



An Ethical Victory at the EPO in the Coffee War

Ethical Coffee Company (ECC) has won the latest skirmish in the protracted war surrounding capsule based coffee sales.

At the end of January 2016 the EPO held Oral Proceedings in respect of an Opposition by Nestec S.A. & Nespresso France against the grant of EP2312978 in the name of ECC. At the end of the proceedings the opposition was dismissed and the patent maintained as granted. An appeal against that decision has already been filed by the opponents.

The ECC patent in question does not directly protect ECC's innovative product (they have other patents for that), or even prevent a third party from producing a competing product, but it is intended to prevent particular modifications to Nespresso machines that would render them incompatible with the ECC product.

Nespresso coffee machines accept a disposable, single serving, capsule containing a concentrated beverage, for example coffee. They add hot water to the contents of the capsule and dispense a hot drink. The used capsule is then dispensed into a waste bin, typically within the machine. Nespresso machines are produced by Nespresso S.A., a Nestlé Group company, who also produce a range of official capsules for use with the machine. The official Nespresso capsules are made from a combination of aluminium and plastic which is not currently readily recyclable and Nespresso have invested significantly in a recycling programme. However, many consumers remained hesitant to use Nespresso machines due to the perceived environmental impact of disposing of the official capsules.

ECC was founded by former Nespresso president Jean-Paul Gaillard in April 2008 to produce capsules that would be compatible with Nespresso coffee machines and which

are fully biodegradable without compromising the quality of the coffee, or other drink, produced.

During drink production in a Nespresso coffee machine, pressurised hot water is forced through the capsule. The walls of biodegradable capsules from ECC soften during drink production more than those of the official Nespresso capsules allowing for a greater degree of capsule deformation, but nevertheless the ECC capsules were generally fully compatible with Nespresso machines. However, an update to the Nespresso machines in 2010 meant that the ECC capsules were more likely to jam within the machine after use. ECC have suggested that Nespresso deliberately introduced a "harpoon mechanism" into the newer machines that caused the more readily deformable ECC capsules to jam.

ECC had predicted such a reaction to the introduction of their biodegradable capsules and had filed a patent application directed to a coffee machine having a feature within the capsule holding cage that would deform a material within the housing that could be "*deformed upon contact with hot water, which is placed in the cage, so that the capsule is retained in the cage following its contact with hot water, said means being a relief of the barbed hook type.*"

The application was granted as EP213978B, and the resulting patent opposed. ECC allege that the so-called "harpoon mechanism" in the newer Nespresso machines takes the form of a barbed hook and so falls within the scope of the ECC patent. By seeking to enforce this patent ECC are attempting to cause Nespresso to continue producing the earlier types of machines with which the ECC capsules are fully compatible.

Commercially this is an unusual patent. Rather than allowing the patentee to create, and maintain, a monopoly over their product, or to prevent sales of competing products that could erode their market, the patent is aimed at maintaining the patentee's ability to sell their product by preventing commercialisation of a modified, and therefore incompatible, third party product.

The EPO decision means that the patent is considered valid and leaves ECC able to pursue infringement actions in several European countries. ECC is seeking damages for infringement and also injunctions against further sales of the new machines. Nestlé do not believe that the machines fall within the scope of the ECC patent.

What does this mean for our clients?

If your ability to market your product relies on compatibility with a third party device it may be worth considering potential modifications to that device that might render your product incompatible. If such modifications are possible, securing IP around those modifications may help to safeguard your market.

How can A.A. Thornton & Co. help?

If you would like any further information, please do not hesitate to contact one of our attorneys via our website at www.aathornton.com. Our UK, European and German patent attorneys are qualified to advise on all aspects of UK, European and German patent law, and provide the following services (click on the links for more information):

- Patent drafting
- Patent prosecution
- Conducting patent opposition proceedings before the EPO
- Advice relating to patent infringement and validity
- Advice relating to patent ownership and licensing of technology
- Conducting patent due diligence
- Patent litigation support

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