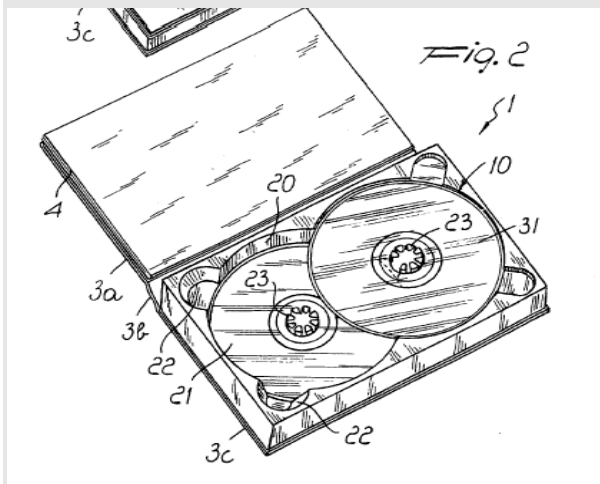


Court of Appeal, London, 22 June 2007, Pozzoli v BDMO



PATENT LAW

Assessing obviousness

23. [...]I would restate the Windsurfing questions thus:

- (1) (a) Identify the notional “person skilled in the art”
- (b) Identify the relevant common general knowledge of that person;
- (2) Identify the inventive concept of the claim in question or if that cannot readily be done, construe it;
- (3) Identify what, if any, differences exist between the matter cited as forming part of the “state of the art” and the inventive concept of the claim or the claim as construed;
- (4) Viewed without any knowledge of the alleged invention as claimed, do those differences constitute steps which would have been obvious to the person skilled in the art or do they require any degree of invention?

Source: [2007] EWCA Civ 588; bailii.org

Court of Appeal, London, 22 June 2007

(Mummery, Keene, Jacob)

IN THE SUPREME COURT OF JUDICATURE

COURT OF APPEAL (CIVIL DIVISION)

ON APPEAL FROM THE HIGH COURT OF JUSTICE

CHANCERY DIVISION (PATENTS COURT)

The Hon Mr Justice Lewison

HC05 C01824

B e f o r e :

THE RT HON LORD JUSTICE MUMMERY

THE RT HON LORD JUSTICE KEENE

and

THE RT HON LORD JUSTICE JACOB

Between:

Pozzoli SPA

(a company incorporated under the laws of Italy)

Appellant/

Claimant

- and -

BDMO SA

(a company incorporated under the laws of Belgium)

(2) Moulage Industriel de Perseigne SA

Respondents/

Claimant

James Mellor QC and Thomas Mitcheson (instructed by Messrs Bristows) for the Appellant

Henry Carr QC and Michael Hicks (instructed by Redd Solicitors LLP) for the Respondents

Hearing dates : 19/20 April 2007

Lord Justice Jacob:

1. The patentee, Pozzoli, seeks permission to appeal from the decision of Lewison J, [2006] EWHC 11398 (Ch) that its patent, EP (UK) 0 676 763, is invalid. In the event that permission is granted and the patent held valid, Pozzoli appeals (with the leave of this court) Lewison J’s decision that the defendants’ “Double Push Tray” does not fall within the scope of the patent.

2. Since the patent was held invalid, it was logical first to consider whether permission to appeal this finding should be granted.

The TRIPS point

3. Mr Mellor QC for Pozzoli, initially raised a point about the TRIPS Agreement, (Annex 1(C)) to the Treaty establishing the World Trade Organisation made at the Uruguay Round of the GATT talks in April 1994. He submitted that the effect of TRIPS is that we must give permission – even if there is no real prospect of success (the criteria for permission provided by CPR 52.3(6)(a)). It was a startling proposition, one which called for no reply and with which I can deal briefly.

4. The argument ran like this:

i) Art. 32 of TRIPS provides:

“An opportunity for judicial review of any decision to revoke or forfeit a patent shall be available”.

ii) This means that a full judicial hearing on the merits is called for. A preliminary screening system for weeding out cases with no real prospect of success as now provided by the Rules will not suffice for this purpose.

iii) Although TRIPS is an international Treaty and so does not itself form part of UK law, wherever it is possible for our courts to act so that the UK is not in breach of an international Treaty, they should do so. [I add that TRIPS is to be regarded as a Community Treaty as defined in s.1(2) of the European Communities Act 1972 (by virtue of SI 1995 No. 265) and so falls to be construed as it would be construed by the ECJ. That involves a purposive and teleological rather than literalist approach].

iv) Thus the other possible ground for granting permission to appeal, namely “some other compelling reason” (CPR 52.3(6)(b)) is brought into play. The compelling reason is that if permission is not given, the UK will be in breach of its Treaty obligations.

5. A major flaw in the argument is simple: a decision by a Court of Appeal judge or judges (whether made on the papers or following an oral argument or both) as to whether or not to grant permission to appeal from an order for revocation is a judicial decision. It is a “judicial review” as called for by Art. 32. Nothing in

TRIPS requires a member state to provide that its courts of appeal should hear cases which have been judicially determined to have no real prospect of success.

6. It may well be there is another flaw which may bring in the ECJ approach to construction to get a sensible result. Consider a case where a national Supreme Court, contrary to all decisions below, for the first time holds a patent invalid. Does Art.32 really require that there be a means of judicial review of this? Mr Mellor was forced to so submit. He postulated that the way round this would be for the Supreme Court having reached the decision that the patent is invalid to remit the case to the lower court so that it would be that court which actually revoked the patent so that there could be an appeal to the Supreme Court all over, thus complying with the Art. 32 requirement of a judicial review. Keene LJ aptly described this as a “dog’s breakfast” solution.

