SPAIN

Question Q204P

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

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?

Yes. In order for the supply or offering of means to qualify as contributory infringement, those means must refer to an essential element in the invention. We therefore believe that it is necessary for the means offered to be 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?

The possibility that the means might also be put to other uses unrelated to the invention is very important in Spanish Law. In order to qualify as infringement, the supplier must know, or it must be clear from the circumstances, that the
means are suitable for practicing the invention and are designed for that purpose. Therefore, if the means can be used for other purposes, contributory infringement cannot automatically be deemed to exist, since it would also have to be demonstrated that the supplier of the goods knows, or should know, that the means will be used to infringe the patent.

In fact, the offering or supplying of staple commercial products may even qualify as infringement, where the supplier of the goods incites the supplied person to infringe the patent.

We can therefore sum up by saying that yes, it is relevant that the means are also suitable to be put to other uses. If those uses are varied or involve staple commercial products, in order for them to qualify as infringement, there must be incitement to infringe. If the means are not staple commercial products, it must be demonstrated not that there has been incitement to infringe, but that the supplier of the goods knows, or should know from the circumstances, that the means will be used to infringe a patent.

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?

Yes. If the person supplied stated the purpose of the supplied goods, or if that purpose could be deduced from the circumstances, such conduct would serve to demonstrate that the supplier knew that they were going to be put to an infringing use. If there had been no intention to put the means to an infringing use (and the circumstances did not reveal that intention), the fact that the purpose of the goods has been changed (particularly when the goods are staple commercial products) will not affect the liability of the supplier.

b) If yes to a) is the element of intention a separate condition to any condition of suitability for an infringing use?

Yes.

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?

Article 51.1 of the Spanish Patent Act states that the third party must know, or the circumstances must render it obvious, that the supplied means are suitable and fitted for contributory infringement and are designed for that purpose.
Where there is “incitation” (Article 51.2 PA), contributory infringement will exist even when staple commercial products are involved.

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?

According to Article 51 of the Spanish Patent Act, the patent confers on its owner the right to prevent the supply or offering of means “relating to an essential element” of the invention.

The Decisions issued by the Spanish courts regarding the interpretation of what should be understood by means relating to an essential element in the invention do not provide a clear guideline in that regard.

According to two judgments from Section 15 of Barcelona Court of Appeal, handed down on 12 June 2001 (AC 2002/235) and 30 June 2008 (AC 2008/1582), an essential element of the patent (or utility model) is “any of the elements through which the invention is defined in the characterizing part of one of its claims, and which are therefore necessary for exploiting or practicing the invention (technical rule)”.

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?

Indeed, in order to consider there to be infringement in cases where the means supplied or offered are staple commercial products, the Spanish Patent Act lays down the requirement of active incitement to infringe by the supplier of the means. In that regard, according to Article 51.2, the third party must incite the supplied person to commit the acts of infringement. If there is no incitation, then there will likewise be no contributory infringement.

5. a) Is injunctive relief available against acts of contributory infringement?

In principle, there is nothing to prevent injunctive relief from being sought in cases of contributory infringement. The requisites – fumus boni iuris, periculum in mora and payment of a bond – are the same as for any other kind of
infringement. It must nevertheless be noted that the particular complexity of some cases of contributory infringement can obstruct the grant of injunctive relief by the courts.

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?

If the means are exclusively intended for practicing the patented invention, then injunctive relief can be directed against the manufacture of the means per se or the supply of the means per se; if the means are staple commercial products and/or may have other purposes, it would be logical for the relief to be directed against the supply, provided that there are signs of incitement on the part of the supplier.

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?

Injunctive relief in Spain is governed by two fundamental principles, namely, homogeneity (by virtue of which only relief that is exclusively conducive to rendering possible the effectiveness of the court protection granted may be requested) and proportionality (according to which, where there are two equally effective forms of relief, the one that is less costly or detrimental to the defendant must be adopted). We believe that a carefully considered application of both principles would lead to the conclusion that in a case of contributory infringement, injunctive relief can and must be limited to the circumstances giving rise to the 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

It is doubtful whether injunctive relief in abstract or hypothetical situations can be adopted. The relief is linked to a specific case of infringement, and it is necessary to adduce circumstantial evidence of the infringement in order to adequately construct the fumus boni iuris.

