

Working Guidelines

by Jochen E. BÜHLING, Reporter General
Dariusz SZLEPER and Thierry CALAME, Deputy Reporters General
Nicolai LINDGREEN, Nicola DAGG, Shoichi OKUYAMA and Sarah MATHESON,
Assistants to the Reporter General

Question Q204P

Liability for contributory infringement of IPRs – certain aspects of patent infringement

Introduction and previous work of AIPPI

1. At its Congress in 2008 in Boston, AIPPI passed Resolution Q204 Liability for contributory infringement of Intellectual Property Rights ('IPRs'). For the purpose of that Resolution, the term 'contributory infringement'
 - was defined so as to comprise only the form of indirect infringement consisting of the offering or supply of means suitable for committing an act that is a direct infringement of an IPR; and
 - did not include other acts known as indirect infringements, such as inducement or the provision of other assistance than the offering or supply of means for committing a direct infringement.
2. Resolution Q204 was the result of a study concerning the law on contributory infringement of all kinds of IPRs. However, the study showed that in many countries, the law in relation to contributory infringement of IPRs differs in respect of different IPRs. The study also showed that for most countries, the area in which the law was most developed was in relation to patents. However, even in relation to patents, the contributions from the Groups did not enable AIPPI to pass a Resolution going into the detail of the many potential issues that may arise in relation to contributory infringement. The Resolution only took positions in broad terms on general issues relating to contributory infringement of IPRs.
3. Resolution Q204 recommended that all jurisdictions adopt rules in their IP law concerning contributory infringement of IPRs and that the basic principles be harmonised. Paragraph 3) of Resolution Q204 resolved that the basic principles for contributory infringement should include that:
 - the means supplied or offered by the contributory infringer related to a substantial element of the subject matter of the protected IPR;
 - the means supplied or offered by the contributory infringer are for an infringing use;

- at the time of offering or supply, the suitability and intended use were known to the supplier or obvious under the circumstances.
4. Resolution Q204 recommended that AIPPI continue the study of contributory infringement of IPRs, including but not limited to the conditions which must be met for an act to qualify as a contributory infringement and the relief available to the IPR owner in the case of a contributory infringement. Resolution Q204 specifically recommended that AIPPI should investigate if it should be a condition for contributory infringement that the act of contributory infringement and the intended infringing use should take place in the same jurisdiction.
 5. It was decided to limit the further study to certain issues regarding contributory patent infringement only, and to focus in particular on the conditions for an act to qualify as a contributory infringement; the relief available against contributory infringement; and issues of territoriality and *applicable* law.
 6. For background to *this* Question 204P, a general reference is made to the Working Guidelines and other materials in relation to Question Q204 prepared for the Boston Congress 2008. These Guidelines revisit some of the questions in the Working Guidelines for Question 204 because the present Question aims to explore some of the issues in greater detail and specifically in relation to patents.

Discussion

7. One of the preliminary questions in relation to contributory infringement of patents is what are or should be the conditions for an act to qualify as an act of contributory infringement. The Working Guidelines for Question 204 asked whether it is a condition for liability for contributory infringement of IPRs that the means supplied are actually used by another (the person supplied) for committing acts that amount to direct infringement of the IPR in the same country (or in another country where there is a corresponding IPR). It was clear from the Group Reports for Question Q204 that the laws of the countries from which reports were received differ on some fundamental points. In respect of patents, the majority of the Groups do require that actual use of the means by another has taken place in a way that implies direct infringement but about one third of the Groups reported that this is not the case in their jurisdictions.
8. In relation to what relief is available against contributory infringements, one of the most difficult issues is how and to what extent injunctive relief can be obtained, including whether injunctive relief can be obtained against the supply or offering of contributory means *per se*. The majority of the Groups reported in relation to Q204 that injunctive relief is available to the same extent as against direct infringements. However, only a few Groups reported as to whether this means that an injunction can be obtained (e.g.) against the manufacture or sale of the means *per se*.
9. As regards territoriality and applicable law, there are many unresolved questions. For example, is the applicable law the law of the country where contributory means are offered and/or supplied? Is a supply offer or supply of contributory means considered to be made in the country from where goods are sent or in the

country to which they are sent? What happens if the offer is made in one country and the supply in another? Also, it is not clear what it means that an offer or a supply is made in a particular country, e.g. where goods are shipped on "free on board" terms where as a matter of contract law the goods may be delivered by physical delivery on board a ship in the exporting state, although the ship is intended to bring the goods to the person supplied in another country. In relation to offers, there is the question whether an offer is made in the country from which it was sent or in the country to which it was sent. What, in any case, is the place where an offer was made or received if it was made via email, on the internet or through other electronic devices?

