Austria
Autriche
Österreich

Report Q204

in the name of the Austrian Group
by Rainer BEETZ

Liability for Contributory Infringement of IPRs

Questions

I) Analysis of current legislation and case law

1) *Does your national law provide for liability for contributory infringement of IPRs, in respect of the offering or supply of means for working an invention, for enabling illicit commercial use of a trademark, for making a copyrighted or design protected product, etc.?*

Specific provisions regarding contributory infringement are included in the Austrian Patent Act (Article 22 (3) to (5)) and in the Austrian Utility Model Act (Article 4a). According to these provisions, the IP right owner has the right to exclude third parties "to offer or deliver means that relate to an essential element of the invention to others than the persons who are entitled to use the invention if the third party knows or if it is apparent due to the circumstances that these means are suitable and intended to be used for the use of the invention".

In the Trademark, Design and Copyright Acts no corresponding provisions regarding contributory infringement are included. However, according to the general provision of Article 1301 of the General Civil Code, also accomplices, instigators and assistants of the infringers are liable if they had consciously supported direct infringement or if they had knowingly accepted the intended breach of the third party, i.e. conditional intent as well as an infringing act are prerequisites for taking legal action against such instigators/assistants (OGH 18.5.1993 4 Ob 42/93, ÖBl 1994/33; OGH 19.9.1994 4 Ob 97/94, MR 1995/60).

2) *If so, is it a condition for such liability that the means supplied are actually used by another (the person supplied) for committing acts that amount to direct infringement of the IPR in the same country (or in another country where there is a corresponding IPR)? Are there any additional conditions that apply in such cases?*

With respect to patents and utility models, direct infringement of these IPRs is not a condition for contributory infringement. In these cases, however, it is necessary that means relating to an essential element of the invention are offered or delivered to others than the persons who are entitled to use the invention.

Although strict private use would not result in direct patent infringement, persons who do not industrially make use of the invention, shall nevertheless not be regarded as persons who are entitled to use the invention (Article 22 (5)). Contrary to liability for direct infringement, a subjective element must also be satisfied in order to qualify as a contributory infringement. In this respect, only knowing that the offered or delivered means are suitable for being used for the invention, does not suffice; the (contributory) offender must have knowledge of the suitability of the mans as well as that the recipient intends to use the means for the use of the

patented invention. As alternative to the knowledge of the offender, it can also be proven that the suitability of the means and the intended use for the recipient is apparent due to the circumstances.

With regard to all other IPRs (trademarks, design, copyrights), direct infringement of the IPR is a condition for the liability of any instigator or assistant. Additionally, these instigators or assistants must have at least conditional intent to induce the direct infringement.

3) *If it is not a condition for liability for contributory infringement that the means supplied are actually used by another (the person supplied) for committing acts that amount to direct infringement in the same country (or in another country where there is a corresponding IPR), is it then, on the other hand, a condition for such liability, for example*

- *that the means offered and/or supplied were suitable to be put into an infringing use;*
- *that the means relate to an essential, valuable or central element in the invention or product or service that constitutes direct infringement;*
- *that the means offered and/or supplied were actually intended for such use on the part of the person supplied;*
- *that the means offered and/or supplied were intended to be put to that use in the country in which they were offered or supplied;*
- *that, at the time of offering and/or supply of the means, the suitability and intended use were known to the supplier or were obvious under the circumstances; or*
- *that, to the extent the means are staple commercial products, the supplier induces the person supplied to infringe directly?*

Are there other conditions? Please respond separately for patents, trademarks, designs, copyright etc., if the rules differ from each area of IPR to the other.

As already mentioned under 2), only under the Patent and the Utility Model Acts no direct infringement must occur.

For trademarks, designs and copyrights etc. direct infringement is a precondition for liability of any instigator/assistant.

