

Report Q204

in the name of the German Group
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Liability for Contributory Infringement of IPRs

Questions

1) 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 patent and utility model law, the offence of contributory patent or utility model infringement is explicitly covered in Section 10 PatG [Patent Act] and Section 11 (2) GebrMG [Utility Model Act], respectively. Contributory infringement of the IPR has occurred when a supplier, without the consent of the patent proprietor, offers or supplies means relating to an essential element of the invention to a third party who is not entitled to use the invention, for the purpose of using the invention in that country, and the supplier knows, or it is obvious from the circumstances, that said means are a) suitable for using the invention and b) intended by the customer for using the invention, i.e. the customer plans to apply the means in order to use the invention.

This rule is not applicable when the means are a staple commercial product, provided that the supplier does not deliberately induce the customer to infringe the patent.

Contributory infringement in copyright law is not explicitly regulated in the Copyright Act. The Federal Court of Justice (hereinafter: BGH) has deemed it irrelevant whether the legal principle of contributory infringement – not regulated at the time by the Patent Act – can be applied to the infringement of copyright and related rights of practising artists. In its rationale, it stated that, when absolute rights are infringed, any adequate causation of the unlawful result is sufficient in principle to substantiate a claim to injunctive relief and to rectification/elimination if there is a risk of repetition, and that the issue did not revolve solely around the concept of contributory infringement (BGH NJW 1964, 2157, 2158 – Selling of tape recorders against proof of ID). The supreme court decisions on this issue are mainly concerned – where evident – with the concept of “liability as accessory” (*Störerhaftung*) (see also the answer to Question 5). An accessory is someone who contributes wilfully and in a causally adequate manner to an infringement of rights without being the actual infringer or participant (BGH GRUR 1999, 418, 419 – Furniture classic; Schricker/Wild, note 36a on Section 97 UrhG (Copyright Act)).

Liability as an accessory, or contributory infringement of copyright is considered, in practice, in the case of publishers of printed matter that infringes copyright (BGH GRUR 1954, 1682), press companies when they print advertisements with content that infringes copyright (BGH GRUR 1999, 418 – Furniture classic), when anti-copyright protection means are sold (Schricker/Wild, note 37 on Section 97 UrhG; Wandtke/Bullinger/v. Wolff, note 18 on Section 97 UrhG) or when liability is borne by operators of auction platforms (LG Munich, MMR 2006,

332 – Liability of the operator of an auction platform for acts which infringe copyright), when the conditions described in the following are satisfied.

The prerequisite for suing someone as a contributory infringer or accessory is that there must be an adequate causal relationship between the conduct of the infringer or accessory and the unlawful interference in rights that it is feared third parties will engage in. An adequate causal relationship exists when it is not wholly unlikely, after objectively considering the infringing use, that acceptance of liability is equitable and that no measures have been taken to exclude or at least mitigate the risk of an infringement, e.g. by mounting warning notices (BGH GRUR 1984, 54, 55 – Photocopy shop, BGH NJW 1964, 2157, 2158 – Selling tape recorders against proof of ID). The criterion that the infringing use must not be wholly improbable in an objective consideration of the matter has been specified in other court decisions to mean that using an object in the intended manner foreseeably infringes third-party rights (BGH GRUR 1955, 492, 500 – Grundig Reporter; BGH GRUR 1964, 91, 92 – Tape advertising; BGH GRUR 1964, 94, 95 – Tape recorder dealer). In its “furniture classic” decision, the Federal Court of Justice required, as an additional, limiting criterion for an accessory’s liability under copyright law, that a breach of monitoring duties is committed, if the person being sued was only involved in the copyright breaching acts of another person (BGH GRUR 1999, 418 – Furniture classic). The extent of this duty to inspect depends on what is reasonable in the specific case. In the case of a press company, the BGH affirmed a duty to inspect only in the case of severe, easily discernible infringements (BGH GRUR 1999, 418, 420 – Furniture classic). In later decisions, the duty to inspect has been specified to mean that preventive screening does not generally have to be carried out if this is technically and financially unreasonable, and that it suffices if a company’s attention has been drawn to clear infringements of rights and consequently blocks the particular offers and prevents any further infringing offers (LG Munich, MMR 2006, 332, 333 f. – Liability of the operator of an auction platform for copyright infringing acts).

The Design Act (GeschmMG) does not address the question of contributory infringement of registered designs, however such infringement has essentially been acknowledged as a legal principle, analogous to contributory infringement of patents, in established legal practice – albeit in only a few court decisions (BGH GRUR 1974, 406, 410 – Electric switch; BGH GRUR 1975, 383, 385 f. – Furniture range; LG (Local Court) Düsseldorf, GRUR 1992, 439, 442 – Plug insert; Henssler in his note on BGH GRUR 1963, 640, 642 – Plastic basket; Eichmann, note 39 on Section 38 GeschmMG).