7. The problem would not arise if one read Art. 32 as applying only to administrative or political decisions. Mr Mellor sought to rebut such a reading by reference to other provisions of the Treaty. These were Art.62.3 (requiring that certain “final administrative decisions [which include revocation of a patent] shall be subject to review by a judicial or quasi-judicial authority.”) and Art. 41(4) (providing that “parties to a proceeding shall have an opportunity for review by a judicial authority of final administrative decisions, and ... of at least the legal aspects of initial judicial decisions on the merits of the case”). Mr Mellor submitted that Art. 32, in referring to “any decision to revoke” must include judicial decisions to revoke, not merely administrative or other decisions because these other Articles recognise the distinction between administrative and judicial decisions.

8. If right, his submission means the Treaty requires the “dog’s breakfast” solution or something similar. I doubt that, but it is not necessary to go into this further. The major flaw I have spelt out is quite enough to dispose of the TRIPS point here. It would be daft to require the grant of permission to appeal in a case where a court of appeal had judicially determined that the appeal had no real prospects of success.

Should Permission be given?

9. Following the failure of his TRIPS point (the result of which we announced during the hearing) Mr Mellor went on to argue the case for permission to appeal. This, with our consent, took the form of a full argument on validity, involving where necessary arguments on construction. The argument was sufficient, in our opinion, to justify the grant of permission on the conventional basis that the appeal had a real prospect of success. For that reason we also heard full argument on validity from Mr Henry Carr QC for the respondents, including argument on the respondents’ notice. Accordingly I would formally grant permission to appeal.

10. I would add this about permission to appeal in patent cases generally. Unless the case is very clear and can be understood sufficiently readily in an hour or so, the better course is normally for permission to be granted

by the trial judge. For, unlike the trial judge, the Court of Appeal judge(s) who have to decide whether permission should be granted (where the trial judge has refused it) will not be immersed in the technology and evidence in the same way as the trial judge. Faced with but an incomplete understanding and a plausible skeleton argument seeking permission, the Court of Appeal will generally be likely to grant permission, even if later it discerns that the case is indeed clear.

Basic Uncontested Principles

11. So far as the scope of the patent monopoly is concerned it was agreed that the Judge had approached the question correctly at [6]. An argument which he rejected (and which we were told was not actually advanced), to the effect that having construed the claim, the court should go on to ask whether a product outwith it, nonetheless infringed because of some immaterial variant, was rightly not pursued. As the Judge said:

[19] Thus the question of variants (immaterial or otherwise) is a step on the way to construing the claim. It is not a reason for extending the scope of the claim once it has been construed.

12. It was also agreed that any finding of primary fact cannot be challenged unless it is plainly wrong. In particular such a finding cannot be challenged on appeal if there was credible material to support it. The finding must be shown to be wrong before the Court of Appeal will interfere with it.

13. Finally it was agreed that in relation to appeals about obviousness, the principle stated by Lord Hoffmann in *Biogen v Medeva* [1997] RPC 1 at p.45 applies:

Where the application of a legal standard such as negligence or obviousness involves no question of principle but is simply a matter of degree, an appellate court should be very cautious in differing from the judge’s evaluation.

Assessing obviousness

14. The place of “inventive concept” in relation to obviousness also calls for some discussion. It will be recalled that it forms the first step of the well-known Windsurfing test of Oliver LJ [1985] FSR 59 at 73. The test provides a structured approach to the problem and is often useful. I set it out adding my own numbering:

(1) The first step is to identify the inventive concept embodied in the patent in suit.

(2) Thereafter, the court has to assume the mantle of the normally skilled but unimaginative addressee in the art at the priority date and to impute to him what was, at that date, common general knowledge in the art in question.

(3) The third step is to identify what, if any, differences exist between the matter cited as being “known or used” and the alleged invention.

(4) Finally, the court has to ask itself whether, viewed without any knowledge of the alleged invention, those differences constitute steps which would have been obvious to the skilled man or whether they require any degree of invention.

15. I think the test requires some restatement and elaboration. First one must actually conduct the first two

operations in the opposite order – mantle first, then concept. For it is only through the eyes of the skilled man that one properly understand what such a man would understand the patentee to have meant and thereby set about identifying the concept.

16. Next, that first step actually involves two steps, identification of the attributes of the notional “person skilled in the art” (the statutory term) and second identification of the common general knowledge (“cgk”) of such a person.

17. What now becomes stage (2), identifying the inventive concept, also needs some elaboration. As I pointed out in *Unilever v Chefaro* [1994] RPC 567 at page 580:

It is the inventive concept of the claim in question which must be considered, not some generalised concept to be derived from the specification as a whole. Different claims can, and generally will, have different inventive concepts. The first stage of identification of the concept is likely to be a question of construction: what does the claim mean? It might be thought there is no second stage – the concept is what the claim covers and that is that. But that is too wooden and not what courts, applying Windsurfing stage one, have done. It is too wooden because if one merely construes the claim one does not distinguish between portions which matter and portions which, although limitations on the ambit of the claim, do not. One is trying to identify the essence of the claim in this exercise.

