

**PATENT INFRINGEMENT IN NEW ZEALAND :
NEW LIABILITY FOR SUPPLIERS OF MEANS TO INFRINGE**

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(1) Introduction

1. The Patents Act 2013 (“Act”) has finally passed through Parliament. It is expected to come into force in mid-2014 as soon as new Patent Regulations have been completed. Section 134 of the Act represents a major change from the current law concerning indirect infringement. It provides as follows:

“134 Infringement by supplying means to infringe to another person

- (1) A person (A) also infringes a patent if (other than under a licence or with the consent or agreement of the patentee) -
 - (a) A supplies, or offers to supply, in the patent area another person (B) with any of the means, relating to an essential element of the invention, for putting the invention into effect; and
 - (b) either –
 - (i) A knows, or ought reasonably to know, that the means are suitable and intended by B for putting the invention into effect; or
 - (ii) if the means is a staple commercial product, A supplies the means, or offers to supply the means, for the purpose of inducing B to put the invention into effect; and
 - (c) B would infringe the patent by putting the invention into effect.”

(2) Current law

2. Under the existing law, for a party to be a contributory infringer, it is necessary to establish *procurement* or *participation* in furtherance of a common design. The mere facilitation of an infringement (i.e. by supplying a party with the means to infringe) is not enough.¹
3. Section 134 now provides a new and much wider basis of liability for those parties who supply or offer to supply the means relating to an essential element of the patented invention. The scope and extent of this new liability requires careful discussion and analysis.

(3) Statutory history

4. Section 34 is closely similar to ss 60(2) and (3) Patents Act 1977 (UK). United Kingdom case law is therefore instructive (although s134 does differ from ss 60(2)

¹ See *Whangapirita v Afflex NZ Limited* (1995) 5 NZBLC 103, 733 (HC); *Nu-Pulse NZ Limited v Milka Ware (ANZ) Limited*, HC Hamilton, CP 8/97, 14 October 1999.

and (3) in certain significant ways covered below.) The UK provision provides as follows:

“S60(2) and (3) Patents Act 1977

[...]

(2) Subject to the following provisions of this section, a person (other than the proprietor of the patent) also infringes a patent for an invention if, while the patent is in force and without the consent of the proprietor, he supplies or offers to supply in the United Kingdom a person other than a licensee or other person entitled to work the invention with any of the means, relating to an essential element of the invention, for putting the invention into effect when he knows, or it is obvious to a reasonable person in the circumstances, that those means are suitable for putting, and are intended to put, the invention into effect in the United Kingdom.

(3) Subsection (2) above shall not apply to the supply or offer of a staple commercial product unless the supply or the offer is made for the purpose of inducing the person supplied or, as the case may be, the person to whom the offer is made to do an act which constitutes an infringement of the patent by virtue of subsection (1) above.”

5. S60(2) was in turn drawn from the provisions of the Community Patent Convention (“CPC”) of 1975 (Articles 29 and 30). The 1975 CPC failed to come into force because it was not ratified by a sufficient number of countries within the EU. It was revised in 1989 and the infringement provisions, reproduced verbatim from the 1975 version, became Articles 25 and 26. (The 1989 revision also failed because it was not ratified.)²

6. The English Court of Appeal has noted³ that s60(2) has a “disjunction with the common law”:

“[I]t bears the fingerprints of German, French and US laws but differs from them all in significant respects and ‘has established a unique doctrine which cannot be regarded as an adoption of any particular system or law’”⁴.

