Denmark
Danemark
Dänemark

Report Q204

in the name of the Danish Group
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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.?

In Denmark contributory infringement of a patent has been regulated by the Danish Patents Act Article 3, Section 2 since 1978. The provision is based on the Community Patent Convention Article 30.

Article 3, Section 2:
"The exclusive right shall imply that no one, except the proprietor of the patent, may without permission exploit the invention by supplying or offering to supply any person who is not entitled to exploit the invention with means for working it in this country, if these means relate to an essential element of the invention and the person supplying or offering to supply the means knows, or it is obvious in the circumstances, that these means are suitable and intended for such use. This provision shall not apply when the means are staple commodities, except when the person supplying or offering to supply the means induces the person supplied to commit acts as referred to in subsection 1 hereof."

Contributory infringement of copyrights, designs and trademarks are not set out in the laws protecting IPRs. The protection against contributory infringement of copyrights, designs and trademarks follows from generally applicable principles of criminal law and tort law.
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The Criminal Code Article 23, Section 1 comprises all forms of contributory acts to a crime.

Article 23, Section 1:
"The penalty in respect of an offence shall apply to any person who has contributed to the execution of the wrongful act by instigation, advice or action. The punishment may be reduced for any person who has only intended to give assistance of minor importance, or to strengthen an intent already resolved and if the offence has not been completed or an intended assistance has failed."

Tort law on the other hand does not have a specific or central provision regulating contributory acts; however, the basic standards and interpretations developed in judicial criminal literature and case law are in general identical to the perception of contributory acts in tort law.

Hence, Danish law provides for liability for the offering or supplying of means for infringement of copyrights, designs and trademarks through the generally applicable principle of contributory acts developed under criminal law and tort law.

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?*

Danish Patents Act Article 3, Section 2:
It is a condition for liability for contributory infringement that the means supplied, constituting a contributory act, are supplied for committing direct infringement of the patent *in Denmark*. However, it is not a condition for liability under Article 3, Section 2 that a direct infringement has actually been committed.

The provision provides:
"The exclusive right shall imply that no one, except the proprietor of the patent, may without permission exploit the invention by supplying or offering to supply any person who is not entitled to exploit the invention with means for working it in this country..."

Offering or supply of means (contributory acts) for direct infringement in another country with a corresponding patent right will not constitute contributory infringement in Denmark; however, it will constitute direct infringement of the patent in the other country.

Offering or supply of means (contributory acts) for direct infringement which would have constituted a direct infringement in another country, had there been a corresponding right, will not constitute contributory infringement in Denmark and will not be a direct infringement in the other country.

In this regard the Danish High Court decided in a verdict of 15 May 2007 (V.L. B-0466-00) that the delivery of all essential parts for working an invention in a country without a corresponding patent is not governed by the Danish Patent Act Article 3, Section 2 as contributory infringement.

The facts of the case were that all essential parts for a machine for butchering poultry and the inspection of their intestines had been delivered outside Denmark. The machine was delivered in parts and was meant to be put together at delivery.

The court ruled that under these circumstances and considering the fact that the delivery of the machine included supervision and commissioning, the delivery of all essential parts for working of the machine was construed as a direct infringement in Denmark governed by the Danish Patents Act art. 3, Section 1. The decision is under appeal.

Copyrights, Designs and Trademarks:
The absolute principle of territoriality in the Danish Patents Act Article 3, Section 2 is not found in the acts concerning copyrights, designs and trademarks. Prior to 1978 where the Patent Act Article 3 was enacted general rules of contributory acts to a crime was also applied in relation to patents. The Patent Act, article 3, section 2 is consequently a special rule and can not interpreted as a general principle. Thus it is not possible to use the principles of Article 3, Section 2, in relation to copyrights, designs and trademarks.

According to the principle of territoriality in the Danish Criminal Code, Denmark will have jurisdiction to prosecute a contributory act if the contributory act is committed in Denmark irrespective of whether the crime is finally committed in another country.

However, this interpretation of the principle of territoriality can not be applied in relation to contributory infringement of copyrights and designs which the following example will illustrate:

A Danish bus company organizes international transport of passengers through Europe. The company has installed DVD-players and TV-screens for the entertainment of the passengers. According to the Danish Copyright Act the bus company is not allowed to play the DVD's in Denmark without consent as this will constitute public display which is a direct infringement of

Danish copyright. However, in Germany the DVD's may be played as this does not constitute a direct infringement of German Copyrights Laws.

If the principle of territoriality in the Danish Criminal Code applied to this situation the bus company would supply means (installing the DVD-players and TV-screens) for a direct infringement (the public displays in Germany) constituting a contributory act. The infringement would finally be committed when the DVD was played in Germany and the bus company would then be liable for contributory infringement of copyrights in Denmark.