In trademark law, claims in respect of trademark infringement can be asserted not only against the person who actually used the trademark without consent, but also against accomplices, instigators or accessories, pursuant to the general tort provisions (Section 830 BGB (German Civil Code)).

Liability is not confined to accomplices in the actual infringement. Section 14 (4) MarkenG (Trademark Act) prohibits preparatory acts for infringing trademark rights, by continuing the legal principle of contributory trademark infringement that was acknowledged before the Trademark Act entered into force. Without the consent of the trademark holder, no signs identical to or similar to the trademark may be applied in the course of trade to get-ups, packaging or means of distinguishing (e.g. labels, tags, patches). It is also prohibited to offer or to place on the market any objects bearing the trademark, or to possess, import or export such objects for the said purposes.

Those who wilfully assist in any way and to a sufficiently causal extent in the infringement of a trademark – without being a perpetrator or participant –, may be sued as an accessory for injunction or rectification under Sections 862, 1004 BGB (Schweyer, in: v. Schultz, Markenrecht, 2nd edition, note 235 on Section 14). The prerequisite is that the person has in some way wilfully assisted to a causally adequate extent in bringing about or maintaining an unlawful trademark infringement. An intention to encourage competition, or culpability,

does not have to be present. Accessories cannot be sued for damages. However, due to the fact liability as an accessory may not be imposed excessively on third parties who have not themselves committed the unlawful violation of rights, liability as an accessory requires a breach of monitoring duties. The scope of these duties is determined according to whether and to what extent it is reasonable to expect the person being sued as an accessory to perform such monitoring (BGH GRUR 2004, 860, 864).

- 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?*

A distinction must be made in German law, with regard to conditions for liability for contributory infringement, between the patent proprietor's claims to injunction, to compensation and to information. For a claim to injunctive relief and for a claim to information about the origin and distribution channel of the offered or supplied means, it is not a prerequisite that the contributory infringement also resulted in actual patent infringement by the person supplied (BGH, GRUR 2005, 848, 854 – Traction sheave elevator). In contrast, actual commitment of a patent infringement by the person supplied is a prerequisite for the claim to compensation and for the associated claim to information in respect of calculating the amount of compensation (for example on basis of selling prices) (BGH, GRUR 2007, 679, 684 – Hood stretching device).

The offence of contributory infringement of protective rights in respect of a patent or utility model is conditional on the means being suitable and intended for using the invention. If an actual infringement of protective rights has occurred in Germany, then suitability and intentionality are considered obvious.

The offence of contributory infringement may also be committed without an actual infringement of protective rights occurring. The decisive criterion then is whether a "tort of patent endangerment" situation exists (*Patentgefährdung*); this is the case when the means for infringement exist, and the provider knew about this or it is obvious from the circumstances. If the means are exclusively suited for use in accordance with the invention, then the intended use is obvious as a basic principle. If the means are suitable not only for use which infringes the IPR but also for non-infringing use, then contributory infringement depends on a sufficiently certain expectation of the intended use which threatens (cf. BGH *Deckenheizung* ("Ceiling heater"); GRUR 2006, 839). Indications for this can be found, in particular, in recommended uses specified by the provider.

Contributory infringement of protective rights additionally requires a double relationship to the domestic country. Firstly, the offering or supplying for use must occur in the domestic country; secondly, the intended use must also take place in the domestic country. Hence, delivery to a foreign country cannot substantiate contributory infringement of protective rights in Germany, even if identical IPRs exist in the foreign country. However, an exception has been seen in the case where the foreign customer had intended to return the completed infringing product to Germany, and the supplier was aware of this (BGH *Funkuhr II* ("Radio clock II"); GRUR 2007, 313).

It is also sufficient for a contributory infringement of copyright if it is not beyond all probability that an infringement of rights will occur, or that the intended use of an object will foreseeably infringe copyrights (see Question 1). Whether the mere anxiety that an infringement of rights will occur is sufficient to justify (precautionary) injunctive relief, on the other hand, is a question left unanswered by the Federal Court of Justice, since in the case in question the placing of a link on a website leading to a copyrighted work on a different website had not generated a risk falling under the protective purpose of the norm, because the author himself had made

his work freely accessible on the Internet and the link merely "shortened" the path for users (BGH GRUR 2003, 958, 961 – Paperboy).

In order to assume contributory infringement of a registered design, it is likewise sufficient that an infringement of the design will occur in the case of normal intended use (LG Düsseldorf, GRUR 1992, 439, 442 – Steckdoseneinsatz ("Plug insert")).