7. The Court of Appeal also noted that Article 26 appears to have its closest connection with US law⁵ but that the US provisions are much more tightly worded and restricted. Accordingly, the Court felt that neither the common law nor US law was of direct assistance in resolving obscurities in the meaning of Article 26.1 and the corresponding provisions in s60(2) of the Patents Act 1977.⁶

(4) Nature of the provision

8. The new provision creates a statutory tort. The English Court of Appeal in *Grimme Landmaschinenfabrik GmbH & Co KG v Scott*⁷, described the features of s60(2) as follows:

“88. Section 60(2) creates a statutory tort, but it does not spring from any previous notional or common law tort. Its distinctive features, by way of contrast with common law tortious claims, are that the tort is actionable (1) even though what is supplied is capable of perfectly lawful, non-infringing use, (2) even though what is supplied never has been and may never in fact be used in a way

² *Grimme Landmaschinefabrik GmbH & Co KG v Scott* [2011] FSR 7 at [83].

³ *Grimme Landmaschinefabrik GmbH & Co KG v Scott* [2011] FSR 7 at [91]

⁴ Ibid quoting from Benyamini *Patent Infringement in the European Community* para 9.1.2.

⁵ Section 271(c) US Patent Act 1952.

⁶ Ibid [94].

⁷ *Grimme Landmaschinefabrik*, *Supra* at paras [88] to [90].

directly infringing the patent in suit, (3) without any damage being suffered by the patentee, and (4) at the moment of supply, irrespective of anything that may or may not occur afterwards.

89. This marks a distinct contrast with the common law principle that it is not infringement merely to sell an ingredient to another with the knowledge that the purchaser will use it to infringe (*Lavender v Witten* [1979] 5 FSR 59), the refusal of the courts, before the 1977 Act, to order the delivery up of items which could be used in a non-infringing way (*EMI v Lissen* [1937] 54 RPC 5), and the need to show damage for the "so-called" economic torts – such as inducing breach of contract, causing loss by unlawful means and conspiracy (see generally Clerk & Lindsell on Torts (19th ed) ch. 25).
90. It also makes the description "contributory" as opposed to "indirect" infringement something of a misnomer. If and to the extent that Mr Scott's [the defendant's] case is that there can be no infringement under s.60(2) unless there is actual direct infringement, it is plainly wrong. In this connection it is particularly important to observe that there can even be infringement by "offering" to sell an essential means – at the time of the offer there is unlikely to be any particular end user in mind."

(5) Key elements – preliminary / threshold

(a) S134(1)(a) – “Supply or offer to supply, in the patent area”

9. This part of the section has been relatively uncontroversial in the UK. It should be noted that dealings other than supplying or offering supply the means, such as importing or keeping, fall outside of the provision.⁸

10. “Patent area” is defined in s5 as follows:

“patent area means—

- (a) New Zealand; and
- (b) all waters within the outer limits of the territorial sea of New Zealand (as defined by section 3 of the Territorial 20 Sea, Contiguous Zone, and Exclusive Economic Zone Act 1977); and
- (c) the airspace above New Zealand and those waters”

11. Accordingly, in order to fall within the provision, the supply or offer of supply must occur in New Zealand (including its waters and airspace).

(b) S134(1) – “Other than under a licence or with the consent or agreement of the patentee”

12. Supply which occurs *under a licence* falls outside of s134. The corresponding UK carve-out has had significant consequences in relation to the third party manufacture of consumables for use with patented devices. (Importantly, the UK provision differs from s134 in that it concerns situations where the **person supplied is a licensee**, I will return to this below.)

13. *Nestec S.A. v Dualit Limited*⁹ concerned the manufacture by Dualit of alternative coffee capsules for use with Nestec’s Nespresso coffee maker. A patent covering the design of the capsules had recently expired. It was common ground that Nestec did not impose any legal restrictions on purchasers of Nespresso machines. Nestec contended that Dualit infringed its patented claim (claim 1) to an extraction system

⁸ Fysh, *Modern Law of Patents*, 2nd edition at 6.55.

⁹ [2013] EWHC 923 (Pat).

comprising a device for the extraction of a coffee capsule for its Nespresso devices. An integer of claim 1 was a capsule comprising a guide edge in the form of a flange.

