

Indirect infringement: a pan-European viewpoint

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Similar statutory provisions in DE, FR, ES



Indirect infringement:

- third party **not having the patent proprietor's consent** Implicit license?
Exhaustion?
- supplying or offering to supply
- on the national territory
- any person other than a party entitled to exploit the patented invention
- with means relating to an **essential element** of that invention
- for putting it into effect on the national territory Subjective elements
- when the third party **knows, or should have known** that those means are suitable and intended for putting that invention into effect.

Not applicable to **staple products**



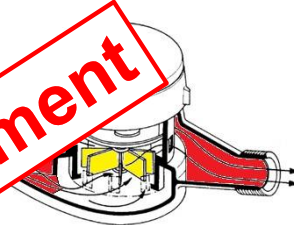
Determination of "essential element" (DE)

I. FCJ , 04 May 2004 – Flügelradzähler

- Impeller: prior art, exchangeable
- Invention: design of casing for optimizing flow

Court:

- Functional inter
- Contribution of technical teaching
- Irrelevant: distinction from prior art; specific individualization
- Every feature of the claim usually is an essential element



Essential Element



Determination of "essential element" (DE)

II. FCJ, 21 August 2012 – MPEG-2-Videosignalcodierung

- Process patent: i.a. decoding video data
- Defendant: sold DVD's with encoded data

Court:

- Not every feature of an invention is automatically "essential feature"
- Required: reason for the invention by or with the help of the means
- Not sufficient: mere reason to use invention



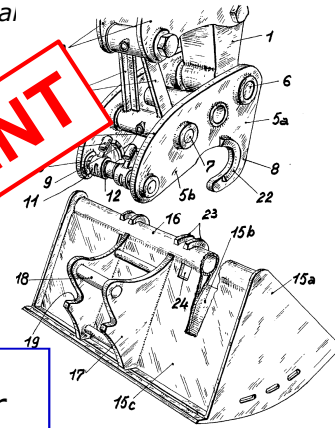
NOT Essential Element



Determination of "essential element" (FR)

→ TGI Paris, September 30, 2009; *Morin Frères et al v Magsi TP*

- Claim to a **fixation device** on a crane, comprising a **hooking member**
- The defendant sold **buckets** intended to be used with patentee's hooking member
- The buckets and hooking member were configured to **cooperate**



Court: invention has **two essential elements**, namely hooking member and bucket, each having a specific structure.

Invention is a **combination** of the two.

INFRINGEMENT

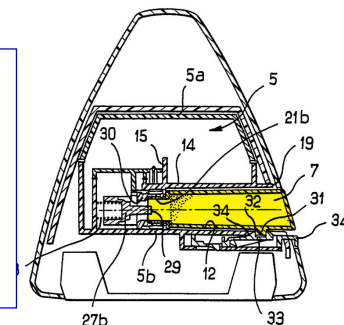


Determination of "essential element" (FR)

→ Cour d'appel de Lyon, September 19, 2002, *Calor SA & Seb SA v France et al.*

- Claim to an **ironer**, comprising a **demineralized cartridge**.
- Some dependent claims further characterize the housing for receiving the cartridge.
- The defendant sold demineralized cartridges
- Cartridges already known in the prior art

Court: the patent does not relate to the cartridge; and the housing is **not** a means for implementing the invention related to a **new element** thereof, even if it is to be inserted in an ironer manufactured according to the invention

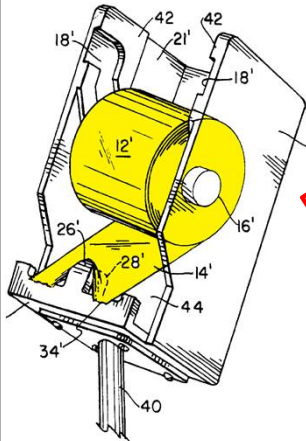


NON-INFRINGEMENT



Determination of "essential element" (FR)