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?
Claims for injunctive relief must only be granted against particular shipments of means for which enough circumstantial evidence to awaken the court’s initial conviction regarding the supplied person’s intent and the supplier’s knowledge has been adduced.

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?**

The definition of contributory infringement in Spanish law (Article 51.1 PA) refers to “supplying or offering to supply means for practicing the patented invention”. However, no reference is made to the countries in which those acts must take place. By applying the principle of territoriality, the country in which the means are being offered or supplied and the country in which the means are intended to be used must be Spain.

7. **How is it to be determined where means are supplied or offered?**

Determination of where the means are supplied or offered does not fall within the scope of Patent Law; rather it is an issue relating to Spanish Common Law and International Private Law.

**For example:**
In the proposed examples, it is understood that supplier X, conducting business in country A, supplies or offers means apt to carry out contributory infringement in another country and is aware of this. Based on those premises:

- **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?**

In general, the place of supply depends on what has been agreed by the parties and on the acts following enforcement of the agreed terms. Normally, this is regulated through the use of an INCOTERM in the supply contract (for example, if INCOTERM FOB is used, the place of supply will be the lading port, whilst if INCOTERM CIF is used, the place of supply will be the agreed destination port).

Since no information on the contract between the parties or the use of any INCOTERM has been provided, we take the question to mean the place where the means have been
deemed to have been delivered in the absence of an agreement in that regard.

Nevertheless, this is virtually unimaginable since, based on our experience, the parties always agree on either the place of supply of the goods (this is essential, for example, in determining which of the two parties is responsible for carriage), or at least the legislation applicable to the contract.

However, this supply contract will very likely be regulated by the provisions of the United Nations Convention on contracts for the international sale of goods, made in Vienna on 11 April 1980, given the fact that it is widely accepted throughout the world (there are currently 74 contracting countries to this Convention).

Thus, Article 31 of the aforesaid Convention is the provision that would provide an answer in this case:

“If the seller is not bound to deliver the goods at any other particular place, his obligation to deliver consists:

a) if the contract of sale involves carriage of the goods – in handing the goods over to the first carrier for transmission to the buyer.

b) if, in cases not within the preceding subparagraph, the contract relates to specific goods, or unidentified goods to be drawn from a specific stock or to be manufactured or produced, and at the time of the conclusion of the contract the parties knew that the goods were at, or were to be manufactured or produced at, a particular place – in placing the goods at the buyer’s disposal at that place.

c) in other cases – in placing the goods at the buyer’s disposal at the place where the seller had his business at the time of the conclusion of the contract”.

- 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?

If X delivers the means FOB (“free on board”) in a harbour in country A, it is understood that the parties have agreed that the means will effectively be supplied in country A.
- 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?

As we have mentioned above, as far as FOB carriage is concerned, the only relevant information for establishing the place of supply is the loading port. Therefore, if the goods were loaded at a port in country A, the means will always be deemed to have been supplied in country A, regardless of whether the goods are later delivered in a harbour in country B.

- 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?

The place where the contract was executed and the place where the means are supplied are separate issues and may or may not refer to the same place. In this regard, under Spanish Law, the place where the contract is executed is the place where the offer is accepted. On the other hand, the place in which the means are supplied is agreed by the parties, regardless of where the offer was accepted. For example, as we have seen above, the place of delivery deemed agreed in the contract may depend on the INCOTERM used by the parties, which has no relationship whatsoever with the place in which the contract is executed.

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?

Article 51.1 of the Spanish Patent Act confers on the patent owner the right to prevent any third party not having his consent “from supplying or offering to supply with means for practicing the patented invention which relate to an
essential element thereof to persons not qualified to exploit the invention, when said third party knows or the circumstances make this obvious that such means are suitable and fitted for practicing the invention and are designed for this purpose”. Thus, by interpreting this rule literally, we could say that in Spain contributory infringement only consists of the supply of means that will subsequently be used to manufacture the patented product or implement the patented process. The other purposes of the supply (which might constitute direct infringement) do not fall within the scope of contributory infringement.

Therefore, X cannot be charged with contributory infringement, since the means that it supplied have not been used, and it could not be deduced from the circumstances that they were going to be used, for the manufacture (“practicing the invention”) of product P in Spanish territory.