18. So what one is seeking to do is to strip out unnecessary verbiage, to do what Mummery LJ described as make a précis.

19. In some cases the parties cannot agree on what the concept is. If one is not careful such a disagreement can develop into an unnecessary satellite debate. In the end what matters is/are the difference(s) between what is claimed and the prior art. It is those differences which form the “step” to be considered at stage (4). So if a disagreement about the inventive concept of a claim starts getting too involved, the sensible way to proceed is to forget it and simply to work on the features of the claim.

20. In other cases, however, one need not get into finer points of construction – even without them the concept is fairly apparent – in *Windsurfing*, for instance, it was the “free sail” concept. In yet other cases it is not even practical to try to identify a concept – a chemical class claim would often be a good example of this.

21. There is one other point to note. Identification of the concept is not the place where one takes into account the prior art. You are not at this point asking what was new. Of course the claim may identify that which was old (often by a pre-characterising clause) and what the patentee thinks is new (if there is characterising clause) but that does not matter at this point.

22. The third step also requires a little reformulation – *Windsurfing* was a case under the 1949 Act where the statutory words for the prior art were “known or used”. The European Patent Convention uses the words “state of the art”.

23. The fourth step needs no restatement, though it is worth making explicit that by invention is meant what is claimed. In the result I would restate the *Windsurfing* questions thus:

- (1) (a) Identify the notional “person skilled in the art”
- (b) Identify the relevant common general knowledge of that person;
- (2) Identify the inventive concept of the claim in question or if that cannot readily be done, construe it;
- (3) Identify what, if any, differences exist between the matter cited as forming part of the “state of the art” and the inventive concept of the claim or the claim as construed;
- (4) Viewed without any knowledge of the alleged invention as claimed, do those differences constitute steps which would have been obvious to the person skilled in the art or do they require any degree of invention?

Obviousness: Lions in the path and paper tigers

24. Sometimes a patentee seeks to defend his invention from a charge of obviousness by saying that there was a technical prejudice against it. Such an argument was run here. The Judge said:

[67] *Mr Carr submitted that the idea of overcoming a prejudice must consist in overcoming a false prejudice; in other words a mistaken technical belief that deters the unimaginative skilled person from pursuing a particular path. Mr Carr characterised this kind of false belief as a “lion in the path” (see Bunyan: The Pilgrim’s Progress, The Third Stage: “Fear not the lions, for they are chained, and are placed there for trial of faith where it is, and for discovery of those that have none: keep in the midst of the path, and no hurt shall come unto thee.”). In such a case the patent reveals that the belief was mistaken, and thus contributes to the art. If on the other hand the perceived technical problem exists in the same form both before and after the claimed invention, then the prejudice has not been overcome at all. In such circumstances overcoming the prejudice cannot be part of the inventive concept, although the technical means for dealing with the perceived problem can be. I accept this submission.*

25. I would not analyse it that way myself. There is an intellectual oddity about anti-obviousness or anti-anticipation arguments based on “technical prejudice.” It is this: a prejudice can only come into play once you have had the idea. You cannot reject an idea as technically unfeasible or impractical unless you have had it first. And if you have had it first, how can the idea be anything other than old or obvious? Yet when a patent demonstrates that an established prejudice is unfounded – that what was considered unfeasible does in fact work, it would be contrary to the point of the patent system to hold the disclosure unpatentable.

26. I put it this way in *Union Carbide v BP* [1998] RPC 1, 13:

Invention can lie in finding out that that which those in the art thought ought not be done, ought to be done. From the point of view of the purpose of patent law it would be odd if there were no patent incentive for those who investigate the prejudices of the prior art.

27. Patentability is justified because the prior idea which was thought not to work must, as a piece of prior art, be taken as it would be understood by the person skilled in the art. He will read it with the prejudice of such a person. So that which forms part of the state of the art really consists of two things in combination, the idea and the prejudice that it would not work or be impractical. A patentee who contributes something new by showing that, contrary to the mistaken prejudice, the idea will work or is practical has shown something new. He has shown that an apparent “lion in the path” is merely a paper tiger. Then his contribution is novel and non-obvious and he deserves his patent.

28. Where, however, the patentee merely patents an old idea thought not to work or to be practical and does not explain how or why, contrary to the prejudice, that it does work or is practical, things are different. Then his patent contributes nothing to human knowledge. The lion remains at least apparent (it may even be real) and the patent cannot be justified.

29. This analysis does not require a different way of looking at the inventive concept depending on whether or not the patentee has shown the prejudice is unjustified as the Judge thought at [67]. It is simply that in the former case the patentee has disclosed something novel and non-obvious, and in the latter not. The inventive concept, as I have said, is the essence of what is in the claim and not dependent on any question about a prejudice being overcome.

Step (1)

(a) The person skilled in the art in this case

30. The Judge identified the notional person skilled in the art as

[24] someone who might wish to package discs or make or design the packaging for discs. Such a person might work for a media packaging company; or might be a customer who wanted a particular kind of packaging. Although there had been a bit of a dispute about this below, that conclusion is not (and could not be) challenged on appeal.

(b) The Common General Knowledge (“cgk”)

31. The priority date of the patent in suit is July 1994. The Judge summarized the agreed cgk as of that at [27-31]:

[27] It is agreed that the notional addressee would know about common forms of packaging CDs. At the priority date these included:

The Jewel Box. This was the standard container for one CD where the CD was retained by a central coupling known in the industry as a “rosette”.

The Digipak. This had a plastic tray with a central rosette attached to a folder of cardboard that formed a back cover, spine and front cover. The Digipak had finger or thumb recesses around the periphery of the disc to assist in the removal of the disc.

