



Neutral Citation Number: [2013] EWCA Civ 1713

Case No: A3/2012/3111, 3112, 3113, 3156, 3157, 3158 & 3159

**IN THE COURT OF APPEAL (CIVIL DIVISION)**  
**ON APPEAL FROM THE HIGH COURT OF JUSTICE**  
**CHANCERY DIVISION (PATENTS COURT)**

**The Hon Mr Justice Floyd**  
**[2012] EWHC 2153 (Pat)**

Royal Courts of Justice  
Strand, London, WC2A 2LL

Date: 20 December 2013

**Before:**

**LORD JUSTICE PATTEN**  
**LADY JUSTICE BLACK**  
and  
**LORD JUSTICE KITCHIN**

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**Between:**

**Virgin Atlantic Airways Ltd**

**Claimant/  
Appellant**

**-and-**

**(1) Jet Airways (India) Ltd**  
**(2) Delta Air Lines, Inc.**  
**(3) Air Canada**  
**(4) Zodiac Seats UK Ltd**  
**(formerly Contour Aerospace Ltd)**

**Defendants/  
Respondents**

**-and-**

**(1) The Comptroller General of Patents**  
**(2) The Secretary of State for Business, Innovation  
and Skills**

**Applicants to  
Intervene**

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Mr Richard Meade QC and Mr Henry Ward (instructed by DLA Piper UK LLP) appeared for Virgin Atlantic Airways on the patent issues for the 908 and 734 patents

Mr Alan Maclean QC (instructed by DLA Piper UK LLP) appeared for Virgin Atlantic Airways on the non-designation issue

Mr Benet Brandreth (instructed by Wragge & Co LLP) appeared for Delta Air Lines, Inc. on patent issues

Mr Adrian Speck QC (instructed by Bird & Bird LLP) appeared for Air Canada on patent issues

Mr Pushpinder Saini QC (instructed by Wragge & Co and Bird & Bird LLP) appeared for Air Canada, Delta Air Lines, Inc. and Zodiac Seats UK Ltd on the non-designation issue

Mr Iain Purvis QC and Mr Brian Nicholson (instructed by Wragge & Co LLP) appeared for Zodiac Seats UK Ltd ('Zodiac') in relation to the patent issues for the 908 and 734 patents

Mr Martin Chamberlain QC and Ms Fiona Clark (instructed by the Treasury Solicitor) appeared for the Comptroller General of Patents and the Secretary of State for Business, Innovation and Skills on the non-designation issue

Hearing dates : 12-15 November 2013

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**Approved Judgment**

## **Lord Justice Patten:**

### **Introduction**

1. This is the judgment of the Court.
2. These appeals represent the next step in the long-running dispute between Virgin Atlantic Airways Ltd (“Virgin”) and a seat manufacturer called Zodiac Seats UK Ltd (“Zodiac”) which until recently was known as Contour.
3. Virgin is the owner of three European patents relating to its Upper Class Suite (“UCS”) seating system, namely patent numbers EP (UK) 1 495 908 (“the 908 patent”), EP (UK) 2 272 711 (“the 711 patent”) and EP (UK) 2 289 734 (“the 734 patent”). The application for the 908 patent was divided out of an earlier application (“the parent application”). It was published on 12 January 2005 and it proceeded to grant on 30 May 2007. It has since been amended in the course of opposition proceedings before the European Patent Office (“the EPO”), as we shall explain. The applications for the 711 and 734 patents were divided out of a separate divisional of the parent application and they were granted on 29 June 2011 and 19 October 2011 respectively.
4. In three of the actions which are the subject of this appeal, Virgin has sued its competitor airlines Delta Airlines, Inc. (“Delta”), Air Canada and Jet Airways (India) Ltd (“Jet”) for infringement of the 908 patent. In each of these actions Virgin has also sued Zodiac as the manufacturer and supplier of the seat systems in issue, and has alleged that Zodiac has not only infringed the 908 patent but also threatened to infringe the 711 and 734 patents. No allegation of actual infringement of the 711 and 734 patents has been made because Zodiac has not made any relevant seat systems since the dates on which the applications for these patents were published, that is to say 12 January 2011 and 2 March 2011 respectively.
5. There are two other matters concerning these actions which it is convenient to mention at this stage. First, Jet did not appear at trial and played no active part in the proceedings, having agreed to be bound by the result of the other actions as to infringement and validity. Second, the points arising on the 711 patent are in all material respects the same as those arising on the 908 patent and so the judge said no more about it, and nor shall we.
6. The proceedings also included an appeal by Premium Aircraft Interiors Group Ltd (“Premium”), a former group company of Zodiac, from a decision of the United Kingdom Intellectual Property Office (“UKIPO”). The appeal was against the rejection of an argument advanced by Premium that the grant of the 908 patent in respect of the UK was a nullity because Virgin either never designated the UK on its application form or withdrew any such designation that it did make. This point was also raised by Zodiac, Air Canada and Delta by way of defence to the infringement actions.
7. All three actions and the appeal came on for hearing before Floyd J (as he then was) in June and July 2012. In his judgment handed down on 27 July 2012 the judge held, so far as relevant, that the 908 patent, as amended, was valid but had not been infringed; and that the 734 patent was valid and that Zodiac had threatened to infringe

- it. The judge also dismissed the appeal from the decision of the UKIPO and rejected the defence that the grant of the 908 patent was a nullity so far as it purported to include the UK as a relevant territory.
8. Each side has now appealed against these findings of the judge and his consequential order. Virgin contends that he fell into error in failing to find infringement of the 908 patent and also in finding that, had it been infringed, it would have been invalid for added matter.
  9. Zodiac appeals against the findings of the judge in relation to the 734 patent. It argues that the judge ought to have found this patent invalid for obviousness in the light of the disclosure of a British Airways patent application GB 2,326,824A (“the BA First application”) or over the common general knowledge; alternatively, that he ought to have found it invalid for added matter.
  10. Delta, Air Canada and Zodiac each appeal against the dismissal of their defences and claims for consequential declaratory relief in relation to the lack of legal effect of the 908 patent. They say that on the basis of the judge’s unchallenged conclusions that Virgin had clearly and unequivocally elected not to designate the UK when it applied for what became the 908 patent, he should have declared that its grant was a nullity so far as it purported to include the UK as a relevant territory. Premium has not itself sought to appeal against the dismissal by the judge of its appeal from the decision of the UKIPO.
  11. The following issues therefore arise on this appeal. First, in relation to the 908 patent:
    - i) Did the judge fall into error in concluding that the patent was not infringed?
    - ii) If yes, ought he to have concluded the patent was invalid for added matter?
  12. Second, in relation to the 734 patent: did the judge fall into error in failing to conclude the patent was invalid for obviousness over the BA First application and the common general knowledge; alternatively for added matter?
  13. Third, should the judge have declared the 908 patent was a nullity so far as it purports to designate the UK? If Zodiac and the other appellant airlines succeed on this issue, a related point arises, namely whether an undertaking given by Delta continued to apply.
  14. Before addressing these issues we must summarise the procedural history and the relevant technical background. We have drawn it in large part and with gratitude from the judgment.

### **The procedural history**

15. The judge set out the procedural history of the dispute from [8]-[21] of his judgment. The aspects of that history material to this appeal are these.
16. The 908 patent relates to seating systems for a passenger aircraft in which the seats are arranged in what is called an inward-facing herringbone configuration and in which each seat converts into a lie-flat bed. Airlines have adopted a highly competitive approach to their seats because they are a key factor in attracting first and

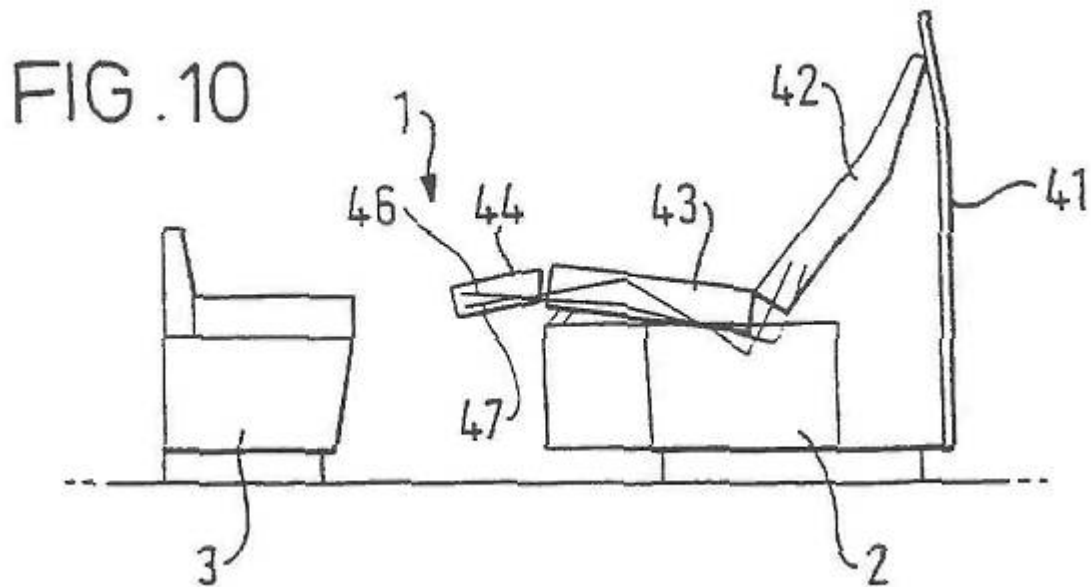
business class customers, and because it is clearly desirable to fit as many seats as possible into the limited space available in an aircraft. Virgin's UCS seat converts into a lie-flat bed and is made in accordance with the 908 patent. It was designed by Virgin but later manufactured in co-operation with Zodiac.

17. Zodiac was not, however, content with this arrangement and accordingly decided to make and sell its own competing product which it did under the name "Solar Eclipse". This is something it was, of course, entitled to do, subject to any intellectual property rights owned by Virgin. Following the grant of the 908 patent in 2007, Virgin commenced proceedings against Zodiac, then called Contour, for infringement. This action has been referred to as "the Contour action". The 908 patent also became the subject of opposition proceedings brought in the EPO by Premium, Airbus Industrie and Cathay Pacific.
18. Before the Contour action reached trial, Virgin commenced the three actions which are the subject of this appeal against Zodiac's customers, Delta, Air Canada and Jet, alleging that they were liable for infringement of the 908 patent as joint tortfeasors with Zodiac. These actions were stayed by agreement pending the trial of the Contour action.
19. The Contour action came on for trial before Lewison J (as he then was). He held ([2009] EWHC 26) that the Solar Eclipse seating system did not infringe the 908 patent because it was limited to a particular flip-over feature which was not embodied in the infringement. He also held the patent valid over the cited prior art, primarily the BA First application, an Airbus disclosure and the common general knowledge. He continued that had the patent been infringed, it would have been invalid for added matter.
20. Both sides appealed and on 22 October 2009 the Court of Appeal gave judgment ([2009] EWCA Civ 1062) reversing Lewison J's decision. The court held that the 908 patent was infringed by the Solar Eclipse and was not invalid for added matter. It also rejected Zodiac's cross-appeal on validity over the cited prior art. Virgin having now succeeded on both infringement and validity, the court ordered an enquiry as to damages. It also granted an injunction, subject to an exception to allow Zodiac to make supplies of its seating system to Delta pursuant to existing contractual arrangements. This exception was permitted on the basis that Delta gave Virgin an undertaking not to use the seats in question on transatlantic routes competitive with Virgin while the 908 patent remained in force. It was this undertaking which gave rise to the subsidiary issue to which we have referred.
21. Zodiac then applied to the Supreme Court for permission to appeal against the findings of patent infringement and validity and, by a separate application, permission to appeal in respect of a point arising out of the judgment of this court in *Unilin Beheer v Berry Floor* [2007] EWCA Civ 364. Under the law as it was then understood, the damages payable on an enquiry would have been payable regardless of the effect of any subsequent amendment of the patent in opposition proceedings before the EPO ("the *Unilin* point"). The Supreme Court refused permission to appeal on the patent points, as well as, at that stage, the *Unilin* point. Virgin therefore began to progress that enquiry.

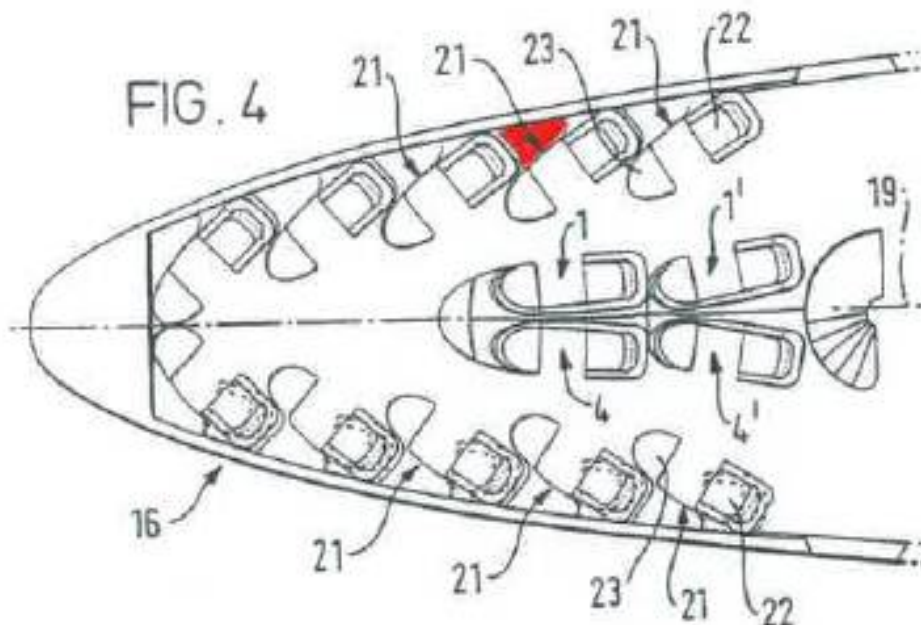
22. At the same time, the opposition proceedings were making their way through the EPO. On 9 September 2010 the Technical Board of Appeal (“the TBA”) decided that the 908 patent should be maintained, but only with amended claims. Various amendments were introduced, two of which have a bearing on the present dispute. The first involved the introduction into the claims of a requirement for a generally triangular support element. The second involved the deletion of all claims directed to individual seats for aircraft seating systems. None of the claims upon which Virgin had prevailed in the Contour infringement action survived the TBA decision. Moreover, Zodiac maintained that the claims as amended had not been infringed. Accordingly, it sought permission to appeal to the Supreme Court on the *Unilin* point for a second time. On this occasion, the Supreme Court granted Zodiac permission to appeal. In its judgment of 3 July 2013 ([2013] UKSC 46) the Supreme Court held that Zodiac was entitled to rely upon the amendment of the patent in answer to Virgin’s claim for damages on the enquiry.
23. In the result, Virgin’s appeal on the 908 patent will determine whether Zodiac is liable to pay damages for past infringement. However, its entitlement to an injunction depends not just on the 908 patent but also the 734 patent.

