Court emphasised that where the evidence shows that a particular article may be made either by infringing the patented process or without infringing the patented process and there is nothing to guide the court to a conclusion one way or the other, the court ought not grant inspection of the machinery. An elaboration on the facts will illustrate this point. In *American Chain*, the question was whether certain allegedly infringing articles were made by an infringing process. Both sides had well-known technical experts. The plaintiffs' expert testified that the only machine and process which could have made the infringing article was one that would involve an infringement of the patent in question. The defendant's expert was of the opinion that there was another way of making the infringing article, and exhibited in support of his opinion an article that was similar to the article made by the plaintiffs' patented machine or process which was not made in accordance with plaintiffs' patented machine or process. The court refused to grant inspection of the machinery.

25 In *British Xylonite* at 263, the UK Court of Appeal considered, *inter alia*, the cases of *British Thomson-Houston* and *American Chain*, and held that the "*prima facie* case" test was the proper

legal test for inspection to apply in an "ordinary case" (*British Xylonite* at 258 lines 29-33, 259 at lines 6-8, 263 at lines 14-17). However, the court held that while an order for inspection will normally go as of course if a *prima facie* case of infringement is established, it is not necessary in all cases for a plaintiff to go so far (*British Xylonite* at 263 lines 14-17). Provided that the defendant's interests are properly and adequately safeguarded, the plaintiff should be allowed inspection if the court is satisfied that there really is a substantial and genuine issue to be tried (*British Xylonite* at 263 lines 18-21; also applied in *Warner-Lambert* at 356, lines 15-20; and see *Unilever* at 481).

26 It is necessary to explore the *British Xylonite* decision in greater detail given the qualification of (or extension to) the "*prima facie* case" test hitherto adopted in the UK cases. In *British Xylonite*, the plaintiff sued the defendant for infringement of a patent relating to a process for the manufacture of hollow articles from organic plastic material, and applied for inspection of the defendant's process. The defendant had discontinued the manufacture of the articles in question and had dismantled the apparatus used for such manufacture, although it was admitted that the apparatus could be reassembled. An experienced and well-known independent expert swore his belief that there had been infringement and gave reasons of significance to support his belief. The defendants' expert gave reasons challenging the views of the plaintiff's expert. The court went through a "considerable mass of technical, highly controversial detail", with "much elaboration, micro-photographs, experiments and all kinds of things done" (*British Xylonite* at 260 lines 30-35), before observing that the plaintiff had made out a "formidable case… for the conclusion that [the allegedly infringing articles] must have been made by a method [that infringed the patent]" (*British Xylonite* at 260 lines 43-45). The matter was "complicated considerably by the circumstances that the actual method, so far as the apparatus is concerned, has been discontinued" (*British Xylonite* at 260 lines 48-50). It was not possible for a court to resolve the problem by forming a view on whether a *prima facie* case was made out based on the written testimony of experts who had not been cross-examined; instead, it was necessary for "some kind of reconstruction and experiment" at some stage, and on the facts of the case, having inspection sooner rather than later would help to save costs (*British Xylonite* at 260 line 51 to 261 line 6, 263 lines 41-43, 264 lines 6-9). The court therefore granted the inspection order in view of the exceptional circumstances of the case, whilst emphasising the need to ensure that all proper protection be given to the defendants (*British Xylonite* at 261 lines 6-7, 263 lines 44-51).

27 It bears emphasis that *British Xylonite* was an exceptional case in which the reconstruction of a machine for inspection appeared to be the only viable option. Indeed, the court was careful to indicate that it had to deal with the "altogether unusual circumstances in this case" (*British Xylonite* at 260 line 30) when explaining its qualification of (or extension to) the "*prima facie* case" test hitherto adopted in the UK cases (see *British Xylonite* at 258 lines 24-28, 259 lines 6-8, 260 line 30 to 261 line 7). In the "ordinary case", the "*prima facie* case" test would remain the proper test to apply (*British Xylonite* at 261 lines 14-17 and 263 lines 14-17).