Nevertheless, there is no seated case law in this field in Spain. Consequently, a court may well interpret the rule in a finalistic manner and extend its perception of contributory infringement to the acts of collaboration necessary to carry out any other act of direct infringement aside from the manufacture of the product or implementation of the patented process.

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?

According to Article 8.1 of the Rome II Regulation (864/2007) on the law applicable to non-contractual obligations, “the law applicable to a non-contractual obligation arising from an infringement of an intellectual property right (in the broad sense) shall be the law of the country for which protection is claimed”. Consequently, this area is governed by the principle of lex loci protectionis, i.e., the country of the patent.

The Spanish courts abide by this principle. Please see, for example, the doctrine established by Section 15 of Barcelona Court of Appeal in its ruling of 15 February 2005, according to which:

“a national patent can only be infringed where it is in force, i.e., in the territory in which the granting State exercises its sovereignty”; “national patents cannot be infringed by actions carried out abroad, and foreign patents cannot be infringed by actions carried out on national territory”; and, referring specifically to contributory infringement: “by virtue of the principle of territoriality, which must be deemed to be inferred from the rule, that relevant act (the supply of the particular means) will have to be verified in the territory in which the right to exclusion conferred by the patent
has effect; any supply or offer to supply verified abroad escapes the territorial scope of its protection”.

b) What is the applicable law if the means are offered in country A but supplied in country B?

Please see the reply to point a) above.

c) Are there any other relevant principles to determine the applicable law?

No.

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?

The following requirements would be essential:

- The means offered or supplied must be suitable for use in the practicing of the invention (manufacture of the product or implementation of the patented process).

- The means must be related to an essential element in the invention;

- The supplier of the means must know (because it has been notified by the supplied person or because it is clear from the circumstances) that such means are suitable to practice the invention; or

- If the means are staple commercial products, the supplier must incite the supplied person to use those means to practice the invention; and

- The supplied person must not be authorised to practice the invention.

2. In a harmonised system of patent law, to what extent should injunctive relief be available to prevent contributory patent infringement?

The grant of injunctive relief directed at preventing contributory infringement should be governed by the same requirements as injunctive relief against any other kind of infringement or illegal conduct – *fumus boni iuris, periculum in mora* and payment of a bond.
3. In a harmonised system of patent law, how should it be determined where means are supplied or offered?

In principle, this is not (nor should it be) an issue pertaining solely to Patent law. However, if we wished to set some criteria, it should refer to what has been agreed and/or enforced by the parties and, if not, to the rules laid down in Article 31 of the United Nations Convention on contracts for the international sale of goods, made in Vienna on 11 April 1980.

4. Should special rules apply to offers transmitted via electronic devices or placed on the Internet?

Yes – fundamentally to strengthen legal certainty.

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?

The jurisdictional rule laid down in the Rome II Regulation (864/2007) on the law applicable to non-contractual obligations (Article 8.1) could serve as a basis for a broader harmonisation (aside from that which already exists in the EU member states).

6. Does your Group have any other views or proposals for harmonisation in this area?

Any harmonisation of the system applicable to contributory infringement should not merely focus on setting out the requirements for such infringement to be deemed to exist; rather, it should take a step further and define those requirements in certain detail, so that their interpretation and application by the courts gives rise to the fewest doubts possible.
SUMMARY

In order for an act of offering or supplying of means to qualify as contributory patent infringement, the following is required:

- The means offered or supplied must be apt for use in practicing the invention (manufacture of the product or implementation of the patented process);

- The means must be related to an essential element in the invention;

- At the time when the means are offered or supplied the supplier must know (because it has been advised accordingly by the supplied person or because it is clear from the circumstances) that such means are apt for practicing the invention; or

- If the means are staple commercial products, the supplier must have incited the supplied person to use those means to practice the invention; and

- The supplied person must not be authorised to practice the invention.

As a general rule, in order for injunctive relief to be granted, the same requirements demanded for any other kind of illegal conduct should be applicable here – *fumus boni iuris, periculum in mora* and payment of a bond. Determination of the place in which the means are offered or supplied is not in the exclusive domain of Patent law; rather it refers to free will or, where this is absent or unknown, to the rules that generally apply to business transactions (e.g., the Vienna Convention on the international sale of goods). In order to reinforce legal certainty, special rules should be applied to acts of offering transmitted through the Internet. The law applicable to acts of offering or supplying of means to practice a patent must be the law of the country/region in which exclusive rights have been granted in that patent (*lex loci protectionis*).