### **The technical background**

24. The judge described the aircraft seating arrangements which preceded the 908 patent in his judgment from [35] – [43]. He explained that the BA First seat was introduced in 1996 and, for the first time, gave passengers the option of lying flat. The seats were arranged in the aircraft in an outward-facing herringbone arrangement, meaning they faced away from the aisle and towards the window. Each seat had a rectangular headrest and was surrounded by a back-shell and privacy screen. Opposite the seat was a small ottoman or footstool which became part of the bed once the seat had fully reclined.
25. BA having shown the way, a number of other airlines followed including United Airlines with a first class seat in an outward-facing herringbone arrangement and American Airlines with a seat which could swivel to form an outward-facing herringbone arrangement but faced forwards for take off and landing.
26. Other airlines, including Swiss Air, Singapore Airlines and Virgin itself, with its J2000 seat, adopted non-herringbone designs. The J2000 reclined significantly but did not go completely flat. In 2000 BA launched its business class Yin-Yang seat which involved two seats in an interlocking, head-to-toe arrangement. One of the two passengers faced forwards and the other faced backwards. This had its drawbacks, however. The passenger in the seat furthest from the aisle had to climb over his neighbour to get in and out of his seat, and many passengers did not like the feeling of travelling backwards.
27. There can be no doubt that the BA First seat had a major impact on the market. Indeed the 908 patent is written by reference to the BA First application. We should therefore say a little more about it at this stage.
28. The general arrangement of the BA First seat in side view is shown in this figure from the BA First application:

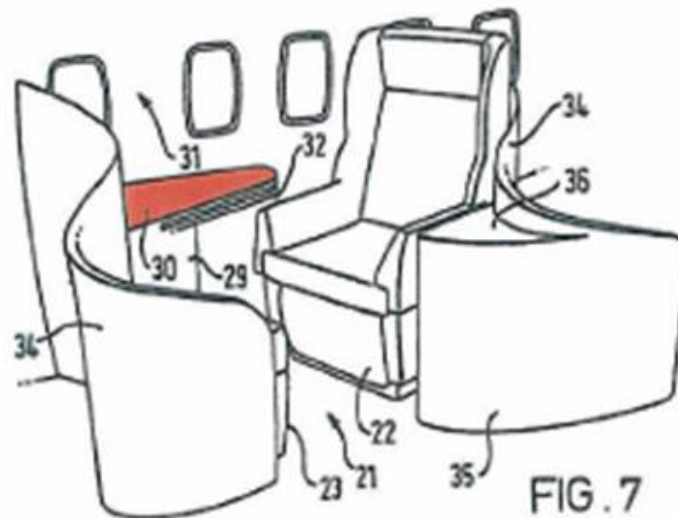


29. As the seat moves forwards, the seat back portion (42) reclines to a substantially horizontal position within the housing (41). As it does so, it fills the longitudinal space within the housing.
30. The BA First application also discloses the arrangement of these seats in various different ways. One of these arrangements, shown in Figure 4 of the application, is an inward-facing herringbone:



31. This particular reproduction, supplied by Virgin, has marked upon it in red, a triangular space behind one of the seats. This space lies behind the housing (41) and a privacy screen. This means that the space cannot be used by the seat behind which it

lies. Instead, it is used as a counter-top by the seat adjacent to it, as shown in red in this reproduction of figure 7 of the BA First application, again supplied by Virgin:



### The 908 patent - disclosure

32. As we have foreshadowed, the 908 patent discloses two separate ideas. The first is the idea of flipping the back rest over as the seat is reclined into bed mode. In seat mode, the back rest may have a contoured surface. In bed mode, the passenger is presented with a different surface which may be entirely flat. This idea, the flip-over feature, is not the subject of any claim of the 908 patent.
33. The second idea is the provision of a seating system which optimises the use of space within the cabin and presents a substantially uncrowded appearance. It is this idea which forms the subject of the amended claim 1 of the 908 patent and so we must summarise the disclosure which supports it. We do so briefly because it was addressed by this court in the appeal in the Contour action ([2010] RPC 8) at [31] – [43] and again by the judge at [45] – [69]. The critical passages of the specification are, we believe, these.
34. At paragraph [0006], the specification refers to the BA First application and explains that it discloses a seating arrangement in which the seating units are arranged side-by-side in a longitudinally offset relation to the axis of each seat, with each unit oriented at an acute angle to the longitudinal axis of the aircraft fuselage. This arrangement defines a generally triangular or trapezoidal space to the rear of each seating unit which is then used to accommodate a counter-top to one side of an adjacent seating unit and optionally a cupboard or other storage space. This is the space to which we have referred at [31] above.
35. There follows an explanation that although the BA First seat has the advantage that it is possible to form a long sleeping surface, it suffers from disadvantages including, most notably, that it requires more cabin space than a conventional layout of seats and each seat occupies a very large floor area and is therefore unsuitable for use in business class.
36. The specification then sets out the objects of the invention, which were accurately summarised by the judge as being to provide:



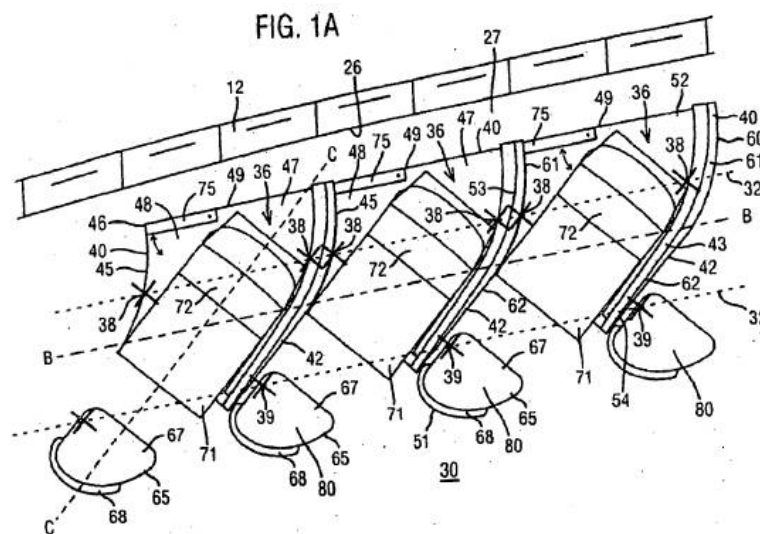
- i) improved accommodation in business class incorporating a flat sleeping surface of maximal length and preferably maximal width;
  - ii) an improved passenger accommodation unit adapted to provide self-contained individual seating and sleeping accommodation, particularly for use in business class;
  - iii) a passenger accommodation unit which can be converted into a bed of maximal length;
  - iv) a seating system which optimises use of space within the cabin;
  - v) a seating system which has a substantially uncrowded appearance.
37. This is followed by the consistory clause, but this does not describe the whole of the invention as now claimed. For two critical features, one must read on. The first is introduced in paragraph [0018] which says:
- “Each seat unit includes a first passenger supporting element in said space to the rear of the seat, which first passenger supporting element forms part of the said flat bed when the seat unit is formed as a bed.”
38. The second is introduced in paragraph [0019] which explains that the space to the rear of the seat is generally triangular or trapezoidal with an acute angle in the range of 30-60°.
39. The specification returns to the notion of a passenger supporting element in paragraph [0020], and describes it as an “extension surface”:
- “Said seat units may be disposed adjacent a side wall of the vehicle and face inwardly. Preferably, said accommodation cabin comprises two opposing side walls, and a column of seat units may be positioned contiguously or closely adjacent to each wall such that each seat faces into the cabin, *with an extension surface behind the back-rest* of the seat disposed adjacent the wall. The seats may thus have their backs to the vehicle wall giving the cabin as a whole an uncrowded appearance.” (emphasis supplied)
40. An even more informative paragraph is, however, [0025] which says:
- “Each seat unit comprises a first, preferably fixed, passenger-supporting element in said space to the rear of the seat, which first passenger-supporting element is disposed substantially coplanarly with said one or more movable elements when said movable elements are configured in the bed mode and is adapted to form part of said flat bed. Said first passenger-supporting element is generally triangular. *It will be appreciated that the first passenger-supporting element is only used by a passenger when the seat unit is arranged in the bed configuration*, and accordingly the seat unit may be arranged

such that the first passenger-supporting element extends into a lateral recess defined by the concave cabin side wall to maximise the use of space in the cabin. The first passenger-supporting element may be fixed in said space to the rear of the seat.” (emphasis supplied)

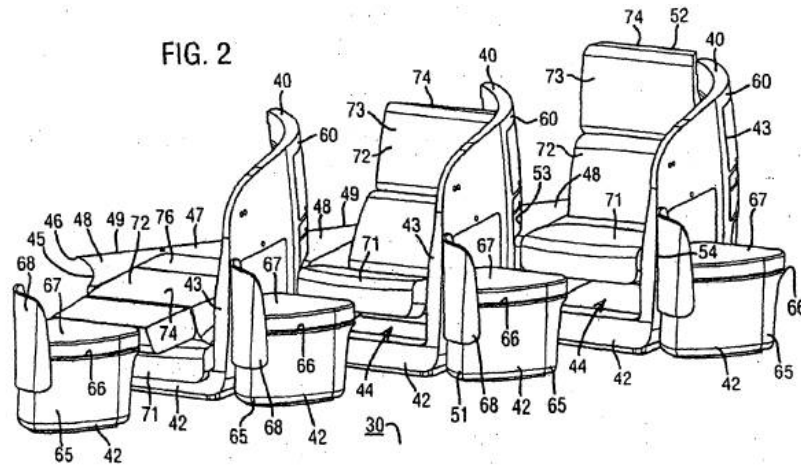
41. A particularly advantageous arrangement is disclosed in paragraph [0029]. This describes the extension surface behind the back-rest element extending into a recess defined by the concave surface of the interior wall of the aircraft cabin:

“Advantageously, the seat unit may be oriented at an angle of between 35 and 55°, preferably 40 to 50°, relative to the longitudinal axis of an aircraft cabin such that an extension surface behind the back-rest element extends into a recess defined by a typical concave aircraft cabin interior wall. Whilst the area of the cabin juxtaposed the concave cabin wall is not suitable, and has insufficient headroom, to accommodate the back-rest element in the upright position, it can be used in accordance with the present invention to accommodate the rear extension surface which forms part of the bed surface in the bed configuration.”

42. The specification then describes the specific embodiment. The layout of the seating unit is shown in figure 1A:



43. Here, as the judge himself explained, two flat, generally triangular surfaces (47) and (48) can be seen. Surface (47) is to the rear of the seat, and surface (48) is adjacent to the seat behind. They are separated from one another by the privacy screen.
44. A perspective view of the system is shown in figure 2:



45. This (and figure 1A) are explained in these terms at paragraph [0045]:

“As best seen in FIG. 1A, the space 36 to the rear of the seat 71, 72 of each seat unit 40 is thus occupied by the first surface 47 of one seat and the second surface 48 of the other adjacent seat, said first and second surfaces 47, 48 of the one and other seat units 40 respectively being divided from one another by the privacy screen 60 of the one seat unit 40. The space 36 behind each seat 71, 72 is thus used to extend the length of the bed surface 47, 48, 67, 74, 76 provided by the seat unit 40 in the bed configuration rearwardly of the seat 71, 72 into said space 36.”

46. That brings us to the claims. We need only refer to claim 1 which was helpfully broken down by the parties into the following integers:

1. A passenger seating system for an aircraft,
2. comprising a plurality of seat units,
3. each seat unit defining only one notional longitudinal seat axis (C-C)
4. and comprising a supporting structure
5. adapted for attaching the seat unit to a floor of an aircraft
6. and means for forming or being configurable for forming a seat
7. comprising a seat-pan
8. and a back-rest,
9. wherein each seat unit further comprises a foot-rest positioned forwardly of the seat,
10. said seat units being arranged to form a column defining a notional longitudinal column axis (B-B),

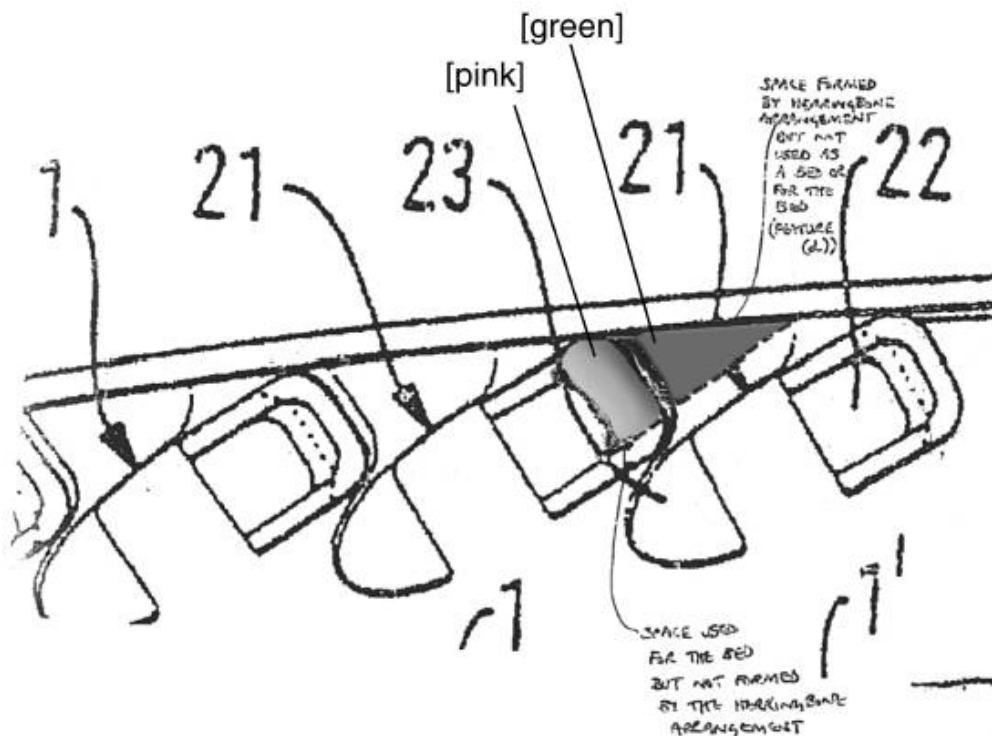
11. in which column said seat-units are arranged side-by-side in longitudinally offset relation at an acute angle to the notional column axis (B-B),
12. wherein at least some of the seat units are arranged to be disposed adjacent a sidewall of the aircraft
13. and face inwardly thereby
14. to define between the rear of each seat and the sidewall a space when the seat unit is configured as a seat,
15. each seat unit further comprising means for forming or being configurable for forming a substantially flat bed,
16. so that when the seat unit is formed into a bed a major proportion of the bed is disposed forwardly of the position that was occupied by the seat,
17. wherein said seat forming means and said bed forming means comprise one or more movable passenger-bearing elements which are selectively configurable to form, in a seat mode, at least part of the seat for a passenger or, in a bed mode, at least part of said flat bed,
18. and wherein the flat bed in the bed mode is disposed at substantially the same level above an aircraft floor as the seat-pan in the seat mode,
19. and **characterised in that** the flat-bed extends into said rearward space behind the seat,
20. in that said acute angle is in the range 30 to 60°,
21. and in that a generally triangular passenger support element is disposed in said rearward space substantially coplanarly with said one or more movable elements when said movable elements are configured in the bed mode,
22. and is adapted to form part of said bed.