The Brilliant Box. In the Brilliant Box there was a hinged tray which swung out from the outermost edge of the base and held two CDs each on a central rosette.

Plastic Sleeves. CDs were stored in envelopes and then inserted into ring binders.

Multi-disc Digipaks. These are Digipaks with a tray glued to both the front and back covers which contain more than one disc.

The multi-disc jewel box. This was a box with a central core element and front and back lids opening like a book.

The 2:1 tray. This was a tray with recesses for accommodating two CDs side by side. Since a tray made to accommodate one CD is virtually square, a tray made to accommodate two has dimensions in the ratio 2:1.

[28] In addition it was common for CDs to be packaged in cardboard sleeves. This form of packaging was used for CDs given away free with magazines and newspapers; and also for CD singles.

[29] A CD has a hole in the middle. The conventional method of retaining a CD within its packaging (apart from plastic or cardboard sleeves) was by means of a rosette fitted into the central hole. The rosette prevents the CD from moving laterally, and also prevents it from moving vertically. Rosettes differed in the details of their design; but all operated in essentially the same way. One or two people had given some thought to other means of retention (e.g. by peripheral clamping or tabs) but these were not part of common general knowledge.

[30] One of the sources of common general knowledge would have been the trade publication One to One. There was no relevant text-book.

[31] At the priority date there existed three main types of disc: optical discs, such as CDs, magnetic discs such as floppy discs, and mechanical discs such as vinyl discs. Magnetic discs, such as floppy discs, typically had their own integral packaging (i.e. the outer rigid plastic casing). There were other discs, such as “minidiscs” which were magneto-optical discs. These discs had integral packaging too.

32. There was a dispute about whether the cgk would include knowledge or interest in packaging for magnetic discs. The Judge resolved this at [32] saying the cgk “would have encompassed knowledge of packing of floppy discs.” There was ample material for him so to do. He gave his reasons at [32] and there is no reason to repeat them. Standing back for a second it seems unlikely that an industrial designer concerned with producing this sort of packaging would be so blinkered as to be limited to containers for CDs or CD-like disks. That is not to say that the patent monopoly extends to containers for media generally – the question of the type of container covered by claim 1 is a question of construction to which I will turn later. But a container maker is likely to be interested in containers for more than one sort of thing and the Judge’s conclusion cannot be challenged.

33. It is also important to note two points of common general knowledge which were specifically rejected by the Judge. This first is relevant to the “axially retained” issue of construction to which I will come. What he rejected as cgk was that:

[29] ... other means of retention (e.g. by peripheral clamping or tabs) but these were not part of common general knowledge.

34. The second matter rejected as cgk is of central significance. The Judge rejected suggestion that there was a prejudice in the industry against overlapping CDs. He accepted at [77] the evidence of Mr Vincent, the Defendants' expert. Mr Vincent said in his witness statement:

The degree of care which a person would give to a CD now or in 1994 depends upon the value of the information on it and the price at which it is sold. I do not agree that there was a prejudice in the industry against overlapping CDs whether partially or completely. I also do not agree that there was a prejudice in the industry against allowing the surfaces or the edges of the CD to come into contact with the packaging for a CD.

35. Mr Mellor attacked this. He submitted that the 2:1 was clearly of an inconvenient shape and that the Judge could not reasonably have concluded that people did not want a better shape such as is achieved by overlapping. So one must infer that what had prevented them doing this was a prejudice. But I do not think this works. First there was clearly evidence on which the Judge could make his finding (I have just quoted it). Second, Mr Mellor's submission pre-supposes that the 2:1 was all that was available for multiple disc boxes. But it was not. The folding out Brilliant Box was very well-known and used. It was the same nearly square shape as a single CD container but thicker. You do not even have to be a person skilled in the art to know about them – they are everyday objects. So what had to be shown, and was not, was that there was a want for an intermediate height of container, a want unsatisfied by reason of a prejudice.

36. The Judge expressly held that “this was not a case of a long-felt want [79]”. This conclusion is hardly surprising given that the first physical embodiment of the Pozzoli patent which was placed in the market failed to achieve commercial success. Of course that is post-priority date information, but it tells us that at the priority date the skilled man did not have any want in mind – for there was none.

37. That is not to say that people did not appreciate that the 2-to-1 was not an inconvenient shape – they did. As the Judge said:

[84] ... However, these drawbacks were ones that Mr Plumb himself was aware of in 1994. He also considered that these problems were generally known at that time.

Step (2) The inventive concept of the patent

38. Having identified the skilled man and his cgk one comes to read the patent to ascertain the inventive concept of the claim under attack, in this case claim 1. As I have said this will often involve a question of construction of the claim. Mr Mellor was right that it is generally better to construe the claim at this point, though we heard argument in a different order at our insistence.

39. So I go to the patent, starting the beginning. It says:

The present invention relates to a container for a plurality of discs, particularly compact discs (13-4).

It is known that containers for a plurality of compact discs are generally constituted by a tray-like body that forms the side-by-side recesses or seats for accommodating the compact discs (15 8).

This arrangement causes the dimensions of the container to have a 2-to-1 ratio, so that said container assumes external dimensions that in addition to being scarcely effective from an aesthetic point of view are often awkward, since they do not allow to easily place the container in the areas where it is to be held (19-14).

