Case No: HP-2023-000007

IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INTELLECTUAL PROPERTY LIST (ChD) PATENTS COURT SHORTER TRIALS SCHEME

The Rolls Building 7 Rolls Buildings Fetter Lane London EC4A 1NL

Date: Tuesday, 29th October 2024

Before:

MR. JUSTICE RICHARDS

Between:

INSULET CORPORATION (a company incorporated under the laws of the State of Delaware, USA) - and -

Claimant

(1) MENARINI DIAGNOSTICS LIMITED

(2) A. MENARINI DIAGNOSTICS Srl

(a company incorporated under the laws of Italy)

(3) EOFLOW CO LTD

(a company incorporated under the laws of the Republic of Korea)

Defendants

MR. TOM HINCHLIFFE KC and MR. JAANI RIORDAN (instructed by Simmons & Simmons LLP) for the Claimant MR. TOM ALKIN (instructed by Bristows LLP) for The Third Defendant

APPROVED JUDGMENT ON APPLICATION

Transcript of the Stenograph Notes of Marten Walsh Cherer Ltd., 2nd Floor, Quality House, 6-9 Quality Court, Chancery Lane, London WC2A 1HP. Telephone No: 020 7067 2900. DX 410 LDE Email: <u>info@martenwalshcherer.com</u> Web: www.martenwalshcherer.com

MR. JUSTICE RICHARDS:

- 1. This is my judgment on the application of the Third Defendant (EOFlow) to set aside an order of Zacaroli J of 7 June 2023 giving the Claimant permission to serve a claim against EOFlow out of the jurisdiction. EOFlow satisfied me that there was a prospect that parts of the hearing would involve a discussion of confidential information and that publicity would damage that confidentiality. While I had doubts as to whether the information to which EOFlow referred truly was confidential, I considered it would be premature to resolve those doubts by sitting in public throughout as that could be precipitate in putting the information in question irretrievably into the public domain. I therefore concluded it was necessary for the proper administration of justice to sit in private for much of the hearing and I also gave an oral judgment in private.
- 2. Following the hearing, I invited the parties' comments on which parts of an approved transcript of my oral judgment truly were confidential. EOFlow initially asserted through counsel that parts of the judgment should be redacted to protect confidential information. However, it declined the opportunity I gave it to provide evidence as to why the information it identified was confidential and the nature of any harm it would suffer if the judgment is not redacted. I have concluded that the public interest in open justice outweighs EOFLow's assertions of confidentiality which I considered to be thin, and which have not been backed up by evidence. I have therefore concluded that this approved transcript of my oral judgment should be released in unredacted form.

BACKGROUND

3. EOFlow is a company incorporated in the Republic of Korea. It manufactures an insulin pump (the GlucoMen Day Pump). The claimant (Insulet) considers that the GlucoMen Day Pump is nearly identical to Insulet's own pump, called the Omnipod,

and that the GlucoMen Day Pump infringes UK patents EP (UK) 1 874 390 (the **390 Patent**) and EP (UK) 4 201 327 327 (the **327 Patent**) which Insulet owns.

- 4. It is common ground that the Second Defendant (Menarini Italy) has been appointed by EOFlow as its exclusive distributor in 17 European jurisdictions, including the UK, in relation to the GlucoMen Day Pump. It is also common ground that Menarini Italy has in turn appointed the First Defendant (Menarini UK) to be responsible for importing and selling the GlucoMen Day Pump in the UK.
- 5. Insulet asserts that Menarini UK infringed the 390 Patent by, among other matters, importing, keeping, using, disposing of or offering to dispose of the GlucoMen Day Pump in the UK. Its case is that Menarini Italy and EOFlow are joint tortfeasors by virtue of acting in accordance with a common design to import the GlucoMen Day Pump into the UK (among other acts of infringement) and/or procuring or ratifying the infringing acts of Menarini UK.
- 6. On 7 June 2023, Insulet obtained permission from Zacaroli J (as he then was) to serve proceedings out of the jurisdiction on EOFlow to advance the claim summarised in paragraph 5. (Menarini Italy accepted service via its UK solicitors and no permission was needed to serve out on Menarini UK). Insulet also says that Menarini Italy and EOFlow are infringing the 327 Patent and seeks to amend its particulars of claim to make that allegation. That amendment application is due to be heard in December 2024, so I focus on the claim for infringement of the 390 Patent in the judgment that follows.
- EOFlow's application to set aside the permission that Zacaroli J gave has taken some time to come before the court because of delays in effecting service on EOFlow in the Republic of Korea.