14. Nestec argued (amongst other things) that the combination of Dualit's capsules and Nespresso's machines constituted a system falling within Claim 1, and that Dualit's supply of the capsules amounted to infringement under s60(2).¹⁰ Dualit argued in its defence that each owner of a Nespresso machine was impliedly licensed to use the machine in any way he or she pleased, including with capsules manufactured by third parties. As such, it was contended, Dualit's supply fell within the "carve-out" for supply to licensees.
15. Arnold J accepted Dualit's argument:¹¹

"As counsel for Dualit pointed out, the purpose of a Nespresso machine is to make coffee. In order to use the machine for its intended purpose, the purchaser must insert capsules into the machine. It follows that the purchaser must be impliedly licensed to obtain and use capsules with the machine. Otherwise, it would be useless. [...] In the absence of any restriction on the purchaser preventing him from obtaining capsules from third parties, the purchaser is entitled to do so."
16. It seems that an identically framed argument would **not** be available to Dualit in New Zealand under s134. This is because of the subtle difference in drafting (already adverted to) between the UK and New Zealand provisions:
 - In the UK under s60(2), the carve-out is triggered when (as in *Nestec*), the **person supplied** is a licensee (or otherwise entitled to work the invention).
 - By contrast in New Zealand under s134, the carve-out is triggered when the **supply itself (or offer) is made under a licence**¹² or with the consent or agreement of the patentee.
17. Thus, in New Zealand the 'carve-out' from liability under s134 requires that the supply itself (i.e. by Dualit) fall under a licence or be with the consent or agreement of the patentee. Dualit (as supplier) held no licence from Nestec, even if Nespresso owners (arguably) did.
18. However, I note that there is a third essential element to establishing infringement under s134(1)(c) – it is necessary that the person supplied (i.e. "B") "would infringe the patent by putting the invention into effect". The infringement referred to is presumably **primary** infringement, to which (under s133) there is an exception for acts done "under a licence or with the consent or agreement of the patentee". This would allow the implied licence or consent to apply in respect of B.
19. Thus, the implied licence defence run in *Nestec* may be available in New Zealand also, albeit framed in a slightly different manner.

(c) S134(1)(a) – "*Means relating to an essential element of the invention*"
20. Liability is established only if the "means" relate to an "essential element" of the invention.

¹⁰ At paras [1] and [153].

¹¹ At [164].

¹² Under section 2 "licence" means "a licence to do anything that the patentee has the exclusive right to do under s17".

21. Until very recently there was no English authority on this point. However, in the recent *Nestec* case, already mentioned, Arnold J considered whether Dualit's capsules constituted "means relating to an essential element of the invention".
22. Noting the absence of English authority, the law of Germany and Netherlands¹³ (which conflicted on this point) was surveyed by the Court. Arnold J preferred the German approach over the Dutch as more consonant with the apparent purpose of Article 26(1).¹⁴ Under the German approach endorsed, the "means" in question, in order to be "essential", must contribute to implementing the technical teaching of this invention. However, if the "means" is a feature of completely subordinate importance in the technical teaching of the invention, it can be regarded as a non-essential element.¹⁵
23. On the facts, Arnold J found:¹⁶
- "Applying that approach, I consider that the capsule does constitute means relating to an essential element of claim 1 of the patent. In my view the capsule does contribute to the implementation of the technical teaching of the invention, and is not of completely subordinate importance. Although the invention takes the capsule as a given, and claim 1 only requires the capsule to have a guide edge in the form of a flange, the flange of the capsule plays a significant role in the way in which the claimed invention works."
24. In the earlier decision of *Grimme Landmaschinefabrik GmbH & Co KG v Scott*¹⁷ (discussed in more detail shortly), the English Court of Appeal rejected an argument that the sale of a *complete machine*, which could not of itself (without modification) infringe, was not a "means relating to an essential element of the invention". The dismissed argument was that s60(2) only "bites" when component elements are supplied in the knowledge that they will be assembled with other elements to work the infringing invention¹⁸. The Court of Appeal, in rejecting this argument, stated:¹⁹
- "102. The section is clearly intended to apply to, among other things, products which are perfectly capable of being used in a manner which will not constitute a direct infringement within s60(1). The requirements as to suitability and knowledge of intended use limit the scope of statutory tort in relation to such products, not whether the product itself is capable of lawful use without alteration, addition or adaption.
103. Moreover we can see no rational basis for the 'whole machine' point. *Why should a device to which a part can be readily added to make it fall within the claim be a 'means essential' but a device from which a part can readily be removed or replaced to make it fall within the claim not be such a means?*"
- (emphasis added)
- (d) *S134(1)(b) – "Putting the invention into effect"*
25. The means supplied or offered must be "for putting the invention into effect". UK courts have construed this stage of the test as objective and requiring proof that the means can be used to put the invention into effect.²⁰