40. The patent is saying that there is a problem with the cgk 2-to-1 containers (sometimes in this case called “Havent”, after a 1987 patent for such a container). The point is that the 2-to-1 is too tall to go into the average bookshelf. After acknowledging some prior art the patent continues:

The aim of the present invention is to solve the problem described above, by providing a container for a plurality of discs that allows to accommodate two or more discs and allows to remove them individually and to reduce the external dimensions, thus making it easier and simpler to position said container in the areas where it is to be held (120-26).

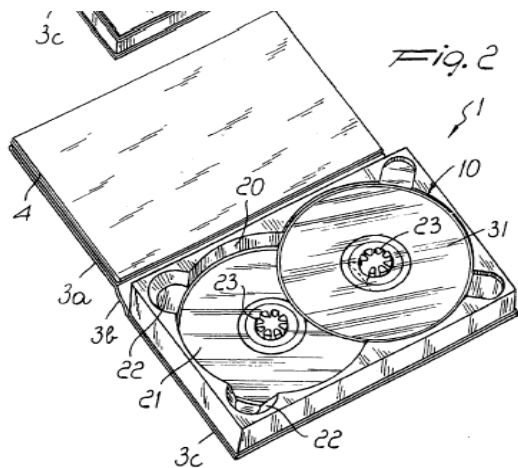
Within the scope of this aim, a particular object of the invention is to provide a container in which the external dimension ratio is such as to provide, in addition to a pleasant aesthetic effect, an easier use of the container (132-35)

So, two points are made – that you have to be able to get individual CDs out and that the shape looks better than a 2:1.

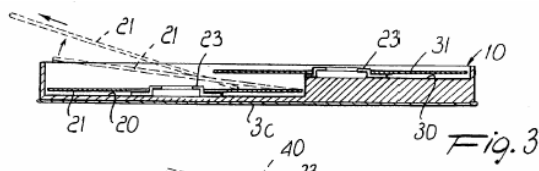
41. The patent then says that the objects can be achieved by a container in accordance with claim 1. Lewison J conveniently set this out broken into elements:

- (1) Container for a plurality of discs, particularly compact discs,
- (2) comprising a tray-like body
- (3) defining seats for accommodating at least two discs,
- (4) said tray-like body including a first region for accommodating at least one first disc
- (5) and at least a second region for accommodating at least one second disc
- (6) located at a higher level than said first region,
- (7) the discs being axially retained in said seats,
- (8) so that each of the discs can be individually gripped and axially detached for removal from said seats in which they are retained,
- (9) characterised in that said at least one second disc is arranged in said second region so as to be spaced from,
- (10) and to partially overlap said at least one first disc
- (11) in an axially offset manner.

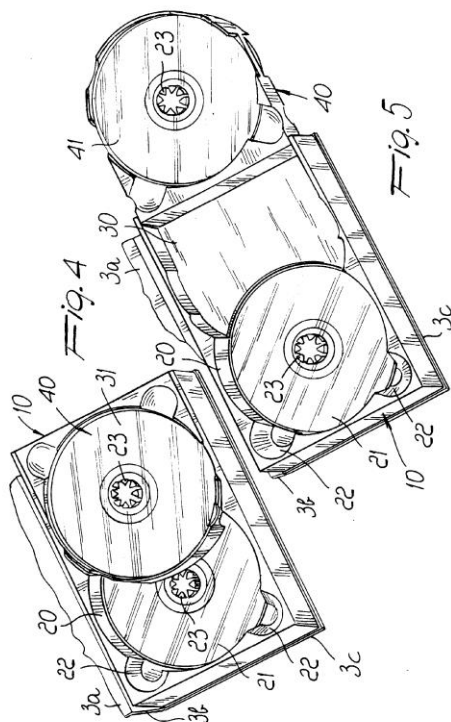
42. The patent then goes on to describe two embodiments, a 2-disc container and a 3-disc container. The two disc container is shown in fig.2:



43. Instead of having the discs side by side as in the 2-to-1, or having a common axis (as in the conventional nearly square Brilliant Box) they are offset and one is raised above the other. As shown they are held by conventional rosettes. You can get the bottom one out with the top one still in place as is shown in fig.3:



44. We were provided with a physical example of a container in accordance with these two diagrams. The patent also describes a second embodiment, for 3 discs. It looks like this:



45. So it is like the first embodiment save that the upper disc holder (I do not use a term in the patent) has been replaced by a 2-disc holder which folds out, holding a disc on either side.

46. Certain passages of the specification relevant to the questions of construction require citation:

A feature of the invention is constituted by the fact, as shown in figures 2 and 3, that the tray-like body 10 defines a first region 20 for accommodating a first compact disc 21; said region has, in a per se known manner, peripheral recesses 22 that allow to remove the disc 21, which is retained, in a per se known manner, by a coupling element 23 that acts axially (237-43).

47. What then is the inventive concept of claim 1? Below there was argument about this, perhaps an example of a sterile satellite debate about concept. Lewison J records it thus:

[87] *Mr Mitcheson described the inventive concept embodied in the patent as:*

“the provision of a container of simple construction for holding two or more compact discs where the height of the container is less than twice its width and where the discs are partially overlapped and spaced apart and where the discs are securely held and can be individually, easily and safely accessed.”

[88] *In my judgment this is too broad a description. What was new about the patent was not that it claimed a container for holding two or more discs where the height of the container was less than twice its width. Such containers were already known (e.g. the Brilliant Box and the multi-disc jewel box). What was new was that the discs were partially overlapped and spaced apart and that their axes were offset.*

48. A little later the Judge said:

Rather, in my judgment, the claimed inventive concept was finding a way of reducing the height of the 2:1 container without exposing the discs to serious risk of damage.