In case of contributory patent or utility model infringement, a condition for liability is:

a) "that the means offered and/or supplied were suitable to be put into infringing use"; however suitability does not suffice as knowledge of an actual intent for such a use must also be proven.

b) "that the means relate to an essential [...] element of the invention"; however, the burden for being "essential" for the invention is not very high. According to the explanatory remarks of the legislator by defining the "essentiality" of the elements, only those elements shall be excluded which are of inferior importance for the invention. Also an element mentioned in the introductory part of a claim being formulated in the two–part claim form may constitute an "essential element" of the invention. If the "essential elements" are means which are generally commercially available, a third party is only liable for contributory infringement if the third party consciously prompts the supplied party to an infringing act (Article 22 (4) Austrian Patent Act).

c) "that the means offered and/or supplied were actually intended for such use on the part of the person supplied". As there is no Supreme Court decision sofar in Austria, it is not totally clear whether it is a condition that the means offered and/or supplied were intended to be put to the use in Austria (where they were also offered or supplied). However, it is supposed that the Austrian courts would follow the decision 'Funkuhr II'

(radio clock) (BGH GRUR 2007/313), in which the German Supreme Court considered it to be a contributory infringement to supply essential elements of the invention to a foreign country, knowing that the recipient intends to import infringing objects including the essential means back to the domestic country.

d) "that at the time of offering and/or supply of the means suitability and an intended use for suppliers were obvious under the circumstances". This provision provides for an alternative to actually prove knowledge of the suitability of the means and the intend to use by the recipient.

f) "that the extent the means are staple commercial products, the supplier induces the person supplied to infringe directly". In case of staple commercial products, negligent offering or supplying does not result in contributory infringement; in this case intent must be proven.

4) Are the rules concerning contributory infringement set out in the laws protecting IPR?

With respect to contributory patent and utility model infringement, relevant rules are included in the Austrian Patent and Utility Model Acts (cf. Article 22 (3) to (5) Patent Act, Article 4a Utility Model Act). As already mentioned under 1), the other IP Acts do not provide for specific rules on contributory infringement.

5) If such protection is not set out in the laws protecting IPR, does it follow from generally applicable principles of e.g. tort law?

With respect to all other IPRs than patents and utility models, inducement is only followed from general principles of tort law, i.e. Article 1301 Austrian General Civil Code.

6) What are the legal consequences of holding an act to be a contributory infringement of an IPR, in particular:

– *can the IPR owner obtain injunctive relief to the same extent as in case of direct infringement?*

Although not yet decided by the Austrian Supreme Court, injunctive relief can only be granted unrestricted in case that the infringing use is the only way the essential means can be used (cf. Heidinger, Unmittelbare Patentverletzung, ÖBl 2006/156). In case that the offered or supplied means can also be used in a non–infringing manner injunctive relief must/should be restricted to the infringing use. In this respect, the offerer or supplier has to provide for specific measures in order to prevent further infringing acts; it depends on the circumstances of the specific case what measures the offerer or supplier must provide for as the likelihood that further infringing acts will occur and depends on the suitability of the specific essential means in each individual case.

– *can the IPR owner obtain damages and other compensation to the same extent as in case of direct infringement, or only relative to the contributory infringer's contribution?*

Sofar there has been no Supreme Court decision referring to damages and other monetary compensation with regard to contributory infringement; nor there is any guidance in Austrian literature as to what extent damages and other monetary compensation should be awarded in case of contributory infringement.

II) Proposals for substantive harmonisation

7) Should measures generally be available against acts that qualify as contributory infringement of IPRs, as defined in these Working Guidelines?

In view of the Austrian group, it would be desirable if measures against contributory infringement of IPRs as defined in the working guidelines would be available. However, it has to be taken care that these measures do not lead to an extension of the scope of protection of the relevant IPR. For example caution must be paid that not single elements as such of a patent protecting a combination of elements would be protected under provisions concerning contributory infringement. Accordingly, a contributory infringer should only be liable if he knew or if it was obvious from the circumstances that the offered or supplied means were intended to be used for an infringing act.

