Kluwer Patent Blog

Making or repair?

Brian Cordery (Bristows) · Wednesday, April 6th, 2011

In the recent case of Schütz v Werit, the Court of Appeal examined the boundary between repair and making under the English implementation of Article 25 of the Community Patent Convention. The claimants' patent in question was for intermediate bulk containers (IBCs), in particular IBCs comprising two parts: a cage and a large plastic container (or bottle) that fits inside the cage but that can be replaced as and when the bottle is damaged. The defendants engaged in the practice of cross-bottling, i.e. manufacturing replacement bottles and using these to replace damaged bottles in the original cage from the claimants. The interesting question the Court had to decide was whether that amounted to infringement by making a product falling within the claims of the patent.

At first instance, the Patents Court, in applying the leading case on making vs. repair from the House of Lords (United Wire v Screen Repair Services), had ruled that the correct approach was to ask whether, when the part in question was removed (in this case the bottle), what was left embodied the "whole of the inventive concept" of the claim. In this case, the feature of the IBC patent that was novel and inventive was the cage, which by itself embodied the whole of the inventive concept. Therefore putting a new bottle into the cage did not constitute "making" the patented IBC and thus the patent was not infringed.

The Court of Appeal held that the case of United Wire could not be construed in such a fashion and did not establish a "whole of the inventive concept" test. Jacob LJ, in one of his final judgments before retiring as a permanent judge of the Court of Appeal, held that the correct interpretation of United Wire instead required the Court to ask whether there had been a "making" of a product falling within the claims of the patent. In this case, the IBC sold by the claimants ceased to exist once the original bottle was removed. What then remained at that stage was merely an important component from which a new IBC could be made. Once the replacement bottle was introduced, the defendants had 'made' a product falling within the claims of the patent and therefore there was infringement.

In reaching its decision, the Court of Appeal has drawn a much more patentee-favourable distinction between making and repair than the Patents Court had. Jacob LJ also made a few comments regarding the economic consequences of construing the act of "making" in this way, in particular for the market in replacement parts and consumables. He held that the economic concern that a patentee might seek to gain an effective commercial monopoly in unpatented replacement parts for patented articles was not really a matter for patent law. In his view, that concern should instead be dealt with either by contract law as an implied licence or by competition law as an abuse of a dominant position. Whether either will provide a satisfactory defence in cases such as these in

the future remains to be seen; in this case there was no implied licence as the patentee vehemently objected to cross-bottling and forbade such activities in its terms and conditions of sale. However, the case may lead to more so-called "euro-defences" in the future.

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