Mr Mellor attacked that. He said it was far too wide. I think he was right. Moreover it in no way represents a précis of the claim. It is a statement of the problem addressed by the patent rather than a statement of the inventive concept. But ultimately I do not think that matters. Identification of the “concept” in this case was not crucial to the Judge’s conclusion.

49. Actually I think Mr Mitcheson’s précis is closer to the mark. But even that is not quite right, construing the claim in the way I do (see later). In the end, to my mind, what the skilled man’s take-home message from the claim in the context of the patent is, is really no more than “overlap the discs, hold them in the known way via their centres yet space them via a step-like arrangement so they can be got out.”

50. I put in the features about holding them via their centres and step-like arrangement because of my view on construction (see below) though actually, for the purposes of obviousness nothing turns on this. The really key bit is overlapping, spacing apart and ready removability. Neither side suggested that either additional feature would add anything material to the inventiveness of the claim.

Step (3) Differences over the prior art

51. These are now easy. The difference is essentially in the idea of overlapping yet spaced apart rather than side by side (the 2-to1) or concentric (the Brilliant Box).

Step (4) Was it obvious over the differences.

52. The Judge sought to apply Windsurfing. Mr Mellor submits that he made an error of principle in so doing. His arguments run thus:

(1) The patent teaches for the first time the idea of overlapping CDs without any form of protection between them.

(2) The Judge wrongly rejected the case that the skilled man would be prejudiced against overlapping by a fear that the CDs would be at risk from damage to their playing surfaces upon removal or replacement—particularly the “lower” one.

(3) The evidence which the judge accepted as establishing obviousness was tainted by hindsight. In particular, it is only if you have the idea of reducing the height of a 2-to-1 that it occurs to you that this can be done by overlapping and separating the discs.

(4) The Judge wrongly identified the inventive concept of claim 1 as:

[84] ... *finding a way of reducing the height of the 2:1 container without exposing the discs to serious risk of damage.*

53. Point (1) is true but as such takes Mr Mellor nowhere. If it were not so, then this would be a case of anticipation, not obviousness. In all cases where there is no anticipation a similar point can be made.

54. Point (2) fails for the reasons I have identified at [34-37]. So, although it is true that no-one had proposed overlapping CDs with no form of intermediate protection, that was not because of the alleged prejudice. There was simply no demand for such a product.

55. Point (3) fails for much the same reason. There was evidence that people appreciated that the 2-to-1 was an inconvenient shape – but not that they wanted something taller than a Brilliant Box but shorter than a 2-to1. It is self-evident that if you did, overlapping would be essential but no-one wanted to do that. Having the idea of reducing the height was not in any way a technical advance – just another way of packing two CDs.

56. Point (4) about the inventive concept is true, but I do not think it matters and was not, as I read it, the key to the Judge’s reasoning. The key question is whether it was inventive to overlap, space apart and provide ready removability. The Judge specifically considered that and thought not. He said:

[93] *In my judgment the evidence inexorably leads to the conclusion that if you wanted to reduce the height of a 2:1 container, it was obvious to overlap the discs and separate them physically. Working out how to do it would also have been obvious.*

57. There was ample material, recorded at [87 – 92] to support that. Mr Mellor’s submitted that it was on the wrong basis: the false basis being “if you wanted to reduce the height”. Only if you have that idea does the rest follow. The trouble with that attack is the Judge’s

finding that it was known that the 2-to-1 was too high. It is hardly inventive to consider reducing the height in those circumstances. Once you consider that, you must overlap and the rest follows.

58. That I think is the essence of Judge’s evaluation. I am not persuaded that it was wrong.

59. I am reinforced in my conclusion by the opinion of the Tribunal de Grande Instance de Rennes. This court held the corresponding French patent invalid. It said:

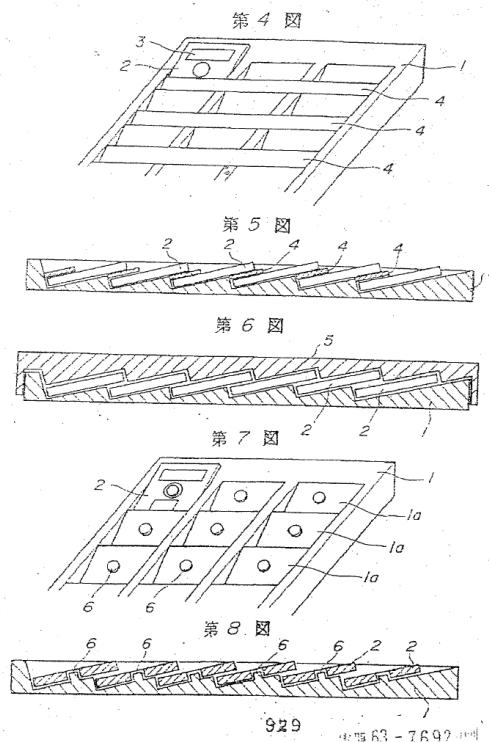
Starting with the HAVANT document, the skilled person, in an attempt to reduce the height of a container intended to contain at least two discs, would obviously, as taught in several of the quoted documents, and even without referring to these documents, have made the discs overlap, the first remaining at the bottom of the tray, sufficiently to gain space but also so that the discs can be easily taken from their support, and by leaving a space, determined by the height of the seat of the upper disc, so as not to deteriorate the discs and facilitate their withdrawal. Neither does the fact of adding a device for holding the disc and withdrawing it by its middle so that it remains fixed to the tray, demonstrate an inventive activity, as this device is already known.

