



Study Question

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Joint liability for IP infringement

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I. Current law and practice

Please answer all questions in Part I on the basis of your Group's current law.

1 Are there any statutory provisions which specifically apply to Joint Liability?

No

Please Explain

There are no provisions which specifically regulate Joint Liability regarding IPR in Estonia. Therefore, general rules of tort law provided in Law of Obligations Act regarding Joint Liability are applicable. According to these rules, the behaviour of the person who induces or aids with regard to an infringement are considered to be equal to the behaviour of the tortfeasor and they are liable for damage on the same basis. The tortfeasor and the inducer or aider are considered to be jointly liable for payment of compensation.

2 Under the case law or judicial or administrative practice in your jurisdiction, are there rules which specifically apply to Joint Liability?

No

Please Explain

There is currently no case law or administrative practice regarding Joint Liability in IPR infringement. There is one case pending, however the results or its significance cannot be predicted at the moment.

3 In the following hypotheticals, would party A be liable for Joint Infringement with party X? In each case, please explain why or why not.

3.a X sells handbags in a shop which is a small stall located in a shopping mall owned by A. The handbags infringe the registered design of Z. A knows that X (and other tenants) sells infringing goods.

No

Please Explain

As there is no case law, it is difficult to say whether courts would rule it as Joint Infringement or not. The law suggests that liability Joint Infringement would require coordinated activities based on an agreement to commit an unlawful infringement between A and X. According to that, as long as A is only aware of or suspects the selling of infringing goods, A is not liable for Joint Infringement. However, if Z requests from A to stop allowing the infringing sales then A is obligated to act, and inactivity would result in liability for Joint Infringement.

3.b X sells handbags in an online shop which is hosted by a large market place platform owned by A. The handbags infringe the registered design of Z. A knows that X (and other web shop operators hosted by A's market place platform) sells infringing goods via their respective outline shops.

Yes

Please Explain

As there is no case law, it is difficult to say whether courts would rule it as Joint Infringement or not. However, the law suggests that if A is aware of or suspects the selling of infringing goods, then A is obligated to inform the supervisory authority of illegal activities. If A does not fulfil this obligation, then A can be found liable for Joint Infringement.

3.c X sells handbags in an online shop. The handbags infringe the registered design of Z. A designed the online advertising campaign for X's shop and books online advertising resources for X on websites and in search engines. A knows that X sells infringing goods.

Yes

Please Explain

It is likely that A is liable for Joint Infringement as A is actively helping X to sell the handbags, the parties work together with the purpose of committing unlawful infringement.

3.d For each of the hypotheticals in (a) to (c) above, does it make a difference if A merely suspects that X sells infringing goods? If yes, what is the level of "suspicion" required, and how is it demonstrated?

3.d. Hypothetical A

Yes

Please Explain

If A suspects infringement and does not inform the supervisory authority, then A is liable for Joint Infringement in cases (b) and (c). The required level of suspicion is not clear, A has the obligation to inform in case of "alleged illegal activities". If A knows of the infringement on the

basis of an agreement between the parties, then A is liable for Joint Infringement in all cases.

.d.i Hypothetical B

Yes

Please Explain

If A suspects infringement and does not inform the supervisory authority, then A is liable for Joint Infringement in cases (b) and (c). The required level of suspicion is not clear, A has the obligation to inform in case of "alleged illegal activities". If A knows of the infringement on the basis of an agreement between the parties, then A is liable for Joint Infringement in all cases.

.d.i Hypothetical C

Yes

Please Explain

If A suspects infringement and does not inform the supervisory authority, then A is liable for Joint Infringement in cases (b) and (c). The required level of suspicion is not clear, A has the obligation to inform in case of "alleged illegal activities". If A knows of the infringement on the basis of an agreement between the parties, then A is liable for Joint Infringement in all cases.

4 In the following hypothetical, would party A be liable for Joint Infringement with party X? In your answer, please explain why or why not?

4.a Z owns a patent claiming a method for addressing memory space within a memory chip which is built into telecommunication device having further features (main processor, suitable software etc.). A manufactures memory chips. The chips are objectively suitable to be used for the claimed method. A's memory chips are distributed over multiple distribution levels to a plethora of device manufacturers. A has no knowledge of the actual end use of its memory chips.

No

Please Explain

Please see 3 (a). As A is not even aware whether there is infringement or not, is likely that A would not be liable for Joint Infringement. It is possible that the memory chips do not infringe Z's patent at all.

4.b Further, under your Group's law, would it be considered obvious (in the sense of Q204P) that A's chips would be put to one or more infringing uses and if so, why?

No

Please Explain

The current law does not provide an answer to this question.

5 In the following hypotheticals, would party A be liable for Joint Infringement with party X? Please explain why or why not.