- 8. EOFlow accepts that at least for the purposes of the jurisdiction challenge today and without tying its hands for the future:
 - There is a good arguable case that the claim against it passes through one of the jurisdictional gateways.
 - ii) That England is the appropriate forum to try the claim.
- 9. EOFlow's challenge is as to the final ingredient that needs to be satisfied for English courts to have jurisdiction over the claim, i.e. the presence of a serious issue to be tried as to whether EOFlow is a joint tortfeasor with Menarini UK. (I put to one side for the time being the question of whether jurisdiction can be established on the basis that there is a serious issue to be tried to the effect that the English courts would make a quia timet injunction against EOFlow to restrain threatened infringement by EOFlow itself).
- 10. As I have mentioned, Insulet has applied to amend its particulars of claim and that application is to be heard in December 2024. It is common ground that I should consider the question of a serious issue to be tried by reference to the draft amendments set out in Insulet's draft amended particulars of claim save as relating to the 327 Patent.
- 11. Finally by way of introduction, I note that proceedings against Menarini UK and Menarini Italy are presently stayed. Menarini Italy has not contested jurisdiction. By a consent order of 7 June 2023 both Menarini UK and Menarini Italy offered undertakings to cease and desist from importation of the GlucoMen Day Pump into the UK pending a trial on validity and infringement of the 390 Patent in any proceedings as may be contested by EOFlow. In that consent order Menarini UK and

Menarini Italy also admitted importing the GlucoMen Day Pump into the UK, and keeping the GlucoMen Day Pump and offering it for sale in the UK.

THE APPLICABLE LAW

"Serious issue to be tried"

- 12. I did not understand the law on what amounts to a "serious issue to be tried" to be controversial. EOFlow said nothing about the substance of this test in its skeleton, although it did say, and Insulet does not dispute, that the burden of establishing that there is a serious issue to be tried falls on Insulet. Neither side said anything about the concept of a "serious issue to be tried" in oral argument. I will, therefore, summarise that concept in terms I understand to be uncontroversial, by reference to paragraphs 17 and 18 of my own judgment in *Lenovo v InterDigital* [2024] EWHC 1036 (Pat) to which Insulet referred in its skeleton argument.
- 13. I will follow the approach set out by Popplewell J (as he then was), at [18] of *Kawasaki Kisen Kaisha Ltd. v James Kemball Ltd.* [2023] EWCA Civ 33 which can be summarised as follows. It is not sufficient that the claim in question is merely arguable. It must carry some degree of conviction. To set out a serious issue to be tried, the claim in question must be pleaded coherently and properly particularised. The pleading in question must be supported by evidence which establishes a factual basis which underpins the serious issue to be tried. It is not sufficient simply to plead allegations which, if true, would establish a claim. There must be evidential material which establishes a sufficiently arguable case that those allegations are correct.
- 14. Those broad propositions were supplemented by the judgment of Asplin J (as she then was) in *Tesco Stores Ltd. v Mastercard Incorporated* [2015] EWHC 1145 (Ch) which

itself draws on the judgment of Lewison J (as he then was) in *Easyair v Opal* [2009] EWHC 339 (Ch). I pick out a few relevant propositions that should guide my approach. First, I should obviously not engage in a mini-trial without the benefit of disclosure. I should not be drawn into any attempt to resolve conflicts of fact that are normally resolved in a trial process. Second, I should look not just at evidence actually before me, but evidence that can reasonably be expected to be available at trial.

