

## AIPPI Special

# Patent infringement by acts abroad

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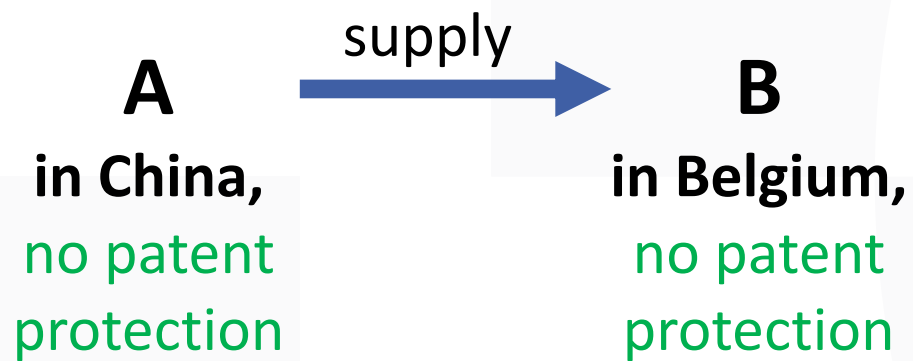
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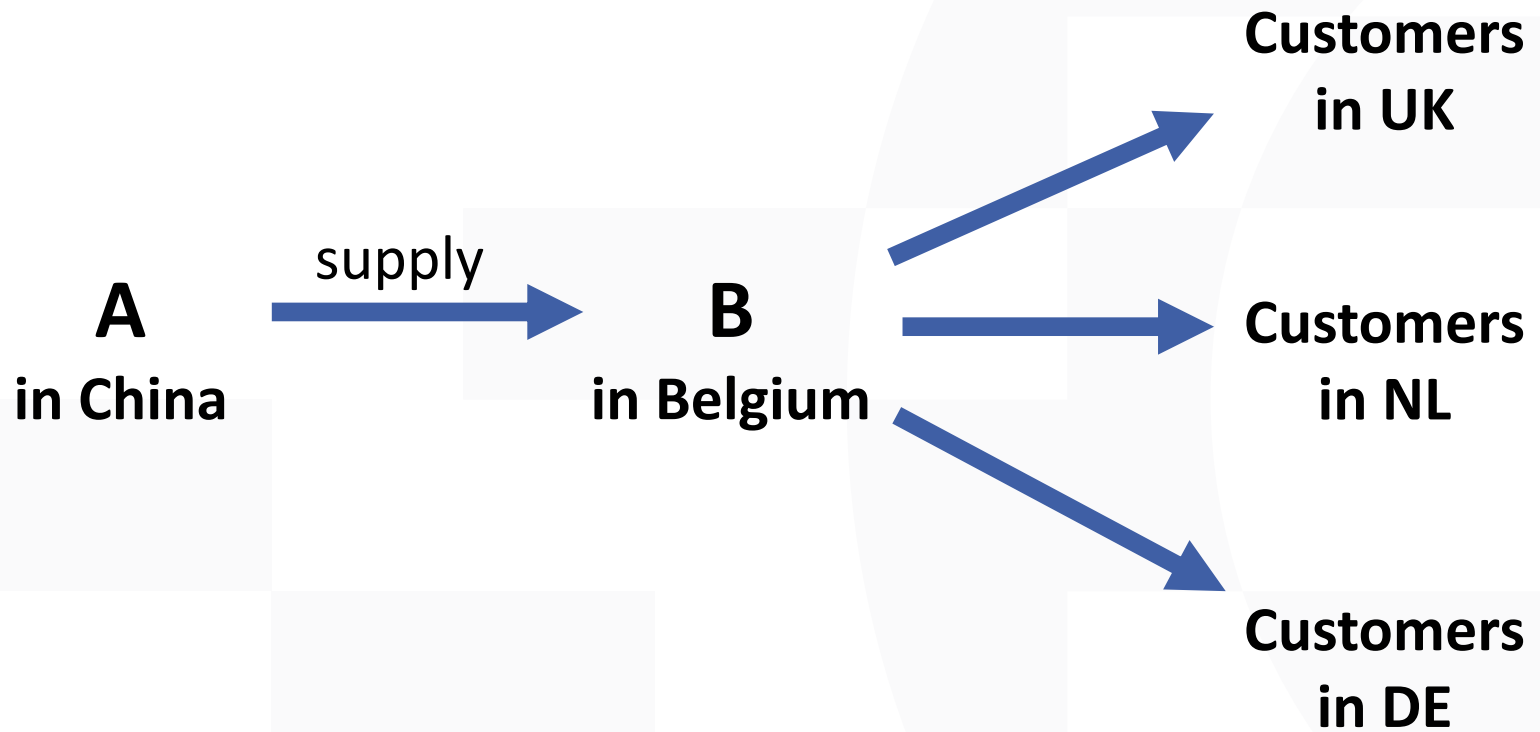
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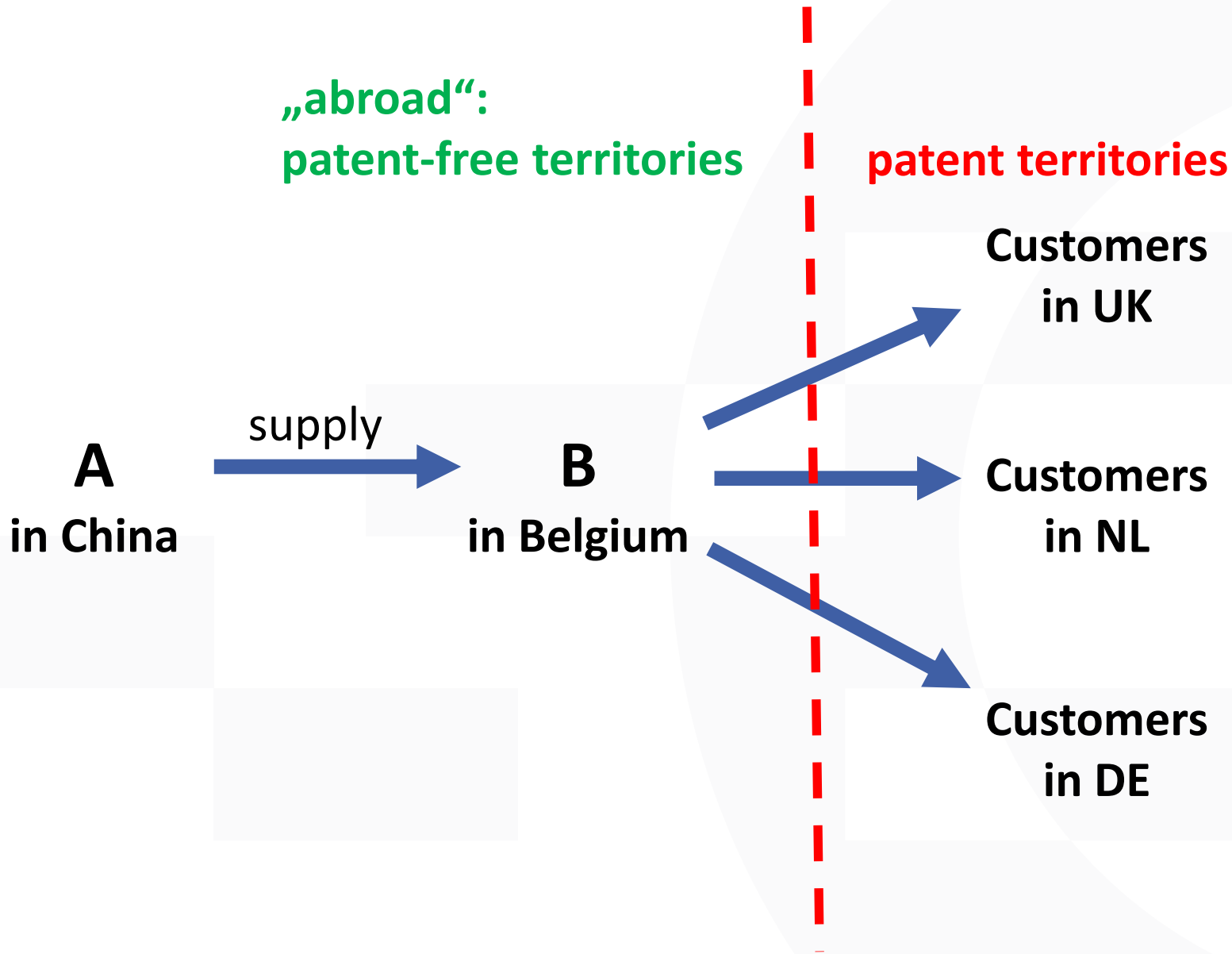
windscreen wipers for cars



