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Contributory Infringement (Indirect Use of a Patent)

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Introduction

- 1) Precondition for contributory infringement
 - danger of direct infringement
 - factual direct infringement no longer necessary
- 2) Possible implementation is an offer or supply of
 - a not protected device for carrying out a protected method
 - a not protected device for producing a protected product
 - modules, spare parts and semifinished goods being an essential element of the invention

Summary direct use 1/2

1) Without patentee's consent each third party is prohibited from

- making
- offering
- supplying (putting on the market)
- using
- importing and
- stocking

a product (means)

- according to the patent (§ 9, No. 1 PatG) or
- obtained directly by a process according to the patent (§ 9, No. 3 PatG)

Summary direct use 2/2

- 2) Without patentee's consent each third party is prohibited from
- using or
 - offering
- a process according to the patent (§ 9, No. 2 PatG)
- 3) The effect of the patent does not apply (acc. to § 11 No. 1 to 3 PatG) on
- acts done privately
 - acts done for experimental purposes
 - individual preparation in a pharmacy

Wording of Law 1/2

§ 10(1):

The patent shall have the further effect that any third party not having the consent of the patentee shall be prohibited from supplying or offering to supply, within the territory to which this Law applies, a person other than a party entitled to use the patented invention with means relating to an essential element of such invention for use of the invention, where such third party knows or it is obvious from the circumstances that such means are suitable and intended for use of the invention.

Wording of Law 2/2

§ 10(2):

Subsection (1) shall not apply when the means are staple commercial products, except where such third party intentionally induces the person supplied to commit acts prohibited by § 9 (2) PatG.

§ 10 (3):

Persons performing the acts referred to in § 11 No. 1 to 3 shall not be considered persons entitled to use the invention within the meaning of subsection (1).

Parties involved

- 1) Patentee
 - plaintiff
- 2) Third party (-> alleged indirect infringer)
 - defendant
 - offers or supplies
 - not having consent of patentee
- 3) Person (-> customer of third party)
 - other than a party entitled
 - being offered or being supplied
 - intends to use the invention (direct infringement)

Items to be checked 1/6

- A) Is there an offer or supply of means to a customer?
- B) Is this customer entitled to use the invention?
- C) Are these means an essential element of the invention?
- D) Are these means suitable and intended for use of the invention (direct infringement) by the customer?
- E) Does the indirect infringer know of D) or is D) obvious from the circumstances?

Items to be checked 2/6

A) Is there an offer or supply of means to a customer?

- 1) to be interpreted in the same way as in direct infringement
- 2) other acts of use are not illegal
 - making
 - using
 - importing
 - stocking
- 3) customer not necessarily user (distributor)
- 4) out of commercial purposes
- 5) for use in Germany (including re-import)

Items to be checked 3/6

B) Is this customer entitled to use the invention?

1) entitled

- patentee
- licensee (direct or indirect)
- person having right of prior use

2) “excluded” excluded acts, § 10 (3)

- private use
- experiments
- individual preparation of prescribed medicine

3) exhaustion

- if replacement part does not lead to a remanufacturing

Items to be checked 4/6

C) Are these means an essential element of the invention?

- 1) mentioned in claims
- 2) suitable to functionally interact with element(s) for realizing the invention
- 3) means not being essential
 - neutral parts (no relation to invention)
 - staple commercial products (nails, screws, ...), § 10 (2)
 - consumable material

Items to be checked 5/6

D) Are these means suitable and intended for use of the invention (direct infringement) by customer?

1) suitable

- man skilled in the art would regard means as appropriate
- use of the means is direct infringement

2) intended

- at the time of offer, customers most likely have the intention to use means in a way infringing the patent

Items to be checked 6/6

E) Does indirect infringer know about D) or is D) obvious from circumstances?

- 1) alleged indirect infringer must know that customer intends to infringe patent directly
 - proof is possible on experience of life
- 2) obvious from circumstances
 - use is only possible by direct infringement
 - other use is (highly) unlikely
 - means are adapted for direct infringement
 - extent of suitability and habitualness
 - kind of company of the customer
 - hints of use from the infringer

Possible consequences 1/2

1) Cease and desist

- unrestricted
 - no use without infringement credible
 - restricted order impractical
 - amendments unproblematic
- restricted (otherwise)
 - warning, if effectiveness likely
 - cease and desist agreement
- depends strongly on situation

Possible consequences 2/2

2) **Damage**

- mainly due to direct infringement
- cost of law suit indirect infringement
- income of indirect infringer

3) **Information** **problematic**

4) **Destruction** **problematic**

5) **Recall and removal
from channels of
commerce** **problematic**

Examples from case law

- Patent:
 - Device and replacement part in combination
 - Means to be offered or supplied:
 - Replacement part only
- Relevant BGH decisions:
- Impeller water meter ("Flügelradzähler")
 - > infringement
 - Pipette system ("Pipettensystem")
 - > no infringement

Example “Impeller water meter” 1/2

- Subject matter:
Water meter having a cartridge including an impeller.
Cartridge can be replaced or dismantled for calibration purposes
- Crucial point:
Customer has bought water meter and cartridge. Consequently, water meter and cartridge are exhausted and customer is entitled to use them. Does the entitled use include a replacement of the cartridge by cartridges of an indirect infringer?

Example “Impeller water meter” 2/2

- Solution:
It is to be balanced between the interests of the patentee and the customer. Customer may expect means to be freely replaceable several times during lifetime of the subject matter of the patent. Thus, a replacement is generally no re-manufacturing. However, if the replacement part represents essential elements of the invention, the patentee did not benefit from the invention sufficiently by selling the impeller water meter for the first time. Consequently, the offering or selling of the cartridge to the customer was regarded as indirect patent infringement by the Federal Supreme Court.

Example "Pipette system" 1/2

- Subject matter:
A pipette system consisting of a pipette and a syringe and having a mechanism adapted for easily replacing the syringe.
- Crucial point:
Is the customer of the system entitled to replace the syringe (like in "Impeller water meter")?

Example "Pipette system" 2/2

- Solution:
Similar to solution of "Impeller water meter".
However, an additional criterion was introduced:
Does a replacement endanger the identity of the system when taking into account the specific characteristics, the effect and the advantages of the invention or equal a re-manufacturing. Finally, it was decisive that a re-manufacturing could not be seen if the replacement element is an object of the improved functionality of the system. In simplified words: If the object of the invention refers to the improved replaceability, the replacement can be regarded as intended use -> Exhaustion -> no indirect infringement.

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**Thank you very much for
your kind attention!**



Please feel free to ask questions