An illicit preparatory act within the meaning of Section 14 (4) MarkenG is conditional merely on the objective threat that the get-ups or packaging are used for get-ups or packaging or distinguishing means for designating goods or services, in respect of which third parties would be prohibited from using the mark. The risk must be established on the basis of specific factual indications, taking experience of life into consideration. Such establishment will not usually involve any major difficulties of the distinguishing means contain other details, in addition to the actual mark, which render a specific use obvious. However, a trademark infringement can be excluded when the distinguishing means are intended for goods or services to which the right of prohibition conferred by the trademark does not apply. If, in contrast, distinguishing means have been used in the intended manner, there is participation in the infringement of another's trademark on the part of the third party. According to the general principle of liability as an accessory, an initial and serious threat that rights may be impaired is sufficient justification for the claim to injunctive relief (BGHZ 2, 394 = BGH NJW 1951, 843).

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.

a) An essential criterion for assuming **contributory patent or utility model infringement** is indeed that the offered and/or supplied means are objectively suitable to be put to use in a manner which infringes the patent or utility model. A suitable means, within the meaning of Section 10 PatG, can be any physical object, including liquids and gases (BGH GRUR 2001, 228, 231 – *Luftheizgerät* ("Hot-air heating appliance")). The Federal Court of Justice has not yet ruled on whether non-physical items ("data", for example) can now also be considered means according to Section 10 PatG. However, there are strong arguments that they can. Suitable means are also objects which are already known from the prior art. In contrast to previous law, it is also no longer necessary that the object be individually adapted to the inventive concept ("*erfindungsfunktionelle Individualisierung*") (Busse/Keukenschrijver, PatG, 6th edition, note 19 on Section 10).

- b) According to the wording of Section 10 PatG and Section 11 (2) GebrMG, respectively, the means must relate to an “essential element of the invention”. It is not relevant here whether the means is a kind of “core element” of the invention, or whether the means relates to a particularly important, valuable or key element of the invention. In the view of the Federal Court of Justice, a means already relates to an essential element of the invention when it is suitable for “functionally interacting” with the element in realising the protected inventive concept (e.g. BGH in *Flügelradzähler* (“Impeller flow meter”); GRUR 2004, 758). The BGH interprets this interaction in very broad terms and excludes only such means which do not contribute to realising the protected result of performance (cf. BGH in *Pipettensystem* (“Pipette system”); GRUR 2007, 769).
- c) In order to establish contributory infringement of a patent or utility model, it is also necessary that the means be “suitable and intended for exploiting the invention”. The text of the law contains the passive voice (“*verwendet zu werden*”, “of being used [to exploit]”). According to the wording of this statutory provision, contributory infringement can also be assumed when it is not the actual receiver of the offer himself, but rather some other person who intends to infringe the patent with the aid of the supplied or offered means.
- d) The wording of the law does not explicitly require that the person offering or supplying the means must know that the use of the invention intended by the recipient is to be in that country. As far as one can tell, the Federal Court of Justice has not yet ruled explicitly on whether the assumption by the person offering or supplying the means that the invention is intended to be used in a different country excludes any contributory infringement. However, in its *Funkuhr II* (Radio clock) decision (BGH GRUR 2007, 313), the FCJ states that the specified offence of contributory infringement within the meaning of Section 10 PatG is intended as a precautionary measure to prevent any endangerment to domestic patent rights, independently of the actual place where the protected object is produced. In other words, a contributory infringement is also present when patent-free means (relating to an essential element of the invention) are supplied to a foreign country, if the supplier knows or it is obvious from the circumstances that the customer will import objects which are produced using said means and which infringe the IPR to the domestic country.
- e) In order to assume a patent or utility model infringement, it is necessary either that the supplier “knows” that the means is suitable and intended for patent infringement, or that this is “obvious” from the circumstances. Hence, the supplier must specifically know or be able to notice readily that the person being supplied is planning a direct infringement of a patent. It may be difficult to prove in court proceedings that this requirement has been satisfied. The Federal Court of Justice acknowledged that experience may indicate that this condition is met, if the offerer or supplier recommends use of the means pursuant to the patent, or if a means is designed, on account of its individual character and intended purpose, for use that directly infringes the patent and is offered for such use (cf. BGH, GRUR 2005, 848, 851 – *Antriebsscheibenaufzug* (“Traction sheave elevator”)).
- f) According to Section 10 (2) PatG, a person who knowingly induces the person supplied to commit a contributory infringement is likewise committing a contributory infringement, also when the means are staple commercial products.
- g) It is of no material relevance for the existence of a contributory infringement whether the (planned) use of the invention by the person supplied is for private or for test purposes and for that reason does not itself constitute an actual infringement of the patent.

In copyright law, the only essential requirement is that there is an adequate causal relationship between an act and a subsequent infringement of copyright.