28 The line of UK decisions, including the approach taken in *British Xylonite*, was subsequently considered in two decisions of the UK Patents Court, namely *Wahl* and *Unilever*. In *Wahl*, the court observed that *British Xylonite* was "in some sense an extension of the earlier approach that there had to be a *prima facie* case" (*Wahl* at 185). On the facts of *Wahl*, a patent lawyer had indicated that the plaintiff was of the belief that "[t]he nature of the outlet valving to the bin activator can be critical in the formation of such a cone of material". The court took the view that it was a belief which, "in the absence of any further supporting evidence, would appear to be no more than really a suspicion", which was insufficient for ground an application for inspection (*Wahl* at 186).

29 In *Unilever*, the court re-emphasised that the proper test was as follows: an order for inspection will normally go as of course if a *prima facie* case of infringement is established, but it is not necessary in all cases for a plaintiff to have to go as far as that – the court has to be satisfied

that there really is a genuine and substantial issue to be tried (*Unilever* at 481). On the facts of the case, the court found that the plaintiffs' belief of infringement was *bona fide*, and that the plaintiffs had shown by their evidence good reasons for their belief; as such, the court found ordered inspection (*Unilever* at 484).

30 It should be noted that the UK cases have been considered in Australia, although the parties were uncertain as to whether the Australian position was on all fours with the UK position. In *Evans Deakin P/L v Orekinetics P/L & Ors* [2002] QSC 42 ("*Evans Deakin*"), the Supreme Court of Queensland *per* Chesterman J considered the UK position, and in particular, the decision in *British Xylonite*. Chesterman J went on to indicate that "the rule exists to promote the efficient and economical conduct of litigation. If the result of an inspection would tend to bring about such a result the discretion should, I apprehend, ordinarily be exercised in favour of inspection subject to there being some counter-vailing circumstance" (*Evans Deakin* at [19]). The court observed that it is unhelpful to resort to semantic differences and refuse inspection where there is "mere suspicion" of an infringement, but allow it where there is "strong suspicion" or "proof" of it, even if the proof is weak (*Evans Deakin* at [19]). Instead, the discretion should be addressed by considering whether, in all the circumstances of a particular case, the plaintiff has shown sufficient grounds for intruding on the defendant's property (*Evans Deakin* at [19]).

Discretion

31 Even if the court finds that the plaintiff has successfully made out a *prima facie* case of infringement, or, in the exceptional case, that there is a substantial and genuine issue to be tried, it is still necessary for the court to consider whether it will exercise its discretion in favour of inspection. In *Terrell on the Law of Patents* (Sweet & Maxwell, 17th Ed, 2011) ("*Terrell*") at para 18-168, the learned authors noted that the court has to decide whether to exercise its discretion to make an order for inspection. *Terrell* cited two cases, *viz Black v Sumitomo Corp* [2002] 1 WLR 1562 ("*Black*") and *Red Spider Technology v Omega* [2010] FSR 6 ("*Red Spider*"), as authorities for this position. It should be noted that both cases dealt with the inspection of property prior to commencement of proceedings, which is different from the relief being sought in the present application under O 29 r 2(1) of the Rules of Court. However, before me, the parties shared the position that the discretion stage was equally applicable to the present application, citing some of the cases explored above to illustrate this point:

(a) In *British Xylonite*, the court undertook an exercise of discretion when considering, as a relevant factor, the inconvenience caused should the defendant be required to reconstruct its machine so that the allegedly infringing process could be inspected;

(b) In *Wahl*, the "discretion" element was evident because the court held that "… one does not make orders for inspection save in circumstances where it would appear that it would be appropriate that such an order should be made." (*Wahl* at 185);

(c) In *Evans Deakin*, the court noted that having established that there was a *prima facie* case of infringement, it was still necessary for the court to consider also "whether the court should exercise its discretion in favour of inspection" (*Evans Deakin* at [19]). According to the court in *Evans Deakin*, the discretion "is a wide one" and "should not be limited by the superimposition of conditions not found in the rule itself". While the court in *Evans Deakin* was referring specifically to the Uniform Civil Procedure Rules r 250 that were applicable to that case, it should be noted that the court had cited numerous UK cases as authority for the existence of a discretion stage in deciding whether inspection should be granted.

