

Nespresso drops coffee capsule lawsuit

GENEVA, SWITZERLAND: Swiss food company Nestle's coffee capsule arm Nespresso said on Tuesday (7 January) it had dropped a lawsuit in Germany over alleged patent violations by generic manufacturer, the Ethical Coffee Company.



Nespresso has withdrawn its counterfeiting charge against the Ethical Coffee Company for copying its capsules. Image: Nespresso

"Nespresso has decided to withdraw its counterfeiting case," which was being heard at a court in the western city of Duesseldorf, it said.

"This choice reflects the decisions made by the court during the case's preliminary stages," it added.

Nestle underlined that it disagreed with elements of the tribunal's stance, but that it was in the company's interest to end the case.

It also played down the importance of the lawsuit.

In February 2013, the Duesseldorf court had upheld a 2012 ruling by a lower-level tribunal that coffee capsules were not a key element of Nespresso coffee-makers, with the machine's technology being the key.

The case was launched by Nestec, Nestle's research division which holds the patents to Nespresso machines.

Nestec had sought a ban on capsules labelled Nespresso-compatible but made without a licence.

The Ethical Coffee Company (ECC), which like Nestle is based in Switzerland, was one of the two generic capsule manufacturers targeted in the legal action.

In a statement released on Tuesday (7 January), the company hailed the end of the lawsuit.

"It marks a key victory for producers of Nespresso-compatible capsules, notably for ECC," it said, adding that it would now be able to sell its products in Germany, Europe's biggest economy.

Founded by a former Nespresso executive, Jean-Paul Gaillard, ECC produces biodegradable capsules which are almost a third cheaper than the original.

In a strongly-worded statement, Gaillard claimed that Nestle's decision to drop the case showed it was under pressure. "In reality, Nestle is wearing itself out with rearguard battles that it always ends up losing," he said.

Source: AFP via I-Net Bridge

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