Kluwer Patent Blog

Father Christmas: beware of risks of patent infringement

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In view of the upcoming Christmas season, in light of a judgment of 15 October 2019 from the Court of Appeal of Valencia published recently, a call for caution for Father Christmas is in order. The facts of the case may be summarized as follows.

The company Smart Trike MNF LTD ("Smart Trike"), which owns patent EP 2.637.917 B1 ("EP '917") for "A dual steerable vehicle", filed a patent infringement action against Famosa, a well-known Spanish company that markets toys, among other products. The fact that triggered the action was the marketing by Famosa of a tricycle for kids (Baby Trike Easy Evolution) that performs several functions. Among other aspects, it can be steered by children like a traditional tricycle. It can also be steered by an individual (for example, an adult) pushing the tricycle. It also becomes a baby carriage for your child to have a pleasant nap. Readers may wish to have a look at this product on the Internet because it is actually good fun. An ideal present to be seriously considered by Father Christmas. Too bad that the author's children are no longer into tricycles, something they left behind a quarter of century ago. It would have been a wonderful present for them.

The thing is that Smart Trike considered that Famosa's product fell within the scope of claim 1 of patent EP '917, which reads as follows:

1. *A tricycle (800, 810) operable between a first mode of operation steerable by a tricycle rider, and a second mode of operation steerable by an individual pushing the tricycle, the tricycle comprising:*

    a pair of rear wheels (400);

    a front wheel (100) having opposing sides and a front wheel axis;

    a head tube (707);

    a frame (700) configured to rotatably support the rear wheels (400) and configured to support the head tube (707);

    a pair of pedals (141, 142), each pedal configured for connection about the front wheel axis to rotate the front wheel (100);

> > *a fork (133) having at least one blade (130, 131) configured to support the front wheel (100) in a manner permitting the front wheel (100) to rotate about the front wheel axis;*
> >
> > *a stem (305) configured to extend from the head tube (707) in a manner permitting the stem (305) to rotate, the stem (305) including a rod having a minimum diameter that is at least three times smaller than a width of the front wheel (100); a rider handle (200), configured to turn the fork (133) about a stem axis extending transverse to the front wheel axis, the rider handle in the first mode being configured to be rotationally coupled with the stem (305) in a manner permitting a tricycle rider to exert forces on the rider handle (200) and thereby turn the fork (133), and the rider handle (200) in the second mode, where the stem axis leads the front wheel axis, being configured to be rotationally uncoupled from the stem (305), preventing forces on the rider handle (200) from turning the fork (133) and permitting the individual pushing the tricycle to turn the fork (133) via pushing force; and*
>
> *wherein the stem (305) extends from the fork (133) at an angle of between about 165 degrees and 179 degrees and wherein an offset distance between the stem axis and the front wheel axis is between 15 mm and 40 mm.*

Famosa used a twofold line of defence. First, it filed a revocation counterclaim questioning the novelty and inventive step of the patent. Second, it denied infringement alleging that its products did not reproduce 2 of the elements of claim 1.

In a judgment of 5 December 2018, Commercial Court Number 2 of Valencia rejected both the revocation counterclaim and the main infringement action, as the Judge considered that, as alleged by Famosa, the product did not reproduce 2 elements of claim 1. Both parties filed an appeal before the Court of Appeal of Valencia which, in its judgment of 15 October 2019, rejected the appeal filed by Famosa and upheld the appeal filed by Smart Trike.

In relation to novelty, the Court found that none of the references of the prior art cited by Famosa disclosed the combination of elements of claim 1. Moving on to inventive step, this judgment is a rather harsh example of how important formal aspects are in Spanish patent litigation. In this regard, the Court noted that patent EP ‘917 had been revoked due to lack of inventive step by the German Federal Patent Court. However, this did not impress the Court of Appeal of Valencia, which noted that the document (a French patent) relied on by the Federal Patent Court to annul the same patent in Germany had not been translated into Spanish in the case at hand. The Court highlighted that the omission of this translation was a fundamental defect of the revocation counterclaim that could not be remedied at a later stage (for example, at the Preliminary Hearing or when filing the writ of appeal). So, as mentioned, the harsh lesson from this part of the judgment is that, in Spain, what has not been translated into Spanish does not exist in this world.