32 I will discuss, at [47] below, the factors that might have been relevant to the exercise of discretion in the present case.

Decision

Inspection of process – paragraph 1 of the Inspection Protocol

33 On the preliminary issue of whether the court had jurisdiction to order an inspection of process under O 29 r 2 of the Rules of Court, it was necessary to carefully consider paragraphs 1 and 2 of the Inspection Protocol. The relevant paragraphs were set out at [3] above, and are reproduced here for convenience:

> (1) Observations, photos and a video of the IDEALmold machine and its components shall be made *while the said machine is in operation*.
>
> (2) Observations, photos and relevant measurements of the IDEALmold machine and its components shall be made *when the said machine is not in operation*, and such operation will be stopped for a reasonable period of time as may be mutually agreed between the Defendants and the Plaintiff.
>
> [emphasis added]

34 The Plaintiff argued that paragraph 1 of the Inspection Protocol was not a request for the Defendants to demonstrate any method or process, but only to allow inspection of the IDEALmold machine itself. I am not convinced by this argument. To my mind, if that had been the Plaintiff's intention, it would have been much less convoluted to couch the request as one to inspect "the said machine", instead of attempting to make a distinction between inspection "while the said machine is in operation" and inspection "when the said machine is not in operation". When queried on this point, the Plaintiff's counsel could not provide a satisfactory explanation for the distinction sought to be made between paragraphs 1 and 2 of the Inspection Protocol. Indeed, the contrast between paragraphs 1 and 2 of the Inspection Protocol suggested that paragraph 1 was intended to be an inspection of a *process*; otherwise, there would have been little reason to specify that the machine be "in operation", and much less, for a "video" to be taken of it in operation.

35 Having found above that the court had no jurisdiction under O 29 r 2(1) to order an inspection of process, there was no need to further consider paragraph 1 of the Inspection Protocol. However, even assuming that I had erred on both counts, *viz* that (a) that the court in fact had jurisdiction under O 29 r 2(1) to order an inspection of process; and/or (b) paragraph 1 of the Inspection Protocol was in fact an inspection of a product (*contra* process), there would still have been no basis for the grant of an order of inspection within the parameters of paragraph 1 of the Inspection Protocol, as shall shortly become evident.

36 In the Plaintiff's supplementary submissions tendered at the second hearing before me, the Plaintiff took the position that the only element that remained in issue was the "detachably mounting" or "detachably mountable" element (see [7(a)(i)] above). This is because, at the first hearing before me, the Defendants' counsel had taken the court through the Written Description and demonstrated from the numerous photographs, write-ups and diagrams that the queries raised concerning the function of the plungers (see [7(a)(ii)] above) and the alignment of the screws (see [7(a)(iii)] above) were not in issue at all. The Defendants' counsel addressed the queries on the function of the plungers and the alignment of the screws based on the Written Description. His explanations were put on the court record and the Plaintiff's counsel elected to abandon arguments on those elements at

the second hearing before me.

37 On the remaining "detachably mounting" or "detachably mountable" element, I did not see how the inspection of such an element necessitated the machine being put *in operation*. I specifically queried the Plaintiff's counsel on this point, and he conceded – with the caveat that he was not an expert on this field – that, in his view, there was no need to inspect the IDEALmold machine *in operation* in order to determine the "detachably mounting" or "detachably mountable" element. I shared his views on this. By way of a simple illustration, if a product is claimed to have "removable batteries", it may appear counterintuitive to request that the product be observed *in operation* in order to determine if its batteries are indeed removable.

38 I therefore did not grant the request stated in paragraph 1 of the Inspection Protocol.

Inspection of product – paragraph 2 of the Inspection Protocol

39 I turn now to paragraph 2 of the Inspection Protocol. While the Defendants' counsel tried to characterise this as an inspection of process as well, I did not agree with his characterisation. In my view, paragraph 2 of the Inspection Protocol concerned the inspection of the IDEALmold machine as a product. Having considered the evidence before me, I did not grant the request for inspection, for the following reasons.