¹³ Who each also had implemented the Progenitor provision, Article 26 CPC.

¹⁴ Which was that third parties should not be allowed to benefit from the invention by supplying means the market for which has been created by the invention; *Nestec* supra at para [175].

¹⁵ Per *Impeller Flow Meter* (Case XZR 48/03); *Pipette Systems* (Case XZR 38/06); Refer *Nestec* supra at paras [168] to [176].

¹⁶ At para [176].

¹⁷ [2010] EWCA Civ 1110.

¹⁸ At [99].

¹⁹ At [102].

²⁰ Fysh, *Supra* at 6.58.

26. UK courts have also interpreted the words of s60(2) (which in this particular regard is closely similar to that of s134)²¹ as *requiring that the invention must be put into effect in the UK*, emphasising that it is not enough that the effects of the invention are “felt” in the UK.²²
27. This matter has been considered in the context of computing involving a host computer in a foreign jurisdiction.
28. In *Menashe Business Mercantile v William Hill Limited*²³, the relevant claim was to a system for an interactive computer game which required both a remote host computer and a terminal computer on which the game was played. The remote host computer was located in Antigua (or Curacao). To play the game, the purchaser had to purchase a CD which was loaded on to his computer allowing it to interact with the host computer to create a “infringing” system. The defendant accepted that the CD was a means relating to an essential element of the invention and that this had been supplied to the player in the UK. However it contended that, although the player would be located in the UK, the invention was not being put into effect in the UK since the host computer, itself an essential element of the invention, was not located in the UK. The Court of Appeal accepted that the nature of the invention had to be determined by reference to the claim and held that the means had to be such as to put the claimed apparatus into an infringing state in the UK.²⁴
29. The Court of Appeal rejected Jacob J’s conclusion at first instance that regard should be had as to whether the infringement *merely had an effect* in the UK. Aldous LJ concluded:²⁵

“I do not consider it appropriate to introduce through section 60(2) the concept of infringement by supplying means which merely have an effect in the United Kingdom. As Mr Arnold pointed out the effect could be economic, physical or perhaps in some cases emotional. [...] There is in my view no basis for introducing into the definition of infringement that the supply of section 60(2) must **have** an effect. **It must put something, namely the invention, into effect.**” (emphasis added)

30. However, the Court found that there **was** infringement under s60(2) because it did not matter on the facts where the host computer was situated. The entire gaming system was used in the UK and, to that extent, the host computer was being used in the UK by the punter in question.²⁶
31. The authors of Terrell²⁷ refer to a “double territorial limitation” so that under s60(2) both the supply, *and* the “putting into effect”, must occur in the UK:

“Accordingly the double territorial limitation is fundamental to the operation of section 60(2). The requisite offer for sale or sale must be in the UK and the invention must be put into effect in the UK. But care must be taken properly to identify what the invention is and where it is being put into effect.”

