

Nespresso® patent roasted in the High Court

The High Court judgment regarding Dualit's supply of disposable ground coffee capsules compatible with Nectec's patented machines examined whether display at a convention and field tests destroyed novelty, and assessed whether indirect infringement had taken place.

The High Court has recently handed down its judgment relating to Dualit's act of supplying disposable ground coffee capsules compatible with Nestec's Nespresso® machines, following Nestec's assertion of a patent protecting the extraction system in certain Nespresso machines (EP 2 103 236). In the action Dualit counterclaimed for revocation.

Validity

The judge cited a series of authorities in which the UK courts had applied the fundamental tenet of the EPO's G2/98 decision, in which the Enlarged Board of Appeal set out that in order for a priority claim to be valid, the 'same invention' as claimed must be disclosed in the priority document. The judge found that the claims of the patent in suit differed from the subject matter disclosed in the priority document, such that the effective date of the claimed subject matter was the filing date and not the priority date. As a result of this finding, the claimed subject matter was determined to lack novelty over the priority document, which was a non-provisional EP application that went on to publish, and so was novelty-only prior art under subsection 2(3) of the Patents Act 1977 (which corresponds to Article 54(3) EPC).

Dualit also argued that the claimed subject matter lacked novelty over the display of Nestec's Essenza machines at a convention and field tests of these machines. The judge found that there was no obligation of confidentiality at the convention or in the field tests, and that the skilled person would have been able to ascertain the functioning of the extraction system in the machines by carefully inspecting and touching them.

Further, the judge noted that although the machines were fitted with 'tamper-proof screws', these screws merely had hexagonal heads which could have been undone using a specialised, but widely-available, screw driver. By disassembling a machine, the skilled person could thus have discovered precisely how the capsule insertion and extraction mechanism worked. Accordingly, both the convention display and field tests of the machine were found to be novelty-destroying for the claimed subject matter.

Dualit also presented lack of inventive step and insufficiency arguments, but these were dismissed by the judge.

Infringement

Nestec alleged indirect infringement on the basis that Dualit was selling capsules compatible with the extraction system (rather than infringement due to acts relating to the system itself). Indirect infringement in the UK is covered by subsections 60(2) and 60(3) of the Patents Act 1977, which reads:

(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.

The judge considered four issues in determining whether or not there had been indirect infringement:

1. Whether the consumer who owns a Nestec system is a person other than a licensee.

Nestec argued that although purchasers of the machines were allowed to do what they pleased with the machines, they were not allowed to use capsules supplied by third parties. Dualit argued that the purpose of the claimed system was to make coffee, and to do so the users must use capsules, and so they were impliedly licensed to use such capsules. The judge agreed and added that, in his view, by selling the system Nestec has exhausted its rights to restrict the purchaser's freedom to use the machines in accordance with their normal function. This view on exhaustion is interesting to compare to the recent decision in *Bowman v Monsanto* by the US Supreme Court. There, it was found that patent exhaustion did not permit a farmer to reproduce patented seeds through planting and harvesting without the patent holder's permission. In the US case, however, there was considered to be a limitation on what users of the seeds could do (as a result of specific terms in a licensing agreement), whereas there was not found to be any limitation regarding the subsequent use of Nestec's machines in the present case.

2. Whether Dualit's capsules were means relating to an essential element of the invention.

The judge noted the divergent approaches applied by the German and Dutch courts in answering this question, but felt that the German approach was more appropriate. What had to be determined was whether the means in question contributed to implementing the technical teaching of the invention. In the present case, the judge found

that the flange of the capsule played a significant role in the way in which the claimed invention worked, and so the capsules were indeed means relating to an essential element of the invention.

3. Whether the capsules were staple commercial products.

The judge determined that to be a staple product, the item must be one which is supplied commercially for a variety of uses. On this basis, Dualit's capsules could not be a staple product, because they had no other use other than with a limited range of portionised coffee machines.

4. Whether the capsules constituted "means suitable for putting the invention into effect".

The judge determined that this depended on whether a person who purchases Dualit's capsules together with a relevant Nestec machine 'makes' a system falling within claim 1 of the patent. Applying the guidance in *Schütz v Werit* ([which we reported on recently](#)), the judge found that users did not "make" the system when using Dualit's capsules in a Nestec machine. First, he concluded that the capsule was an entirely subsidiary part of the system, based *inter alia* on the relative monetary values and lifespan of the machines and the capsule. Further, he noted that the machines and capsules had independent commercial existence, and that the capsule did not embody the inventive concept of the patent. He also observed that the capsules were consumables of and that, in using the capsules, the owner of the machine would not be doing anything which would ordinarily be described as repairing a product.

Having answered the four points, the judge concluded that there was no infringement of the claims by Dualit.

Summary

Nestec's patent was found invalid, but in any case was found not to have been infringed. In determining infringement, the judgment provides an indication of how the assessment of indirect infringement will be undertaken in UK courts following *Schütz v Werit*.

Authors: [Hugh Goodfellow](#) & [Stephen Duffield](#)

Need advice?

For more information, please contact email@carpmaels.com.

Carpmaels & Ransford is a leading firm of European patent and trade mark attorneys based in London. For more information about our firm and our practice, please visit our website at www.carpmaels.com.

This information provides a summary of the subject matter only. It should not be acted on without first seeking professional advice.

Carpmaels & Ransford is regulated by the Intellectual Property Regulation Board (IPREG).

This briefing note was first published in the IAM IP Newsletter.