### **The 908 patent – construction and infringement**

47. The correct approach to the interpretation of a patent was explained by the House of Lords in *Kirin-Amgen Inc v Hoechst Marion Roussel Ltd* [2004] UKHL 46, [2005] RPC 9. The task of the court is to determine what the person skilled in the art would have understood the patentee to have been using the language of the claim to mean. Practical guidelines to assist the court in carrying out that exercise are set out in the judgment of this court in the *Contour* action [2009] EWCA Civ 1062.
48. Virgin sought to emphasise, entirely fairly, that the exercise is one of construing the claims purposively. Over-meticulous verbal analysis is to be avoided and the approach adopted must be in keeping with the Protocol on the Interpretation of Article 69 of the European Patent Convention (“EPC”) which requires a position to be taken

which combines fair protection for the patentee with reasonable certainty for third parties.

49. Turning to the claim, integers 1 to 18 describe a seating system which comprises a plurality of seat units arranged in an inward-facing herringbone configuration and which may be reclined into a substantially flat-bed. Such systems are of course disclosed in the BA First application. So we must turn to the characterising portion of the claim to identify the features which purport to distinguish the seating system of the invention from that prior art.
50. This characterising portion comprises the four integers 19 to 22. The first requires the flat-bed to extend into the rearward space behind the seat. This was a feature of the un-amended claims and it was considered by this court in the Contour action. Virgin contended that it distinguished the claimed invention from the disclosure of the BA First application. Contour argued that it did not. The difference between the parties was conveniently illustrated in this coloured diagram based upon figure 4 of the BA First application:



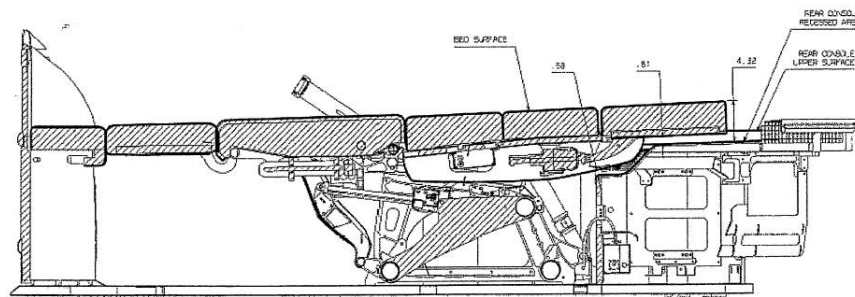
51. The diagram shows two coloured spaces. One, the pink space, is behind the seat but inside the housing. As the seat moves forwards and the back-rest reclines, this space is taken up by the flat bed. The other, the green space, corresponds to the red space in the diagram reproduced at [30] above. It is outside the housing and so cannot be used as the back-rest reclines.
52. Virgin argued, and this court accepted, that claim 1 of the 908 patent, as un-amended, required the bed to extend into the green space. Since that did not happen in the seat described in the BA First application, there was no anticipation. This court reached that conclusion essentially for two reasons. First, the 908 patent acknowledged the BA First application as old and so can hardly have been intending to claim what it

disclosed. Second, the construction contended for by Contour would miss the whole point of the space-saving idea of the patent. That idea allowed use to be made of some space lost by the use of the herringbone. But the pink space was not lost; to the contrary, it was used. Accordingly it was the green space, defined by the herringbone, into which the bed of the invention had to extend.

53. The TBA took a different view. It considered that as the BA First seat reclined, it occupied the pink space, and, this being space behind the seat, it “extended rearwardly into the space behind the seat” within the meaning of integer 19. Accordingly Virgin was required to amend the claim to introduce the other three characterising features (integers 20, 21 and 22) of the claim.
54. The second of these features (integer 20), the acute angle of 30-60°, defines the angle by which the seats are offset relative to the column axis. Its meaning has no bearing on the outcome of this appeal.
55. The third and fourth features (integers 21 and 22) are, however, critical. These call for a triangular passenger support element which must be disposed in the rearward space behind the seat “substantially coplanarly” with one or more moveable elements of the seat when they are configured in bed mode. It is upon the meaning of these words that the question of infringement depends, and to understand the issues which arise, it is helpful to have in mind the structure of the Solar Eclipse seat and the various ways that Virgin puts its infringement case.

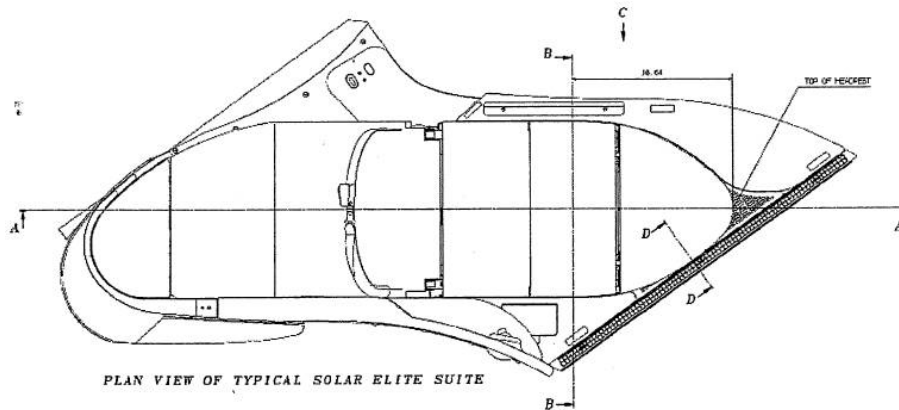
#### *The Solar Eclipse seat*

56. The Solar Eclipse seat has a triangular headrest. A system of actuators allows this headrest to move back and reach up to the edge of the passenger compartment as the seat is reclined. Depicted below is a side view of the seat in bed mode:



SECTION A-A

57. It looks like this in plan view:



58. Underneath the headrest as it reclines is another component called the rear console. As the judge explained, it is located parallel to the floor of the aircraft, and therefore at a small angle to the bed surface. It has a complex three dimensional shape as shown below:

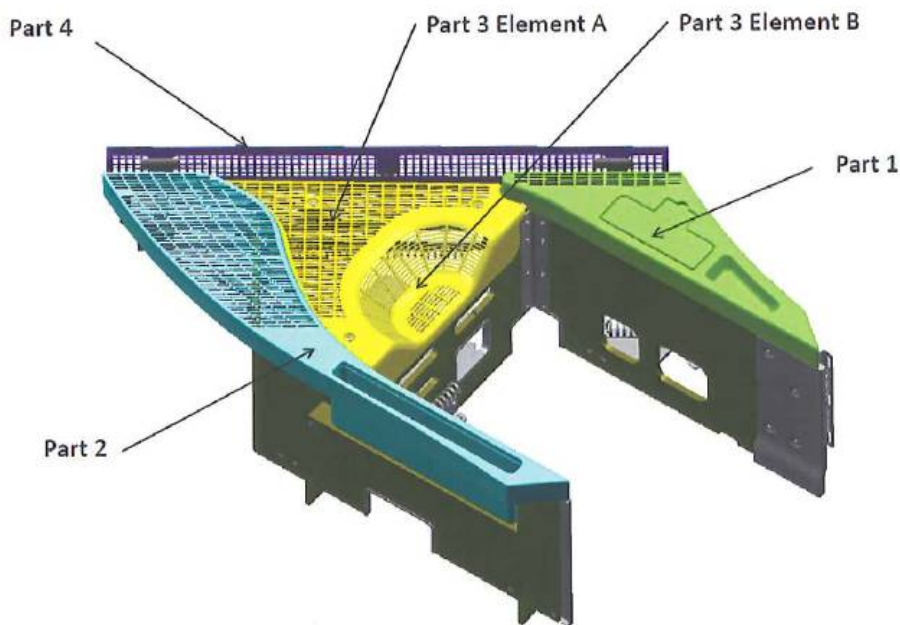


Figure 18: Configuration of a typical Solar Eclipse rear console

59. This rear console houses the power source for the in-flight entertainment and, in some seats, a power source for the actuators and lighting equipment. It has four parts, one of which, Part 3, is relevant to this appeal. It comprises a raised portion, Element A, and a recessed portion, Element B.

60. The judge found that when the seat is in bed mode, the back rest and headrest will sometimes come into contact with the forward portion of the upper surface of Part 3 in the region of Element A, though not in the region of Element B. This contact portion was referred to as “the wall”. The judge concluded that the wall does provide some support for the headrest.

61. Founding itself upon these various structures, Virgin advances three infringement cases. First, it submits that the Solar Eclipse indisputably uses Virgin's inventive idea, the space-packing concept. It says that the arrangement of the headrest in itself satisfies integer 21 of the claim. It is generally triangular, it supports the passenger and, as the seat is reclined, it extends into the space behind the seat and forms a coplanar surface with the other seat elements.
62. Virgin's second case is that the rear console is, in a real sense, a part of the bed, so if the headrest does not satisfy integer 21 then the additional provision of the console does.
63. Virgin's third case involves both the headrest and the console. It says that although it is convenient to consider the headrest and the rear console separately, in the end there is only one infringing product. Accordingly, if either component fails to satisfy all the requirements of integer 21, that failure is made up for by the other and so, taken as a whole, the Solar Eclipse does infringe.
64. We will consider these three arguments separately and in doing so address the various issues of interpretation to which they give rise.

*The headrest argument*

65. The critical questions here are first, whether the passenger support element has to be behind the seat at all times, including when in seat mode; and second, whether the passenger support element has to be separate from the movable passenger-bearing elements required by the other claim integers.
66. Virgin has developed its argument as follows. It says that the starting point must be to consider the purpose of the invention. This is to provide a flat sleeping surface of maximal length and better use of the space within the cabin than is achieved by the BA First seating system. This purpose is met by the Solar Eclipse seat. Further, Mr Moreno, Virgin's expert, gave evidence that there was no technical reason why the passenger support element could only be something that was always in position, and there was no functional difference between utilising the relevant space by means of a headrest or by means of another element.
67. From here, Virgin argues, one must enquire whether the claim language requires the passenger support element to be behind the seat at all times or to be an element which is separate from the movable elements. Virgin says it does not because the expression "when said movable elements ..." makes it clear that the requirements apply only when the seat is in bed mode, and this makes complete practical sense.
68. The judge did not agree with these submissions and nor do we. Integer 21 requires a support element which is disposed in the space behind the seat substantially coplanar with one or more of the movable elements of the seat when they are in bed mode. This is a description of the position of different elements relative to one another and, as a matter of language, requires them to be separate. It makes no sense to describe an element as being substantially coplanar with itself. Similarly, an element cannot be disposed in the space behind the seat if it is itself part of the seat.

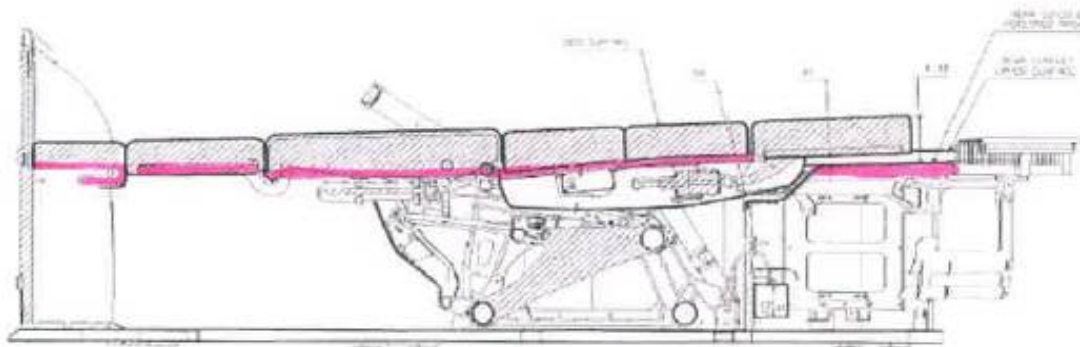


69. Accordingly we agree with the argument advanced by the defendants that the claim distinguishes between the movable elements which form part of the seat, on the one hand, and the support element, on the other. The support element is situated in the space behind the seat and becomes coplanar with the movable elements when they are in bed mode.
70. We have also considered the expert evidence given by Mr Moreno and, in particular, the evidence he gave under cross-examination. In our view this tends to support the defendants. He accepted that use of a triangular passenger support element disposed in the space behind the seat and which is separate from the movable seat elements gives extra bed length. In other words, such an arrangement confers a technical advantage. He also thought this was part of the teaching of the specification.
71. We believe the body of the specification supports this interpretation too. Paragraphs [0018] and [0020] both describe a passenger support element behind and separate from the seat. Then, in paragraph [0025], the specification says that the passenger support element is only used by a passenger when the seat unit is arranged in bed mode. That would plainly not be the case if it consisted of an extension to the back rest. The reader is also told that the passenger support element may extend into a lateral recess defined by the concave cabin side wall to maximise the use of space in the cabin. Once again, this suggests that this element is separate from the movable elements. We recognise that paragraph [0025] says that the passenger support element *may be fixed* in the space to the rear of the seat. However, we do not think that this takes Virgin very far because, as the defendants say, the alternative to “fixed” is something which is adjusted in some way, for example in a hinged configuration or in an arrangement in which the height can be altered. These words do not convey that the passenger support element is not normally disposed behind the seat; nor do they teach that the element can be one of the movable parts of the seat.
72. Finally, we should refer to paragraph [0029] which, once again, describes the passenger support element extending into the space created by the concave wall of the cabin. This space would not necessarily be accessible to an upright back rest seat but can be used in accordance with the described invention to create an extension surface and so increase the bed length.
73. For all these reasons, we find ourselves unable to accept Virgin’s submissions on its first and primary case. The triangular headrest of the Solar Eclipse product does not satisfy integers 21 and 22 of the claim.

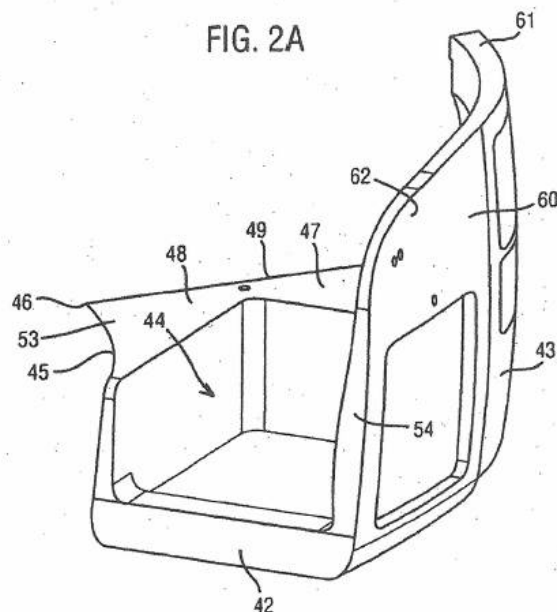
*The rear console argument*

74. Virgin’s second argument is that, in so far as it is necessary for there to be a component in the space behind the seat at all times, that requirement is fulfilled by the rear console.
75. It is of course correct that the console is always behind the seat. However, if it is to qualify as the passenger support element defined in integer 21, it must also satisfy the other requirements of that integer, that is to say it must be disposed in the rearward space substantially coplanarly with one or more movable elements when they are configured in the bed mode, and it must be something which can properly be characterised as a generally triangular passenger support element.