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RESUME

Pour qu’un acte d’offre ou de fourniture de moyens constitue une contrefaçon indirecte d’un brevet, on devrait exiger :

- que ces moyens offerts ou fournis soient aptes pour être utilisés dans la mise en œuvre de l’invention (fabrication du produit ou réalisation du procédé breveté) ;
que les moyens se rapportent à un élément essentiel de l’invention ;

- qu’au moment d’offrir ou de fournir les moyens, la personne qui les offre ou les fournit sache (parce que la personne qui en est le destinataire le lui a communiqué ou parce que cela est évident compte tenu des circonstances) que ces moyens sont aptes à la mise en œuvre de l’invention ; ou

- si les moyens sont des produits que l’on trouve habituellement dans le commerce, que la personne qui les offre ou les fournit incite le destinataire à utiliser ces moyens pour mettre en œuvre l’invention ; et

- que la personne à laquelle ils sont fournis ne soit pas autorisée à mettre en œuvre l’invention.

Comme règle générale, pour l’adoption de mesures conservatoires, on devrait exiger les mêmes conditions que pour toute autre sorte d’agissement illicite – fumus boni iuris, periculum in mora et caution -. La façon de déterminer le lieu où les moyens sont offerts ou fournis n’est pas une question propre du Droit des brevets ; elle répond à l’autonomie de la volonté ou, lorsqu’il n’y en a pas ou on ne la connaît pas, aux normes généralement applicables aux transactions commerciales (par ex. la Convention de Vienne sur la vente et achat de marchandises au niveau international). Pour renforcer la sécurité juridique, on devrait appliquer des règles spéciales aux actes d’offre transmis via Internet. La loi applicable aux actes d’offre ou de fourniture de moyens pour la mise en œuvre d’un brevet doit être celle du pays ou de la région où règit le droit d’exclusivité de ce brevet (lex loci protectionis).

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ZUSAMMENFASSUNG

Damit das Anbieten oder Liefern von Mitteln eine mittelbare Verletzung eines Patents darstellt, sollte es erforderlich sein:

- daß die angebotenen oder gelieferten Mittel für die Benutzung bei der Umsetzung der Erfindung (Herstellung des Erzeugnisses oder Durchführung des patentierten Verfahrens) geeignet sind;

- daß die Mittel mit einem wesentlichen Element der Erfindung in Verbindung stehen;

- daß die Person, die die Mittel anbietet oder liefert, zum Zeitpunkt des Anbietens oder Lieferns der Mittel weiß (weil der Belieferte ihr dies
mitgeteilt hat oder weil dies bei Berücksichtigung der Umstände offensichtlich ist), daß diese Mittel für die Umsetzung der Erfindung geeignet sind;

oder

- daß, sofern es sich bei den Mitteln um im Handel allgemein erhältliche Erzeugnisse handelt, die Person, die diese anbietet oder liefert, den Beliefernten dazu anspornt, diese Mittel für die Umsetzung der Erfindung zu benutzen;

und

- daß der Beliefernte nicht berechtigt ist, die Erfindung umzusetzen.

Generell sollten für die Gewährung von einstweiligen Verfügungen dieselben Voraussetzungen erforderlich sein wie auch im Falle jeder anderen Art von unrechtmäßigen Handlungen - *fumus boni iuris, periculum in mora* und eine Kaution -.

Die Art und Weise, den Ort zu bestimmen, an dem die Mittel angeboten oder geliefert werden, stellt keine dem Patentrecht eigene Frage dar; dies hängt von der Autonomie des Willens ab oder, falls dieser fehlt oder unbekannt ist, von den generell auf Geschäfte anwendbaren Bestimmungen (z.B. Wiener Übereinkommen über Verträge über den internationalen Warenverkauf). Um die Rechtssicherheit zu erhöhen, müßten auf Angebotshandlungen, die über das Internet übermittelt werden, besondere Bestimmungen angewendet werden. Das auf Angebots- oder Lieferungshandlungen von Mitteln für die Umsetzung eines Patents anwendbaren Gesetz muß demjenigen entsprechen, das auch auf das Land/die Region Anwendung findet, in dem das Exklusivrecht dieses Patents gilt (*lex loci protectionis*).