Liability as a joint tortfeasor

15. The Supreme Court has recently conducted a comprehensive review of the law in this area in *Lifestyle Equities v Ahmed* [2024] UKSC 17. EOFlow is said to be a joint tortfeasor based on the basis that (i) it assisted in the statutory tort of infringing the 390 Patent pursuant to a common design or (ii) that it knowingly procured the commission of that statutory tort.

"Common design"

- 16. For EOFlow to be liable as a joint tortfeasor on the basis of the principle of common design, the following conditions must be satisfied:
 - Menarini UK must have committed an act of infringement of the 390 Patent. It is common ground (for the purposes of the jurisdiction application) that there is a serious issue to be tried in that regard.
 - ii) EOFlow must have knowledge of all the essential features which make Menarini UK's actions an infringement of the 390 Patent. EOFlow is prepared to accept, for the purposes of today's jurisdiction challenge and without tying its hands for the future, that there is a serious issue to be tried in this regard. I

do not, therefore, need to set out what the "essential features" of Menarini UK's actions are likely to be.

- iii) EOFlow must have done an act which more than minimally or trivially assisted Menarini UK to infringe the 390 Patent. For the purposes of today, EOFlow is prepared to accept, without tying its hands for the future, that there is a serious issue to be tried in this regard. That is a narrow acceptance that its manufacture of the GlucoMen Day Pump facilitated any acts of infringement in the UK in the sense that Menarini UK could not import that pump into the UK, or offer it for sale in the UK, unless EOFlow had first manufactured it. EOFlow's limited acceptance of this proposition is not an admission as to the presence, or arguable presence, of a "common design".
- The fourth condition, and the one that is central to the issues I must determine today, is that there must be a common design between EOFlow and Menarini UK to do the acts that infringe the 390 Patent, although those infringing acts can be part of a wider shared goal. Moreover, EOFlow's act of assistance (the manufacture of the GlucoMen Day Pump) must be performed pursuant to that common design.
- 17. In setting out the summary above, I am not attempting to produce a perfect synthesis of the Supreme Court's detailed examination of the law of joint tortfeasorship. I recognise there can be disagreement on the detail of the way in which I have summarised the principles emerging from *Lifestyle Equities* but I consider that the summary in paragraph 16 is sufficient to determine whether there is the necessary "serious issue to be tried". That is particularly the case given that the dispute is as to a

limited aspect of the principle of joint tortfeasorship, namely whether it is sufficiently arguable that the necessary "common design" is present.

- 18. In its submissions, Insulet suggested that there might be some difference between the parties as to whether the "common design" had to be between EOFlow and Menarini UK specifically, or whether a "common design" between EOFlow and <u>either</u> Menarini Italy or Menarini UK would suffice. I will proceed by assuming, in favour of EOFlow, that the common design must be with Menarini UK specifically, although for reasons that I will come to, I do not consider that the distinction matters for the purposes of this case.
- 19. The dispute, therefore, is essentially whether there is a serious issue to be tried to the effect that the requisite "common design" is present. Given that dispute, it is appropriate to consider the nature of the necessary common design in more detail.
- 20. The common design does not require the infringing act to take place in all eventualities. A common design to infringe the 390 Patent on occurrence of a particular eventuality would conceptually be enough. I do not need to consider this aspect of the ingredient of joint tortfeasorship in the present case because it is not suggested that any acts of assistance of EOFlow's are conditional in any relevant sense.
- 21. For the necessary common design to be present, there has to be a <u>concerted</u> action between EOFlow and Menarini UK directed at a <u>common end</u> that includes the infringing acts. That must be distinguished from independent action to a similar end and also must be distinguished from mere knowledge of the consequences of actions.

22. In addition, both EOFlow and Menarini UK must have had inter-related intentions which each understands the other to share. Some form of communication between the parties is necessary to demonstrate that. However, the communication need not be explicit or even involve words (see [118] of the Supreme Court's judgment in *Lifestyle Equities*).