8) *If so, what should be the conditions for holding an act to be a contributory infringement of an IPR?*

As already mentioned before, knowledge of the intended infringing use or obviousness of such an intended use should be a condition for contributory infringement. However, direct infringement as such should not be a condition for contributory infringement.

9) *Should the conditions be different for different kinds of IPRs? Why?*

In view of the Austrian group, it should be distinguished between registered and unregistered rights. In case of an unregistered right, the contributory infringer should only be liable if it can be proven that he had knowledge of the existence of the unregistered right.

10) *What should be the legal consequences of holding an act to amount to contributory infringement of an IPR, in particular?*

– *Should the IPR owner be able to obtain injunctive relief to the same extent as in case of direct infringement?*

No, injunctive relief should not be available to the same extent as in case of direct infringement. As contributory infringement should in view of the Austrian group be restricted to cases were the contributory infringer knew of the intended use or it was obvious due to the circumstances injunctive relief must be restricted to the specific intended use in an infringing manner.

– *Should the IPR owner be able to obtain damages and other compensation to the same extent as in case of direct infringement, or only relative to the contributory infringer's contribution?*

As direct infringement is not a condition for contributory infringement in Austria, the damages or other monetary compensation obtainable by the IPR owner should not be related to damages caused by direct infringement. Based on the specific circumstances of the case, damages and other monetary compensation obtainable from the contributory infringer should be related to the contribution of the contributory infringer. For example, if the contributory infringer induced direct infringement, damages and other compensations should be available to the same extent as in the case of direct infringement.

11) *Should the legal consequences be different for different kinds of IPR? Why?*

In view of the Austrian group, there are generally no reasons why legal consequences should be different for different kinds of IPRs.

12) *Does your Group have any other views or proposals for harmonisation in this area?*

No remarks.

Summary

Austrian law provides for specific provisions on contributory patent and utility model infringement. For all other IPRs general provisions of Austrian tort law apply. The main differences between the specific provisions on contributory infringement and general law of tort is that under the Patent Act and the Utility Model Act no direct infringement must occur, and negligent offering or supplying of essential elements suffices for liability as contributory infringement; on the other hand, general tort law requires direct infringement and at least conditional intent by the instigator/assistant.

Résumé

En Autriche la Loi sur les brevets et la Loi sur les modèles d'utilité prévoient des dispositions spécifiques concernant la contrefaçon par fourniture de moyen. À tous les autres droits de propriété intellectuelle dispositions générales du droit de la responsabilité civile autrichienne appliquent. Les principales différences entre les dispositions particulières sur la contrefaçon par fourniture de moyen et général droit de la contrefaçon indirecte es que, en vertu de la Loi sur les brevents et la Loi sur les modèles d'utilité directe contrefaçon n'est pas nécessaire et que négligent d'offrir ou de fournir des éléments essentiels suffit pour la responsabilité; de l'autre part, la responsabilité civile générale exige contrefaçon directe et au moins l'intention conditionelle par l'instigateur/assistant.

Zusammenfassung

Im österreichischen Recht sind spezielle Bestimmungen betreffend mittelbare Patent– und Gebrauchsmusterverletzung vorgesehen. Für alle übrigen IPRs greifen die Bestimmungen des allgemeinen Deliktrechts. Die wesentlichen Unterschiede zwischen den Sonderbestimmungen betreffend mittelbare Verletzungen und allgemeinem Deliktrecht sind, dass gemäss dem PatG und dem GBMG keine unmittelbaren Verletzungshandlungen vorliegen müssen und auch bereits fahrlässiges Anbieten oder Liefern von wesentlichen Elementen der Erfindung kann für die Haftung als mittelbare Verletzer ausreichen; demgegenüber bedarf es nach allgemeinem Deliktrecht einer unmittelbaren Verletzungshandlung und zumindest bedingtem Vorsatz des Anstifters/Gehilfen.