Specifically: The means being offered must be suitable for use in a manner that infringes rights, but there is no requirement that the means must relate to an essential element of the work. It is equally unnecessary that use infringing copyright is intended; instead, it suffices that this was foreseeable, or that the intended use of the means will infringe copyright. The Federal Court of Justice has negated claims of the copyright holder when the preparatory acts were in the same country but the actual infringement took place exclusively in a different country (BGH GRUR 1994, 798 – *Folgerecht bei Auslandsbezug* (“Proceeds rights in respect of purchases from abroad”)).

The terms “knowledge” or “obviousness” applied in patent law (cf. Section 10 (1) PatG) are not used in copyright law, but it suffices for the existence of an adequate causal relationship that a copyright-infringing use by the customer is foreseeable, i.e. that infringing use is not beyond all probability when objectively considered.

The case of copyright-infringing sale of staple commercial products has not been ruled upon as yet, as far as one can tell. According to the general rules regarding guilt in commission of an offence, inducement to copyright infringement or contributory guilt is present when the supplier meets the subjective criteria.

In design law, also, the means offered must be suitable for being used in a manner that infringes design rights. In the case decided by the District Court in Düsseldorf (GRUR 1992, 439, 442 – *Steckdoseneinsatz* (“Plug insert”)) – and also in the other FCJ decisions BGH GRUR 1974, 406, 410 – *Elektroschalter* (“Electric switch”); BGH GRUR 1975, 383, 385 f. – *Möbelprogramm* (“Furniture range”) – the question as to the extent to which the means must constitute an essential element of the protected design is not explicitly addressed as an issue. In the case before the District Court in Düsseldorf, the design of a sub-element (of a plug insert) reproduced characterising design elements of the registered design (the protected design disclosed a plug insert provided with an enclosing cover frame). It can be concluded from this that the element must show essential, characterising features of the overall design. Another issue raised in design law concerns to extent to which the element may enjoy autonomous partial protection, and hence whether actual infringement of the registered design may be present. The District Court in Düsseldorf ignored this issue in the aforementioned case, in view of the established contributory infringement of the registered design. Another view, in contrast, assumes that contributory infringement does not come into consideration until the individual parts cannot be individually attacked (Eichmann, Section 38 GeschmMG, note 39).

The question as to whether the design infringement must be intentional has not apparently been addressed as yet in court decisions. In the aforementioned case before the District Court in Düsseldorf, the situation was such that the accused plug inserts could not be used without the separately driven cover frame, with the consequence that the only conceivable use was one that actually infringed the design.

Until now – it would seem – only cases in which supply and use occurred in Germany have been decided.

The suitability of the means and the possibility of design-infringing use must have been known or obvious to the person offering said means.

No court decision has evidently been pronounced as yet regarding the question of staple commercial goods. It can be assumed that the courts will apply the criteria of patent law to this issue as well.

In trademark law, the wording of the law in respect of contributory infringement does not require as an imperative condition that the goods or services placed on the market already have the essential features of the trademark. However, one requirement is that the distinguishing means forming the subject-matter of contributory infringement are suitable for infringing use,

and there must be an objective likelihood of use that infringes the trademark (cf. Section 14 (4) MarkenG). Hence, there is no trademark infringement when the distinguishing means are intended for goods or services to which the right of prohibition deriving from the trademark does not apply. The only required condition for liability as an accessory is the breach of monitoring duties.

There must be an objective likelihood of use in the same country. This means that a German producer can supply a customer abroad with distinguishing means if there are no specific, actual indications that goods thus marked are to be re-imported to Germany, or that services thus designated are to be performed in Germany as well. With regard to the liability of accessories, the only cases that have been decided upon by the courts – as far as one can tell – have been ones in which both supply and use occurred in Germany.

It must be known or obvious to the contributory infringer that the intended use infringes the trademark. In trademark law, no case has been decided as yet in which the subject-matter of contributory infringement would be deemed a staple commercial product. According to the general rules regarding guilt of offence and participation in an offence, an inducement or contributory guilt would appear to be present when the supplier meets the subjective criteria.

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

A contributory patent infringement that is not contingent on actual infringement of the patent is regulated by Section 10 of the German Patent Act. The provision corresponds to Article 30 of the Convention for the European Patent for the Common Market (the Community Patent Convention, which was never enacted) of 15 December 1975. Section 11 (2) GebrMG applies in the case of utility models.

In the Copyright and Design Acts, these provisions are not explicitly regulated by statute. In the Trademark Act, a statutory provision is found in Section 14 (4). Liability as accessory is not covered by the Trademark Act.

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?*

Contributory infringement is regulated by law. However, when several parties are involved in use of a patent within the meaning of Sections 9 and 10 PatG, alternative foundations on which claims can be based are not excluded (Scharen in Benkard, *Patentgesetz, Gebrauchsmustergesetz*, 10th edition, note 27 on Section 10). Claims can also be based potentially on complicity and perpetration as an accessory (cf. BGH X ZR 113/04 – *Rohrschweisverfahren* (“Tube welding process”), para.19), on instigation and abetment. Liability as accessory (Section 139 PatG in combination with Section 1004 BGB) is also a consideration (Düsseldorf Upper District Court I – case no. 2 U 51/06, 29.11.2007).

