

Neutral Citation Number: [2021] EWHC 3032 (Pat)

Case No: HP-2020-000011

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (ChD)
PATENTS COURT

7 Rolls Buildings
Fetter Lane
London EC4A 1NL

Date: Tuesday, 12th October 2021

Before:

MR. JUSTICE MARCUS SMITH
Remotely via Microsoft Teams

Between:

NICOVENTURES TRADING LIMITED

Claimant/
First Part 20
Defendant

- and -

PHILIP MORRIS PRODUCTS SA
(a company incorporated under the laws of
Switzerland)

Defendant/
Part 20
Claimant

- and -

BRITISH AMERICAN TOBACCO
(INVESTMENTS) LIMITED

Second Part
20 Defendant

MR. ADRIAN SPECK QC and MS. KATHRYN PICKARD (instructed by **Kirkland & Ellis International LLP**) for the **Claimant and Part 20 Defendants**

MR. ANDREW LYKIARDOPOULOS QC (instructed by **Powell Gilbert LLP**) for **Philip Morris**

Approved Judgment: Permission to Appeal

Transcript of the Stenograph Notes of Marten Walsh Cherer Ltd
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MR. JUSTICE MARCUS SMITH:

1. This is a hearing consequential upon a judgment handed down by me remotely on 14 July 2021. On handing down, I made a holding order reserving all matters for consequential determination to a later hearing, and this is that hearing.
2. I am very grateful to the parties for their draft order which is, in large substance, agreed. I am happy to make an order in those terms, and will do so, subject to the one point which is not agreed, which is the question of permission to appeal.
3. It is worth stating at the outset that the intended appellant – Philip Morris – has narrowed the areas for appeal. Large portions of the judgment, notably the questions arising out of Monsees and the questions of collocation, are not being appealed. What is being appealed is the question of whether the claims were obvious over the prior art including, in particular, the Deevi patent that I considered in my judgment.
4. Both sides have put their positions with admirable attractiveness and clarity. Mr. Lykiardopoulos, in particular, has pointed out that the question of permission to appeal is always a difficult one for the judge at first instance, because the giving of permission implies an acceptance of an error by the same judge who has handed down a long, reserved judgment. I have taken great care to abstract myself from the personal interest I have in the judgment, and I have listened with great care to the attractive way in which Mr. Lykiardopoulos has put the grounds of appeal for the intended appellant.
5. Both parties accept, as indeed they must, that there is what Mr. Speck, for British American Tobacco, called a “jury element” to appeals on obviousness, in the sense that questions of obviousness are seen as matters where an appellate court ought to be slow to intervene in the decision of the judge below. It is for that reason that the courts draw a careful distinction between points that are, as it were, pure obviousness points, and points of law which, if incorrect, cause the question of obviousness to be, as it were, misaddressed by the judge below. That is the way in which Philip Morris’ grounds of appeal have been framed in this case – as errors of law.
6. Essentially, what is said is that I took an over-inclusive and too wide and ultimately wrong view and construction of the relevant claims in the patents – specifically we have been focusing on the ‘486 patent, but the same is true of all of the claims in all of the four relevant patents – which caused my analysis of obviousness to be incorrect. I was, as Mr. Lykiardopoulos put it, focusing on the wrong target.
7. The difficulty with that, if I erred, the erroneous approach that I took was an over-inclusive one. I do not, for the reasons I gave in my judgment, accept that, but let us say that that is, for the sake of argument, something which is capable of being regarded as an arguable point. The question is whether my approach, having taken this over-inclusive approach, sufficiently adversely affected the obviousness analysis which followed.

8. In my judgment, that is not a straightforward or easy argument for Philip Morris. In the obviousness analysis that followed my construction of the relevant claims, I took in account the fact that I had taken a broad view of the true construction of the claims and that that was reflected in my analysis going forward in the judgment. That may be right or it may be wrong. In my view, it is much more a question of the jury element of obviousness here, rather than the legal construction questions that affect the obviousness analysis.
9. So, for that reason, I am not going to give permission to appeal for Grounds 1 through 5 of the draft grounds of appeal and I consider that this is an application must be renewed before the Court of Appeal, if Philip Morris which to appeal my decision further.
10. Ground 6 is not, in my view, a ground of appeal at all. I want to put on the record that if permission to appeal is granted by the Court of Appeal, and if permission having been granted, the appeal is successful, there is absolutely nothing to prevent the question of infringement being determined. I have expressly, for reasons that I gave in my judgment, not determined that. I may have been right, I may have been wrong in the approach that I took, but right or wrong, it would be an affront to justice to close out Philip Morris from arguing the question of infringement and having it properly determined, after argument, if it becomes necessary to do so.
11. The reason I did not determine this issue was because I considered it was not a matter that needed to be determined, given the earlier conclusions I have reached, and that it would be necessary to be very careful on what factual basis I determined these questions. I did not, therefore, lengthen an already long judgment. But, if the obviousness decision is wrong, then obviously the question of infringement is at large and will have to be dealt with in a proper way. Whether that is by the Court of Appeal determining that for itself or remitting it to me, the judge who heard full argument on the point, is of course not a matter for me, but a matter for the Court of Appeal in due course.
12. But, for all those reasons, I would not regard Ground 6 as a ground of appeal at all, and for those reasons, I would not give permission for that ground either.