Procuring commission of a tort

- 23. EOFlow would be liable as a joint tortfeasor on the basis that it procured Menarini UK's infringement of the 390 Patent if the following conditions are satisfied:
 - i) Menarini UK must have committed an act infringing the 390 Patent.
 - EOFlow must have knowledge of all the essential features which make Menarini UK's acts a tortious infringement of the 390 Patent.
 - With that knowledge, EOFlow must have performed some act that induces, incites or persuades Menarini UK to commit its own acts of infringement of Insulet's patent.
- 24. Again, I do not seek to present a distillation of the Supreme Court's judgment in *Lifestyle Equities* that is suitable for application in all cases, but rather to provide a summary that suffices to determine the question of jurisdiction that is before me today.
- 25. I have dealt with the requirements set out in paragraphs 23.i) and 23.ii) already. The existence of a serious issue to be tried on those matters is not in dispute, at least for the purposes of today. The dispute on "procuring" infringement of the 390 Patent rather revolves around the requirement summarised in paragraph 23.iii).

DISCUSSION

Common Design

- 26. I start by explaining those factors that have satisfied me that there is, indeed, a serious issue to be tried that the necessary "common design" is present. I will then explain why I have not accepted that these factors are insufficient to substantiate a serious issue to be tried.
- 27. In 2019, Menarini Italy and EOFlow entered into an exclusive Supply and Distribution Agreement (the **SDA**). By the SDA, EOFlow granted Menarini Italy rights to supply the GlucoMen Day Pump with those rights being exclusive in some territories and non-exclusive in others. The exclusive and non-exclusive territories covered over 100 countries.
- 28. The SDA conferred on Menarini UK the exclusive right to sell the GlucoMen Day Pump in the UK. Accordingly, by the SDA, EOFlow forwent its own right to sell the GlucoMen Day Pump in the UK in any form. That exclusivity at least raises an inference of a common intention that EOFlow would manufacture and the Menarini Group would sell or import the product into the UK. There is force to the proposition that it would make little sense for EOFlow to forgo its own right to sell the GlucoMen Day Pump in the UK unless it was party to some common design that someone else in the Menarini Group would be selling it.
- 29. I recognise that in the paragraph above, I have referred to the "Menarini Group" generally, rather than Menarini UK, the specific company said to have infringed the 390 Patent. However, I do not consider that this distinction matters in the circumstances of this case.

30. Clause 19 of the SDA provides:

This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and assignees. Notwithstanding the foregoing, neither Party hereto shall have the right to assign any of its rights or obligations under this Agreement without the prior written consent of the other Party.

- 31. At some point, Menarini Italy appointed Menarini UK to be responsible for imports and sales of the GlucoMen Day Pump in the UK. There may well be points of interpretation as to whether, when it did so, Menarini Italy was "assign[ing] any of its rights under [the SDA]" so as to engage Clause 19 of the SDA. There is insufficient evidence for me to determine that matter today. However, I consider it realistically arguable that the presence of Clause 19 meant that Menarini Italy would at least have mentioned to EOFlow that Menarini UK was to be involved in sales and imports in the UK and that EOFlow would have been happy with that arrangement. Accordingly, it is realistically arguable that there is no daylight between the concept of a common design between EOFlow and Menarini Italy and a common design with Menarini UK.
- 32. There are other inferences on the face of the Agreement that EOFlow was party to a common design with what I am just going to call "Menarini", which involved EOFlow manufacturing and Menarini supplying towards a common end that included import and commercialisation in the "exclusive" jurisdictions, including the UK.
- 33. By Clause 3.5 of the SDA, Menarini Italy agreed that if it did not meet a minimum volume commitment by making sufficient sales, EOFlow could convert the exclusive arrangement in the exclusive territories into a non-exclusive arrangement. That raises the inferences that (i) the right to be an exclusive distributor in "exclusive" jurisdictions such as the UK was a prize worth having (as otherwise the sanction of withdrawing exclusivity would not be particularly potent), (ii) EOFlow was not just

content to sell the GlucoMen Day Pump to Menarini and leave it to Menarini to make such sales as it could, but that (iii) EOFlow was interested in sales at least in significant jurisdictions, including those in which it had conferred exclusivity.