76. Virgin submits that the purpose of the requirement for substantial coplanarity is to ensure that the passenger support element can play a part in supporting a passenger in bed mode. It also emphasises that the requirement is only for *substantial* coplanarity. It argues that, seen in this way, the rear console is indeed substantially coplanar with the other elements, as shown by this version of the side view in which the lower surfaces of the moveable elements and the upper surface of the rear console are highlighted in pink:



77. Virgin continues that there is nothing in the claims to support the idea that it is the upper surfaces of the elements that must be coplanar. Further, figure 2a of the 908 patent makes clear that this is not the case:



78. This paragraph shows the sub-structure of the seat and the generally triangular passenger support element (47). Importantly, Virgin says it is plain that this structure is not cushioned but will have cushioning added since it forms part of the bed. Nevertheless, the specification says that this surface is said to be substantially coplanar with the cushion of the ottoman.

79. Ingenious though these submissions are, we do not accept them. The patent is plainly concerned with the surfaces upon which the passenger will lie when the seat is in bed mode because the object of the invention is to provide a flat sleeping surface of maximal length. It is a matter of no concern to the passenger whether the undersides of the seat elements are coplanar or not.

80. Reference to the body of the specification confirms that this is so. For example, paragraph [0040] reads:

“Juxtaposed the front end 51 of the seat unit 40, the supporting structure 42 comprises an ottoman which extends upwardly from the floor 30 and has a substantially flat upper surface 66. Said upper surface 66 is adapted to carry a cushion 67 having a thickness such that the cushion 67 is disposed substantially coplanarly with the first and second surfaces 47, 48. Said ottoman 65 is sufficiently strong to support the weight of a passenger such that the ottoman 67 can be used as an auxiliary seat if desired. Said supporting structure 42 further comprises a relatively small, auxiliary privacy screen 68 around the front end 51 of the seat unit 40.”

81. Here the specification is describing the use on the ottoman of a cushion of a thickness such that its upper surface is substantially coplanar with the upper surface of the other passenger bearing elements.

82. Similarly, at paragraph [0044] the specification says this:

“Said back-rest 72 comprises a front surface 73 and a rear surface 74. In the upright and reclined positions the front surface 73 of the back-rest cooperates with the seat-pan 71 to form the seat for the passenger. In the bed configuration, as shown in the left-hand seat unit of FIG. 2 the back-rest is rocked forwardly relative to the seat unit and is partly accommodated within the cuboidal recess 44 such that the rear surface 74 of the back-rest 72 is substantially co-planar with the first and second surfaces 47, 48 and with the cushion 67 of the ottoman 65. The rear surface 74 of the back-rest 72 is also substantially continuous with the second surface 48 and cushion 67 in the bed configuration. The seat movement mechanism includes a moveable infill element 76, as shown in FIG. 1A, which is moved from a stowed position to a deployed position when the seat is converted from the seat configuration to the bed configuration. In the bed configuration, the infill element 76 is disposed intermediate and substantially coplanarly and contiguously with the rear surface 74 of the back-rest and said first surface 47. In the bed configuration, the seat unit 40 thus provides an extended bed surface for the passenger, the bed surface being extended rearwardly of the seat by the first surface 47, laterally of the seat by the second surface 48 and forwardly of the seat by the cushion 67 of the ottoman 65.”

83. All the surfaces referred to in this paragraph as being substantially co-planar with each other are surfaces which are actually presented to the passenger.
84. As for Figure 2a of the patent, we do not accept that the surface (47) would be covered by a cushion. The defendants say, and we accept, that the specification does not anywhere suggest that a cushion will be placed on top of it. The depicted surface (47) is the upper surface whatever it may be made of.
85. This conclusion is sufficient to dispose of the infringement case based on the rear console cover. Its upper surface is clearly not substantially coplanar with the upper surfaces of the movable passenger bearing elements when they are configured in bed mode, and the judge was right to so hold.
86. The judge also found that the console did not satisfy the other aspect of this integer, namely the requirement that it should be a generally triangular passenger support element. He reasoned that the element must provide direct passenger support, that it should be part of the bed surface and that the support itself had to be triangular. None of these further requirements was, he thought, satisfied by the rear console.
87. These aspects of the judge's reasoning were vigorously attacked by Virgin on the grounds that there is nothing in the specification to justify a requirement that the support must be provided directly or that it must be provided over a triangular region.
88. In our judgment there is some force in this submission because we accept that the region of actual, direct support of a passenger will rarely, if ever, be triangular. Further, the reason the passenger support element needs to be triangular is so that it makes use of the triangular space which is lost in the BA First inward-facing herringbone arrangement. How the force is actually transmitted to the floor of the aircraft is neither here nor there. Nevertheless, we think Virgin fails on this point too because the only part of the console which *ever* provides support is that part of the front wall which lies on either side of the recessed portion, Element B, and we do not think this part of the front wall can sensibly be described as a triangular passenger support element. The rest of the console never plays any part in supporting the passenger. Its triangular shape is, in this respect, entirely irrelevant. By contrast the whole of the triangular support element of the invention is available to provide support to the passenger, should such support be needed.

*The headrest and console together*

89. Virgin's third argument runs as follows. All of the purposively material requirements of the claim are met by the Solar Eclipse, and the reason the judge found it did not infringe was purely because the satisfaction of the various claim requirements he had identified was split between the headrest and the rear console. Neither satisfied all of the requirements but together they did.
90. This argument was not developed before the judge, at least not in the way it was advanced before us, and it therefore comes as no surprise to us that the judge did not deal with it. Be that as it may, we do not believe that it assists Virgin. The claim requires a passenger support element separate from but coplanar with the movable seat elements. The headrest is one of the movable elements so just as it cannot itself comprise the passenger support element, it cannot be a part of that element either.

Once the headrest is disregarded, as it must be, the argument fails, for it once again becomes an argument based upon the console alone.

*The approach of the TBA*

91. Each side has sought to draw support from the decision of the TBA. For its part, Virgin submits that it is informative to consider the approach taken by the TBA to the validity of the 908 patent over a piece of prior art called Airbus. It argues that Airbus was asserted by Zodiac to have a passenger support element in the form of the headrest in the rearward space when the unit was in bed mode. Had the TBA agreed with the interpretation of the claims advanced by the defendants, it would have held that this was a distinguishing feature and rejected Airbus on that ground. But it did not. Instead, it rejected Airbus for the completely different reason that it describes a swivelling seat.
92. The defendants focus on a different part of the decision in which the TBA addressed an objection that an amendment to claim 1 which involved the inclusion of integer 21 would result in the patent disclosing additional matter. They say that the response of the TBA to this argument indicates that it considered that the passenger supporting element must be different from the movable elements of the seat unit.
93. We have considered the decision of the TBA with care. However, the TBA was not concerned with the particular issues which we have to decide. Nor did it have the benefit of the arguments advanced before us. It was simply addressing the particular attacks on the patent which had been advanced by the opponents and the allowability of the amendments proposed by Virgin. In these circumstances we do not think it helpful to try and infer what the TBA might or might not have decided had it been faced with different issues and presented with full argument upon them. For these reasons we have not found the TBA decision of any real assistance and prefer not to base our conclusions upon it.

*Conclusion on infringement*

94. For all of the reasons we have given we conclude that the Solar Eclipse does not infringe the 908 patent as amended.

**The 908 patent – added matter**

95. The added matter allegation was advanced as a squeeze. The defendants say that there is nothing in the application as filed which states or indicates that the passenger support element only need be in the rearward space when the seat is in bed mode. All the embodiments show a passenger support element which is in the rearward space in both seat mode and bed mode, and there is no description of any other arrangement. Accordingly, if the amended specification discloses a system in which the passenger support element only need be in the rearward space in bed mode, this is new teaching and the claim is invalid for added matter.
96. Virgin responds that the application for the 908 patent does not teach anywhere that the passenger support element must be behind the seat all the time. It certainly discloses various arrangements where it is behind the seat all of the time, but that is not a teaching that it has to be.

97. The law on added matter was recently summarised by this court in *Nokia v IPCOM* [2012] EWCA Civ 567, [2013] RPC 5. In considering any allegation of added matter the court must compare the two disclosures and decide whether any subject matter relevant to the invention has been added whether by deletion or addition.

98. The application as filed discloses a seat unit which:

“comprises a first ... passenger-supporting element in said space to the rear of the seat, which first passenger-supporting element is disposed substantially coplanarly with said one or more movable elements when said movable elements are configured in the bed mode ...”.

99. This passage, which appears in paragraph [0025] of the 908 patent as amended, is describing a system in which the passenger support element is always disposed in the rearward space. We are satisfied that there is no disclosure of any other arrangement. If, however, Virgin is right in its construction of integer 21 of the claim then we agree with the judge that there would be added matter. As he said, the temporal requirement in the claim would for the first time qualify the disposition of the passenger support element *and* the co-planarity. Putting it another way, the patent would now be teaching, through the language of the amended claim, that the passenger support element only need be in the rearward space when the movable elements are in bed mode, and not at other times. This would indeed be added matter.

#### **The 908 patent – conclusion**

100. The 908 patent has not been infringed by the Solar Eclipse. Had it been infringed, it would have been invalid for added matter. The appeal in relation to this patent must be dismissed.

#### **The 734 patent – disclosure**

101. Zodiac points out that the 734 patent is based upon a divisional application which was filed immediately before the EPO changed its rules to prevent abuse of the divisional system. It then characterises the 734 patent as an attempt by Virgin to reincarnate the original broad claims of the 908 patent that were found to be invalid by the TBA. It points out, correctly, that it was filed after the broad claims of the 908 patent were found invalid.

102. Virgin responds that the effect of the 734 patent is to achieve a monopoly which is, for present purposes, the same as that which this court held the unamended claims of the 908 patent had, that is to say a monopoly which excludes the BA First seating arrangement but encompasses Zodiac’s infringing products.

103. We would say at the outset that we put entirely to one side these rather contentious submissions. The issues which arise must be addressed on their merits, it being accepted that the filing by Virgin of the application for the 734 patent was an entirely proper thing to do.

104. The characterising part of claim 1, the only claim in issue, reads:

“...**characterised in that** the bed extends rearwardly into said space (36) defined between the rear of the seat and the aircraft sidewall (26, 28) when the unit is configured as a bed so as to provide a rearward space for use by a passenger accommodated in the unit (40), which rearward space is defined in part by the adjacent aircraft sidewall.”

105. Each seat must therefore be configurable as a substantially flat bed which extends into a space behind the seat, which space is defined in part by the adjacent aircraft side wall. In the BA First arrangement by contrast, the bed extends rearwardly into a space which is wholly enclosed within the seat unit housing and privacy screen.

### **The 734 patent – obviousness**

106. Zodiac contended at trial that the 734 patent was obvious in the light of the BA First application and the common general knowledge. In so far as this amounted to an attack which was separate and distinct from that against the 908 patent, the judge dealt with it in two short paragraphs:

“171. The claims of 734 are significantly wider than 908. Contour submit that all that is necessary to go from BA First to claim 1 of 734 is to remove the rear shell and adjust the privacy screen. This was the case that was put to Mr Moreno.

172. I did not think that the evidence overall showed that it was obvious to proceed as Contour contends. As I have said, Mr Higgins’ evidence was that the shell performed a functional as well as a privacy role. Even if that did not discourage the skilled person from removing the shell, the consequences for the arrangement of space if that step was taken were not fully explored with Mr Moreno. I reject this obviousness attack on 734.”

107. Zodiac submits this rather concise analysis is both inadequate and incorrect. So far as the first point made by the judge is concerned, Zodiac argues that this is founded on evidence volunteered in cross-examination by Mr Higgins, a witness of fact who was responsible for the design of the BA First seat, that the seat shell as manufactured “performed a functional as well as a privacy role”. There is, however, no disclosure of such a functional role in the BA First application and neither party’s expert had, when considering this disclosure, contemplated that it had such a role. When considering the case of obviousness based upon the BA First application, the judge therefore fell into error in carrying over his understanding of the evidence given about the actual construction of the BA First seat into his consideration of the disclosure of the BA First application. This might have been permissible had it been shown that the substance of Mr Higgins’ evidence was common general knowledge. However, this was never shown, nor was it ever attempted to be shown.
108. As for the judge’s second reason, Zodiac has developed its case as follows. Removing the housing or shell, as it is also known, in the inward-facing herringbone configuration naturally releases more space for use by the seat. Further, Mr Moreno, Virgin’s expert, accepted in cross-examination that once the housing was removed, it

would be obvious to play around with the angle of the privacy screen between adjacent seats to gain more space.

109. In summary, Zodiac contends that the judge's reasoning on obviousness in the light of the BA First application is non-existent or entirely flawed. It is therefore a matter upon which this court can and should substitute its own view. The evidence of the experts was that the steps from the BA First application to the claimed invention of the 734 patent were obvious ones for the skilled person to take at the priority date.
110. These beguiling submissions divert attention from the substantive obviousness case developed at trial which the judge rejected earlier in his judgment. This case was advanced both against the 908 patent and the 734 patent and involved abandoning the housing of the BA First seat and moving the position of the privacy screen to give access to the space identified as the green space shown in the figure set at [50] above. This involved a series of steps. First, the skilled person would have to adopt from the BA First application a seating system with the seats set at an angle greater than 18°. The seat unit would then have to be redesigned, the housing removed and the privacy screen adjusted. It was these changes which Lewison J held were not obvious in the Contour action and his decision was upheld by this court on appeal. The judge in this case reached the same conclusion. He thought that this involved a classic hindsight step by step analysis and that it was legitimate to ask why these steps, if obvious, were not taken by anyone else before the priority date. There has been no appeal against this finding.
111. Late in the course of the trial Zodiac developed a new case against the 734 patent. It argued that if the housing was removed from the BA First seat without doing anything else, then the result would still fall within the claims of the 734 patent. Virgin responded that it had never been explored why one might want to remove the housing but do nothing else, and what the consequences of this would be. This was the submission which the judge addressed and accepted at [172] of his judgment.
112. This narrow attack was clearly something of an afterthought, and we think it was not a very good one. We say that for the following reasons. First, we are satisfied on the basis of the evidence that we have seen that it would have been clear to the skilled person on reading the BA First application that the housing has an important functional purpose. Indeed, Mr Darbyshire, Zodiac's own expert, described the internal mechanisms of the seat in his own report. These mechanisms form part of, or at least interact with, the housing. Second, we are wholly unpersuaded that removal of the housing but retention of the privacy screen would in fact create a space behind the seat which is defined in part by the adjacent aircraft side wall. That would also require movement of the privacy screen into what has been described as the green area. The whole exercise then involves the combination of steps which the judge addressed in assessing the main obviousness attack and, as we have said, there is no appeal against his finding.
113. We are therefore satisfied that the judge's reasons for rejecting the obviousness case, though brief, are adequate and sustainable. The allegation of obviousness based upon the common general knowledge adds nothing to that based upon the BA First application and was not in fact developed by Zodiac on the appeal. We therefore consider the judge was entitled to reject the separate attack on the 734 patent as he did.