That has the same essential reasoning as that of Lewison J.

Obviousness over Fujifilm

60. Having regard to my main conclusion, it is not necessary to go into the case based on Fujifilm (JP-U-7692) in detail. And indeed the task is inherently conjectural since, even without the Fujifilm disclosure, claim 1 is obvious. One must notionally go back on that conclusion, as the Judge I think did by considering that the stepped arrangement could add inventiveness, a point that had never been suggested. I will do the same.

61. Fujifilm is for a container for floppy discs. These are its drawings:



The floppies are laid, overlapping, in a tray. In the case of fig. 7 there is a stubby spigot for the central core of the disc. It does not grip the disc.

62. So if one asks Windsurfing qn. 3 – differences – all that distinguishes the inventive concept holding the disks at their centres and a step arrangement. Putting it another way Fujifilm discloses the idea of overlapping (as indeed was noted by the French court, Fujifilm being one of the “several quoted documents”). So if the skilled person could not come up with that idea himself when faced with the “problem” that a 2-to-1 was tall, he could hardly fail to get it from here. True it is that this is concerned with floppies which have their own casing, but whether the discs are CDs or floppies, the space-saving by overlapping is the same.

63. Of course the floppies are not gripped – there is not the same need to keep the disc apart from the container to avoid scratching as there is with a CD. If you wanted to adapt Fujifilm for CDs you would have to fix them in – the obvious way of doing that is by using conventional rosettes as the Judge accepted at [96].

64. The Judge concluded that Fujifilm would render the Pozzoli patent obvious, if the latter had not been confined to regions at different levels. I can see no fault with this. If of course the claim were wider (as contended by Polozzi so as to cover the alleged infringement) it would be invalid.

65. In those circumstances it is not necessary to go into Mr Carr’s anticipation and added matter arguments.

Overall conclusion on obviousness

66. So my overall conclusion is the patent is obvious, as held by the Judge. One might well have taken a different view if immediate commercial success followed the introduction of the first version of the

Pozzoli product. For then one could see that it was for a good idea missed by the industry for some time. But that is not the case. It is true that the much thinner, later embodiment, has had great success. That shows, however, that it is not the features of the claim which lead to success – it is the features of good design added to what is in the claim which have had that effect.

Infringement

67. It is not really necessary to go into this. But in deference to the arguments, and having regard to the fact that other courts may find my view helpful, I will do so briefly. Whether or not the defendants’ product falls within claim 1 depends on two issues of construction, on both of which the Judge ruled against Pozzoli.

“Discs being axially retained in said seats so that each of the discs can be individually gripped and axially detached for removal”

68. This point arises because in the defendants’ product a conventional centre-holding rose is not used. Instead the discs are retained at the edges. The judge described it thus:

[58] *The Defendants’ product is called the “Double Push Tray”. It consists of a single piece of moulded plastic. Each tray has a single recess with a flat floor. The recess can accommodate two discs. The discs are stored in the tray parallel to one another, and at an acute angle to the floor of the tray. Each disc is held at three points on its periphery. One disc is held by a slot cut into the vertical wall of the tray, and by two flexible tabs (one at roughly ten o’clock and the other at roughly two o’clock). The other is held by a slot in a pillar let into the floor of the tray and two tabs similarly positioned to those that hold the first disc. Both slots overhang the disc to some extent.*

69. What then would the skilled man understand by “axially retained?” If he looked at the pictures of the patent he would see the familiar rose formation holding the discs by their centres. Would he consider that any method of holding the discs such that the first direction of removal was broadly along the axis was meant? I think not. He would not be aware of any other method of holding the discs (see [33] above). If he considered that axially retain meant merely retained along the direction of the axis he would see no means to retained the disc from movement in the direction of its plane. Yet he would know it must be fixed from all movement. So “axially retained” is not telling you about the direction against which movement is prevented by retention, it is telling where the retention means against all movement is.

70. Both sides sought help from the text of the specification, in particular the passage I have quoted above at [46]. The fact that both sides rely upon it tells you that it is unlikely to be conclusive. Mr Mellor submits that when it uses the words “the disc 21, which is retained, in a per se known manner, by a coupling element 23 that acts axially” that is telling the reader that what matters is axial “action” and no more. Mr Carr submits that “acts axially” means acts on the axis, i.e. is held via the centre. I favour Mr Carr’s interpretation. The passage begins by in effect referring to the

conventional rosette. This holds the disc completely, preventing movement in all directions. The mere use of the words “acts axially” in that context will be read as “acts like a rosette”.

71. The Judge rejected the wider meaning at [46-57]. His reasons are more detailed. I agree with them but I have set out the main points in my own words here and that is enough.

72. The French Court reasoned the same way. It reasoned thus:

Axial retention implies that the disc can be moved neither upwards along the axis nor sideways. If the meaning of the expression ‘axially’ was that given by the company POZZOLI, it would be admitted when the discs can be moved sideways in the container, as no other feature addresses a peripheral or other holding of the disc, which is contrary to one of the aims of the invention. ‘Another object of the invention is to provide a container that, by virtue of its particular constructive features, gives the greatest assurances of reliability and safety in use.