- 34. Menarini was entitled, by Clause 3.7 of the SDA, to be consulted on amendments to the GlucoMen Day Pump and to express a view on whether those proposed amendments were "acceptable" or not. By paragraph 3.5 and 3.6 of Appendix C to the SDA, EOFlow was obliged to maintain a feedback system that would allow it to carry out "an effective gathering and review of experience/information coming from the market during the post production phase". That feedback system was to be based on "information received from the field" with Menarini Italy and EOFlow being obliged to meet regularly to analyse the outcome "in order to share a common vision of the state of health of the [GlucoMen Day Pump] and to establish suitable design feedback".
- 35. The matters referred to in paragraph 34 raise the inference that EOFlow was not just interested in selling products to Menarini and leaving it to Menarini to sell as many of them as it could. Rather, those matters raise the inference that EOFlow anticipated that feedback from particular jurisdictions would affect EOFlow's contractual relationship with Menarini and the very design of the products that EOFlow was manufacturing. That in turn raises the inference that there was a common design for the GlucoMen Day Pump to be imported into, and sold in, certain key jurisdictions at least.
- 36. Moreover, there is an inference that the UK was such a "key jurisdiction". That inference comes partly from the fact that the UK was a jurisdiction in which "exclusivity" was granted. It is also supported by contemporaneous evidence. When

discussing the launch of the GlucoMen Day Pump in Europe in an interview with the Korea Biomedical Review in 2022, Mr Alessandro Borghesi, the Global Marketing Director of Menarini Italy, said that they planned to launch the product in 17 countries by 2023 "starting with the market launch in 10 countries this year [i.e. 2022], including Italy, the UK, Spain, Germany and France". The UK was one of the first jurisdictions selected for launch of the product with a clear inference that it was a key jurisdiction as far as both EOFlow and Menarini were concerned.

- 37. A further indicator of the importance of the UK to both EOFlow and Menarini can be seen in Clause 21 of the SDA by which Menarini represented that it would comply with anti-corruption legislation including the UK Bribery Act. That supports an inference that EOFlow extracted this promise because it was embarking on a common design with Menarini that would involve the GlucoMen Day Pump being sold in the UK so that a breach of anti-corruption legislation would have consequences for EOFlow as well as Menarini.
- 38. The GlucoMen Day Pump was to bear both Menarini and EOFlow branding. Menarini and EOFlow's names appeared when the unit was switched on, on the on-screen display. It is reasonable to infer that businesses that lend their commercial name and trade mark to a product require to be involved in a common design as to where and how that product is sold, at least in key jurisdictions. I have explained the inference that the UK was considered to be an important jurisdiction. The common branding is therefore consistent with a common design that the GlucoMen Day Pump be imported and sold in the UK.
- 39. The way the parties described their agreement at the time also sheds light on how it was viewed at the time. In 2019, EOFlow posted a news item on its website

announcing the relationship with Menarini that included the following:

We are very pleased and excited to work with [Menarini] to bring to market our advanced insulin pump solution...The relationships that [Menarini] has established with patients and healthcare providers in the diabetes community, and their extensive distribution expertise will positively position us to deliver to key international markets.

The innovative EOFlow Patch Pump was specifically chosen to integrate with [Menarini's] connected diabetes care platform. According to the [SDA] the two companies are forming a long term partnership where [Menarini] will perform sales, marketing, training and customer support for the EOFlow Patch Pump in EMEA and selected other countries.