Injunctive relief in respect of copyright infringement or based on liability as an accessory to infringement of copyright has been substantiated in analogous manner by the Federal Court of Justice under Section 1004 (1) BGB, “which is applicable in corresponding form to any interference with a protected right” (BGH GRUR 1955, 492, 500 – *Grundig-Reporter*). Since Section 1004 BGB refers to the “*Störer*” (lit. the “interfering person”, or accessory), this may be a reason why reference is made in copyright law less to contributory infringement and more to liability of accessories in respect of injunctive relief. Whereas Section 1004 BGB was previously cited in analogous and explicit form (BGH NJW 1954, 1682; BGH GRUR 1955, 492, 500 – *Grundig-Reporter*; BGH GRUR 1964, 91, 92 – *Tonbänder-Werbung* (“Advertising on recording tape”); BGH GRUR 1964, 94, 95 – *Tonbandgeräte-Händler* (“Tape recorder dealer”); BGH NJW 1964, 2157, 2158 – *Vertrieb von Tonbandgeräten gegen Vorlage des Personalausweises des Käufers* (“Selling tape recorders against proof

of buyer's ID"), Section 97 UrhG (Copyright Act) is increasing being cited on its own as a basis for claims (BGH GRUR 1984, 54, 55 – *Kopierläden* ("Photocopy shop"); BGH GRUR 1999, 418, 420 – *Möbelklassiker* ("Furniture classic"); LG Munich, MMR 2006, 332, 333 – *Haftung des Auktionsplattformbetreibers für urheberrechtsverletzende Handlungen* ("Liability of auction platform operator for copyright-infringing acts"); Cologne District Court, BeckRS 2007 14890).

There is no such dogmatic classification in design law; instead, reference is made to former precedents in patent law and the explicit rule in Section 10 PatG, with the argument that such an approach must also be possible for the proprietor of a design, given that the legal situation is similar (BGH GRUR 1975, 383, 386 – *Möbelprogramm* ("Furniture range"); LG Düsseldorf, GRUR 1992, 439, 442 – *Steckdoseneinsatz* ("Plug insert"); Eichmann, Section 38 GeschmMG, note 39).

With regard to perpetration and participation, the general tort rules in the German Civil Code, Sections 823 ff., and the accessory's liability for rectification and injunction pursuant to Sections 862, 1004 BGB are applicable.

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?*

The patent proprietor has a claim to injunctive relief against the contributory patent infringer pursuant to Section 139 (1) PatG. Total prohibition of supply means within the meaning of Section 10 PatG is considered in established legal practice to be excessive if such means can also be used in non-infringing form, be it as patent-free use in the same country or use in a different country (BGH X ZR 153/03 – *Deckenheizung* ("Ceiling heater"), BGH X ZR 173/03 – *Haub stretchautomat* ("Hood stretching device")). If the means can be used in a manner that does not infringe the patent, the contributory patent infringer is required to take measures that are suitable and sufficient to exclude any (direct) patent infringement, but which otherwise do not unreasonably obstruct the means being sold for patent-free use. These measures are to be determined after consideration of all the circumstances in the specific case. The duty of the contributory infringer to obtain a declaration to cease and desist, against payment of a pecuniary penalty, from the customer can only be imposed if, in consideration of the circumstances of the specific case, it is not sufficient to provide a warning about the patent and the eventuality of patent-infringing use, when supplying the means (BGH – *Haub stretchautomat* ("Hood stretching device")). In cases of direct exploitation of the patent by a customer in the private sphere, the contributory patent infringer may also be required to change the dimensions of the accused objects in such a way that patent-infringing use can be excluded (Düsseldorf Upper District Court, GRUR-RR 2006, 39, 42).

In copyright, design and trademark law there is no rule (apart from Section 15 (4) MarkenG) corresponding to Section 10 PatG, for which reason the liability of the infringer cannot be directly linked to the principles developed in respect of patent law (Section 10 PatG); rather, contributory infringement in these three legal fields must continue to be viewed as a special form of involvement in the infringing act by the direct infringer (Düsseldorf Upper District Court 20 U 235/94). Nevertheless, the aforesaid three legal fields likewise provide for injunctive relief to be claimed by the IPR proprietor against contributory infringers – partly by applying general norms in civil law and the legal principle of liability as accessory:

In copyright law, "mere" contributory interference is addressed insofar as the claim to injunctive relief (Section 97 (1) UrhG and Sections 862, 1004 BGB) is limited to what is

most necessary and reasonable; for example, there is no injunctive relief in copyright law if the contributory infringer has made every reasonable effort to prevent any impairment of rights (Möhring/Nicolini/Lütje, UrhG, Section 97 note 31, with reference to BGH I ZR 70/81 – *Kopierläden* (“Photocopy shop”)).