However, this is not the case.

In relation to copyrights, designs and trademarks a corresponding right in the country where the infringement is finally committed is required in order to provide liability for the contributory act in Denmark. Therefore the absolute principle of territoriality does not apply, as it would still constitute contributory infringement even if the final act was committed in another country. However it is a requirement for this country to have a corresponding right.

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 illustrated under sub question 2 it is a condition for liability for contributory infringement that the means supplied, constituting a contributory act, are supplied for committing direct infringement of the patent in Denmark or with regards to copyrights, designs and trademarks in a country with a corresponding right.

However, additional conditions also apply which will be illustrated under sub question 3.

Under the Danish Patents Act Article 3, Section 2 it is a condition that:

- the means relate to an essential element of the invention;
- the person supplying or offering the means knows, or it is obvious in the circumstances that the means are suitable and intended for such use;
- if the means are staple commodities, the person supplying or offering to supply the means must induce the person supplied to commit direct infringement

These additional requirements reflect the six bullets set forth in sub question 3 i.e. 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 etc. which again reflect the Community Patent Convention Article 26 (30).

Copyrights, Designs and Trademarks:
A central element for liability under Danish tort law is the rule of negligence. It is a requirement for liability for contributory infringement that the person committing the contributory act is acting negligently. Ordinary negligence is sufficient; however, gross negligence is required for criminal sanctions.

This can be illustrated by a decision from the Danish Maritime and Commercial Court (UfR 1986.272S). An advertising agency had been appointed to draw the label for a bag of cookies. The label had been decided by the cookie firm. The label illustrated a well known TV-character thereby constituting an infringement of fair trading practice. The court decided that due to the advertising agency's disclaimer the agency was free of liability. However, commentators have later emphasized that the agency should have known that the label illustrating a well known TV-character was an infringement of the actor's right. Thus had it not been for the disclaimer the agency would probably have been liable.

Additionally it is the opinion of the group that the contributory act must relate to an essential, valuable or central element of the copyright, design or trademark. The supply of common goods, i.e. paint for a copyrighted painting or ink for printing a registered trademark, will not constitute a contributory act which will be met with liability.

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

The question is answered with reference to sub question 1. Contributory infringement regarding patents is governed by the Danish Patent Act Article 3, Section 2. Contributory infringement of copyrights designs and trademarks is governed by generally applicable principles of criminal and tort law.

Additionally the Danish Patent Act Article 3, Section 2 provides for liability for the offering or supply of means for working an invention to persons comprised of the exemption clause concerning experimental use etc.

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?*

The question is answered with reference to sub question 1. Contributory infringement regarding patents is governed by the Danish Patent Act Article 3, section 2. Contributory infringement of copyrights designs and trademarks is governed by generally applicable principles of criminal and tort law.

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?*
- *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?*

The legal consequences of contributory infringement are as a general rule the same as for direct infringement.

Contributory infringement can be met with preliminary injunctive relief from a bailiff's court and/or a prohibition from an ordinary Court of law. Damages and other monetary compensations set out in the different IPR laws can be obtained to the same extent as in case of direct infringement.

As mentioned under sub question 3 gross negligence must have been committed to be met with criminal sanctions for contributory infringement of IPRs.

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?

Yes.

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

It is the opinion of the Danish group that the conditions for holding an act to be a contributory infringement should include:

- that the offered or supplied 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, 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.

As regards the territorial effect of contributory infringement, the Danish group recognizes a need to strike an appropriate balance between the well-established territorial nature of IPRs on the one hand and the protection of legitimate interests of IPR holders in the context of an increasingly crossborder nature of economic interactions on the other hand.

In particular, the Danish group is of the opinion that the territorial limitation of contributory infringement should not prevent liability to at least contributory infringement in the following situations:

- The offer and/or supply of all essential components of a product from a country in which the product is protected by an IPR to another country for assembly should be liable to infringement of the IPR in the country in or from which the components were offered and/or supplied, if the assembly would result in a direct infringement of the IPR had it occurred in the country in or from which the components were offered and/or supplied and provided that, and provided that the components are specifically made or adapted for such assembly and/or the supplier induces such assembly in the other country.
- The offer and/or supply from one country to another country of means essential for a use liable to direct infringement of an IPR in the country in or from which the means are offered and/or supplied should be liable to contributory infringement, if it was known to the supplier or obvious under the circumstances that the means are suitable and intended for use in the country from which they are supplied. This may e.g. be the case where the means are used in the other country to produce an infringing product which is subsequently re-imported; or where essential parts of (or software for) a computer system are offered and/or supplied from one country to another country but where the computer system is intended for use (e.g. via the Internet) in the country from which the parts were supplied and in which such use amounts to a direct infringement of an IPR.