- 40. That description of the relationship is entirely consistent with the kind of common design that Insulet alleges. Given that Menarini and EOFlow were co-ordinating their efforts in the manner described in the news item, it is quite reasonable to infer that there was a common design to the effect that the GlucoMen Day Pump would be imported and sold into key jurisdictions such as the UK. The news item itself suggests as much: EOFlow describes Menarini's relationships with healthcare providers in the diabetes community as positioning EOFlow to "deliver to key international markets".
- 41. The matters that I have listed above are not the only ones that point in favour of a common design of the kind Insulet alleges, but they have particular resonance when considering the arguability of Insulet's case based on common design. EOFlow's contrary case focuses on the terms of the SDA. EOFlow points out that there is no contractual obligation on Menarini even to sell the GlucoMen Day Pump in any jurisdiction, still less to sell any particular number of units in the UK. EOFlow notes that the SDA imposes no contractual obligation on EOFlow to deliver consignments of the GlucoMen Day Pump to any location in the UK and that all goods were to be delivered to Menarini Italy's Italian warehouse.

- 42. EOFlow characterises the SDA as just involving EOFlow doing its bit as manufacturer and Menarini doing its bit as distributor without any common design between them to the effect that any acts of importation into the UK should take place.
- 43. EOFlow points out that the "minimum annual volume commitment" referred to in paragraph 33 does not operate on a country-by-country basis, there is no contractual obligation on Menarini to meet that commitment and just a relatively mild sanction, at least in its submission, namely a loss of exclusivity if the commitment is not met.
- 44. EOFlow also more generally suggests that the reality of the situation is likely to be that from EOFlow's perspective, the arrangement was a "fire-and-forget" arrangement under which it sold goods to Menarini Italy who would do with those goods as it wished. EOFlow submits that such an arrangement would involve no common design and that, even if EOFlow was aware that Menarini would be importing the GlucoMen Day Pump into the UK and seeking to sell it there, that is also insufficient to constitute the necessary "common design".
- 45. I quite accept the possibility that EOFlow might be able to make good these propositions at trial. They are, after all, consistent with the evidence that Mr. Kim, the CEO and founder of EOFlow, gave in his witness statement. However, I am not satisfied that there is such a strong likelihood of EOFlow making good those propositions as to deprive Insulet's assertion of a common design of any realistic prospect of success.
- 46. It is appropriate at this stage to approach matters through the prism of commercial realism. As I have explained, a reasonable inference can be drawn from the factors that I have listed that the arrangement was more than a "fire-and-forget" arrangement

and involved a common design between EOFlow and Menarini to the effect that the goods would be imported into the UK and sold there.

- 47. EOFlow also points out that, pursuant to the terms of the SDA, Menarini alone had to deal with certain issues that might arise on import into the UK, for example regulatory approvals and taxes. I accept that that might suggest there is no common design, but the contrary remains arguable. It is entirely plausible that there is a common design, but with each side having to perform separate actions and incur separate costs in order to further it.
- 48. EOFlow urges me to disregard the contemporaneous statements on matters such as the "partnership" between the various entities, saying that those statements cannot alter the nature of the SDA. I accept that statements made on websites and journals after the SDA was executed are unlikely to alter the legal effect of the SDA. However, EOFlow's analysis overlooks an important point. First, at its most basic, even if describing the arrangement as a "partnership" does not mean that there was a partnership in the sense of the Partnership Act 1890, the statement still has the potential to say something quite important about the kind of collaboration the parties were envisaging.
- 49. Second, EOFlow's focus on the terms of the SDA overlooks the fact that conceptually there can be a "common design" even if the parties might have chosen not to give all elements of that design contractual effect. Menarini and EOFlow might realistically have concluded that there was no need to impose a contractual obligation on Menarini to sell, whether in the UK or otherwise, since by virtue of the common design it had a natural incentive to do so anyway.