In design law, claims to injunctive relief (Section 42 (1) GeschMG and Sections 862, 1004 BGB) generally relate to parts have been supplied to customers without the latter being informed about potential acts of infringement and/or without committing them contractually and efficaciously, by suitable measures, to cease and desist from such infringement (Eichmann/v.Falckenstein, GeschMG, note 39 on Section 38).

The same principle applies in trademark law, although claims to injunctive relief in respect of a breach of Section 14 (4) MarkenG derive from Section 14 (5) MarkenG in the context of the general liability of an accessory pursuant to Sections 862, 1004 BGB.

With regard to the limitation of these claims to injunctive relief in terms of content, reference is made – as already discussed in relation to copyright law – to the question of necessity and reasonableness (Düsseldorf Upper District Court, case no. 20 U 235/94); for the latter, the criteria developed in connection with patent law (also in the context of Section 10 PatG) (see above) could also serve as a basis – even though this is not apparently underpinned by established precedents.

- *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 contributory infringer bears liability for the damage caused by the direct infringement of patent (BGH X ZR 247/02 – *Antriebsscheibenaufzug* (“Traction sheave elevator”), BGH X ZR 113/04 – *Rohrschweisverfahren* (“Tube welding process”). Any claim to compensation is therefore contingent on a direct infringement of patent and damages caused as a result (BGH – *Haubenstretchautomat* (“Hood stretching device”), paras. 44 and 45). The claim to damages and compensation is also contingent, like contributory infringement within the meaning of Section 10 PatG on the whole, that the customer had already decided, at the time of the offer or delivery, to use the means in a patent-infringing manner, and that this was known or obvious to the supplier. The establishment of an obligation to pay compensation, in contrast, essentially requires only a sufficient likelihood that damage has ensued (BGH – *Raumdeckenheizung* (“Ceiling heater”), para. 29). A claim to information about the customers already exists when, in the given circumstances, it was anticipated that the means supplied were intended to be used to exploit the invention (BGH – *hood stretching case*, para. 6).

It can be assumed that the contributory infringer bears joint and several liability with the direct infringer (BGH X ZR 247/02 – *Antriebsscheibenaufzug* (“Traction sheave elevator”), Section V. 1., cf. Meier – Beck, GRUR 1993, 1). If the patent proprietor asserts a claim to compensation or damages in the form of confiscating the infringer’s profits, the claim is limited to the profit generated by the contributory infringer (BGH – *Haubenstretchautomat* (“Hood stretching device”), para. 45, BGH – *Rohrschweisverfahren* (“Tube stretching process”), para. 33, Meier-Beck, loc. cit.).

Whether and to what extent a claim can be asserted against the contributory infringer under Section 812 BGB on account of unjust enrichment is a matter of dispute (Rogge/Grabinski in Benkard, loc. cit., note 83 on Section 139) and has not been the subject of a supreme court ruling. Nor has there been any supreme court ruling on whether and to what extent the contributory infringer is liable to any residual damages after statute-barring, within the meaning of Section 141 PatG in combination with Section 852 BGB.

There is no entitlement to destruction of items in the possession or ownership of the contributory infringer. A claim to destruction can only be considered if there is no

possibility of patent-free use (BGH X ZR 79/94 – Extracoronales Geschiebe (“Extracoronales attachment”)).

The following principles apply for copyright, design and trademark law, although it should be noted that there are only isolated precedents on the whole regarding the question of compensation or damages in the case of contributory infringement of such rights. However, the following basic principles can be assumed to apply:

Given that a norm corresponding to Section 10 PatG is absent in copyright, design and trademark law (apart from Section 14 (4) MarkenG), as already explained, contributory infringement of rights is still basically understood in these fields of law to be a special form of involvement in a third party’s (direct) infringement of rights. According to Section 830 BGB, the participant has the same status as the perpetrator, so he is (likewise) responsible for all damages that ensue from the direct and indirect infringement of rights (similar to the District Court in Düsseldorf case no. 4 O 323/89 – *Steckdoseneinsatz* (“Plug insert”) in the field of design law). As with claims to injunctive relief, a claim to compensation or damages (depending on the degree of culpability) is dependent on whether the infringing party took every reasonable and necessary steps to prevent as far as possible any (indirect) infringement of rights (e.g. Möhring/Nicolini/Lütje, UrhG, note 31 on Section 97 in the case of copyright law).