**B**  
Trading company  
in Belgium







# General legal framework - Germany

- Problem: Is the foreign supplier, whose customer resides abroad, liable for patent infringement if his customer delivers the product to Germany?
- Recent Case Law of BGH:
  - BGH, GRUR 2017, 785 – Abdichtsystem
  - BGH, GRUR 2021, 1167 - Ultraschallwandler

# General legal framework - Germany

- BGH has recognized liability for patent infringement under certain conditions
  - The mere causality (in particular the mere delivery from the foreign supplier to its customer is not sufficient to assume a patent infringement.
  - The supplier is liable without limitation if he is an accomplice, instigator or supporter of the customer reselling to the domestic market.
  - To qualify the supplier as an instigator, however, there must be intent and the possibility of actively controlling.
  - To qualify the supplier as an accomplice, it is required that the customer intentionally commits the patent infringement and that the foreign supplier knows this and intentionally supports the patent infringement.

# General legal framework - Germany

- What applies if the foreign supplier has negligently promoted / supported the domestic delivery of his customer
- BGH- Abdichtsystem: The foreign supplier is liable for the domestic delivery of its foreign customer if, at the time of delivery, it has concrete indications that its foreign customer will bring the delivery item into the country and thereby commit a patent infringement and continues the delivery despite this knowledge.
- The indications for a domestic delivery must be "concrete", i.e. they must not remain merely abstractly presumptive and speculative, but must be linked to actual circumstances.
- The circumstances, however, must again only be of such a manner that it appears obvious to a reasonable view that the objects supplied abroad will reach the domestic market from there in a patent-infringing manner.



## General legal framework - Germany

- Patent infringement (+): Patent-infringing product is shipped from Germany to a foreign country or from a foreign country to Germany.
- In both cases, the delivery route is partly within the country, which means that there is a domestic patent infringement.
- It is sufficient that the place of destination or the place of dispatch of the delivery is located in Germany.

# General legal framework - Germany

- Examples:
  - It is not a sufficient indication if the customer is active on the domestic market.
  - It is also not sufficient that the customer has already supplied similar products to the domestic market in the past.
  - Even the presence of German-language usage instructions or manual is not in itself indicative, because there are other German-speaking territories outside Germany (Austria, Switzerland, South Tyrol).
  - However, the combination of several such indications can constitute an indication.

# General legal framework - Germany

- Examples:
  - Indication for the a patent infringement if the delivery quantity purchased abroad is so large that it cannot be sold by the customer alone outside Germany, taking into account the customer's distribution network.
  - It can also be an indication if the product can only be processed in the domestic market because there is no other manufacturing possibility abroad.
  - Under particular circumstances the foreign supplier may be obliged to make inquiries.
  - For example, if the supplier or, in the knowledge of supplier, his customer has received a warning or an authorization request, the supplier must point out to his foreign customer the possibility of patent infringement in the case of supply and delivery to the domestic market and ask him about the intended use. If, despite existing suspicion, he does not make an inquiry or does not receive a plausible answer to his inquiry and continues to supply the recipient regardless of this, he shall be liable for patent infringement.

# General legal framework – The Netherlands

## **Dutch Patent Act (DPA)**

### **art. 53 – patent infringement**

The patentee has the right to prevent a third party, without its consent, from [, in the Netherlands]:

- manufacturing/selling/using etc. a product which falls within the scope of the patent
- applying the patented process
- manufacturing/selling/using etc. a product directly obtained by the patented process

### **art. 70(9) – intermediaries**

The patentee can also take action against intermediaries used by third parties to infringe the patent

# General legal framework – The Netherlands

## **Dutch Civil Code (DCC)**

### **art. 6:162 – unlawful act**

(1) He who commits an unlawful act towards another, which can be attributed to him, must compensate the damage suffered by the other as a result.

(2) An unlawful act can either be (i) an infringement of a right, (ii) an act or omission in violation of a legal duty, or (iii) an act or omission in violation of what is considered to be good conduct in society.

(3) An unlawful act may be attributed to the perpetrator if it is due to his fault or to a cause which is for his account pursuant to the law or generally accepted practice.