Moving on to infringement, Famosa alleged that its product did not reproduce the first

element of the claim which, as set out above, refers to "A tricycle (800,810) operable between a first mode of operation steerable by a tricycle rider, and a second mode of operation steerable by an individual pushing the tricycle." Famosa filed an expert opinion which, in short, argued that this product does not offer one single vehicle with two modes of operation, but two different vehicles that share elements, each of which with different modes of operation. As mentioned, this line of defence persuaded the Court of First Instance, which denied infringement, finding, among other aspects, that this product had three modes of operation (not only two). However, the argument did not pass muster before the Court of Appeal, which found that claim 1 did not have limitations regarding the way the two modes of operation should be performed (simultaneously or not, with additional modes of operation, etc.). So, the Court concluded that the product reproduced this element literally.

Famosa also alleged that its product did not reproduce element 1.04, that is, "a head tube (707)". In short, Famosa argued that its product did not have "a head tube" as required by claim 1, but a "complex" composed of a cylinder and an embellishment cover that entailed advantages not offered by the "head tube" of claim 1. This was actually the most controversial and deeply discussed aspect of the case. In the end, the Court of Appeal leaned towards the conclusion that although such "complex" was not a literal reproduction of the "head tube" element, it performs the same function, in the same way to obtain the same result. So, the Court applied the well-known "same function-same way-same result" test applied by U.S. Courts (see judgment of 29 May 1950 of U.S. Supreme Court in *Graver Tank v. The Linde Air Products*) to find infringement under the doctrine of equivalents. It may be added, in passing, that Spanish Courts tend to apply this test in the case of mechanical patents.

The author is not aware of whether or not this judgment is final. In any case, it illustrates that even the type of toys that Father Christmas will hopefully leave around in the upcoming Christmas season are not immune to the risks of patent infringement.

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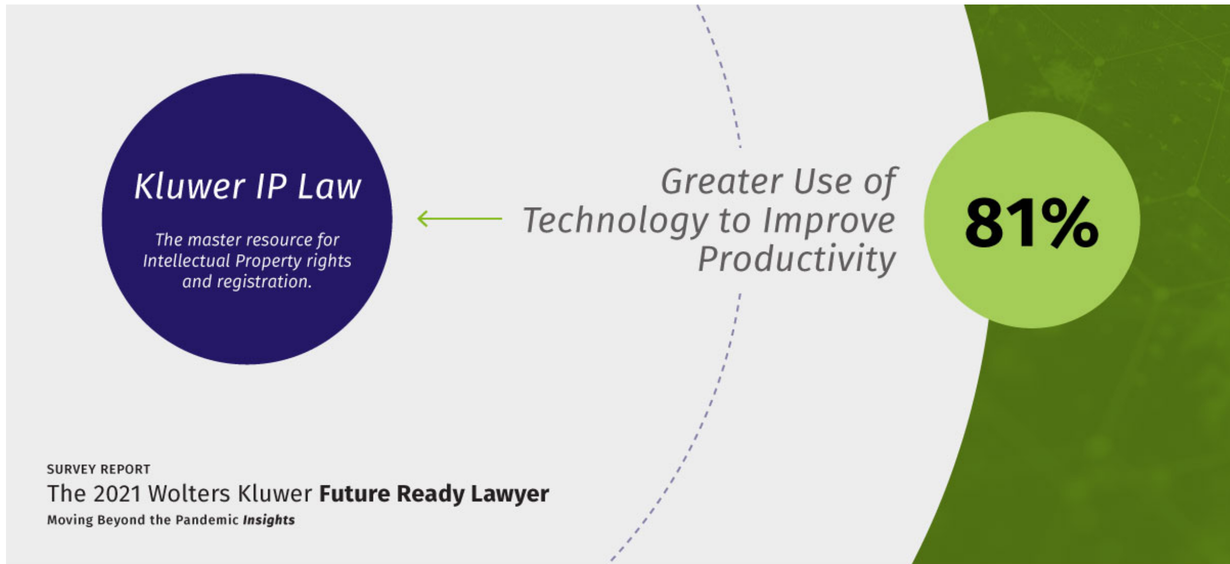

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