73. I am conscious that the *Landsgericht* in Düsseldorf gave a wider construction in the corresponding action in Germany. In a decision of 26th April 2006 in an action between Pozzoli and Esatec it said:

We cannot see matters as the Defendant does. In both the English procedural language and German translation, characteristic 4 as worded [i.e. that the discs be axially retained in said seats] can only be taken to mean that the discs are retained axially in the seats. This says nothing as to how they are retained or how, or where the means which retain the discs are arranged. It is not specified, in particular, that the discs are even retained axially by an axial (that is, in the axis of symmetry) retainer.

This understanding is supported by the specification of the patent at issue, which is also to be used in interpreting the claims, Art. 69 para. 1 EPC. Because, from what the specification states, the problem underlying the patent at issue is above all to provide a container for a plurality of discs which can take one or more discs and which at the same time enables them to be withdrawn individually (Exhibit K 2, p. 1, para 5). It is immaterial for this purpose whether the discs are retained by a component arranged [in the axis of symmetry], i.e. centrally, or whether this is done by components arranged otherwise. On the other hand, it is essential for a container which is to take a plurality of discs and CDs in particular that the discs retained are protected against movement in the axis of symmetry which could result in the discs being damaged or in disadvantageous noise. The other aims pursued by the teaching as explained in the patent at issue, such as being extremely rugged and reliable in use (cf. Exhibit K 2, p. 1 et seq), require the discs to be retained in an axial direction; on the other hand, the arrangement of the retaining means, and a central arrangement in particular, is not of essential importance. Nor is there anything else anywhere in the specification which can be taken to mean that the invention requires the elements

retaining the discus have to be arranged centrally. An axially facing connection does not appear until sub-claim 9, in fact. The mere fact that the embodiment as in the invention shown in the diagrams of the patent at issue shows a coupling element 23, of which the specification states that the disc 23 is retained in this and that it acts axially in known fashion (cf. Exhibit K 2, p. 3, para. 5) does not contradict this. It merely shows that the teaching in the patent at issue can be achieved by way of such an arrangement. There is nothing in the patent at issue at this point which could be taken to mean that the patent at issue is restricted to such a centrally arranged retaining element either.

74. With respect I do not agree. What this reasoning omits is the fact that if axial retention relates merely to the direction of retention, there is nothing in the claim calling for sideways retention.

75. The German court also had a point on claim 9. In the end before us it was agreed that this did not support either side’s construction so I say no more about it.

Seats and regions

76. The defendants’ container does not have upper and lower portions as shown in the drawings in the patent. Instead it is constructed as described by the Judge at [58] quoted above. Whether it falls within the claim depends on the meaning of a first region and a second region .. located at a higher level than the first region. What do those words mean?

77. Mr Mellor contends that the “region” is that portion of space which the disc will occupy if it is placed in position – a “virtual” space. He advanced the same reasoning as that which appealed to the Düsseldorf court, concerned with the same alleged infringement as us, in *Pozzoli v Nickert* 21st February 2006. The key parts of its reasoning read thus:

The decisive point is not whether the partial surface of the container over which the at least one first disc is arranged and the partial surface over which the at least one second disc is located are located on different levels. Rather it solely the relative height arrangement of the discs in relation to one another which is of importance, which makes it possible to avoid containers in which the discs (CDs for example) lie side by side. ... In defining ‘region’ the average person skilled in the art will therefore focus on the three-dimensional space in which the at least one first disc is accommodated in relation to the at least one second disc so that according to characteristic 2 b) cc) [i.e. what is (6) in the Judge’s breakdown] the only important thing is whether the at least one second disc lies above the at least one first disc. Whether, in addition, the partial surface of the container beneath the at least one second disc lies at a higher level than the partial surface of the container below the first disc is immaterial.

78. I was attracted by this at first. When one overlaps the important thing is to keep the discs apart – there is no need for a separate step in the container to achieve this. But one cannot construe a claim in a vacuum. Its context is the text and drawings of the specification. Every indication is that the “regions” are

at different heights. First, the Pozzoli drawings all show steps. There are numerals actually denoting the “regions.” True it is they are not that specific, but one could not even try to point to a virtual space. Second the text clearly contemplates that a “region” is more than just a virtual space in two places. In the passage quoted above a region has “peripheral recesses” (for a finger to get partially under the disc for removal). A later passage says:

An important feature of the invention is constituted by the fact that the tray-like body defines, at the bottom, a first flat surface 111 and a second flat surface 112 arranged side by side at different levels.

Mr Mellor submits that this only relates to the second embodiment with the swing-out tray. It is true that it appears in a passage concerned with that embodiment, but I do not see that it would be read as of limited application.

79. So I think the Judge was right to conclude that the regions had to be at distinct heights. That is the only way the patentee had contemplated as a means of keeping the discs apart.

80. Again I draw comfort from the decision of the French court. It said:

The two regions mentioned in the patent are therefore not virtual regions intended to only define the position of the discs in relation to each other, but actual regions physically located in the tray, contrary to what the company POZZOLI maintains.

This arrangement is a structural and essential feature of the invention and makes it possible to achieve the aim, that is to reduce the dimensions of the container and allow the discs to be taken out independently of each other, the first being laid on a ‘step’ and sufficiently spaced from the second.

81. Accordingly even if the patent had been valid I would not have held it infringed – the alleged infringement does not have one region higher than another.

82. So I think the appeal should be dismissed.

Lord Justice Keene:

83. I agree.

Lord Justice Mummery:

84. I also agree.