²¹ I note that the UK provision is slightly more explicit in this regard. The UK knowledge requirement expressly states that it must be obvious ... that [the] means are suitable [...] and intended [for putting] the invention into effect **in the UK**. The New Zealand knowledge requirement does not have the additional wording. Nonetheless I submit that the requirement that the invention be put into effect **in New Zealand** is implicit in s134.

²² See Fysh *supra* at 6.58.

²³ [2003] RPC 31.

²⁴ Refer Terrell, 17th edition at 14-58.

²⁵ At para [29].

²⁶ Again refer Terrell, 17th edition at 14-58.

²⁷ Terrell 17th edition at 14-58.

(6) Key element – knowledge and constructive knowledge

32. In the United Kingdom cases, indirect infringement has usually been determined on the issue of knowledge, rather than other elements.²⁸ This is also likely to be the most important element in New Zealand.
33. Indirect infringement under s134 is only made out if A (the person supplying or offering to supply) has actual or constructive knowledge (“knows or ought reasonably to know”), at the time of supply, that:
- (a) The “means” supplied to put the invention into effect are suitable for putting the invention into effect; **and**
 - (b) Those means are intended to put the invention into effect.²⁹
34. It is worthwhile to note that the degree of knowledge required under s134 (“knows or ought reasonably to know”) is the same as that employed in s35(1)(a)(i) of the Copyright Act 1994 which concerns importation into New Zealand of a sound recording, film or computer program, but not for secondary infringement for other types of works where a higher standard of knowledge is still required.³⁰

Grimme Landmaschinefabrik GmbH & Co KG v Scott

35. The leading decision on the knowledge component of the corresponding UK provision is the judgment of the Court of Appeal (delivered by Jacob LJ) in *Grimme Landmaschinenfabrik GmbH & Co KG v Scott*.³¹
36. This case concerned the sale by the defendant of potato separating machines which did not themselves fall within the claims of the patent in suit, but in which certain rollers could be readily replaced with ones which would render them infringing. This feature was one emphasised in the defendant’s marketing of its machines. The Court of Appeal affirmed the trial judge’s decision that indirect infringement under s60(2) Patents Act 1977 had been made out against the defendant. There was no evidence of any specific cases in which the steel rollers were in fact switched by users for rubber rollers. However, the fact that the machine as sold did not infringe and was perfectly capable of being used in a lawful manner was irrelevant.
37. Jacob LJ addressed three broad issues critical to the knowledge requirement under s60(2)³²:
- i) Whose intention is referred to? The possible candidates are the supplier himself, his direct customer or the ultimate user. Or perhaps no specific person at all – the inquiry being whether the “means” and the circumstances surrounding it being offered or supplied are such that some ultimate users will intend to use or adapt the “means” so as to infringe. We call this the “inherently probable” view.
 - ii) How specific must the intention be? Must it be a present settled intention at the time of alleged infringement? Or will a contingent future intention do? Here for instance a purchaser of Mr Scott’s steel-rollered machine may say to himself: “I

²⁸ Fysh, *Supra* at 6.4.9.

²⁹ Refer *Grimme v Scott* [2009] EWCA CIV 110; Fysh, *Supra* at 6.4.9.

³⁰ See for example s35(1)(a)(ii). A different standard of proof applies in relation to secondary infringement of other copyright works where the importer must actually know *or have reason to believe* that the object is an infringing copy. This means knowledge of facts from which a reasonable man would arrive at the relevant belief: *LA Gear Inc* [1992] FSR 121, 129. See also s36.

³¹ [2010] EWCA CIV 1111.

³² At para 107 onwards.

know I can change to rubber rollers. That may be handy if in some conditions the metal roller is not aggressive enough".

- iii) When must the intention be formed? Must it exist at the time of the supply (or offer to supply) or can it be formed later?"

Whose intention is referred to?

