



Contributory Patent Infringement

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Topics

- ➡ Contributory Infringement - a sample case
- ➡ The approach to contributory infringement in different jurisdictions
- ➡ "Essential element", exhaustion and implied licence
- ➡ Contributory infringement and territoriality
- ➡ Subjective elements ("intention")
- ➡ Injunctive relief and damages

Coffee Pads - a sample case

Infringement Proceedings in DE, NL, BE, FR
Decided by: Boards of Appeal T 452/05 (2006)



Sara Lee's (Senseo's) Coffee Patent

"An assembly for use in a coffee machine for preparing coffee, comprising a container having a bowl-shaped inner space bounded by a bottom having at least one outlet opening and a vertical sidewall and, included in the inner space of the container, a pill-shaped pouch manufactured from filtering paper and filled with ground coffee, which pouch rests on the bottom and extends over the bottom to a position adjacent the sidewall, while provided in the bottom are a number of channel-shaped grooves extending in radial direction of the bowl-shaped inner space to the at least one outlet opening and, in use, hot water is fed under pressure to a top side of the container by means of the coffee machine causing the hot water to be pressed from a top side of the pouch through the pouch for extracting the ground coffee included in the pouch, the coffee extract formed flowing from a bottom side of the pouch and from the container via at least one outlet opening,

characterized in that

each of said grooves extends from a position located at a distance from the side wall in a direction away from the side wall."

Contributory Infringement - The problem

1. The inventive part of the above claim is the characterising portion, i.e. the shorter grooves that prevent steam from exiting without having come into contact with the coffee.
2. The pads as such could not be not patented, as their composition and size were known in prior art.
3. The infringement claim, however, relates to the manufacture of the pads by third parties.

The Law

Art. 26 CPC - Contributory (indirect) Infringement

"A Community patent shall also confer on its proprietor the right to prevent all third parties not having his consent from supplying or offering to supply within the territories of the Contracting States a 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 therein, when the third party knows, or it is obvious in the circumstances, that these means are suitable and intended for putting that invention into effect".

Senseo's Coffee Case: De hollandse koffieronde

“The mere circumstance that a fitting coffee pod is necessary to apply the patented invention does not entail outright that this pod is a means that regards an **essential part of the invention**. Apparently, and in light of the interpretation of the patent by the Court of Appeal, understandably, the Court of Appeal concluded that the coffee pod that fit the container was not an element of what, according to the patent specification, *distinguished the teaching of the patent from the state of the art*. That conclusion does not reflect an inaccurate legal opinion.”

Hooge Rat, 31 October 2003

Senseo's Coffee Case: Ein deutsches Kaffeekränzchen

"If the patented apparatus consists of the filter pad and filtering device in their joint working, the **economic nucleus of the invention** also and especially relates to the need to replace the filter pad. If by exchanging the filter pad **every time a new construction unit is created**, it is incorrect to assume that by marketing the apparatus as a whole, the patentee has already received his due".

OLG Düsseldorf, 17 November 2005

Essential Element: The German Flügelradzähler-Doktrin

"A means within the meaning of Sec. 10 Patent Act [indirect infringement] refers to an **essential element of the invention** if this is capable of interacting functionally with one or more features of the patent claim to implement the protected invention. A feature that is completely subordinate for the technical teaching of the invention can be ignored as a non-essential element.

In particular, it is not possible to determine the essential elements of the invention according to whether they distinguish the subject matter of the patent claim from the state of the art."

German Supreme Court, 4 May 2004

Essential Element: Chevys and Cadillacs

"Reconstruction of a patented entity, comprised of unpatented elements, is limited to such a true reconstruction of the entity as 'in fact make a new article', after the entity, viewed as a whole, has become spent...It must, indeed, be a second creation of the patented entity...*Mere replacement of individual unpatented parts, one at a time, whether of the same parts repeatedly or different parts successively, is no more than the lawful right of the owner to repair his property.*"

Aro v. Convertible Top Replacement, US Supreme Court (1961)

Essential Element: The Mess of the Mesh

Patent covering "a sifting screen assembly for use in a vibratory sifting machine comprising a frame and two screens superimposed one on the other and adhesively secured at marginal edge portions thereof to said frame".

In exchanging the meshing screens, "[i]t is quite true that the defendants prolonged the useful life of the *frame*. It would otherwise presumably have been scrapped. But the *screen* was the combination of frame and meshes pre-tensioned by attachment with adhesive according to the invention. That product ceased to exist when the meshes were removed and the frame stripped down to the bare metal. What remained at that stage was merely an important component, a skeleton or chassis, from which a new screen could be made."

UK House of Lords, *United Wire v. Screen Repair*, 20 July 2000

What qualifies as an "essential element"?

- While the cited US and UK decision were argued as cases of direct infringement, the German and Dutch cases dealt with contributory or indirect infringement. Either way, the cases turned on the interpretation of substitution of an "essential element" of the invention.
- (1) Does this have to relate to the inventor's contribution to the state of the art (US; Netherlands),
- (2) or can this be any element that is not only of marginal importance, or can this even be determined economically (Germany)?
- If (2), what about the essential element of patent law that a patent may take nothing away from the public that was already in the public domain (such as supplying non-patented parts for any suitable use)?
- If (2), it becomes very difficult to voice injunctive relief ("not suitable for use in Senseo machines"), as the supplied parts have been part of commerce.
- If (2), how then should "staple parts" be interpreted, and would, for example, coffee pads not be such staple products suitable for many uses?