If, in contrast, the liability of the contributory infringer is based on the principles of accessory to an offence, no claims to compensation can be derived because liability as accessory can only substantiate negatory defensive claims such as claims to injunctive relief and rectification (BGH I ZR 36/95 – *Restaurantführer* (“Restaurant manager”); Ahrens, WRP 2007, 1281).

If involvement in the direct infringement of rights by the contributory infringer is not a consideration, then there is essentially no liability for damages under design or copyright law.

However, trademark law does allow, in Section 14 (4) no. 6 MarkenG – like Section 10 PatG – for a specific sphere of liability prior to actual interference in IPRs. These prohibitory norms therefore establish a special, graduated and definable level of protection against merely contributory infringement. According to the precedent established in the particular instance (Karlsruhe Upper District Court, case no. 6 U 104/99), contributory and actual infringers must therefore bear liability for damages (insofar as the contributory infringer of a trademark right does not act as an accomplice or participant in the actual infringement of rights), but not as joint debtors – neither in respect of the infringer’s profits nor by applying the licence analogy method. The rationale here is that there are differences in the scope of protective purpose between contributory and direct infringers in their external relationships to the injured proprietor of rights. This means there is no justification for a collective responsibility to surrender the profit gained by the direct infringement.

There has apparently been no supreme court clarification of whether the proprietor of protective rights is also entitled to claims based on unjust enrichment under Sections 812 ff. BGB against the contributory infringer of a copyright, registered design or trademark – as is the case in patent law. The same applies to any claims to destruction.

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?*

Any harmonisation must take into consideration that patent, utility model, trademark, design and copyright law relate to different objects of protection and – as observed in the foregoing

– that the dogmatic derivation of liability for contributory infringement is based in German law on what are partly very different approaches; this is particularly so for copyright and trademark law. On the other hand, the dogmatic differences have obtained real relevance only in rare cases to date (cf. above comments on legal consequences). Given the lack of practical experience, in some respects, with the implications of these different dogmatic approaches, the German Group proposes a form of harmonisation, described below, which must also provide scope for further development by judge-made law in individual cases.

There should essentially be options for taking action against offering or supplying means with which a direct infringement of protective rights can be committed. If the IPR proprietor who wishes to assert his protective rights is dependent on proving direct infringement in every case, he would be placed in a defenceless position in many cases where he deserves protection. These include cases in which the person who is supplied and is responsible for subsequent acts is out of reach for the IPR proprietor. There may be legal or practical reasons why the person supplied is out of reach for the IPR proprietor. One legal reason may be that the customer is not engaged in trade. A practical reason may be the fact that the person supplied is resident in another country, or can no longer be traced.

However, the German Group takes the view that the liability of the supplier of a means must not extend further than his contribution to the infringement of the IPR. Only when the supplier of a means which is suitable for performing an act which infringes an IPR actually knew or it was obvious to him from the circumstances that the means was intended to be used for a patent-infringing act, should a proprietor of an IPR be able to take action against such a supplier.

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

It should not be an imperative requirement for contributory infringement of protective rights that the means supplied is actually used for a direct infringement of those rights. In the view of the German Group, however, an indispensable requirement for contributory infringement of protective rights is that the supplier of the means suitable for IPR infringement meets subjective criteria in respect of the subsequent infringement. These subjective requirements should relate to the supplied means being suitable and intended to be used in a patent-infringing manner. In other words, someone who does not know and does not have to know that means which he supplies are suitable and intended for infringing an IPR should be free of any liability as a contributory infringer.

Positive knowledge regarding suitability and intended purpose of the supplied means is sufficient as a subjective element of the offence. When the “having to know” alternative is applied, a situation should be avoided in which the supplier of the means is burdened with excessive duties of care. For example, it is unreasonable to expect the supplier to inform himself about the different purposes for which the means he supplies can be used, and to conduct an extensive search of protective rights for each of the potential uses. However, if the supplied means are exclusively suitable for exploiting a protective right, then the contributory infringer cannot escape liability by asserting that he did not know the intended purpose of the means supplied. The same principle applies if he recommends an infringing use. In both cases, it may be reasonable to expect the supplier to inform himself about the IPR situation concerning the proposed or exclusively possible use of the supplied means. With regard to the question as to whether and to what extent he bears blame for a patent infringement, it is possible to apply the principles developed in respect of direct patent infringement. For the same reasons for which no blame for an objectively established patent infringement can be apportioned to a retail enterprise with an extensive range of products (LG Düsseldorf 4 O 50/88 – *Strickwarenhandel I* (“Trade in knitware”), GRUR 1989, 583), the contributory infringer is not culpable if he did not realise that a patent is infringed by a means he supplies.

In the case of copyright law, non-registered Community designs and designs with postponed publication, consideration should be given to the fact that, as far as suppliers' duty of care is concerned, it is impossible from the outset to conduct a search of IPRs, and hence that suppliers are unable to assess the IPR situation in any reliable manner; if necessary, this must lead to (further) reduction in the duties of care incumbent on or imposed upon the supplier.