38. Jacob LJ considered that, since the required intention is to put the invention into effect, the key question here is what the supplier (A) knows or ought to know about the intention *of the person who is in a position to put the invention into effect* (i.e. person B).³³
39. The required intention does not need to be that of the person directly supplied by the alleged infringer. Thus where middle men are involved, it is the intention of the person at the end of the supply chain (who will be the person putting the invention into effect) that is relevant.³⁴
40. (These findings overruled an earlier statement by Lewison J in *Cranaway v Playtech*³⁵ that the relevant intention was that of the immediate recipient of goods (i.e. and not the person at the end of the supply chain). In that case, Lewison J noted that it would be onerous for a supplier to be expected discern the intention of a person far down the supply chain, and that the ultimate recipient may not have even formed an intention to use the "means" at the time of supply by the alleged infringer.)

How specific must the intention be and when must it be formed?

41. After reviewing German authorities, Jacob LJ concluded that it was not necessary for there to be an actual, already formed intention by persons B/the ultimate users at the time of supply. It was sufficient for a finding of infringement if the supplier knew (or it was obvious in the circumstances) at time of the offer to supply or actual supply that (disregarding freak use) *some* ultimate users would, at some time in the future, intend to use, adapt or alter the "means essential" so as to infringe.³⁶ That the invention would be put into effect by *some* users had to be established on the balance of probabilities.³⁷
42. In *Grimme*, the Court of Appeal affirmed the trial judge's decision that contributory infringement was made out. On the facts of the case the defendant, Mr Scott, sought to enhance his sales of his potato separating machine by pointing out that users could adopt the machine for less stringent conditions by a simple modification i.e. installing rubber rollers. He also sold the rubber rollers. It was found³⁸ that Mr Scott knew that users would intend to make their devices infringing if it suited them and positively encouraged that intention.
43. There is no requirement that the intention of the individual ultimate user (Person B) must be known to the defendant at the moment of the alleged infringement.³⁹

³³ Paragraph 108.

³⁴ Paragraphs 108 to 110; *KCL Licensing v Smith & Nephew* [2011] FSR 8 at [53].
³⁵ [2009] EWHC 1588 (Pat).

³⁶ Paragraph 107(1) and 112.

³⁷ Paragraphs 111 to 117; paragraph 131.

³⁸ Paragraph 128.

³⁹ Paragraph [124]; *KCL Licensing v Smith & Nephew* [2011] FSR 8 at [53].

44. Whilst it is the intention of the ultimate user (Person B) which matters a future intention of a future ultimate user is enough if that is what one would expect in all the circumstances.⁴⁰
45. As can be seen, the effects of *Grimme* and *KCL* may be somewhat harsh upon suppliers of a machine or device which is perfectly capable of lawful use, but for which it is probable that, from time to time, an end user will use the device for a patented purpose which is outside of the marketed use, and outside of the use intended by the supplier.

KCL Licensing Inc v Smith & Nephew Inc

46. The decision in *Grimme Landmaschinenfabrik* was reinforced by a subsequent decision, also given by Jacob LJ, in *KCL Licensing Inc v Smith & Nephew Plc*.⁴¹ In that case, which concerned medical apparatus, the Court of Appeal reversed a finding of non-infringement under s60(2). As in *Landmaschinefabrik* the machine, as sold, did not infringe and was capable of lawful use. The defendant's canister did not include a clamp on the inlet tube in order to fall within the claimant's patent claim. However, the claimants contended that sales of the canisters were infringing under s60(2) because, notwithstanding the absence of any instruction or suggestion to do so by the defendant, it was probable that at least on some occasions users of the canister would close the inlet tube with a clamp.
47. The trial judge held that while, on the evidence, it was probable that from time to time some medical personnel using the canister system had clamped the end of the inlet tube when changing the canister, there was no evidence that the persons supplied (the medical institutions) as opposed to the actual users (the medical personnel) had purchased the canisters with that intention. On that basis there was no secondary infringement.
48. On appeal, the Court of Appeal cited *Grimme Landmaschinenfabrik GmbH Co KG v Scott*⁴² and noted that there is no requirement that the ultimate users must have decided to use the means to put the invention into effect at the time they first take possession of the means. The relevant intention may be formed at a later time. But the supplier must know (or it must be obvious to him in all the circumstances) that some users will indeed form that intention.⁴³
49. The Court of Appeal held that application of the principles to the facts led to one conclusion: the defendant infringed because it was probable that from time to time some medical personnel using the canister system had clamped the end of the inlet tube. Further, it would have been obvious to a reasonable person supplying canisters that this would be likely to occur.⁴⁴