### **The 734 patent – added matter**

114. The allegation here is that there is no basis in the application as filed for a claim which involves making use of the space behind the seat but without also making use of the passenger support element. Put another way, there is no disclosure of any inventive concept which involves making use of the space behind the seat and *defined by the cabin side wall* but without also making use of the passenger support element. Accordingly, by claiming the space so defined without reference to the passenger support element, Virgin has added matter. In so doing it has been guilty of what is sometimes called intermediate generalisation.
115. The judge dismissed this allegation in short order. He considered that the space packing idea was clearly disclosed in the application independently of the need for a passenger support element.
116. We agree with the judge. The original application does disclose space packing, that is to say the use of the green space, as a separate concept. The passenger support element is described as being no more than an option, albeit a preferable one. The general idea of space packing is also a feature of the claims of the application. Claim 44 is directed to the seating system which is configured so as to define a space behind the seat, and so that each seat forms a substantially flat bed which extends rearwardly into that space. Then claim 47 claims such a system is characterised in that the seat units are arranged adjacent a side wall and face inwardly.
117. Further, the application does depict and describe the use of space which is behind the seat and bounded by the cabin side wall. For example, it is shown in Figure 1 of the application and described on page 29. In so far as there is any gap between the side wall and the space used by the invention which results from the curvature of the cabin side wall, it is said to be filled in by panels of a kind well known in the art. If more were needed, there is a description of the BA First arrangement and of the space behind the seat which is used as a counter-top by the seat adjacent to it. Once again, this space is clearly bounded by the side wall of the cabin.

### **The 734 patent – conclusion**

118. For all these reasons we are satisfied that the judge was entitled to find the 734 patent is inventive and that it is not invalid for added matter. The appeal in relation to the validity of this patent must also be dismissed.

### **The 908 patent: non-designation**

119. The remaining issue is whether the judge was right to dismiss the defences of Delta, Air Canada and Zodiac based on the inclusion of the United Kingdom (GB) as a designated state in relation to the 908 patent. This designation is said to have been an error which has invalidated the patent at least in so far as it includes the UK as one of the relevant territories with the consequence that the UKIPO should not have placed 908 on the register.
120. As part of its challenge to 908, Premium also applied to the Comptroller in the UKIPO seeking correction of the register under Rule 50 of the Patents Rules 2007. The hearing officer (Mr A.C. Howard) dismissed that application and Floyd J

dismissed Premium's appeal from his decision. There has been no appeal from that part of the judge's order but the defendants to Virgin's claim for infringement of 908 have each pleaded that the 908 patent was a nullity in so far as it purported to designate the UK as part of the grant. The issue before the judge, and now before us, is whether or not the validity or not of 908 based on the process of examination and grant in the EPO is open to challenge in the English courts. If not, it must follow that the attempt to take the non-designation point horizontally in the defences filed in the action must fail.

121. The factual history leading up to the grant and registration of the 908 patent is not a matter of dispute and can be summarised as follows from the facts found by the judge:

(1) Virgin filed the parent application (No. 2004181715.3) on 9 August 2002 which designated all available PCT contracting states. It included a GB national application and an EP (UK) designation through the EPO;

(2) On 23 April 2004 Virgin filed the divisional application which became the 908 patent. It did so using electronic form 1001E containing a pre-checked box 6 which states at 6-1 that:

“All states which are contracting states to the EPC at the time of filing of this application are hereby designated”.

The same box (at 6-4) also says that:

“The applicant currently intends to pay designation fees for the following states”.

There then appears a list of more than 20 designated contracting states which in this case did not include the UK;

(3) At the end of the 1001E form Virgin added a “Note (for EPO)” in the following terms:

“Re item 6-1: GB is expressly NOT designated in this application. Apart from GB, all other EPC contracting states which were designated in [the parent application] are designated in this application.”

(4) The 908 application was published on 12 January 2005 containing a designation of all contracting states including the UK. On 11 July 2005 Virgin paid designation fees for what it referred to in its letter as “each of the designated states”. Designation fees were capped at seven designations under the fees regulations so that payment of seven times the amount of the designation fees was deemed to constitute payment of the designation fees for all the contracting states (see Article 2, No 3 Rules relating to Fees) and a pre-checked note to this effect appeared at 6-5 in the application form 1001E;

(5) On 19 October 2005 Virgin wrote to the EPO withdrawing the UK designation in respect of the parent application and on 22 November it informed the Comptroller of what it had done and stated that it would withdraw the UK

designation of 908 prior to grant. Because Virgin has made no disclosure about these matters it is not possible to be certain as to its strategy at this time. The notification of its intention to withdraw the UK designation for 908 and its parent application was probably linked to a possible issue of double patenting which had been raised by the UKIPO in August 2004 and later in July 2005 in relation to the prosecution of a UK national patent application (GB 0403260.3);

- (6) In the end, however, Virgin took no further steps to withdraw the UK designation of 908 prior to grant. The UK national application was published and granted as GB 2 396 103 and on 8 August 2006 Virgin made a request to the EPO for the accelerated prosecution in accordance with the PACE procedure of the 908 application and two sets of claims; one for all designated states except the UK and one for the UK only;
  - (7) On 7 May 2007 the EPO informed Virgin of its decision to grant the 908 patent and the grant took place on 30 May 2007 with the inclusion of the UK as one of the designated states;
  - (8) On 30 May 2007 the UKIPO placed the 908 patent on the register.
122. The issue about designation first surfaced in 2008 after Premium had commenced opposition proceedings to the 908 patent in the EPO. On 5 November 2008 their German attorneys, Meissner Bolte, wrote to the EPO requesting that the designation of GB should be corrected under Rule 140 EPC as an “obvious mistake” relying in particular on the note to 6-1 in the application form as a clear and unequivocal statement that GB had been expressly not designated as part of the 908 application. They also drew attention to Virgin’s subsequent correspondence with the UKIPO in November 2005 in which they indicated an intention to withdraw the GB designation in respect of 908 before grant. On 23 February 2009 the Opposition Division informed Premium that their request had been forwarded for consideration by the Examining Division.
123. The result of this process was that on 17 April 2009 Premium were sent a copy of a document signed by three patent examiners (which the judge described as an administrative rather than a legal utterance) in the following terms:

“The examining division has noted that after examination of the designation of GB on the basis of the documents on file and their treatment in the course of examination proceedings it has come to the conclusion, that it is not necessary to correct the decision with regard to GB for the following reasons:

- The ambiguity in form 1001 with regard to GB should have been clarified with the applicant. As such there is no explicit, unambiguous withdrawal.
- Designation is by payment, NOT by indication on 1001. The designation fee for GB was paid and afterwards the designation of GB has never been questioned by the

applicant. To the contrary: a separate set of claims for GB was filed after the R. 71 (3) communication.

- Even if the withdrawal had been explicit but had been overlooked by the EPO, the Office would have been bound by the principle of good faith, having accepted the designation of GB throughout examination proceedings.
- The division is bound by its decision and cannot correct it to the disadvantage of the patentee.”

124. Premium appealed this decision to the TBA and in decision T1259/09-0321 dated 10 September 2010 the TBA ruled that the appeal was inadmissible. It accepted the objection raised by Virgin that, under Article 107 EPC 1973, only parties involved in the first instance proceedings before the EPO have *locus* to appeal a decision which adversely affects them. Regardless of whether the communication of 17 April 2009 constituted a decision, Premium had never been a party to the examination proceedings and did not become one simply by filing a request for correction of the decision under Rule 140 EPC. Examination proceedings were, the TBA said, generally *ex parte* proceedings involving only the applicant for the patent. Third party requests filed in the examination proceedings may cause the examining division to take up the issue raised as part of the examination procedure and to correct its decision of its own motion but they do not thereby confer party status on the third party who filed the request.
125. Later in the course of the opposition proceedings regarding 908, Premium again raised the designation issue. But the Opposition Division, whilst expressing regret for any adverse effects on Premium or the public at large which the administrative error may have caused, ruled that only the Examination Division has the competence to correct errors of this kind.
126. In these circumstances, Premium applied to the Comptroller on 14 March 2011 for correction of the register under Rule 50 of the Patents Rules 2007. The hearing officer dismissed the application on the ground that in order to challenge the validity of 908 as a European patent (UK), he would be required to review the decision of the EPO to grant the 908 patent with a UK designation. In his view, the Comptroller has no power under the 1977 Act to review procedural decisions of the EPO made during the examination process. Revocation of the patent could only be sought by Premium on the substantive grounds of patentability set out in s.72 of the 1977 Act.

#### *The European Patent Convention (“EPC”)*

127. The EPC is an international convention which established a common system of law for the grant of patents in each of the contracting states: see Article 1 below. It exists independently of the European Union and its legal institutions and includes amongst its signatories countries such as Switzerland which are not members of the EU. It is not a signatory to the European Convention on Human Rights (“ECHR”).
128. Part 1 of the EPC contains general and institutional provisions, the most relevant of which, for present purposes, are these:

*“Article 1*

European law for the grant of patents

A system of law, common to the Contracting States, for the grant of patents for invention is hereby established by this Convention.

*Article 2*

European patent

(1) Patents granted under this Convention shall be called European patents.

(2) The European patent shall, in each of the Contracting States for which it is granted, have the effect of and be subject to the same conditions as a national patent granted by that State, unless this Convention provides otherwise.

.....

*Article 4*

European Patent Organisation

(1) A European Patent Organisation, hereinafter referred to as the Organisation, is established by this Convention. It shall have administrative and financial autonomy.

(2) The organs of the Organisation shall be:

(a) the European Patent Office;

(b) the Administrative Council.

(3) The task of the Organisation shall be to grant European patents. This shall be carried out by the European Patent Office supervised by the Administrative Council.

*Article 5*

Legal status

(1) The Organisation shall have legal personality.

.....

*Article 8*

Privileges and immunities

The Protocol on Privileges and Immunities annexed to this Convention shall define the conditions under which the Organisation, the members of the Administrative Council, the employees of the European Patent Office, and such other persons specified in that Protocol as take part in the work of the Organisation, shall enjoy, in each Contracting State, the privileges and immunities necessary for the performance of their duties.

.....

*Article 18*

Examining Divisions

(1) The Examining Divisions shall be responsible for the examination of European patent applications.

.....

*Article 19*

Opposition Divisions

(1) The Opposition Divisions shall be responsible for the examination of oppositions against any European patent.

....

*Article 21*

Boards of Appeal

(1) The Boards of Appeal shall be responsible for the examination of appeals from decisions of the Receiving Section, the Examining Divisions and Opposition Divisions, and the Legal Division.”

129. Part II sets out the substantive provisions of the law on patentability. The effect of the grant of a European patent is set out in Articles 64 and 68:

*“Article 64*

Rights conferred by a European patent

(1) A European patent shall, subject to the provisions of paragraph 2, confer on its proprietor from the date on which the mention of its grant is published in the European Patent Bulletin, in each Contracting State in respect of which it is granted, the same rights as would be conferred by a national patent granted in that State.

(2) If the subject-matter of the European patent is a process, the protection conferred by the patent shall extend to the products directly obtained by such process.

(3) Any infringement of a European patent shall be dealt with by national law.

.....

*Article 68*

Effect of revocation or limitation of the European patent

The European patent application and the resulting European patent shall be deemed not to have had, from the outset, the effects specified in Articles 64 and 67, to the extent that the patent has been revoked or limited in opposition, limitation or revocation proceedings.”

130. Part III of the EPC contains detailed provisions for the filing and contents of a European patent application. Designation of contracting states is dealt with in Article 79. At the time of the 908 application it was in these terms:

*“Article 79*

Designation of Contracting States

(1) The request for the grant of a European patent shall contain the designation of the Contracting State or States in which protection for the invention is desired.

(2) The designation of a contracting state shall be subject to the payment of the designation fee. The designation fees shall be paid within six months of the date on which the European Patent Bulletin mentions the publication of the European search report.

(3) The designation of a Contracting State may be withdrawn at any time up to the grant of the European patent. Withdrawal of the designation of all the Contracting States shall be deemed to be a withdrawal of the European patent application. Designation fees shall not be refunded.”

131. It has since been amended with effect from 13 December 2007 so that Article 79(1) now reads:

“All the Contracting States party to this Convention at the time of filing of the European patent application shall be deemed to be designated in the request for grant of a European patent.”

The second and third sentences of Article 79(3) have also been deleted.

132. The procedure leading to the grant or refusal of the patent application by the Examining Division is set out in Part IV. Article 97 requires the Examining Division to grant or refuse the patent depending on whether the patent application and the invention meet the requirements of the Convention. Once granted, the patent is published in the European Patent Bulletin: see Article 98.
133. The effect therefore of Articles 64 and 68 is that the European patent has the same effect as a national patent granted in each contracting state subject to being revoked or modified in opposition or limitation proceedings. The procedure and grounds for opposition proceedings are set out in Part V of the EPC in Articles 99 and 100:

*“Article 99*

**Opposition**

(1) Within nine months of the publication of the mention of the grant of the European patent in the European Patent Bulletin, any person may give notice to the European Patent Office of opposition to that patent, in accordance with the Implementing Regulations. Notice of opposition shall not be deemed to have been filed until the opposition fee has been paid.

(2) The opposition shall apply to the European patent in all the Contracting States in which that patent has effect.

(3) Opponents shall be parties to the opposition proceedings as well as the proprietor of the patent.

.....

*Article 100*

**Grounds for opposition**

Opposition may only be filed on the grounds that:

(a) the subject-matter of the European patent is not patentable under Articles 52 to 57;

(b) the European patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art;

(c) the subject-matter of the European patent extends beyond the content of the application as filed, or, if the patent was granted on a divisional application or on a new application filed under Article 61, beyond the content of the earlier application as filed.”

134. Articles 52-57 are the provisions of Part II dealing with patentability, novelty, inventive step and industrial application. Article 100 does not therefore include challenges to the grant based on defects in the designation procedure or any other



occasion of non-compliance with the requirements of Part III. This is confirmed by Article 138 which provides that:

*“Article 138*

Revocation of European patents

(1) Subject to Article 139, a European patent may be revoked with effect for a Contracting State only on the grounds that:

(a) the subject-matter of the European patent is not patentable under Articles 52 to 57;

(b) the European patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art;

(c) the subject-matter of the European patent extends beyond the content of the application as filed or, if the patent was granted on a divisional application or on a new application filed under Article 61, beyond the content of the earlier application as filed;

(d) the protection conferred by the European patent has been extended; or

(e) the proprietor of the European patent is not entitled under Article 60, paragraph 1.

...”