40 The Plaintiff had not provided any credible evidence to establish a *prima facie* case of infringement that necessitated inspection of the "detachably mountable" element of the IDEALmold machine. The evidence proffered by the Plaintiff in support of the present application was found in the affidavits of Mr Yasushi Ukai ("Mr Ukai"), the managing director of the Plaintiff's subsidiary TOWA Asia-Pacific Pte Ltd, and Mr Murugan, the Plaintiff's expert. In paragraph 13 of Mr Ukai's affidavit supporting the application, Mr Ukai stated that:

> Through the Plaintiff's investigative efforts, the Plaintiff has come into possession of various pictures, description and engineering drawings of the IDEALmold machine. On the basis of these documents the Plaintiff believe [*sic*] that the IDEALmold machine reads on to claims 1, 2, 4 and 5 of the Patent. …

41 Mr Ukai further stated, at paragraph 15 of his supporting affidavit, that:

> In the absence of an inspection, there is a real risk and possibility that:-
>
> a. the Plaintiff and its expert will have difficulties interpreting and understanding any technical documentation provided by the Defendants (through discovery) concerning the IDEALmold machine;
>
> b. the documentation provided by the Defendants concerning the IDEALmold machine will be inaccurate and not reflective of the actual functions of the IDEALmold machine;
>
> c. any determination reached by the Plaintiff and its expert on the IDEALmold machine may be inadequate or incomplete; and
>
> d. the Defendants' expert will have an unfair advantage over the Plaintiff's expert if the Defendants' own experts are given access to the IDEALmold machine.

42 Neither of those paragraphs provided any evidence as to Mr Ukai's stated belief in paragraph 13

of his supporting affidavit that the IDEALmold machine infringed claims 1, 2, 4 and 5 of the Patent. Indeed, it should be noted that the reasons stated in paragraph 15 of Mr Ukai's supporting affidavit are hypothetical concerns and were entirely speculative in nature. It should also be added that Mr Ukai did not at any point hold himself out to be an expert; as such, very little weight can be granted to his mere assertion that he believed the IDEALmold machine to be infringing. Mere suspicion on the part of a plaintiff that the defendant may be infringing the plaintiff's patent is not a ground for granting an order for inspection. Somewhat tellingly, at the second hearing, the Plaintiff's counsel conceded that Mr Ukai's position could be summarised as follows: Mr Ukai will not believe the Defendants' description of the IDEALmold machine until he has had the opportunity to inspect the machine, although he may very well come to the same conclusion as the Defendants that the IDEALmold machine is not infringing. So summarised, the Plaintiff's request for inspection appears to be a classic fishing exercise.

43 While the Plaintiff had filed an affidavit of its independent expert, Mr Murugan, the affidavit did not provide any evidence to support the assertions made by Mr Ukai. It should be noted from the outset that Mr Murugan's affidavit was intended for him to state his opinion on "whether the Written Description provides sufficient information regarding the IDEALmold machine, for [his] analysis of the IDEALmold machine and the comparison of the IDEALmold machine with the Patent". Mr Murugan's affidavit was therefore directed towards the adequacy of the Written Description, rather than the substantive issues of infringement in the present case. His affidavit, taken at the highest, sought only to support Mr Ukai's assertion that the Plaintiff's expert "will have difficulties interpreting and understanding any technical documentation provided by the Defendants", but nothing more. This was insufficient as a basis for alleging a *prima facie* case of infringement. It should also be noted that simply from the Defendants' counsel's reading of the detailed Written Description in court, two out of three of Mr Murugan's queries were resolved without the need for any inspection.

44 In my view, the present case did not qualify as an exceptional case warranting the application of the test in *British Xylonite*, *viz* that there is a substantial and genuine issue to be tried. However, *even if* the test in *British Xylonite* was applied, it could hardly be said on the facts of the present case that the Plaintiff had made out a "formidable case" (*British Xylonite* at 260 line 44); nor can it be said, to borrow the terminology of *Unilever*, that the "[Plaintiff's] belief that the defendant is infringing is *bona fide*", that the "[Plaintiff] has shown by [its] evidence good reasons for [its] belief", or that the "[Plaintiff] has shown by [its] evidence that on infringement there really is a genuine and substantial issue to be tried" (*Unilever* at 484).