- 50. Of course, I recognise the point that if the parties did not include something in the SDA, that is at least suggestive that they did not expect that to be part of a common design. However, the way that EOFlow spoke about the arrangement before the present litigation commenced, when it had no incentive to measure or qualify its words, does in my judgment have real value as an aid to explaining what, if any, common design was intended. I consider it would be wrong to conclude that it has nothing to say or little to say at this early stage.
- 51. EOFlow also says there is no evidence of "extra-contractual" activities, for example EOFlow assisting with delivery of goods to a UK warehouse, despite not being contractually obliged to do so. In the absence of such evidence, EOFlow argues that the most authoritative source as to the presence of a common design is the SDA itself.
- 52. In my judgment, that overstates the point. It is true that there is no such evidence of the kind of "extra-contractual" activities to which EOFlow refers. However, we are at an early stage of the proceedings before disclosure has been given. Insulet's lawyers were only recently provided with an unredacted SDA. I consider the court is entitled to consider not just the evidence that is presently in front of it, but also evidence that is likely to be available at trial. The fact that the parties entered into a closely articulated agreement suggests to me that they discussed those terms in detail. Moreover, the obligations imposed by the SDA, and the way the parties described those obligations at the time, is consistent with a close collaboration redolent of a common design that the GlucoMen Day Pump be imported into, and sold, in the UK. It is not unreasonable to expect that given those discussions, there will be further evidence at trial that will shed a light on these issues.

- 53. EOFlow placed some reliance on the decision of the Court of Appeal on *Generics v Lundbeck* [2006] EWCA Civ 1261 and the list of factors at [22] of that judgment. Both sides are agreed that my task today is not to match the facts of the present case to any authority, whether *Generics v Lundbeck* or any other. That said, I do consider it significant that the judgment in *Generics v Lundbeck* was given in the context of a case where it was not even clear that there was an overarching agreement between X and the importer (as distinct from ad hoc agreements for the sale of goods), still less an exclusive agreement.
- 54. For those reasons, I do consider that there is a realistic prospect of success in relation to the common design aspect of the claim.

Procuring

- 55. EOFlow says that even if all the allegations in Insulet's draft particulars of claim are established, a claim based on procurement will necessarily fail, as there is no pleading of a communication, evidenced or inferred, that constituted inducement or persuasion in relation to dealings in the UK.
- 56. My first reason for rejecting that argument is that I do not consider "communication" to be essential as a matter of law. While such communication is necessary to establish the "common design" aspect of joint tortfeasorship (see paragraph 22 above) I have not been shown any passage in *Lifestyle Equities* that suggests it is a necessary legal requirement for someone to be liable as a joint tortfeasor for "procuring" a tort.
- 57. That said, I recognise that performing an act that "induces, incites, or persuades" a person to commit a tort is likely in <u>practice</u> to involve some communication, rather than an act alone accompanied by silence. However, I infer, at this early stage of the

litigation, that it is at least realistically arguable that there must have been extensive discussions between EOFlow and Menarini on the nature of the arrangement between them because without those discussions, the parties could not have entered into, or operated, an agreement as comprehensive as the SDA. I conclude that there is a realistic prospect that the very act of appointing Menarini as the distributor, the joint branding and the joint announcements, and the factors I have considered in the context of the allegation based on "common design" provided the necessary "inducement" to infringe the 390 Patent. I consider that there is a realistic prospect that any communication necessary to give rise to an act of procurement would have taken place in the course of discussions on the asserted common design.

- 58. In my judgment, there is a realistic prospect of EOFlow making good the allegation based on both the "common design" and the "procurement" aspects of joint tortfeasorship. Given those conclusions, I do not need to determine Insulet's fall back case to the effect that there is a realistic prospect that a court would wish to make a *quia timet* injunction against EOFlow.
- 59. EOFlow's application to set aside Zacaroli J's order is dismissed.
- 60. After I gave my oral judgment, EOFlow requested permission to appeal. It submitted that my reasoning would lead inexorably to a conclusion that any manufacturer entering into an exclusive distribution agreement with a supplier would necessarily become a joint tortfeasor if the supplier takes actions in relation to the goods that infringe another's patent. I do not accept that. The reasoning set out above involves a multifactorial assessment of a number of factors by application of a test on which EOFlow and Menarini were substantially agreed. The factors considered went beyond the fact that EOFlow and Menarini Italy were party to the SDA. EOFlow's application

for permission to appeal is, in reality, a disagreement with my conclusion following that multifactorial assessment. I refuse permission to appeal.

(For continuation of proceedings: please see separate transcript)