- Cour d'appel de Rennes, December 3, 2008, *Publi Embal v. Copri-ma et al.*
- TGI Paris, November 5, 2004, *Simhaee & Copri-ma v. Mult...*



- Claim to a bag dispenser configured to dispense and separate plastic bags
- The defendant's dispenser of plastic bags
- Plastic bag dispenser novel configuration

Court: Plastic bags = essential element
 Dispenser useless w/o roll of bags
 Mention of roll of bags in claims
 Shape of roll novel and specifically adapted to dispenser

→ Dispensers leased for free under the condition that the client should buy rolls of bags from the licensee

INFRINGEMENT



Determination of "essential element" (ES)

Two Possibilities:

- **Extensive interpretation:** all elements in the claim must be considered essential elements of the invention.
- **Narrow interpretation:** only elements that make a difference in the subject matter of the patent with respect to the prior art.



Determination of "essential element" (ES)

Extensive interpretation:

Vizcaya Court of Appeal. June 2005:

- Invention: Liquid dispensing device for controllably dispensing drops of liquid from a container and method for dispensing liquid in drop form from a container
- Alleged infringing product: container which fitted in the dispensing device.

"Container is the necessary mean so that the apparatus may function and it is also the necessary mean so that the method for dispensing may be performed."



Determination of "essential element" (ES)

Narrow interpretation:

Madrid Provincial Court of Appeal (Specialised IP Section). November 2011:

- Invention: patent protecting the standard MPEG system of receiving and decompressing audio files.
- Alleged infringing product: device that, on being incorporated to a videogame console combined with other elements (computer software), allowed files of that type to be received and decompressed.

"Elements contained in the claims that in light of the role they perform, directly contribute towards the result of the invention. We would only exclude those elements that do not contribute at all towards achieving the technical effect of the invention protected by the patent"."



Exhaustion Defense

■ Situation:

- exchange/delivery of spare parts, repair of patented products
- spare parts are considered essential elements

■ Relevance under patent law:

- use of spare parts = re-manufacturing of patented combination product?
- delivery of spare parts = indirect infringement?

■ Problem:

- Consumer expects to be allowed to use product
- Patent holder can control market for spare parts
- contradicting interests

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Exhaustion Defense (DE)

I. FCJ , 04 May 2004 – Flügelradzähler

- Exhaustion (+): combination product sold
- Exchange of capsule: new product?



intended use (identity of product)
vs.
new manufacturing of patented
combination product



Exhaustion defense (DE)

I. FCJ , 04 May 2004 – Flügelradzähler

Court:

- Intended use
 - conservation, maintenance, repair
 - enable use after damage or wear
 - exchange of spare parts due to damage can be expected
- New manufacturing
 - spare part specifically embodies central ideas of the invention
 - Technical effects and advantages are reflected in exchanged parts
 - Technical/economic advantages realized by exchange



Balance of interest: economic exploitation (patentholder) vs. unhindered use (consumer)

Infringement



Exhaustion defense (DE)

II. Düsseldorf Court of Appeal, 17. November 2005 – Kaffee-Pads

- Pads exchanged after use
- But: patent **direct** exchange (different to repair/maintenance)
- Economic interest: pads for constant exchange
- First sale of product: no sufficient participation of patent holder in economic value



Infringement



Exhaustion defense (DE)

III.FCJ, 27 February 2007 – Pipettensystem

Pipettes (tips) exchanged for use



- Main criterion: technical effects? Where do they occur?
- Technical effects: not in tips, tips only object
- Economic interest regarding parts: not relevant, economic exploitation only protected for invention itself

No infringement



Exhaustion defense (DE)

III.Düsseldorf Court of Appeal, 21 February 2012 – Kaffekapseln



- Subject-matter of patent?
- Are these effects or advantages realized in spare part?
- Economic interest justified, if exchange makes use of essential area of invention
- Capsules: only object, not improved, invention not reflected

No infringement



Exhaustion defense (ES)

Vizcaya Court of Appeal. June 2005 (only judgment in this regard).