Freak use, Maverick or Unlikely Use

50. The Court of Appeal in *Grimme* appeared to accept that knowledge of probable "freak use" or maverick use of a "means essential" would not be sufficient to trigger s60(2).⁴⁵ So constructive knowledge of something that would be freak or maverick use is not to be imputed to the supplier.

⁴⁰ Paragraph [125]; *KCL Licensing v Smith & Nephew* [2011] FSR 8 at [53].

⁴¹ (CA) [2011] FSR 8.

⁴² Paragraph [53].

⁴³ Paragraph [54].

⁴⁴ Paragraph [55].

⁴⁵ Paragraphs 112, 114 and 116..

51. Just what amounts to freak use is not expanded on. But earlier cases of lesser authority may provide some assistance.⁴⁶
52. In *Furr v Truline*⁴⁷, the defendant supplied brackets which could potentially be used in an infringing manner. However, the defendant placed instructions in its catalogue stating that the brackets were not to be used in the particular infringing manner. On the facts, this was held to be sufficient to avoid a finding of infringement. However, this decision was only made on the basis of a finding of fact that the prohibition in the defendant's catalogue would be sufficient to ensure that the purchasers of the brackets would not use them in an infringing manner. If, based on the specific facts of the case it had been found that consumers would have been likely to ignore the prohibition and use the brackets in the infringing manner regardless, the defendant could still have been liable for infringement, in spite of the express warning.
53. An unreported decision in *Chapman v McAnulty*⁴⁸, concerned "dollies", the trade term for special mobile carts for carrying a cameraman and his kit in filming situations. The claim of one of the patents said to be infringed required a "receiving tube" into which various types of posts could be inserted. The dolly with an open tube was held to infringe. The defendant had a modified version in which a sealed cap was put on the tube. With the cap in place, the dolly would not infringe. But the evidence was that a substantial number of ultimate users would just get the cap drilled through. Section 60(2) infringement was held established. Jacob J stated as follows:
- "Section 60(2) does not require that the supply complained of will involve the invention being put into effect by all users of the things supplied. It is sufficient if it is shown that the invention will be put into effect by some users. One would only disregard **maverick or unlikely use** of the thing."
54. Finally, in the more recent case of *Qualcom v Nokia*⁴⁹, Floyd J held that it is not possible for a defendant to argue that the claim (or patent) is too complicated to know whether or not the supply of the "means" would infringe the patent. He explained that where the facts material to whether the means are to be put to infringing use are hidden from a defendant, then he or she will not infringe, but if the facts are known or obvious to the defendant, their complexity does not afford a defence. If this were not the case, complicated inventions would be less protected than simple ones, which would not be a rational policy.⁵⁰

(7) Staple commercial product

55. There is a second part to s134. The supplier (A) can also infringe if all the previous conditions are met i.e.:
- (A) supplies or offers to supply.
 - In the patent area.
 - Another person (B) with.

⁴⁶ In this regard refer Ari Laakkonen (ed) *Liability for Contributory Infringement of IPRS*, AIPPI, 30 March 2010 (accessed online) at pages 2-4.

⁴⁷ [1985] FSR 553.

⁴⁸ 19 February 1996, British Library ref SRIS C/20/96, referred to in *Grimme*, supra, at 100.

⁴⁹ [2008] CWHC 329 (Pat).

