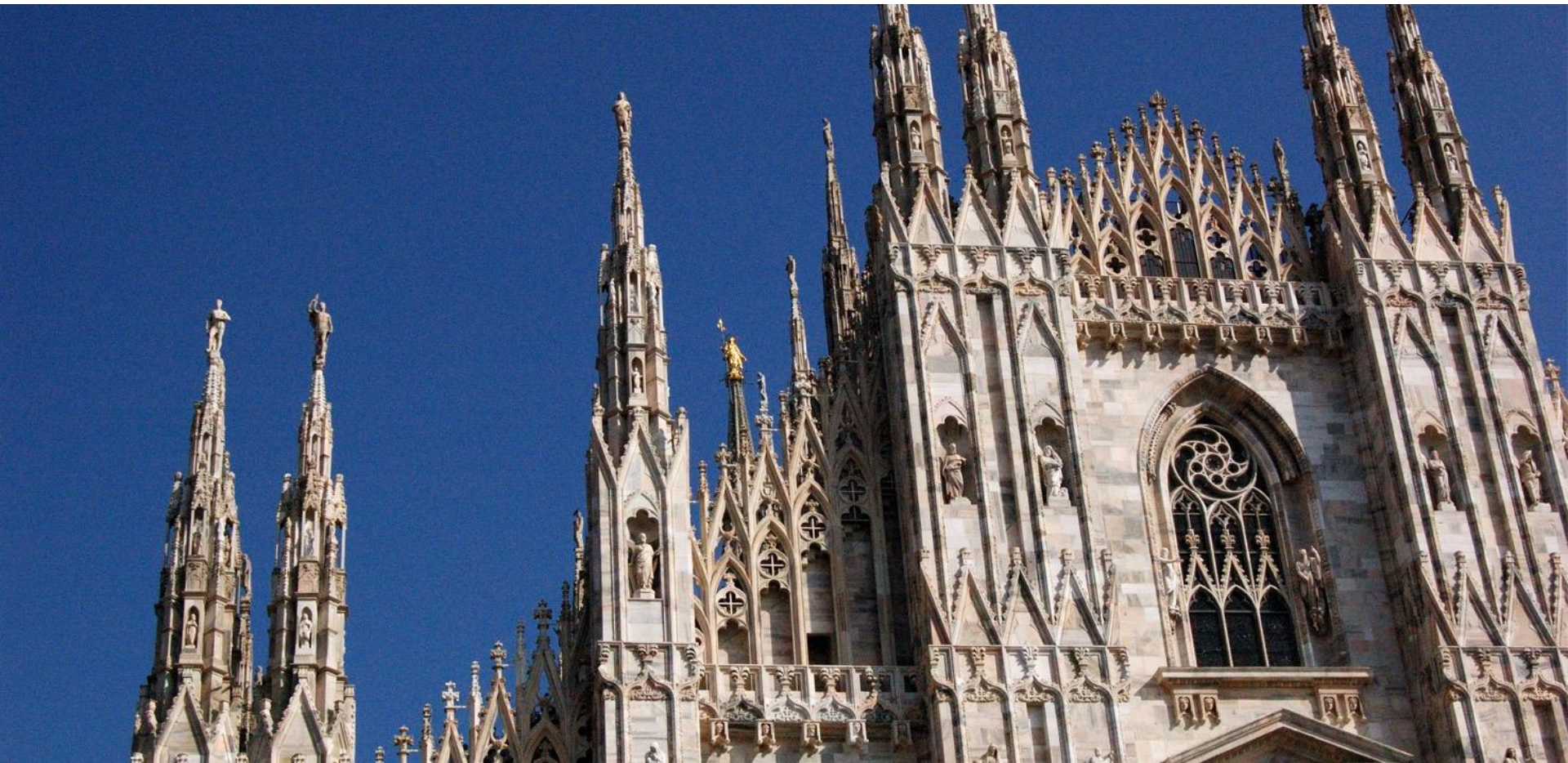


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Panel Session II

Infringers without borders – current issues in contributory infringement



- Introductions
- General Principles
- Specific Aspects – Jurisdiction Comparisons
- Case Examples:
 - Skinny Labels (SL)
 - Multi Jurisdiction Supply (MJ)
 - Consumables (C)

	China	Germany	UK	US
<i>What is the general legal framework for assessing contributory infringement in your country?</i>	<ol style="list-style-type: none"> 1. Very limited precedents. 2. No relevant provision in patent law or Judicial Interpretation until 2016. 3. Art. 21 of JL of Supreme Court (2016). 4. Included in 4th revision of patent law (pending for approval). 5. Art. 130 of General Civil Rules, Joint Infringement. 6. Art. 6 of Tort Law: acts, fault, injury, and causation. 7. Beijing High Court's Guidelines in 2001 and 2013 	<ol style="list-style-type: none"> 1. Sec. 10 German Patent Act provides for a specific provision on "indirect patent infringement" (injunctions and damages possible). 2. Contributory infringement can also be covered under the headings of general tort law, i.e. <ol style="list-style-type: none"> (a) inducement (b) aiding & abetting (injunctions and damages possible). 	<ol style="list-style-type: none"> 1. 60(2) and 60(3) Patents Act 1977 2. Procuring commission of a tort / joint tortfeasorship 	<ol style="list-style-type: none"> 1. 35 USC §271(b) – inducing infringement 2. 35 USC §271(c) – contributory infringement