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

As the acts constituting direct infringement of the different kinds of IPR may differ, the conditions for contributory infringement do not necessarily have to be the same for different kinds of IPR.

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?*
- *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?*

Yes, injunctive relief and damages/other compensation to the same extent as for direct infringement.

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

No, both injunctive relief and damages/other compensation should be available for all kinds of IPR.

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

No.

Summary

The report describes the Danish Patent Act, article 30, section 2, concerning contributory infringement. This article is based on CPC article 26 (30). Contributory infringement of copyrights, designs and trademarks are not set out in the laws protecting IPRs but the Criminal Code comprises all forms of contributory acts to crime. Tort law does not have a specific or central provision regulating contributory acts. However, the basic standards and interpretations developed in judicial criminal literature and case law are identical to the perception of contributory acts in tort law.

It is a condition for liability for contributory infringement in the Patent Act that the means supplied, constituting a contributory act, are supplied for committing direct infringement of the patent in Denmark. The absolute principle of territoriality concerning patent is not found in the Danish Criminal Code and tort laws. In relation to other IP-rights and patent rights it would still constitute contributory infringement even if the acts were committed in another country. However, in this relation there is a requirement for this country to have a corresponding right.

The Danish group proposes that supply of all essential components of a product under certain conditions should be considered infringement of a patent, even if the components are exported.

Résumé

Le rapport décrit l'acte danois sur les brevets d'invention, article 30, section 2, concernant la contrefaçon par fourniture de moyens. L'article se base sur CBC article 26 (30). La contrefaçon par fourniture de moyens des droits d'auteurs, des modèles et des marques ne figure pas dans les lois protégeant les DPI, mais le Code pénal comprend toute sorte d'acte contributive. Le droit de la responsabilité civile délictuelle ne stipule pas de clause spécifique ou centrale réglant les actes contributifs. Cependant, les normes de base et les interprétations développées dans la littérature

judiciaire en matière criminelle sont identiques à la perception des actes contributifs dans le domaine du droit de la responsabilité civile délictuelle.

C'est une condition pour la responsabilité de la contrefaçon par fourniture de moyens dans l'acte danois sur les brevets d'invention que les moyens fournis, constituant un acte contributif, sont fournies pour commettre contrefaçon directe d'un brevet au Danemark. Le principe absolu de la territorialité des brevets n'est pas concerné par le Code Pénal danois et les droits de la responsabilité civile délictuelle. En ce qui concerne les autres DPI et droits des brevets, il s'agit toujours de la contrefaçon par fourniture de moyens même si les actes sont commis dans un autre pays. Cependant, à ce propos il faut que ce pays ait un droit correspondant.

Le groupe danois propose que la fourniture de tout constituant essentiel d'un produit doive être considérée comme contrefaçon d'un brevet même si les constituants sont exportés.

Zusammenfassung

Der Rapport beschreibt §30, Absatz 2 des dänischen Patentgesetzes bezüglich mittelbarer Verletzung. Diese Regelung entspricht Artikel 26(3) GPÜ. Mittelbare Verletzung von Urheberrecht, Geschmacksmustern und Marken ist nicht in den entsprechenden Gesetzen zum Schutz von IPR festgelegt, aber das Strafrecht umfasst alle Formen von Mittäterschaft zu einer Straftat. Dänisches Deliktsrecht beinhaltet keine spezifischen oder zentralen Regeln bezüglich Mittäterschaft. Allerdings sind die in der Strafrechtsliteratur und im Fallrecht entwickelten grundsätzlichen Standards und Interpretationen mit der Auffassung der Mittäterschaft im Deliktsrecht identisch.

Das Patentgesetz schreibt als Bedingung für mittelbare Verletzung vor, dass die bei einer mittelbaren Verletzungshandlung gelieferten Mittel tatsächlich für eine direkte Patentverletzung in Dänemark geliefert werden. Das absolute Territorialitätsprinzip in Bezug auf Patente ist jedoch weder im dänischen Strafgesetz noch im Deliktsrecht vorhanden. In Bezug af die anderen IPRs würde von einer mittelbaren Verletzung die Rede sein, selbst wenn die Handlungen in einem anderen Land begangen worden sind. Allerdings muss in dieser Beziehung in dem anderen Land ein entsprechendes Recht bestehen.

Die dänische Gruppe schlägt vor, dass die Lieferung von wesentlichen Komponenten eines Produktes unter bestimmten Bedingungen eine Patentverletzung darstellen sollte, selbst wenn die Komponenten exportiert werden.