135. Furthermore, although Article 106 confers a right of appeal from “decisions” of, inter alia, both the Examining and the Opposition Divisions, the persons entitled to appeal are restricted by Article 107:

*“Article 107*

Persons entitled to appeal and to be parties to appeal proceedings

Any party to proceedings adversely affected by a decision may appeal. Any other parties to the proceedings shall be parties to the appeal proceedings as of right.”

136. Premium’s position, as confirmed by the decision of the TBA referred to earlier, is that it had no right to seek partial revocation of the patent for non-designation of the UK in the opposition proceedings which it commenced and had, as a non-party to the examination of the patent application, no *locus* to object to a grant which included the UK as a contracting state. The consequence was that the 908 patent was granted with a UK designation which has remained unaffected by anything in the opposition proceedings or by its subsequent amendment.

*The 1977 Patents Act (“the 1977 Act”)*

137. The 1977 Act gives effect to the EPC, and in particular to Article 64, by providing in s.77:

“77. Effect of European patent (UK)

(1) Subject to the provisions of this Act, a European patent (UK) shall, as from the publication of the mention of its grant in the European Patent Bulletin, be treated for the purposes of Parts I and III of this Act as if it were a patent under this Act granted in pursuance of an application made under this Act and as if notice of the grant of the patent had, on the date of that publication, been published under section 24 above in the journal; and—

(a) the proprietor of a European patent (UK) shall accordingly as respects the United Kingdom have the same rights and remedies, subject to the same conditions, as the proprietor of a patent under this Act;

....

(2) Subsection (1) above shall not affect the operation in relation to a European patent (UK) of any provisions of the European Patent Convention relating to the amendment or revocation of such a patent in proceedings before the European Patent Office.

....

(4A) Where a European patent (UK) is revoked in accordance with the European Patent Convention, the patent shall be treated for the purposes of Parts I and III of this Act as having been revoked under this Act.”

138. Section 130 provides:

“(1)(b) ... “European Patent Convention” means the Convention on the Grant of European Patents, “European patent” means a patent granted under that convention, “European patent (UK)” means a European patent designating the United Kingdom, “European Patent Bulletin” means the bulletin of that name published under that convention, and “European Patent Office” means the office of that name established by that convention;

...

(7) Whereas by a resolution made on the signature of the Community Patent Convention the governments of the member states of the European Economic Community resolved to adjust

their laws relating to patents so as (among other things) to bring those laws into conformity with the corresponding provisions of the European Patent Convention, the Community Patent Convention and the Patent Co-operation Treaty, it is hereby declared that the following provisions of this Act, that is to say, sections 1(1) to (4), 2 to 6, 14(3), (5) and (6), 37(5), 54, 60, 69, 72(1) and (2), 74(4), 82, 83, . . . 100 and 125, are so framed as to have, as nearly as practicable, the same effects in the United Kingdom as the corresponding provisions of the European Patent Convention, the Community Patent Convention and the Patent Co-operation Treaty have in the territories to which those Conventions apply.”

139. Consistently with this, ss.72(1) and 74 provide:

“72. Power to revoke patents on application.

(1) Subject to the following provisions of this Act, the court or the comptroller may on the application of any person by order revoke a patent for an invention on (but only on) any of the following grounds, that is to say—

(a) the invention is not a patentable invention;

(b) that the patent was granted to a person who was not entitled to be granted that patent;

(c) the specification of the patent does not disclose the invention clearly enough and completely enough for it to be performed by a person skilled in the art;

(d) the matter disclosed in the specification of the patent extends beyond that disclosed in the application for the patent, as filed, or, if the patent was granted on a new application filed under section 8(3), 12 or 37(4) above or as mentioned in section 15(4) above, in the earlier application, as filed;

(e) the protection conferred by the patent has been extended by an amendment which should not have been allowed.

....

74. Proceedings in which validity of patent may be put in issue.

(1) Subject to the following provisions of this section, the validity of a patent may be put in issue—

(a) by way of defence, in proceedings for infringement of the patent under section 61 above or proceedings under section 69 above for infringement of rights conferred by the publication of an application;

- (b) in proceedings under section 70 above;
  - (c) in proceedings in which a declaration in relation to the patent is sought under section 71 above;
  - (d) in proceedings before the court or the comptroller under section 72 above for the revocation of the patent;
  - (e) in proceedings under section 58 above.
- (2) The validity of a patent may not be put in issue in any other proceedings and, in particular, no proceedings may be instituted (whether under this Act or otherwise) seeking only a declaration as to the validity or invalidity of a patent.
- (3) The only grounds on which the validity of a patent may be put in issue (whether in proceedings for revocation under section 72 above or otherwise) are the grounds on which the patent may be revoked under that section.”

140. The effect therefore of the 908 grant and its publication in the European Patent Bulletin was that it obtained the legal status under s.77(1) of a patent granted on an application under the 1977 Act. As such, the grounds upon which its validity could be put in issue in English proceedings were limited to those specified in s.74(3) (and by reference in s.72(1)) which correspond to those contained in Articles 52-57 of the EPC. Section 74(3) is therefore, on its face, a complete answer to the admissibility of the defences based on non-designation and this was certainly the view of this Court in *Genentech Inc's Patent* [1989] RPC 147 where it rejected an attempt to challenge the validity of a patent on the ground that the requirements of s.14(5) of the 1977 Act had not been complied with and that the patent should never therefore have been granted. The 1977 Act had to be construed as one with the EPC. Purchas LJ said:

“11.04. Mr Gratwick submitted, in my judgment rightly, that when looked at as a whole in the foregoing context the 1977 Act provided a complete code dealing with the application for and grant of a patent and thus displaced any residual common law element which previously had been preserved by succeeding statutes. In particular the Act provided complete codes dealing with the application and grant of a patent (section 14), the protection of the monopoly against infringement (section 60) and suits for the revocation of a patent (section 72).

11.05. Mr Gratwick submitted that Whitford J was not entitled to import the requirements of section 14(5) which specify the nature of the application into the provisions of section 72(1) so as to entitle him to revoke the patent for a failure to comply with that subsection. In support of this submission Mr Gratwick emphasised that as a pure exercise of construction, where a provision in section 14 is intended to have the dual purpose of permitting the Comptroller to refuse the grant of a patent under section 18 and also to permit third parties to sue under section

72 for revocation of the patent after grant, the particular requirement is mentioned specifically in both sections (see section 14(3) which is found repeated with minor adjustment in section 72(1)(c)). Similarly the restrictions upon the grant of an application for a patent amounting to an amendment of a previous application provided in section 76 are preserved for the benefit of a suitor under section 72(1)(e) if the amendment should not have been made.

.....

11.08. With great respect to Whitford J I am forced to the conclusion that on this aspect of the matter Mr Gratwick's submissions are made out to the extent, if any, that the learned judge purported to import into section 72(1) of the 1977 Act the provisions of section 14(5) as a further ground for revocation of the patent in suit. In this respect the judgment cannot be upheld.”

141. Mustill LJ said:

“... the application did not comply with section 14(5)(c), and should have been rejected.

Common sense would suggest that the matter now can and should be put right. Unfortunately this is not so. My Lords have already given the reasons, in terms with which I respectfully agree. The opening words of section 72(1) are simply too strong to enable the court, as guardian of the public interest, to assert an inherent power to revoke a patent on grounds not expressly conferred by the statute. This is a conclusion which I much regret, for it erects an obstacle not only to the trial judge's route, but also to other grounds of objection which, as I shall suggest at a later stage, I also believe to be intellectually sound.”

142. What is said to have changed all this is the Human Rights Act 1998 and the direct application through Article 6 of the ECHR. Mr Saini QC for Delta, Air Canada and Zodiac submits that Floyd J was required to give effect to his clients' Article 6 rights by declaring that the 908 patent was a nullity in respect of its UK designation either by construing the relevant provisions of the 1977 Act so as to allow a challenge on non-designation grounds or, if that is not possible, by making a declaration of incompatibility. Although Mr Maclean QC for Virgin did make submissions in support of the substantive reasons given by the Examining Division on 17<sup>th</sup> April 2009 for rejecting Premium's challenge to the UK designation, both he and Mr Chamberlain QC for the Comptroller have, for the most part, concentrated on the prior question of whether this issue is even justiciable and it was on that ground that Floyd J rejected the non-designation defence.

143. The question whether Article 6 provides Delta and the other defendants with substantive rights of challenge to the validity of 908 on non-designation grounds

requires one to separate and identify a number of potentially convergent and relevant principles. The first is that, as a matter of domestic law, it is well established that municipal courts will not regard themselves as competent to enforce or adjudicate upon rights and obligations which arise out of transactions entered into between sovereign states. This is sometimes explained as a refusal to challenge the exercise of the Royal Prerogative in relation to the making of treaties but it is also a recognition that the international treaties do not either confer or remove the private rights of individuals under domestic law unless and until they are given domestic effect by an Act of Parliament. As Lord Oliver of Aylmerton said in *J. H. Rayner Ltd v Department of Trade and Industry and Others* [1990] 2 AC 418 at p. 500C:

“Treaties, as it is sometimes expressed, are not self-executing. Quite simply, a treaty is not part of English law unless and until it has been incorporated into the law by legislation. So far as individuals are concerned, it is *res inter alios acta* from which they cannot derive rights and by which they cannot be deprived of rights or subjected to obligations; and it is outside the purview of the court not only because it is made in the conduct of foreign relations, which are a prerogative of the Crown, but also because, as a source of rights and obligations, it is irrelevant.”

144. It was on these grounds that Jacob J in *Lenzing AG’s European Patent (UK)* [1997] RPC 245 dismissed an earlier attempt by a disappointed patentee to obtain judicial review of the Comptroller’s decision to note on the UK register the revocation of its patent by the TBA. This would, he held, amount to a collateral attack on the jurisdiction of the EPO which was impermissible:

“This country has agreed with the other States members of the EPC that the final arbiter of revocation under the new legal system is to be the Board of Appeal of the EPO. Other States would be justly entitled to complain if we in this country were to ignore such a final decision. If Lenzing are right, for example, the commercial freedom of action of Akzo-Nobel, a Dutch company, is impeded in this country. That might well concern Holland, the State. Likewise an attack in Germany (and I am told one has been mounted before the constitutional court), if successful, would or might well have the effect of putting Germany in breach of its international obligations to the other Contracting States. I think the general words of section 77(4A) – “*in accordance with the EPC*” – no more have the effect of enabling our courts to look into the propriety of the actions of the BoA, than the general words of the Companies Act had in *Tin*.”

145. Mr Saini accepts that it would not be possible to mount a direct challenge in English proceedings to the decision of the EPO to grant and publish the 908 patent with a UK designation and the hearing officer dismissed the rule 50 application on essentially those grounds. If, therefore, Article 6 confers on Delta and the other defendants a substantive right of challenge to the validity of 908 by reference to the process of designation in the EPO it necessarily involves some measure of encroachment on

hitherto forbidden territory by allowing the English Court (whether in the context of an infringement action brought by the patentee or of an application by the alleged infringer for judicial review or under rule 50 for correction of the Comptroller's decision to register the 908 patent in its granted form) to inquire into and adjudicate upon the legal effect of what occurred in the EPO during the examination stage. More particularly, it would require the English Court in effect to overrule the decision of the TBA and before that the examining division that any error which was made either did not invalidate the UK designation or was not in any event an available ground of challenge to a potential opponent. Mr Chamberlain submits that this has the potential to undermine the whole *raison d'être* of the EPC.

146. Closely related to this is the other threshold question of whether acts or decisions of the EPO fall within the "jurisdiction" of the UK and its courts for Convention purposes. Article 1 of the ECHR provides that:

*"The High Contracting Parties shall secure to everyone within their jurisdiction the rights and freedoms defined in Section I of this Convention".*

147. Mr Saini's answer to the argument that domestic courts are not competent to adjudicate upon or review the decisions of a body such as the EPO set up under an international treaty is based on judgments in the Strasbourg cases that even in the sphere of international treaties a contracting state retains legal responsibility under Article 1 for the acts and omissions of its organs regardless of whether they were the consequence of domestic law or of the necessity to comply with its international legal obligations: see e.g. *Al-Saadoon v United Kingdom* [2010] 51 EHRR 9 where the European Court of Human Rights ("ECtHR") rejected the argument of the UK government that it bore no legal responsibility for potential breaches of Articles 2, 3 and 6 which the detainees were at risk of suffering at the hands of the Iraqi authorities because it was obliged under international law to surrender them to the Iraqi police to face charges of killing two British soldiers. The Court held that a state retains Convention liability in respect of treaty commitments which are subsequent to the entry into force of the ECHR. In particular, it cannot rely upon its international obligations as a justification for breaching the Convention rights of individuals which result from actions within its territory or in circumstances where it retains effective control. An obvious example of the latter is the deployment of a state's armed forces abroad. These same principles can be seen in operation in *Bosphorus Hava Yolları Turizm ve Ticaret Anonim Şirketi v. Ireland* (2006) 42 EHRR 1 where the Irish government impounded an aircraft in compliance with Regulation (EEC) No. 990/93 which gave effect to UN sanctions against Serbia and Montenegro. Following a reference to the ECJ, the seizure was held to be justified within the Regulation which was directly enforceable as part of Irish law. The ECtHR, on a complaint by the lessee of the aircraft that its Convention rights under Article 1 of Protocol 1 had been infringed, held that Article 1 of Protocol 1 was engaged but that Community law provided equivalent protection for their property rights to that of the Convention system. The need to comply with Community law was not, however, *ipso facto* an answer to the complaint. At [152]-[154] the ECtHR said:

"152. The Convention does not, on the one hand, prohibit Contracting Parties from transferring sovereign power to an

international (including a supranational) organisation in order to pursue cooperation in certain fields of activity ...

153. On the other hand, it has also been accepted that a Contracting Party is responsible under Article 1 of the Convention for all acts and omissions of its organs regardless of whether the act or omission in question was a consequence of domestic law or of the necessity to comply with international legal obligations. Article 1 makes no distinction as to the type of rule or measure concerned and does not exclude any part of a Contracting Party's "jurisdiction" from scrutiny under the Convention ...

154. In reconciling both these positions and thereby establishing the extent to which a State's action can be justified by its compliance with obligations flowing from its membership of an international organisation to which it has transferred part of its sovereignty, the Court has recognised that absolving Contracting States completely from their Convention responsibility in the areas covered by such a transfer would be incompatible with the purpose and object of the Convention; the guarantees of the Convention could be limited or excluded at will, thereby depriving it of its peremptory character and undermining the practical and effective nature of its safeguards .... The State is considered to retain Convention liability in respect of treaty commitments subsequent to the entry into force of the Convention ..."