5.a Z owns a patent claiming a method for exchanging (sending / receiving) encrypted messages between server “a” and server “b”. A operates server “a” in your country, which exchanges encrypted messages with server “b” operated by X, also located in your country. A and B know that their servers exchange encrypted messages according to the patented method.

Yes

Please Explain

If the patent is valid in Estonia, then exchanging the messages infringes Z’s patent. A is liable for Joint Infringement as A is obliged to inform the supervisory authority of illegal activities (please see 3 (b)).

5.b Z owns a patent claiming a method for exchanging (sending / receiving) encrypted messages between server “a” and server “b”. A operates server “a” in your country, which exchanges encrypted messages with server “b” operated by X, located outside your country. A and B know that their servers exchange encrypted messages according to the patented method.

Yes

Please Explain

According to the Brussels I bis Regulation Section 7 (2) Estonian courts may have jurisdiction as the harmful event, the infringement of Z’s patent, occurred in Estonia, in server “a”. A may be liable for Joint Infringement (please see 5 (a)).

5.c Z owns a patent claiming a method for exchanging (sending / receiving) encrypted messages between server “a” and server “b”. X operates server “a” outside your country, which exchanges encrypted messages with server “b” operated by Y, located in another country outside your country. A, located in your country, is a software consultant advising X and Y how to use the patented method (but A does not supply any software).

No

Please Explain

There is no infringement in this situation as the patent is used by the patent owner Z and Z’s partner X and A is a software consultant for both.

6 Are there any other scenarios which result in Joint Liability for IPR infringement under your Group’s current law?

No

Please Explain

7 What remedies are available against a party found liable for Joint Infringement? In particular:

7.a Is an injunction available?

Yes

Please Explain

7.b Are damages or any other form of monetary compensation available?

Yes

On what basis?

The claim for monetary compensation for damages is available based on Estonian tort law (Law of Obligations Act Sections 1045 (4) and Section 137 (1)). No other form of monetary compensation is available.

7.c Are any of the available remedies different in scope to the remedies available against any acts of direct infringement or Contributory Infringement?

No

Please Explain

The same remedies are applied to the party liable for Joint Infringement as to the party responsible for direct infringement.

Please note that based on Estonian laws it is impossible to differentiate "contributory infringement", i.e. indirect infringement which consists in the offering or supply of means suitable for committing an act that is direct infringement from the type of indirect infringement which includes provision of other assistance than the offering or supply of means for committing direct infringement.

II. Policy considerations and proposals for improvements of your Group's current law

8 Are there aspects of your Group's current law that could be improved?

No

Please Explain

Although there are no specific laws regarding Joint Liability for IPR infringement, the applicable provisions in tort law are sufficient.

9 Should acts outside the scope of direct infringement or Contributory Infringement give rise to Joint Liability for IPR infringement?

Yes

Should that sound in availability of injunctive relieve and/or damages? Please explain why or why not.

Already available.

10 Should Joint Liability be excluded if one or more acts being necessary for establishing Joint Liability for IPR infringement are committed outside the domestic jurisdiction? Please explain why or why not.

No

Please Explain

Liability should be determined according to the provisions of private international law.

11 Are there any other policy considerations and/or proposals for improvement to your Group's current law falling within the scope of this Study Question?

No

Please Explain

III. Proposals for harmonisation

Please consult with relevant in-house / industry members of your Group in responding to Part III.

12 Is a consolidated doctrine of Joint Liability for IPR infringement desirable?

13 Is harmonisation of the laws of Joint Liability for IPR infringement desirable?

If YES, please respond to the following questions without regard to your Group's current law.

Even if NO, please address the following questions to the extent your Group considers your Group's current law could be improved.

14 Please propose a suitable framework for Joint Liability for IPR infringement, focussing on the hypotheticals set out in Questions 3 to 5 above:

4.a The acts in question are limited to activities such as renting retail space, hosting websites, advertising etc. (as further described in Question 3 (a) to (d) above)

4.b The means supplied or offered by the contributory infringer related to a substantial element of the subject matter of the protected IPR, but at the time of offering or supply, the suitability and intended use were not known to the supplier or obvious under the circumstances (as further described in Question 4 above)

4.c The infringing acts are divided between two parties, and the acts of each party do not qualify as direct infringement or Contributory Infringement, as further described in Question 5 (a) to (c) above.

15 Are there any other scenarios which should result in Joint Liability for IPR infringement, and where harmonisation is desirable?

16 What remedies should be available against a party found liable for Joint Infringement? In particular:

6.a Should an injunction be available?

6.b Should damages or any other form of monetary compensation be available?

6.c Should any available remedies be different in scope to the remedies available against any acts of direct infringement or Contributory Infringement?

17 Please comment on any additional issues concerning any aspect of Joint Liability you consider relevant to this Study Question, having regard to the scope of this Study Question as set out in paragraphs 7 to 13 above.

18 Please indicate which industry sector views are included in your Group's answers to Part III.