COMPARATIVE ADVERTISING: THE UNINTENDED PATH TO PATENT INFRINGEMENT

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Comparative advertising is a marketing strategy in which an advertisement for a particular product or service refers to a competitor for the express purpose of showing why the competitor's product or service is inferior to the named product, or alternatively, how it compares with the named product.

In *Charles D. Maclennan and Quadco Equipment v. Les Produits Gilbert Inc.*, the Federal Court of Appeal held the defendant manufacturer liable for inducing end users to infringe the plaintiff 's patent by advertising the comparability of the defendant's product with the patented combination. In other words, by advertising that its product could be used in the patented combination, the defendant induced purchasers to use its product with the patented combination, and in so doing, infringed the plaintiff's patent.

Quadco's patent was directed to the combination of a saw tooth and a tooth holder used with circular saw discs in the logging industry. There were no claims to the tooth itself.

The Quadco patented combination was aimed at alleviating the damage done to circular saw blades during the cutting process by providing a saw tooth and holder combination which, on contact with rock, would break and shear from the circular saw disc, leaving the disc undamaged. Gilbert manufactured replicas of the Quadco tooth with the same configuration and dimensions that could only be used with the Quadco tooth holder.

In its comparative advertising campaign, Gilbert ran advertisements that highlighted the compatibility of the Gilbert tooth with the Quadco holder and distributed price lists which identified the series number of the original Quadco tooth and the corresponding Gilbert replica that was designed to replace it.

The test for inducing patent infringement requires that (1) an act of infringement has been completed by the direct infringer; (2) the act of infringement was influenced by the acts of the seller/inducer such that without said influence the direct infringement would not occur; and (3) the influence must be knowingly exercised (i.e., the seller/inducer knows that his/her influence will result in the action of infringement by the direct infringer).

The Federal Court of Appeal found that all aspects of the test for inducing infringement had been met in this

case. Firstly, there was direct infringement by the forestry operators that remade the patented combination every time they combined the Gilbert tooth with the Quadco holder. Secondly, the acts of infringement were influenced by the price lists handed out by Gilbert. Thirdly, Gilbert knowingly exercised its influence through its price lists by indicating that the Gilbert tooth was intended to replace a specific Quadco tooth. In regard to the aspect of knowing influence, Noel J. A., for the majority, stated that although the making of a component of a patented combination was itself not sufficient to establish infringement by inducement, "this state of affairs becomes inculpatory when the seller indicates to his clients the use that should be made of the component...the seller is making its clients aware of the fact that its product is intended to work the patented invention, which is the only reason they are buying it."

By this decision, the Federal Court of Appeal has widened the ambit as to what constitutes sufficient influence to meet the test for inducing infringement. In the case of *Windsurfing v. Bic Sports*, the Court had found that there was sufficient influence by the seller who provided end user purchasers with a kit of parts and an instruction sheet for assembling the component parts into the patented product.

The Quadco decision holds that merely advertising the compatibility of a component part to a competitor's patented product may be sufficient influence for a finding of patent infringement by inducement. Companies that utilize comparative advertising must now be wary that this marketing strategy may lead down the unintended path to patent infringement.

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