8th Annual
University of Toronto Patent Colloquium

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1. Introduction to Inducement to Infringe
   - The three-prong test
   - Leading cases
2. Recent Developments in Inducement to Infringe
   - Inducement to induce
   - Common design
   - Is ‘but-for’ causation required
   - Claim scope
Patent infringement - Inducement

Three-prong test:

1. The act of infringement must have been completed by a direct infringer;
2. The completion of the act of infringement must be influenced by the acts of the alleged inducer to the point that, without the influence, direct infringement would not take place;
3. The influence must knowingly be exercised by the inducer, that is, the inducer knows that this influence will result in the completion of the act of infringement.

_Corlac Inc. v. Weatherford Canada Inc._, 2011 FCA 228 at 162.
Patent infringement – Inducement (cont.)

_Windsurfing International Inc. v. Trilantic Corporation (now BIC)*_

- Patent related to a “wind-propelled” apparatus (i.e., a sailboard)
- Defendant argued that it did not infringe the patent because it did not sell sailboards in an assembled form
- Plaintiff argued the defendant is clearly selling parts for the purpose of making a sailboard, including instructions to assemble
- To suggest that a patent infringement suit can be successfully avoided by selling parts as components of a kit in contradistinction to their sale assembled is, according to the court, errant nonsense.

* (1985), 8 CPR (3d) 241 (FCA).
Weatherford Canada Ltd. v. Corlac Inc.* (1st Trial / FCA 1)

- Claim in issue covered a method for restraining oil which involves monitoring a leak passage to determine when seals fail

- Trial judge found that it was common sense that sales were made to customers and that customers were more likely than not to follow the instructions in the manuals

- Federal Court of Appeal found that the trial judge had not applied the three-prong test for inducement – remitted on issue of infringement re claim 17

* 2010 FC 602, aff’d in part 2011 FCA 228, leave ref’d [2011] SCCA No. 418; 2012 FC 76 (remitted on infringement), rev’d 2012 FCA 261; 2018 FC 565 (remitted on infringement), appeal in A-244-18.
Patent infringement – Inducement (cont.)

Weatherford Canada Ltd. v. Corlac Inc.* (2nd Trial)

• The trial judge in the second trial found that the FCA had upheld his decision that the manual instructs the practice of the method of the patent claim

• Trial judge found end users would have followed the manual and thereby infringed the patent

Weatherford Canada Ltd. v. Corlac Inc.* (FCA 2)

• The FCA found that it had not been determined in the first place that the manual instructs the method of claim 17 of the patent

• FCA sent the case back to the trial judge again to make this determination

* 2010 FC 602, aff’d in part 2011 FCA 228, leave ref’d [2011] SCCA No. 418;
  2012 FC 76 (remitted on infringement), rev’d 2012 FCA 261;
  2018 FC 565 (remitted on infringement), appeal in A-244-18.
Weatherford Canada Ltd. v. Corlac Inc. (3rd Trial/FCA)

- The case was sent back again to the trial judge for the second time (so third trial), specifically in respect of claim 17
- Now styled Grenke v. DNOW Canada ULC
- The trial judge found:
  - [14] …it would be obvious to a person of ordinary skill in 1994 that the operating instructions provide the functional equivalent of the method of checking for leaks using passages as described in Claim 17.
  - [15] …customers who purchased the Defendants’ infringing products would use them in accordance with the operating and maintenance manual provided for the end user oil companies.

- The third trial decision was appealed and is now pending (see 2018 FC 565 and A-244-18)
- According to the court docket it is set down for a hearing on November 25, 2019 at 9:30 AM in Toronto
Patent infringement – Inducement – Recent Developments

Recent developments in inducement law

• Does inducement to induce infringement exist in Canadian law? **Maybe.**
  See *Elbit Systems Electro-optics Elop Ltd. v Selex ES Ltd.*, 2016 FC 1129

• Is a single direct infringer required to satisfy the first prong of the three-part test in *Weatherford*? **Maybe.**
  See *Packers Plus Energy Services Inc. v Essential Energy Services Ltd.*, 2017 FC 1111 (aff’d on other grounds 2019 FCA 96, leave to appeal to SCC sought)

• Does infringement by common design/acting in concert exist in Canadian law, and is it compatible with inducement? **Arguably, yes.**
Recent developments in inducement law

Is ‘but-for’ causation really required to establish inducement? **Good question...**

See N. Siebrasse, "Is ‘But for’ Causation Necessary to Establish Inducement?" (April 25, 2019)

Can inducement turn on more than just the product monograph in pharmaceutical patent cases? **Yes.**

See **Genentech, Inc. v Amgen Canada Inc.**, 2018 FC 694

Can claims drafted as “a composition for use in the treatment of” be infringed directly by a maker of generic medicines, rather than by inducement? **It’s reasonably arguable — stay tuned.**

See **Eli Lilly Canada Inc. v Apotex Inc.**, 2019 FC 884