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<i>Does the supplier need knowledge that the customer will use or be likely to use the product in an infringing way?</i>	<p>Yes.</p> <p>In practice, the knowledge is difficult to prove in absence of discovery procedure.</p> <p>In local courts' practice, the knowledge could be inferred if the component has no non-infringing uses.</p>	<p>1. Knowledge in the strict sense is not required for Sec. 10 Patent Act (indirect patent infringement). However, it is necessary that it is 'obvious from the circumstances' that the product is 'suitable and intended' for infringing use.</p> <p>2. Under general tort law, contributory patent infringement requires knowledge.</p>	<p>Yes – knowledge or obvious to a reasonable person in the circumstances.</p>	<p>Yes – both contributory and inducing infringement require actual knowledge (or "willful blindness").</p>

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<i>Does the supplier need to direct the customer to use the product supplied in an infringing way to be a contributory infringer?</i>	No. Yes for inducing infringement.	Such act of inducement is not required under German law, neither for Sec. 10 Patent Act nor for general tort law contributory liability (under the head of aiding and abetting).	No – knowledge or obvious to a reasonable person in the circumstances. Inducement required for infringement by supply of a staple commercial product.	Not for contributory infringement. However, inducing infringement requires intent by the party liable for inducement.

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<i>Is an intention to supply sufficient or does there have to be an identified end user to infringe?</i>	No. Activity of direct infringement required.	<ol style="list-style-type: none"> 1. Sec. 10 Patent Act does not require an already established direct infringement. 2. General tort law contributory liability requires a primary direct infringement. 	<p>Yes – no direct infringement is needed under s.60 Patents Act.</p> <p>Direct infringement is required under tort law or for a common design.</p>	<p>Both contributory and inducing infringement require a first showing of direct infringement. Thus, there must be an “identified” end user.</p>

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<i>Is there any exemption for supply of staple commercial products and what does this cover?</i>	<p>Yes. The supplied component must have no substantial non-infringing uses. In contrast, inducing infringement does not require “no other use”.</p>	<p>Yes. Sec. 10 para 2 Patent Act limits indirect patent infringement to cases of direct inducement with regard to the offer or delivery of staple articles of commerce.</p>	<p>Yes. A staple commercial product does not infringe where there is no inducement to use the product in an infringing way.</p>	<p>If the product is “a staple article or commodity of commerce suitable for substantial noninfringing use” there is no contributory infringement.</p>

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<p><i>What is the position on the supply of kits of parts?</i></p>	<p>May not be infringing, e.g., when the assembling is for personal use. Also, the component must be a material part of the invention.</p>	<p>The component must be 'related to an essential element of the invention'. Lately, the Federal Court of Justice has interpreted that requirement rather narrowly, ie. the part has to be related to the technical essence of the invention because it influences the functionality or lifespan of the patented device. By contrast, merely being a passive object of the inventive technical teaching does not suffice.</p>	<p>General principles apply:</p> <ul style="list-style-type: none"> • supply or offer to supply must be in the UK • relate to an essential element of the invention • intention to put invention into effect in the UK 	<p>The component must be "a material part of the invention", "especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use"</p>

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<p><i>What is the position in relation to the supply of consumables where the patent covers the product and use of consumables within it?</i></p>	<p>No special regulation in this regard. Same analysis applies.</p>	<p>General principles apply. Therefore consumables will not be covered, where they are the mere passive object of the inventive technical teaching and not a real 'cog in the machine'.</p>	<p>General principles apply: No infringement where the consumable is a subsidiary part of the technical teaching of the invention.</p>	<p>The same analysis applies as for other products.</p>

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<p><i>Can use of skinny labels constitute contributory infringement ?</i></p>	<p>No special regulation in this regard.</p> <p>Second use claims are not allowable, but swiss-type claims are.</p> <p>Defendants manufacturing medicines for off-label uses may not be directly/indirectly infringing.</p> <p>Also, debates on hospitals' commercial purpose.</p>	<p>General principles apply.</p> <p>Hitherto, only few cases where the older cases mostly denied indirect patent infringement or did not discuss it at all. However, depending on the concrete circumstances of the case, indirect infringement (or even direct infringement) might be established under German law. More recent (interim injunction) cases have expressly confirmed that.</p>	<p>No infringement of Swiss type claims if pharmacist or doctor is not doing anything which constitutes manufacture.</p> <p>New form second medical use claims not tested.</p>	<p>Skinny labels may constitute inducing infringement if not carefully worded. However, just because a doctor may choose an off label infringing use does not create inducing infringement, unless the label directs the doctor to such use.</p>

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<p><i>Where does the supply have to be made for liability for contributory infringement in your jurisdiction?</i></p>	<p>One relevant case in 1993, Shanxi province. No patent law provisions of judicial interpretations cover this issue.</p>	<p>I. Double territorial requirement for indirect patent infringement:</p> <ol style="list-style-type: none"> 1. must be a supply or offer to supply products in Germany 2. Knowledge or obvious to a reasonable person in the circumstances that the invention will be put into effect in Germany <p>II. Broader liability under general tort law principles of contributory liability.</p>	<p>Double territorial requirement:</p> <ol style="list-style-type: none"> 1. must be a supply or offer to supply products in the UK 2. Knowledge or obvious to a reasonable person in the circumstances that the invention will be put into effect in the UK 	<p><i>Contributory infringement has a territorial component – “offers to sell or sells within the United States or imports into the United States”</i></p>

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<i>How are damages calculated?</i>	<p>Joint and several liability.</p> <p>Distributed evenly between infringers if cannot properly split.</p>	<p>Limited to damages from the follow-up acts of direct infringement (i.e. no claim with regard to the marketing of the component as such if there was no follow-up infringement).</p> <p>If there was follow up-infringement, joint liability of the indirect patent infringer (damages, reasonable licence, his profits).</p>	<p>General principles apply: Joint and several liability</p>	<p>Generally based on the valuation of the component.</p> <p>It is very difficult to get damages for the entire market value – must show that demand for the entire product was driven by the infringing component or feature.</p>

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