# General legal framework – The Netherlands

## Case law

### **No general obligation to prevent infringement, but cross-border injunction for unlawful acts (first instance) resp. infringement (on appeal) of foreign patents**

- possible even if no patent in the Netherlands
- However: "*a general legal obligation for LONGi NL (...) to prevent infringement of Hanwha's patents does not exist under Dutch law*" – and the PI judge assumes the same is true elsewhere (4.24)
- BUT this is a different situation than our topic of today, which concerns acts abroad linked to an infringement in the Netherlands of a Dutch patent

*DC Rotterdam 1 October 2021 (LONGi/Hanwha)*

*(see also CoA The Hague 1 March 2022)*

# General legal framework – The Netherlands

## Case law

### **Facilitating infringement in foreign countries: applicable law = Dutch law**

- Applicable law to the alleged unlawful act is Dutch law, because:
  - The damage resulting from the alleged unlawful provoking or profiting of the patent infringement, which takes place in the Netherlands, also occurs in the Netherlands (art. 4(1) Rome II)
- (Provisional) injunction (patent infringement)
- But no (other) unlawful act (6.50):
  - No evidence that the foreign entity provoked the infringement
  - Not explained why it is unlawful to profit from infringement in other situations than covered by the Dutch Patent Act (e.g. indirect infringement)

*DC The Hague 7 June 2017 (Carl Zeiss/VSY)*

# General legal framework – The Netherlands

## Case law

### **Facilitating patent infringement in Portugal: unlawful act**

- NL entity owns market authorisation for pharmaceutical product; is/should be aware of Portuguese patent; facilitates (or participates in) infringement in Portugal by group entity (which must have received consent because of the authorisation)
- Contrary to generally accepted practice > unlawful act
- Relief: injunction (and consent must be withdrawn), information on origin and distribution channels

*DC Utrecht 15 August 2012 (Boehringer/TEVA)*



# General legal framework – The Netherlands

## Case law

### Facilitating infringement in foreign countries

- NL entity enjoined for the Netherlands
- French group entity may not act unlawfully by facilitating (etc.) infringement by other group entities (or third party distributors) in a number of countries
- *"involvement in an infringement can constitute an unlawful act. This is even more so when it concerns a party linked to the infringer, which does not infringe itself but (intentionally) facilitates it"* (4.12; see also reference to intentional patent infringement being a crime, and jointly committing such (or being an accomplice, or provoking such) also being punishable

*DC The Hague 29 September 2020 (Novartis/Mylan)*

# General legal framework – The Netherlands

## Case law

### Patent infringement but no unlawful acts

- NL entity enjoined for patent infringement in NL and in foreign countries where the corresponding patent is valid
- NL entity considered to "*actually direct or perform reserved acts*" due to among others "*central and leading role in commercial exploitation*", also if certain acts factually performed by group entity (5.17-5.18)
- So in this case injunction limited to patent infringement → no unlawful acts in addition to said patent infringement (no further facts stated than those that already result in patent infringement)

*CoA The Hague 15 November 2022 (Pharmathen/Novartis)*

# General legal framework – United Kingdom

## Infringement, enforcement, jurisdiction and knowledge



**Infringement only occurs if a person does an act “within the United Kingdom without the consent of the proprietor”. S. 60 Patents Act 1977.**

***“Just as a defendant’s knowledge of infringement is ordinarily irrelevant, so too is their intention. Infringement requires an entirely objective investigation...” (Pumfrey J in Palmaz’s Patents)***

- ***s. 60(1)(b) PA 1977 - offer of a process***
- ***s. 60(2) PA 1977 - contributory or indirect infringement***

**Art 10 2004/48/EC – commercial channels**

# General legal framework – United Kingdom



## Joint tortfeasorship & common design

Still requires an “act” in UK

What is a “common design”?

Limits?

## Disclosure

Common design, usual disclosure, arguable case

Not a party? More tricky avenues:

CPR 31.17 (PD6B)/witness summons

Letters of Request

Norwich Pharmacal Orders

# 3 Case studies

*All case studies assuming that the goods are patent protected in NL/UK/DE*

## **Case study I**

Company A in China supplies goods to company B in Belgium. The goods are then sold by B into NL. A knows that B already supplies other goods to NL, the goods are sold with instructions in Dutch and A was aware that there was a possibility that the goods would be sold to NL.

## **Case study II**

Company A in China supplies goods to company B in Belgium. The goods are then sold by B into NL. A knows that B has already sold some of the goods concerned in NL and that B intends to further sell into NL.

## **Case study III**

Company A in China approaches B in Belgium in order to supply goods into NL. They reach agreement to do so on specific contractual terms.

# And the UPC?