10. In relation to territoriality, it is an important question whether it is a requirement for an act of offering or supply to amount to contributory infringement whether or not the intended actually infringing use of the means supplied is intended to take place in the country where the offer or supply of means took place. Another aspect of this is whether there is contributory infringement in a country A where means are supplied to a person who intends to bring those means to another country B for the purpose of making an actually infringing product and reimporting that product into country A.

Questions

The Groups are invited to answer the following questions under their national laws

I) Analysis of current legislation and case law

1.
 - a) Is it a separate condition for the supply or offering of means to qualify as contributory patent infringement that the means supplied or offered were suitable to be put to a use that would infringe the patent?
 - b) If yes to a), is it relevant that the means are also suitable to be put to other uses not related to the invention?
2.
 - a) Is it a condition for the supply or offering of means to qualify as contributory patent infringement that the person supplied intended, at the time of supply or offering, to put the means to an infringing use?
 - b) If yes to a), is the element of intention a separate condition to any condition of suitability for an infringing use?
 - c) If yes to a) is it a condition for the supply or offering of means to qualify as contributory patent infringement that the supplier was aware, at the time of supply or offering, that the person supplied intended to put the means to an actually infringing use?
3. If it is a condition for the supply or offering of means to qualify as contributory patent infringement that the means relate to an essential, valuable or central element in the invention or that the means relate to an essential, valuable or central element in the product or service that constitutes direct infringement, what is the test for determining whether an element is essential, valuable or central?

4. To the extent the means supplied or offered are staple commercial products, is it an additional condition for the supply or offering of means to qualify as contributory patent infringement that the supplier provides any instruction, recommendation or other inducement to the person supplied to put the goods supplied or offered to an infringing use?
5.
 - a) Is injunctive relief available against acts of contributory infringement?
 - b) If yes to a), may injunctive relief be directed against the manufacture of the means per se or the supply of the means per se?
 - c) If no to b), must the injunction be limited to manufacture or supply of the means in circumstances which would amount to contributory infringement?
 - d) If yes to c), how in practice should this limitation be included in injunction orders, for example:
 - i) may claims for injunctive relief be directed for example against the abstract or hypothetical situation that the means are supplied in circumstances where the supplier is aware that the person supplied intends to put the means to an infringing use, and/or
 - ii) must claims for injunctive relief be directed against particular shipments of means for which the supplied person's intent and the supplier's knowledge has been proven?
6. Is it a condition for the supply or offering of means to qualify as contributory patent infringement that the intended use of means for actual infringement is intended to take place in the country where the means are supplied or offered?
7. How is it to be determined where means are supplied or offered? For example:
 - Supplier X conducts business in country A, X agrees to supply person Y with means for an infringing use *in country B* Are the means supplied in country A or B or in both?
 - Supplier X undertakes to deliver means "free on board" in a harbour in country A in the same circumstances Are the means supplied in country A or B or in both?
 - Supplier X undertakes to deliver means "free on board" in a harbour in country B in the same circumstances Are the means supplied in country A or B or in both?
 - If the offer was made in country A but accepted in country B, are the means supplied in country A or B or in both?
8. If means suitable for being incorporated into a patented product P are supplied by supplier X in country A to person Y, in circumstances where it was known to X (or it was obvious in the circumstances):
 - i) that Y intended to export the means to country B and complete product P in country B; and
 - ii) that Y intended to export the completed product P into country A,

would Y then be regarded as having intended to put the means to an infringing use in country A by importing and selling product P in country A, with the consequence that X could be held liable for contributory infringement in country A by supplying the means to Y?

9. a) Is the question of contributory infringement determined in accordance with the law of the country in which the means are:
 - i) offered; or
 - ii) supplied?
- b) What is the applicable law if the means are offered in country A but supplied in country B?
- c) Are there any other relevant principles to determine the applicable law?

II) Proposals for substantive harmonisation

The Groups are invited to put forward their proposals for adoption of uniform rules, and in particular consider the following questions:

1. In a harmonised system of patent law, what should be the conditions for an act of supply or offering of means to qualify as a contributory patent infringement?
2. In a harmonised system of patent law, to what extent should injunctive relief be available to prevent contributory patent infringement?
3. In a harmonised system of patent law, how should it be determined where means are supplied or offered?
4. Should special rules apply to offers transmitted via electronic devices or placed on the internet?
5. In a harmonised system of patent law, how should it be determined which country's law should apply to acts of offering or supplying means where persons or actions in more than one country are involved?
6. Does your Group have any other views or proposals for harmonisation in this area?

Note: It will be helpful and appreciated if the Groups follow the order of the questions in their Reports and use the questions and numbers for each answer.