

General – Option 1

Explanatory Note for proposed Study Question – Cancun 2018

Joint liability for IP infringement

In modern business and economic environments, it is commonplace for a number of actors to be involved in distribution networks, product shipping and imports, and the assembly of complex products from smaller components. For example, a car may be assembled from thousands of components supplied by independent companies/sub-contractors, and a mobile phone may be based on multiple chipsets from different vendors located globally. Even where a business is vertically integrated, it may operate in multiple jurisdictions via its subsidiaries globally. Each participant may be directly, indirectly or contributorily infringing the IP rights of third parties. In other cases, parties may engage in acts which assist others to infringe. An additional layer of complexity may exist when participants act in different jurisdictions.

The objective of this possible Study Question is to examine situations in which there is no direct or indirect infringement by a participant, but the participant may nonetheless be liable for such infringement because their acts, combined with the acts of others, amount or contribute to infringing activity. This might be because their activities are considered to be joint efforts; or because they are found to be joint tortfeasors participating in a common design to infringe; or they might be found to be aiding, abetting, inducing or furthering the infringement. Such activities may trigger liability for infringement even if they occur outside the jurisdiction in which the infringement occurs.

The effect of a lack of harmonisation in this area may be that persons or legal entities involved in infringements in the ways described above may escape liability entirely. Alternatively, they may be held liable for the same activity in more than one jurisdiction. This potentially leads to an imbalance between the appropriate relief (including compensation) to the IP rights holder and the allocation of liability to those responsible for the relevant acts.

AIPPI has studied certain aspects of joint IP infringement in the past, in particular Q134A – "Enforcement of intellectual property rights – infringement and liability" (Vienna, 1997), Q204 – "Liability for contributory infringement of IPRs" (Boston, 2008) and Q204P – "Liability for contributory infringement of IPRs – certain aspects of patent infringement" (Paris, 2010). However, to date AIPPI has not studied this issue in detail.

It is intended that this possible Study Question would address joint liability for infringement of patents, trademarks and other IP rights. A particular focus would be on whether acts performed outside the respective jurisdiction may be relevant.