45 It also bears noting that in the present case, the Plaintiff has refused to go into any technical detail whatsoever. This is in stark contrast to the substantially involved inquiry undertaken by the UK courts in determining whether a *prima facie* case of infringement had been made out or, in an appropriate case, whether there was a genuine and substantial issue to be tried.

46 I therefore did not grant the request stated in paragraph 2 of the Inspection Protocol.

47 Having found that the Plaintiff had failed to make out a *prima facie* case of infringement, and had, in any case, also failed to demonstrate that there was a genuine and substantial issue to be tried, it was not necessary for me to consider whether discretion should be exercised in favour of inspection. However, I pause to comment on four factors that might have been considered in the exercise of discretion if such was necessary. This is, of course, not an exhaustive list of factors for consideration.

(a) First, the issue of confidentiality safeguards. It must be a matter of good practice for applicants to include a confidentiality proposal, for instance, a confidentiality club or non-

disclosure agreement, particularly in inspection protocols which concern the inspection of confidential or secret information. The court is keen to ensure that wrong is not done to defendants who are legitimately working on such confidential or secret information (see, *British Thomson-Houston* at 131 lines 20-22, *British Xylonite* at 263 lines 44-51).

(b) Second, the issue of written descriptions of the allegedly infringing product. In the present case, the Written Description proffered by the Defendants, while certainly relevant to facilitate understanding of the IDEALmold machine, was not directly addressed to the issue of inspection under O 29 r 2 of the Rules of Court; instead, it appeared to be more relevant to O 87A r 5 of the Rules of Court, which deals with the issue of discovery. Be that as it may, the presence of a detailed written description would be a relevant factor to consider in the exercise of discretion. In the present case, both parties seemed to agree that the Written Description was relevant; indeed, the Plaintiff's counsel went so far as to withdraw two out of three issues on the basis of the explanations and diagrams provided in the detailed Written Description.

(c) Third, the issue of access to the allegedly infringing product. An applicant's lack of access to the allegedly infringing machine is a relevant factor to be taken into consideration. Where the applicant has access to the machine, it may be difficult to demonstrate that an inspection of the machine is necessary. In the present case, the Plaintiff had exhibited photographs of the IDEALmold machine and even included serial numbers of the machine, although Mr Ukai had subsequently stated on affidavit that the Plaintiff was not in possession of and did not have free-access to an IDEALmold machine, and that the information concerning the IDEALmold machine had been obtained "only through painstaking investigative efforts over a prolonged period of time".

(d) Fourth, the issue of inconvenience caused to the defendant. In *Red Spider*, a case dealing with pre-action inspection, the court noted the relevance of the inconvenience that would be caused to a party of having their customer's product out of their possession for some unspecified time. Similarly, in *British Xylonite*, the court was cognisant that the defendants should be protected against unnecessary costs (see *eg British Xylonite* at 263 lines 45-48). In the present case, the Defendants averred that the IDEALmold machine was owned by their customers, and that running the machine without their customer's consent would be fraught with legal issues. The Defendants also argued that as the IDEALmold machine weighed about 80 tonnes and was situated in the Defendants' research and development facility which consisted of a single large room, great inconvenience would be caused because all other research and development efforts had to be ceased and covered up during inspection. I make no comment on the weight to be given to these assertions, although my preliminary view is that these points would not give rise to insurmountable difficulties in inspection, had inspection been found to be necessary.

Paragraphs 3 and 4 of the Inspection Protocol

48 The request in paragraph 3 of the Inspection Protocol, which essentially amounted to an opportunity to interrogate the "relevant and competent representative(s) of the Defendants", with "audio and written recordings of all such answers provided", appeared to be excessively broad. Indeed, as observed by the Defendants' counsel, it was tantamount to seeking interrogatories and/or cross-examination without judicial oversight of the questioning process. I therefore did not grant the request stated in paragraph 3 of the Inspection Protocol.

49 As I declined to grant paragraphs 1, 2 and 3 of the Inspection Protocol, it followed that paragraph 4 of the Inspection Protocol would not be granted as well.

Conclusion

Conclusion

50 I therefore dismissed the Plaintiff's application in its entirety.