148. On the other side of the line from the decisions in *Bosphorus* and *Al-Saadoon* are *Boivin v 34 Member States of the Council of Europe*, 9 September 2008, ECHR 2008, Information Note 111 and *Connolly v 15 Member States of the European Union*, no. 73274101, 9 December 2008. These were both cases in which the applicant was dismissed from employment by international organisations (the European Organisation for the Safety of Air Navigation ("Eurocontrol") in *Boivin* and the European Commission in *Connolly*) and failed in his challenge to the dismissal in the internal appeal procedures available to him. In both cases the application to the Strasbourg court was ruled to be incompatible *ratione personae* with the Convention because the respondent states had not intervened directly or indirectly in the internal dispute proceedings. It could not therefore be said that the applicant fell within the "jurisdiction" of the respondent states within the meaning of Article 1 of the Convention. In short, they had no responsibility for any defects in the hearing process conducted by or for the employing organisation. In *Boivin* the Court contrasted the case with the situation in *Bosphorus*:

"The Court would point out that the impugned decision thus emanated from an international tribunal outside the jurisdiction of the respondent States, in the context of a labour dispute that lay entirely within the internal legal order of Eurocontrol, an international organisation that has a legal personality separate from that of its member States. At no time did France or Belgium intervene directly or indirectly in the dispute, and no



action or omission of those States or their authorities can be considered to engage their responsibility under the Convention. In this respect the instant case is to be distinguished from previous cases where the international responsibility of the respondent States has been in issue, for example that of the United Kingdom in *Matthews v. the United Kingdom* ([GC], no. 24833/94, ECHR 1999-I – decision not to register the applicant as a voter on the basis of an EC treaty), that of France in *Cantoni v. France* (15 November 1996, *Reports of Judgments and Decisions* 1996-V – enforcement against the applicant of a French law implementing an EC directive), that of Germany in *Beer and Regan v. Germany* and *Waite and Kennedy v. Germany* ([GC], no. 28934/95, 18 February 1999, and [GC], no. 26083/94, ECHR 1999-I – denial of access to the German courts) or that of Ireland in the above-mentioned *Bosphorus* case. Unlike those cases, in all of which the State or States concerned had been involved directly or indirectly, in the present case the applicant cannot be said to have been “within the jurisdiction” of the respondent States for the purposes of Article 1 of the Convention.

The Court finds that the alleged violations of the Convention cannot therefore be attributed to France and Belgium. As regards the possible responsibility of Eurocontrol in this connection, the Court points out that since this international organisation is not a party to the Convention its responsibility cannot be engaged under the Convention (compare, among other authorities, *Matthews*, cited above, § 32, and *Behrami and Saramati*, cited above, § 144).”

149. Mr Maclean for Virgin relies upon these cases in relation to the complaint that the rules of the EPO and the EPC did not permit Delta and the other defendants to challenge the UK designation either on appeal to the TBA or directly in front of the examining division. He submits that the EPO is an international organisation with its own legal personality separate from its members and is not a party to the ECHR. Any deficiencies in the scope of judicial protection available to affiliated parties lie outside the jurisdiction of the English courts both under domestic law and for the purposes of Article 1 of the ECHR. He referred us to the decision in *Behrami v. France* [2007] 45 EHRR SE10 where a child in Kosovo was killed by a cluster bomb which had been dropped and left unexploded by French forces deployed there as part of the UN-led intervention. The ECtHR rejected the complaint because it was not competent *ratione personae*:

“144. It is therefore the case that the impugned action and inaction are, in principle, attributable to the UN. It is, moreover, clear that the UN has a legal personality separate from that of its Member States (*The Reparations case*, ICJ Reports 1949) and that that organisation is not a contracting party to the Convention.

145. In its Bosphorus judgment (cited above, paras 152–153), the Court held that, while a state was not prohibited by the Convention from transferring sovereign power to an international organisation in order to pursue cooperation in certain fields of activity, the State remained responsible under Art.1 of the Convention for all acts and omissions of its organs, regardless of whether they were a consequence of the necessity to comply with international legal obligations, Art.1 making no distinction as to the rule or measure concerned and not excluding any part of a state's “jurisdiction” from scrutiny under the Convention. The Court went on, however, to hold that where such state action was taken in compliance with international legal obligations flowing from its membership of an international organisation and where the relevant organisation protected fundamental rights in a manner which could be considered at least equivalent to that which the Convention provides, a presumption arose that the State had not departed from the requirements of the Convention. Such presumption could be rebutted, if in the circumstances of a particular case, it was considered that the protection of Convention rights was manifestly deficient: in such a case, the interest of international cooperation would be outweighed by the Convention's role as a “constitutional instrument of European public order” in the field of human rights (*ibid.*, paras 155–156).

146. The question arises in the present case whether the Court is competent *ratione personae* to review the acts of the respondent States carried out on behalf of the UN and, more generally, as to the relationship between the Convention and the UN acting under Ch.VII of its Charter.

.....

150. The applicants argued that the substantive and procedural protection of fundamental rights provided by KFOR was in any event not “equivalent” to that under the Convention within the meaning of the Court's Bosphorus judgment, with the consequence that the presumption of Convention compliance on the part of the respondent States was rebutted.

151. The Court, however, considers that the circumstances of the present cases are essentially different from those with which the Court was concerned in the Bosphorus case. In its judgment in that case, the Court noted that the impugned act (seizure of the applicant's leased aircraft) had been carried out by the respondent State authorities, on its territory and following a decision by one of its Ministers (§ 135 of that judgment). The Court did not therefore consider that any question arose as to its competence, notably *ratione personae*, *vis-à-vis* the respondent State despite the fact that the source of

the impugned seizure was an EC Council Regulation which, in turn, applied a UNSC Resolution. In the present cases, the impugned acts and omissions of KFOR and UNMIK cannot be attributed to the respondent States and, moreover, did not take place on the territory of those states or by virtue of a decision of their authorities. The present cases are therefore clearly distinguishable from the Bosphorus case in terms both of the responsibility of the respondent States under Art.1 and of the Court's competence *ratione personae*.”

150. How then are the position and functions of the EPO and its relationship with the UK through the medium of the 1977 Act to be characterised in terms of “jurisdiction”?

151. In *Rambus Inc v Germany* (Application No. 40382/04: 16 June 2009) which was a complaint by a US patentee whose European patent had been revoked after opposition proceedings of procedural irregularities during the hearing including in relation to the TBA’s refusal to admit late requests for the maintenance of the patent on the basis of amended claims. The German Federal Constitutional Court rejected a complaint that the decision of the TBA infringed the patentee’s rights under Article 6 and Article 1 of Protocol 1 and the ECtHR ruled that the application to them was also inadmissible. The ruling is based on a mixture of reasons, the first of which was that, following the line of reasoning in *Boivin*, the German authorities had not intervened in the proceedings before the EPO nor taken any subsequent measures of implementation:

“The Court observes, at the outset, that it might be questioned whether the present application, concerning procedural shortcomings within an international tribunal, falls within its jurisdiction at all. According to the European Patent Convention, a European patent has in each of the Contracting States for which it is granted the effect of a national patent granted by that State. However, beside this international instrument the national protection mechanisms still exist. Both the international and the national mechanisms provide their own system of judicial protection. It is for the patentee to decide to which system he wants to submit. Against this background the Court finds that the question arises whether it is competent at all to examine complaints about an international system of patent protection which the applicant voluntarily submitted to with all its advantages and disadvantages.”

152. But we acknowledge that in *Rambus* the ECtHR left open the question whether the direct effects of a European patent in contracting states was enough to create jurisdiction for Convention purposes:

“Admittedly, the grant of a European Patent as well as its revocation in opposition proceedings have direct effects within the legal system of Germany as well as of all other Contracting States of the European Patent Convention. However, even assuming therefore the applicability of the *Bosphorus* case-law to the present case, the applicant did not put forward any arguments to depart from the Federal Constitutional Court’s

finding that the protection of fundamental rights within the framework of the European Patent Organisation was in general equivalent to the standard of the German Constitution. The latter was in accordance with the Commission's finding that the European Patent Convention provides for equivalent protection as regards the Convention (see *Lenzing AG v. Germany*, no. 39025/97, Commission decision of 9 September 1998, unreported). In the Court's view, the instant case does not disclose a manifest deficiency in the protection of Convention rights capable of rebutting such a presumption."

153. Mr Saini's answer to Virgin's reliance on the principles applied in *Boivin* and *Rambus* is that they all relate to a question of attribution under international law. Where the actions of an international body can be regarded as independent of the contracting states and are neither participated in nor adopted by the contracting state then no legal responsibility within Article 1 can attach to that state for the consequences of the action in question. This therefore distinguishes cases like *Al-Saadoon* where prisoners in the custody of UK forces were handed over to a foreign legal system employing the death penalty from circumstances like the employment cases of *Boivin* and *Connolly* where the contracting states remained from first to last independent of the regulation of its employees by the international body for whom they worked. But in the case of European patents the UK has, says Mr Saini, adopted the acts and procedures of the EPO through the 1977 Act which compels recognition of patents granted by the EPO in accordance with those procedures. That creates the jurisdictional link under Article 1 and renders the grant process in the EPO amenable to scrutiny by the English courts in collateral proceedings.
154. We consider that the threshold question of jurisdiction should be answered in favour of Virgin. This is not a case where the UK as a contracting state has any *de facto* involvement or responsibility for the examination or grant process of the 908 patent. That is entirely a matter for the EPO which is both factually and legally independent of the Comptroller and the UKIPO in the exercise of its grant-making powers. It employs its own staff; it has its own Boards of Appeal chaired by a legally qualified chairman; and the patents it grants have under Articles 2(2) and 64(1) of EPC 2000 authoritative effect in the designated contracting states without any further action or adjudication by the Comptroller. Section 77(1) of the 1977 Act makes European patents directly effective in domestic law from the date of publication in the European Patent Bulletin. The Comptroller's function is purely administrative.
155. It seems to us that the fact that the powers of the EPO derive from a surrender of UK sovereign power under the EPC is insufficient to create jurisdiction under Article 1 for the reasons adopted by the Strasbourg court in *Behrami* and *Boivin*. The delegation of power and functions to an international organisation is not of itself inconsistent with Article 1 as these cases demonstrate and the independent legal status of the organisation which the treaty creates is recognised for jurisdictional purposes. In these circumstances, we do not accept that the recognition of the validity and effect of European patents under domestic law effected by s.77 of the 1977 Act can be sufficient to create a jurisdictional link. Indeed, we see it as a recognition by the UK of the powers of the EPO as an independently established and functioning authority. To allow the English courts to have a general power to review the validity of grants

on grounds not specified in the EPC would be to undermine fatally the whole system for the grant of European patents and would constitute a breach of the UK's treaty obligations under the EPC. Although the Strasbourg jurisprudence establishes that the UK cannot escape the consequences of its own breaches of the Convention by relying on its own international obligations, the cases relied on by Mr Saini do not establish that any actions by an independent body such as the EPO which might be regarded as non-Convention compliant can be visited on the contracting states solely on the basis that they are required to give legal recognition to what it has done.

156. If, however, we are wrong about this and the better view is that the 1977 Act does provide the necessary jurisdictional link for Article 1 purposes between the English courts and the actions of the EPO, the next question to consider is whether Article 6 is engaged.
157. Article 6 provides that:

“In the determination of his civil rights and obligations ... everyone is entitled to a fair and public hearing ... before an independent and impartial tribunal established by law”.

No one, of course, suggests that Floyd J failed to conduct a fair and public hearing of the issue of justiciability which is now before this Court and, insofar as the current dispute involves a determination of the civil rights of Mr Saini's clients, they accept that Article 6 has been complied with. But the more difficult question is whether the EPO's denial of a remedy for incorrect designation and Floyd J's refusal to allow the issue of designation to be raised in any form of domestic proceedings itself engages Article 6 because it denies them a hearing of a ground of opposition to the 908 patent on non-designation grounds. If this is sufficient both to engage Article 6 and to constitute a *prima facie* violation of it then the defendants submit that the domestic courts are required to intervene unless the EPO has provided equivalent protection in a judicial form which in this case, they say, it has not.

158. It is easy to understand why a state's substantive obligations to secure compliance with Convention rights in respect of matters under its control cannot be extinguished by its subsequent treaty obligations or by the delegation of particular sovereign powers under such treaties to an international organisation. But nothing in this jurisprudence determines the content of those Convention rights themselves or therefore whether they are engaged in any particular case. The right to life of the Iraqi prisoners under the control of British armed forces and the rights of property of the lessee of the aircraft grounded on Irish soil were inevitably directly affected by the actions of transfer and seizure in the cases just referred to. But Mr Saini's clients cannot succeed unless they are able to establish under Article 6 not only a right to a fair hearing of their case on non-designation but also a legal right to raise that issue as a basis for challenging the validity of the 908 patent in the UK notwithstanding the provisions in both the EPC and in the 1977 Act which limit the grounds of opposition to those of patentability.
159. Article 6, when looked at through English eyes, has all the appearance of being limited to ensuring a fair trial of disputes involving the legal rights of individuals whether in private or in public law. But, as Lord Hoffmann recognised in *R (Alconbury Developments) v Secretary of State for the Environment, Transport and*

*the Regions* [2003] 2 AC 295, first impressions are sometimes deceptive and the Court is required under s.2(1) of the HRA 1998 to take into account the judgments of the ECtHR when considering questions of this kind. The position of the English court has consistently been that Article 6 does not in itself create powers of adjudication or other substantive rights which the parties do not enjoy under domestic law. In *Holland v Lampen-Wolfe* [2000] 1 WLR 1573 where the issue was whether the United States could rely on state immunity under the State Immunity Act 1978 in respect of an action for libel commenced against it by a US citizen employed at one of their military bases in the UK, the House of Lords held that Article 6 did not preclude the court from granting the US Government immunity since it did no more than to grant access to whatever adjudicative powers the court otherwise possessed. Lord Millett at p. 1588 A-D said:

“Article 6 of the Convention affords to everyone the right to a fair trial for the determination of his civil rights and obligations. This reflects the principle of English law to which Sir Thomas Bingham M.R. gave utterance in his celebrated and much quoted observation that the policy which has first claim on the loyalty of the law is that wrongs should be remedied: see *X v. Bedfordshire County Council* [1995] 2 A.C. 633, 663.

At first sight this may appear to be inconsistent with a doctrine of comprehensive and unqualified state immunity in those cases where it is applicable. But in fact there is no inconsistency. This is not because the right guaranteed by article 6 is not absolute but subject to limitations, nor is it because the doctrine of state immunity serves a legitimate aim. It is because article 6 forbids a contracting state from denying individuals the benefit of its powers of adjudication; it does not extend the scope of those powers.

Article 6 requires contracting states to maintain fair and public judicial processes and forbids them to deny individuals access to those processes for the determination of their civil rights. It presupposes that the contracting states have the powers of adjudication necessary to resolve the issues in dispute. But it does not confer on contracting states adjudicative powers which they do not possess. State immunity, as I have explained, is a creature of customary international law and derives from the equality of sovereign states. It is not a self-imposed restriction on the jurisdiction of its courts which the United Kingdom has chosen to adopt. It is a limitation imposed from without upon the sovereignty of the United Kingdom itself.”

160. This statement of principle was subsequently approved in *Jones v Ministry of the Interior of Saudi Arabia* [2007] 1 AC 270 per Lord Bingham of Cornhill at p. 283 and Lord Hoffmann at p. 298.
161. These are all cases where the alleged impediment to a fair hearing (or any hearing at all) took the form of some kind of immunity from suit. The treatment of such

defences in the Strasbourg cases has turned on whether they are to be regarded as rules of substantive domestic law or merely procedural bars.