"The effects of articles 52 and 54 of the Spanish patents Acts, which regulates the exhaustion of the patent right, cannot be extended in any case, since there is no consent from the patent owner in favour of the defendants [...] to make use of any spare part applicable to the apparatus or devices protected by the patent"

- Unreasonable extension of patent rights?



Exhaustion defense (FR)

→ Cassation, ch.com., April 25, 2006, *Eidmann v. Strulik SA*

- Patent on fire protection devices
- Patent licensed in Germany and not in France
- The licensee sold devices in France without authorization and was found guilty of infringement

Court: "even though putting products implementing the invention on the community market by the patentee or with his consent results in the **exhaustion of his rights** with respect to **each of these products**, it does **not** result in the **exhaustion of the patent right itself**, which remains enforceable with respect to any operator which proceeds with putting products using this invention on the market without his authorization"

Sale of a product → exhaustion of rights also on spare parts?



Implicit license (DE)

- Theoretically possible (indicated e.g. by FCJ – Flügelradzähler), but restrictive
- Buyer: expects ability to do repair/maintenance, buy from other manufacturers
- Patent protection expressively reserves rights
- Implicit licensing requires clear indications

- FCJ, 27 February 2007 – Rohrschweißverfahren:
 - Delivery of device for executing process patent
 - Implicit license for process patent



Implicit license (FR)

No example of theory of implicit license in French case law

- Bag dispensers cases: invoices for the dispensers **explicitly mentioned** that the dispensers should be used only with plastic bags sold by the licensee
- *Morin Frères et al. v. Magsi TP*: buckets intended to be used with the patentee's cranes → court: **no implied authorization** by the patentee to buy buckets from another party
- Under French laws, license agreements which are not in writing are void



Subjective elements (ES)

Awareness or circumstances make clear:

Standard:

Would a **diligent** player in the relevant market acting in **good faith** have known:

- the existence of the particular patent whose infringement is alleged?
- that the offered/supplied means are suited to put the invention into practice?
- that the offered/supplied means are specifically aimed to put the invention into practice?



Subjective elements (ES)

Vizcaya Court of Appeal. June 2005.

- Containers or spare parts which were manufactured and marketed by the defendants based on their previous knowledge of the originals and which were purchased to the patent owner.
- Claimants manufactured containers that *"fit perfectly in the liquid drop dispenser and have been manufactured to be used in the dispensing device [...] and keep said dispenser in operation in such a way that the patented process can be performed by the incorporation of those containers"*.



Subjective elements (DE)

- FCJ, 13 June 2006 – Deckenheizung
- If non-infringing use possible: sufficient certainty of infringing use in view of circumstances
- Not yet in unrequested offer
- Indicators for realization of subjective requirements:
 - Suggestion from seller to use according to invention; manual; marketing material
 - Specific adjustment for infringing use



Staple products (ES)

Madrid Provincial Court of Appeal (Specialised IP Section).
November 2011:

- Invention: patent protecting the standard MPEG system of receiving and decompressing audio files
- Alleged infringing product: device that, on being incorporated to a videogame console combined with other elements (computer software), allowed files of that type to be received and decompressed.
- Problem: device was apt to be used for other purposes too, different from the patent invoked by the claimant.



Staple products (ES)

Madrid Provincial Court of Appeal (Specialised IP Section). November 2011:

"In this case, [...] the circumstances in which the product is marketed implies that it is a device suitable for playing MP3 audio files and is designed to do that –but not only to this aim.

[...]

The arguments in favor of indirect infringement [...] are weakened when a product is found to have other significant uses that do not involve patent infringement.

In conclusion, as the means in question are available in stores and can be used for other purposes apart from that of putting a patented invention into practice, and such uses in this case at least are equally significant, contributory infringement must be ruled out, unless the third party incites the person to whom he delivers the means to commit forbidden acts, which is not the case"



Staple products (ES)

Madrid Provincial Court of Appeal (Specialised IP Section). November 2011:

- Too broad interpretation?
- **Specificity as key issue.**



Switzerland

1. Direct infringement in Switzerland
2. Contributory action
3. Adequate causal connection



Direct infringement in Switzerland



The **direct infringement** must occur in Switzerland.

