

Making or Repairing? Schütz v Werit and the 'Whole Inventive Concept' Test

The Court of Appeal judgment ([2011] EWCA Civ 303) in *Schütz v Werit* has shed some light on the appropriate test for deciding whether a given act of reconditioning of a patented product constitutes a non-infringing 'genuine repair' or whether it constitutes an infringing act of 'making' the product.

Schütz is the exclusive licensee of a European Patent [EP\(UK\) 0734947](#) ("the Patent") relating to an intermediate bulk container (IBC), which is a large two-part container including a plastic bottle within a metal cage that is used for transporting liquids. Two-part IBCs were already known in the art; the Patent proposed to improve the durability of such two-part containers by introducing a dimple on either side of the weld joints in the cage, creating flexible portions adjacent to the weld, which relieve the stress on the weld joint itself.

Werit sell bottles for IBCs to another company, Delta, who buy used Schütz IBCs, remove and discard the original Schütz bottles, repair any damage to the cages, replace the original bottles with Werit bottles, and offer the resulting IBCs for sale in competition with Schütz. The main point of contention was whether what Delta is doing constitutes 'making' the patented IPC container within the meaning of Patents Act 1977 ("The Act") s.60(1), or whether it instead amounted to simply repairing the IBC. It was common ground that, if Delta infringes the Patent, then so does Werit.

By way of background, this was an appeal from a High Court judgement ([2010] EWHC 660) by Floyd J, which had held in Werit's favour. Floyd J reviewed the leading UK judgment on this matter, namely that given by the House of Lords in *United Wire v Screen Repair Services*

[2000] 4 All ER 353, as well as several more recent judgments from Germany, and proposed the following test:

“ask whether, when the part in question was removed, what was left embodied the whole of the inventive concept of the claim”.

Applying this test to the facts of the case, he concluded that, because the whole of the inventive concept was said to be in the cage, replacement of the bottle constituted a repair of, rather than ‘making’ of, an IBC. Accordingly, he found that there was no infringement.

The Court of Appeal rejected this interpretation of *United Wire*, reasoning that in the case of one of the patents in suit in *United Wire*, infringement was found despite the fact that the whole inventive concept could be said to lie in a component of the product which was not replaced during the alleged infringing act. Accordingly, it was held, *United Wire* excludes any additional “whole inventive concept” test; furthermore, the latter test was considered to be “fuzzy and uncertain” in practice, and without basis in the law of infringement. The only question is whether the alleged infringer had made the patented product. Applying this test to the present case, Jacob LJ found that Delta had made IBCs when they replaced Schütz’s bottles with those manufactured by Werit, and had infringed the Patent (Werit’s case here was not helped by the fact that Delta’s own website describes their activities as “re-manufacturing” of the IBCs).

Whilst this judgment rejects any “whole inventive concept” test, there remains considerable uncertainty as to where the boundary between “repair” and “making” lies; Jacob LJ expressly declined to give any general answer to this question. We await further case-law to provide more clarity on this issue. In the meantime, it is clear that any party should be extremely wary of engaging in activities that involve replacing components of a patented product, whether or not the replaced components can be considered to embody any “inventive concept”.