162. In *Fogarty v United Kingdom* [2002] 34 EHRR 12, a case involving a claim of state immunity by the United States in answer to a claim for sex discrimination brought by one of the staff at the US Embassy in London, the industrial tribunal ruled that reliance on state immunity was a bar to the claim. In Strasbourg the ECtHR rejected the argument that because of the operation of state immunity the employee did not have a substantive right under domestic law which attracted the protection of Article 6. It treated the right to assert state immunity (which was optional) as no more than a procedural bar which therefore engaged Article 6 but held that there had been no violation of the claimant's Article 6 rights because the grant of state immunity under the 1978 Act did not exclude the margin of appreciation allowed to contracting states to limit an individual's right of access to the court.
163. The high watermark in this approach to issues of immunity was reached in *Osman v United Kingdom* [2000] 29 EHRR 245 where the ECtHR ruled that even substantive rules of law (in that case the scope of a duty of care in tort) which have the effect of imposing no liability on particular classes of defendant can be treated for Convention purposes as restrictions on an individual's access to the court. But in *Z v United Kingdom* [2002] 34 EHRR 3 the Court has withdrawn from that position and recognised that limitations in the scope of the duty of care do not amount to an immunity:

“100. The applicants, and the Commission in its report, relied on *Osman* (cited above) as indicating that the exclusion of liability in negligence, in that case concerning the acts or omissions of the police in the investigation and prevention of crime, acted as a restriction on access to a court. The Court considers that its reasoning in *Osman* was based on an understanding of the law of negligence (see, in particular, *Osman*, cited above, pp. 3166-67, §§ 138-39) which has to be reviewed in the light of the clarifications subsequently made by the domestic courts and notably by the House of Lords. The Court is satisfied that the law of negligence as developed in the domestic courts since the case of *Caparo Industries plc* (cited above) and as recently analysed in the case of *Barrett* (cited above, loc. cit.) includes the fair, just and reasonable criterion as an intrinsic element of the duty of care and that the ruling of law concerning that element in this case does not disclose the operation of an immunity. In the present case, the Court is led to the conclusion that the inability of the applicants to sue the local authority flowed not from an immunity but from the applicable principles governing the substantive right of action in domestic law. There was no restriction on access to a court of the kind contemplated in *Ashingdane* (cited above, loc. cit.).

101. The applicants may not, therefore, claim that they were deprived of any right to a determination on the merits of their negligence claims. Their claims were properly and fairly examined in light of the applicable domestic legal principles

concerning the tort of negligence. Once the House of Lords had ruled on the arguable legal issues that brought into play the applicability of Article 6 § 1 of the Convention (see paragraphs 87-89 above), the applicants could no longer claim any entitlement under Article 6 § 1 to obtain any hearing concerning the facts. As pointed out above, such a hearing would have served no purpose, unless a duty of care in negligence had been held to exist in their case. It is not for this Court to find that this should have been the outcome of the striking-out proceedings since this would effectively involve substituting its own views as to the proper interpretation and content of domestic law.”

164. For present purposes, the most relevant part of the judgment is the Court’s assessment of whether Article 6(1) becomes applicable:

“87. The Court recalls its constant case-law to the effect that "Article 6 § 1 extends only to 'contestations' (disputes) over (civil) 'rights and obligations' which can be said, at least on arguable grounds, to be recognised under domestic law; it does not itself guarantee any particular content for (civil) 'rights and obligations' in the substantive law of the Contracting States" (see *James and Others v. the United Kingdom*, judgment of 21 February 1986, Series A no. 98, pp. 46-47, § 81; *Lithgow and Others v. the United Kingdom*, judgment of 8 July 1986, Series A no. 102, p. 70, § 192; and *The Holy Monasteries v. Greece*, judgment of 9 December 1994, Series A no. 301-A, pp. 36-37, § 80). It will however apply to disputes of a "genuine and serious nature" concerning the actual existence of the right as well as to the scope or manner in which it is exercised (see *Bentham v. the Netherlands*, judgment of 23 October 1985, Series A no. 97, pp. 14-15, § 32).”

165. In *Matthews v Ministry of Defence* [2003] 1 AC 1163 Lord Bingham of Cornhill said that:

“3. There is much common ground between the approaches of the parties to this question. It is recognised, first, that the expression "civil rights" in article 6 of the Convention is autonomous: *König v Federal Republic of Germany* (1978) 2 EHRR 170 at 192-193, paragraph 88. This means that the concept of a "civil right" cannot be interpreted solely by reference to the domestic law of the member state. It is the view taken of an alleged right for Convention purposes which matters. But, secondly, the Strasbourg case law is emphatic that article 6(1) of the Convention applies only to civil rights which can be said on arguable grounds to be recognised under domestic law; it does not itself guarantee any particular content for civil rights in any member state: see, for example, *Z v United Kingdom* (2001) 34 EHRR 97 at 134-135, 137, paragraphs 87, 98. Thus for purposes of article 6 one must take



the domestic law as one finds it, and apply to it the autonomous Convention concept of civil rights. It is evident, thirdly, that the Strasbourg jurisprudence has distinguished between provisions of domestic law which altogether preclude the bringing of an effective claim (as in *Powell and Rayner v United Kingdom* (1990) 12 EHRR 355 and *Z v United Kingdom* (2001) 34 EHRR 97) and provisions of domestic law which impose a procedural bar on the enforcement of a claim (as in *Stubbings v United Kingdom* (1996) 23 EHRR 213, *Tinnelly & Sons Ltd v United Kingdom* (1998) 27 EHRR 249 and *Fogarty v United Kingdom* (2001) 34 EHRR 302). The European Court has however recognised the difficulty of tracing the dividing line between procedural and substantive limitations of a given entitlement under domestic law, acknowledging that it may be no more than a question of legislative technique whether the limitation is expressed in terms of the right or its remedy: see *Fayed v United Kingdom* (1994) 18 EHRR 393 at 430, paragraph 67. An accurate analysis of a claimant's substantive rights in domestic law is nonetheless the first essential step towards deciding whether he has, for purposes of the autonomous meaning given to the expression by the Convention, a "civil right" such as will engage the guarantee in article 6.”

166. Mr Saini does not suggest that the limitations on the right to challenge the validity of the 908 patent both under Articles 100 and 138 and ss. 72 and 74 of the 1977 Act should be treated as no more than procedural bars to a remedy. The specified grounds of opposition are, in our judgment, the only substantive rights both under the EPC and under domestic law which Delta and the other defendants have to challenge the validity of the 908 patent. On this basis, there was no contestation between the parties in the Patent Court proceedings of anything more than the current issue of justiciability which the judge undoubtedly tried in accordance with Article 6.
167. One of the Strasbourg authorities relied on by Mr Saini was the decision in *Lenzing against the United Kingdom* (Appl. No. 38817/97: 9 September 1998) which (like *Rambus*) was a complaint by a patentee that a European patent had been revoked by the TBA after opposition proceedings in the EPO without it being given a proper opportunity to deal with one of the points raised. It was therefore a complaint about procedural unfairness; not about the scope of Article 100 of the EPC.
168. As mentioned earlier, Lenzing attempted to obtain judicial review in the High Court of the decision of the Comptroller-General to note the revocation of the patent on the UK register which was dismissed by Jacob J (as he then was) ([1997] RPC 245) in the typically robust terms quoted earlier. His decision pre-dates the coming into effect of the HRA 1998. But the Commission also declared Lenzing's subsequent application to it inadmissible. Mr Saini relies on the decision because, although the application was ultimately unsuccessful, the Commission did conclude that Article 6 was engaged:

“The Commission recalls that Article 6(1) of the Convention applies only to disputes (“contestations”) over rights and

obligations which can be said, at least on arguable grounds, to be recognised under domestic law. It does not in itself guarantee any particular content for “rights and obligations” in the substantive law of the Contracting States (cf. *Eur. Court HR, James and Others v. United Kingdom* judgment of 21 February 1986, Series A no. 98, p.46, para. 81; *Lithgow and Others v. the United Kingdom* judgment of 8 July 1986, Series A no. 102, p. 70, para. 192). It is also established case-law that Article 6(1) guarantees to everyone who claims that an interference with his “civil rights” is unlawful, the right to submit that claim to a tribunal satisfying the requirements of that provision (*Eur. Court HR, Le Compte, Van Leuven and De Meyere v. Belgium* judgment of 23 June 1981, Series A no. 43, p. 20, para. 44).

The applicant company pursued its claim for ownership of a patent in the United Kingdom before the High Court but was prevented from having a hearing on the substantive merits of its case by an immunity protecting the EPO from the scrutiny of the national courts of the contracting parties to the EPO.

The Commission recalls that the Convention organs have developed case law in which the question of the limitation on substantive rights has been considered in the context of access to court (see, for example, the discussion of the judicial limitations on the substantive law of negligence in the United Kingdom in *Osman v. United Kingdom*, No. 23452194, Comm. Report 1.7.97, and the case law referred to there).

The Commission has recently found (No. 37650/97, Dec. 21.5.98, to be published) that it was not necessary to decide whether or not the immunity of British Airways from a negligence suit was an immunity which delimited the content of the substantive law or whether it acted as a limitation on the right to bring proceedings. It referred to the case law outlined in the case of *Fayed* (*Eur. Court HR, Fayed v the United Kingdom* judgment of 21 September 1994, Series A no. 294-B) whereby limitations on the right of access to court are permitted provided that they pursue a legitimate aim and there is a reasonable relationship of proportionality between the means employed and the aim sought to be achieved (para. 65, with further references).

In addition, the Commission recalls that Article 6(1) applies where the subject-matter of an action is “pecuniary” in nature and is founded on an alleged infringement of rights which are likewise pecuniary (cf. *Eur. Court HR, Editions Périscope v France* judgment of 26 March 1992, Series A no. 234-B, p. 66, para. 40).

The Commission notes that if the applicant company had been able to establish a substantive claim in the United Kingdom courts, its patent claim would have been of a potentially important pecuniary nature in securing a commercial advantage over competitors. Given the pecuniary nature of the alleged infringement and the case law (see above) on whether or not a limitation on access to court raises a substantive or a procedural issue, the Commission finds that Article 6 of the Convention applies to the High Court proceedings. The relevant question for consideration in this connection is therefore whether the refusal of the United Kingdom courts to consider the merits of the applicant company's application for judicial review is compatible with Article 6(1) of the Convention. The refusal was due to the High Court's interpretation of the EPC and the jurisdiction of the United Kingdom courts to scrutinise the acts of the EPO. The judge found that he was unable to review the internal procedure of the EPO because the United Kingdom had delegated its powers in respect of patents to the EPO. The High Court's refusal to review the applicant company's application for judicial review, which was a limitation on the applicant company's right of access to court, will be compatible with Article 6(1) of the Convention only if the limitation pursues a legitimate aim and there is a reasonable relationship of proportionality between the means employed and the aim sought to be achieved.”

169. We think that this reasoning needs to be looked at in the light of the earlier Commission decision in *Osman* which is referred to in the passage cited. Following the subsequent decision of the ECtHR in *Z v United Kingdom*, we do not consider that it can now be relied upon as an accurate statement of the law, at least insofar as it characterises the refusal of the High Court to review the actions of the EPO as a form of immunity. We do, however, adopt the following passage which appears later in the Commission's decision as directly applicable to the issues which arise in this case:

“Finally, the Commission notes that the applicant company was able to, and did, put its claims to the civil courts. Those claims were dealt with at considerable length by the domestic courts. The applicant company makes no complaint whatever about, for example, the fairness of the proceedings, and it is apparent from the judgment in the case that the company was given extensive opportunity to put its cases to the courts. The fact that the courts found that the claims fell outside the scope of the substantive law is not relevant in the context of Article 6, which guarantees procedural rights in the determination of civil rights (or whether a case falls outside the scope of a civil right), and not the civil rights themselves.

The Commission considers that, given the procedural guarantees available before the EPO, it cannot be said that the limitation on the applicant company's access to court in the

United Kingdom was disproportionate to the aim of ensuring an effective European system of registration of patents.”

170. To overcome this difficulty, Mr Saini resorted to identifying his clients’ civil rights as including a right to trade in the UK free of the 908 patent unless it was validly granted. But the answer to that point is that the 908 patent was validly granted under the EPC if Delta and the others have no admissible right to challenge it on non-designation grounds. As Mr Chamberlain submitted, it is inherent in the scheme of the EPC that some errors, even if detected, will not be open to correction at the suit of a third party. Insofar as they take place as part of the examination of the patent application, they are essentially administrative matters which are not open to challenge at the suit of a third party and lie procedurally outside the scope of Article 6 of the ECHR: see *X v Austria* (Application 7830/77). Even if the errors go arguably to jurisdiction, the exclusion of a right to challenge the validity of the patent on those grounds can be justified in terms of the need for legal certainty. Absent a challenge on grounds of patentability, the patent will be placed on the register and both the patentee and third parties may alter their economic position in reliance on it. They are entitled to do so on the basis that Article 100 of the EPC establishes an exhaustive code for determining its validity.
171. Part of the argument at the hearing concentrated on the right which a UK-based third party would have to challenge the grant by the UKIPO of a UK patent in circumstances where the grant had, for example, been obtained by fraud. It was said that the limit imposed by ss. 72 and 74 of the 1977 Act would not preclude a challenge to the Comptroller’s decision to register the patent and that it would be amenable to challenge in proceedings for judicial review. For purposes of the argument we are prepared to accept that, but the right of challenge would arise at common law as part of the third party’s public law rights. He would therefore be exercising a substantive right under domestic law in respect of which he would be entitled to an Article 6 hearing.
172. This is said to create some asymmetry between the position under domestic law in relation to a UK granted patent and the rights which the third party would enjoy in relation to a European patent with a UK designation granted in similar circumstances if Article 6 would not entitle him to raise those objections in relation to the operation of the European patent in the UK. We are not persuaded by this. Even if a right exists under domestic law to challenge the validity of a fraudulently granted UK patent, that arises, as we have said, as a substantive right under domestic law. In relation to the similarly granted European patent, there is no asymmetry. The grant of the patent and its validity are governed by the terms of the EPC. If (as we assume for the purpose of this example) fraud does not taint the grant under the EPC, it equally provides no substantive right of challenge under domestic law because of a combination of the provisions of ss. 72 and 74 of the 1977 Act and the common law principle referred to earlier that a domestic court will not adjudicate upon the decisions of an international body such as the EPO. In these circumstances, there are no substantive rights upon which any relevant “contestation” can take place.
173. We therefore consider that Article 6 is not engaged in this case except insofar as the issue of justiciability itself requires to be tried. It does not extend to creating substantive rights of challenge to the validity of 908 where none exist under existing domestic law. The issues of equivalent protection, the appropriate form of relief and

the construction of the Delta undertaking do not therefore arise. Nor is it necessary for us to consider further the reasons given by the Examining Division for dismissing Delta's challenge on the grounds of good faith.

**Non-designation: conclusions**

174. For these reasons, we dismiss the appeals of Delta, Air Canada and Zodiac on the non-designation issue.

**Outcome**

175. The appeals and cross-appeals are dismissed.