Not required that **contributory action** takes place in Switzerland.

Contributory action and direct infringement **do not need to take place in the same country.**



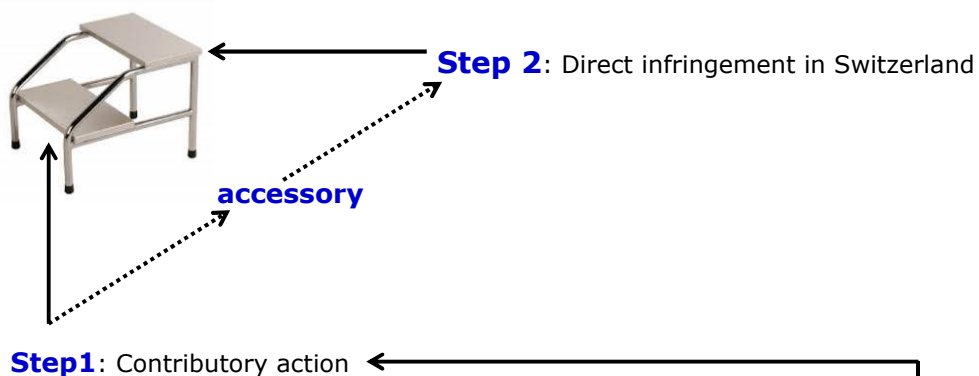
Direct infringement in Switzerland

	Contributory action in Switzerland	Contributory action abroad
Direct infringement in Switzerland	potential liability as indirect infringer	potential liability as indirect infringer
Direct infringement abroad	no liability as indirect infringer	no liability as indirect infringer



Direct infringement in Switzerland

■ Switzerland:



■ Germany, Spain and France: Independent infringement regulation



Contributory action

manufacturing, offering for sale, sale, placing on the market, importing



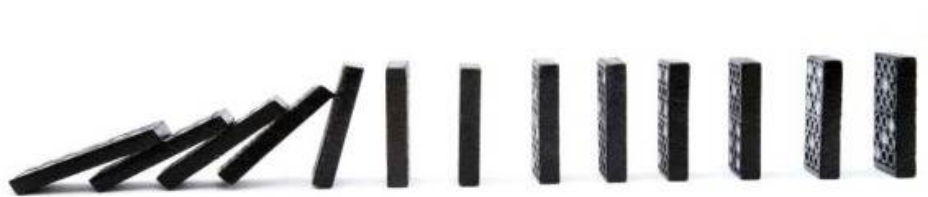
The following persons may be held liable under civil and criminal law:

"any person who abets any of the said offences, participates in them, or aids or facilitates the performance of any of these acts"

(Art. 66 d of the Swiss Patent Act)



Adequate causal connection



The pertinent requirement for illicit indirect infringement under Swiss law is that in light of the ordinary way things go and the experience of life, it has to be expected that the respective **contributory action** objectively favors a **direct infringement**.



Adequate causal connection

- The requirement of adequate causal connection is normally fulfilled if the contributor **knows or should have known** that the supplied means are suitable for an infringing use and the supplied person **intends such use**.
- Nevertheless, indirect infringement can also be established if the supplied person does not have an intention at the time of supply or offering by the contributor to put the means to an infringing use but takes such decision at a later date provided that the supplied person's infringement **could and should have been reasonably expected**.



Adequate causal connection

- Under Swiss law, it is **not relevant** whether a means constitutes an **essential element** in the invention.
- The fact that the supplied means constitutes an essential element may, however, indicate that an infringement **objectively had to be expected**.



(+) Switzerland



Greater
flexibility



Courts do not need to analyze and find an answer to the difficult questions of what is an **essential element** of a specific invention



Courts can rely on **broad case law** on the requirement of adequate causal connection

Other interesting questions

- Interaction with competition law (spare parts, consumer goods)
- ...