⁵⁰ Refer Fysh, supra at 6.52.

- The means, relating to an essential element for putting the invention into effect; **and**
 - **(Second part)** if the means is a staple commercial product; **and**
 - (A) supplies the means or offers to supply the means for the purpose of inducing (B) to put the invention into effect.
56. As in the UK, there is no definition of ‘staple commercial product’ in the new Patents Act. The authors of Terrell⁵¹ suggest that the word “staple” is presumably a reference to raw materials or other base products commonly available and with a multitude of possible applications.
57. The scope of this subsection is much more limited. Liability only arises if A supplies or offers to supply the means “for the purpose of inducing (B) to put the invention into effect”.
58. There is very little case law on the meaning of “staple commercial product”, whether in England or Europe. In *Nestec*, Arnold J considered whether the Dualit capsules were “staple commercial products”, and held as follows:
- (a) The focus of the inquiry is on the actual product supplied by the defendant, not a feature of the claim which the product satisfies. (This was in response to a submission that the product in question should be considered at the same level of abstraction as the claim in question, and the question was whether capsules with a guide edge in the form of a flange were staple commercial products.);⁵²
 - (b) The question whether the means constituted a staple commercial product fell to be judged as at the date of the alleged infringement rather than the date of the patent. Thus in principle a product could be a staple commercial product as at the date of infringement even if it was not as at the date of the patent. However a product which became widely available as a result of the invention would not qualify.⁵³
59. Arnold J concluded that the Dualit capsules were **not** staple commercial products. He considered that in order to qualify as a staple commercial product, a product must ordinarily be one which is supplied commercially for a variety of uses. The Dualit capsules were specifically designed for use with a Nespresso machine. When they were first introduced they had no other use. Despite the subsequent introduction by Dualit of an adapter which allowed their capsules to be used with some other types of coffee machines, and Dualit’s launch of its own coffee machine, the capsules had no use other than with a limited range of portionised coffee machines.
- (8) Swiss form claims**
- (a) *What impact might s134 have on Swiss form claims?*
60. While the leading UK cases have largely developed in the field of mechanical patents, a highly likely area for use of s134 liability is in relation to Swiss form claims for pharmaceuticals i.e.:

⁵¹ 17th edition at 14-60.

⁵² Para 180.

⁵³ Para 181.

“The use of [known substance/active ingredient] in the preparation of a medicament for the treatment of [breast cancer]

or

“Use of [known substance/active ingredient] in the preparation of a medicament for the treatment of breast cancer by administration once every day for three months.”

61. Trevor Cook, one of the leading English patent practitioners and co-author of *Modern Law of Patents*, has suggested⁵⁴ that the application of the English equivalent of s134 is as yet untested. He suggests however that a claim for infringement might be framed as follows:

[Supplier of a generic drug] has infringed because it is probable that from time to time some medical personnel using the [generic drug] had [used it for a patented indication that has been omitted from the summary of product characteristics for the generic drug].

Further, it would have been obvious to a reasonable person supplying [the generic drug] that this would be likely to occur.⁵⁵

62. As highlighted earlier in this paper, a key issue for the liability of the generic supplier will be the supplier’s knowledge or constructive knowledge of the intention of the end user to put the generic drug into effect by using it for the patented purpose or in the particular form of administration/dosage form specified in the Swiss form claim.
63. It may be that the patentee will seek to put the supplier on notice of the actions or intended actions of end users to try and fix some liability.
64. Generic suppliers may well be able to limit the risk of contributory infringement by effective means for limiting the registration of the generic product to uses and administrations which do not infringe live Swiss form claims.

⁵⁴ Refer Trevor Cook *Some Issues in Contributory Infringement in the EU*, seminar paper for 21st Fordham Annual Intellectual Property Law and Policy Conference, 5 April 2013.

⁵⁵ Trevor Cook, *supra* at page 7.