USC, *Mercoid v. Mid-Content* (1944)

A Farewell to the construction of indirect infringement?

""This Court has consistently held that the owner of a patent may not employ it to secure a limited monopoly of an unpatented material used in applying the invention. The Court has repeatedly held that to allow such suits would be to extend the aid of a court of equity in expanding the patent beyond the legitimate scope of its monopoly. It is true that those cases involved the use of the patent for a machine or process to secure a partial monopoly in supplies consumed in its operation or unpatented materials employed in it. But we can see no difference in principle where the unpatented material or device is itself an integral part of the structure embodying the patent.

Exhaustion, Implied License and Indirect Infringement

- Should there be room for an implied licence doctrine in cases of repair and recycle?
- No, because there can never be an implied license for "making" (UK).
- Yes, the public expectation in what may be refilled or recycled should be taken into account (Japan).
- Should the courts adopt a policy of "mending is better than ending" (Tokyo High Court, maybe)?
- If the replacement of coffee pads were to amount to a reconstruction of the machine, would this not be an act generally considered as implicitly permitted (after all, these are no one-way machines)?

Territorial Limitations - UK High Court, Virgin Atlantic v. Delta

"In order for there to be infringement under section 60(2), a double territorial requirement must be satisfied. First, the supply or offer for supply of the "means relating to an essential element of the invention" must take place in the UK. Secondly, the means must be "suitable for putting, and intended to put, the invention into effect" in the UK. The "invention" for this purpose is that claimed in the patent. Where the invention is an apparatus, the apparatus must be intended to be put into an infringing state in the UK."

Subjective Elements - Intention: UK Court of Appeal, Grimme Maschinenfabrik v. Derek Scott, 15 October 2010

"The knowledge and intention requirements of Art. 26 and section 60(2) are satisfied if, at the time of supply or offer of supply, the supplier knows, or it is obvious in the circumstances, that ultimate users will intend to put the invention into effect. That is to be proved on the usual standard of balance of probabilities. It is not enough merely that the means are suitable for putting the invention into effect (for that is a separate requirement), but it is likely to be the case where the supplier proposes or recommends or even indicates the possibility of such use in his promotional material."

Liability of Carriers: BGH, 19 September 2009 - "MP3Player"

"While the profession of carrier or freight conductor can increase the risk of patent infringements, it does not carry a general obligation to examine the transported goods with respect to infringements of proprietary rights, as has been recognised [citation omitted]. The carrier or freight conductor is, as a rule, himself not in a position to examine the transported material entrusted to him for infringements of proprietary rights. To postulate such a legal obligation would not only make his profession considerably more expensive and more complicated, but it would also not be justifiable, as it is not necessary as a protection of intellectual property. This protection, rather, is guaranteed in principle by the fact that everyone who manufactures, proffers, puts into circulation or uses the protected object, or introduces or possesses it for these purposes, must observe the preservation of the patent proprietor's exclusive right [citation omitted].

The defendant did, however, act in breach of its obligation in that it further facilitated defendant 1's objectively patent-infringing possession of the goods after it had been advised by the plaintiff, or the customs authorities, that the goods were or at least could be patent-infringing products."

How to word the order for injunctive relief

Appeal Court Düsseldorf, 17 November 2005 - "Coffee Pads":

"In order to safeguard the rights of patentee it must be ascertained that also private consumers do not use the pads in the fitting size in Senseo machines. In this respect, any hints on the packaging of the pads must be deleted that may alert the consumer to the fact that these pads could be used in Senseo machines....Such pads, therefore, must be called espresso pads rather than coffee pads,...and the packaging should bear a clear indication that such pads would only be suitable for use in espresso machines."

The problem: Such indication would obviously be wrong, as the pads fit rather nicely.

Calculation of Damages: Düsseldorf District Court, 1 March 2011 - "Plasmadischarge"

"To the extent that the customers do not of their own volition explain themselves about the way the essential element has been used, and the indirect infringer can justifiably deny any further knowledge about how its customers use the essential means, the plaintiff in the last resort must start discovery proceedings against the direct users in order to obtain the necessary knowledge...To the extent that the plaintiff argues that a direct infringement has already been established in the proceedings concerning infringement, the court disagrees with this view. Neither this court nor the appeal court did entertain the plaintiff's request for an unqualified injunction, and have therefore taken into account the possibilities of non-infringing use of the essential element. Apart from that, the plaintiff fails to take into account that for the appeal court, the probability of (one single!) act of direct infringement was sufficient to affirm an indirect infringement and therefore a liability for damages in principle...It is established that the indirect infringer has no duty to question its customers on how the supplied means are being used."

Final Remarks

- ☞ There are enormous practical and doctrinal difficulties in justifying and applying the provision on indirect/contributory infringement.
- ☞ These difficulties contrast with an increasing popularity of the provision. More often than not, the provision seems to be invoked by right owners in order to protect business models (as the US Supreme has clearly appreciated).
- ☞ The courts have not yet found convincing criteria for properly determining what amounts to permissible acts of repair or replacement, and what to an impermissible reconstruction, in particular because furnishing or replacing "essential" elements does not equal "patented" elements or elements that contribute to the inventive concept.
- ☞ Would we be worse off without contributory infringement?