If the offence of contributory infringement of protective rights is dependent on subjective requirements on the part of the supplier, then the question this raises is how the proprietor of protective rights is able to prove that these requirements are met. It should be possible here to infer the intentions of the supplier from objectively determinable facts. Examples of such objective determinable facts would be a supplier's recommendation, or the exclusive suitability of the supplied means. There is no need for additional ways of facilitating proof.

The proprietor of protective rights is not excessively burdened by the fact that he bears the onus of proof with regard to the subjective intentions of the contributory infringer. If the proprietor of protective rights informs the contributory infringer about the infringement, then he is able to achieve a situation at any time, through his own efforts, in which the subjective requirements are met in future by the contributory patent infringer. Such notification has the effect of the contributory infringement having positive knowledge of the infringement. At the latest when he receives such information, the contributory infringer can no longer base his defence on not having known of the suitability and intended purpose of the means supplied.

A contributory infringement of protective rights is contingent, in our view, on the supplied means relating to an essential element of the protected subject-matter. This does not mean that the means must be specially adapted for use in the protected subject-matter, but merely that the element makes a material contribution to the infringement of rights.

A clear case of contributory infringement exists when both the supplying of the means and the infringing use of the means occur in the same country in which the IPR is protected. If either the supplying of the means or the infringing use of the means occurs in another country without any relation to the domestic country, then there is no contributory infringement of protective rights. This would otherwise violate the principle of territoriality. However, it is not essential that all infringing acts performed with the supplied means occur in the same country. For example, if an essential element of a patented invention is supplied to a foreign country and said element is used there to produce an object which comes under the IPR, this is not yet sufficient to substantiate contributory infringement by the supplier. However, if the object which infringes protective rights is subsequently offered for sale or placed on the market in the same country as the supplier, then this constitutes a separate infringing act in that country. If the supplier was aware of this intended use, he is a contributory infringer.

Whether the person directly supplied makes use of the means in a manner which infringes an IPR, or whether the means are forwarded through several intermediate suppliers before it is finally used in an infringing manner has no effect on the contributory infringement. If contributory infringement of protective rights were limited to cases in which the direct customer of the supplier must perform the patent-infringing use, this could be circumvented all too easily by involving an intermediate supplier. Any potential hardship that this may involve for the original supplier of the means can be avoided by applying appropriate criteria of culpability. If the supplier has no knowledge of the subsequent path in the distribution chain taken by the means he supplies, he will not necessarily be apportioned any blame in the event of an infringement by someone further down the distribution chain.

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

In the view of the German Group, consideration should certainly be given, in respect of the subjective criteria for offence, to the fact that there are also protective rights which take effect but which are not registered (such as copyright and unregistered Community designs),

or which are registered but not (yet) published (such as registered designs with postponed publication – see above, Question 8). Copyright, moreover, does not extend to independent parallel creations.

For this reason, the German Group proposes that contributory infringement of these rights, i.e. of copyrights, unregistered Community designs and registered designs with postponed publication, is routinely assumed only in such cases where the contributory infringer has positive knowledge of the existence of such an 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?*

It is unreasonable to totally prohibit a supplier from continuing to supply the means in question. If non-infringing use of the means is possible, then supplying the means for such purposes must continue to be allowed. If a means can only be used in a manner which infringes protective rights, then the supplier must be free to supply the means to other countries where the protective rights do not apply.

The injunctive relief must therefore be worded in such a way that the means can still be supplied for uses that do not infringe IPRs, whereas supplying the means for uses that infringe IPRs remains prohibited. It is not possible to make the order to cease and desist conditional on the supplied means actually being used in a form that is not covered by IPRs. The decisive aspect for contributory infringement, namely, is the time at which the means is supplied. However, the further uses to which the means are put is often unknown at that particular time.

Injunctive relief against the contributory infringer of protective rights should therefore specify that the means may no longer be supplied without appropriate measures being taken to ensure that the means are not used in ways that infringe IPRs. One suitable measure may consist in accompanying the delivery of the means with a warning that the customer must desist from any IPR-infringing use of the means.

It is unreasonable to make the supplier wholly responsible for ensuring that the means he supplies is not put to any uses that infringe protective rights. Consideration must be given to the fact that the supplier often has no way of exercising control over the subsequent fate of the means he supplies. This is already the case when the direct customer of the supplier also uses the means in a patent-free manner, as well as a way that infringes protective rights. In this situation, the supplier has few options at his disposal if the customer ignores the warning. The supplier has no chance at all of controlling a chain of suppliers involving several stations. The situation is further aggravated when some of the stations in the supplier chain are in other countries.

- *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?*

The prerequisite for obtaining damages, in any case, is a culpable, i.e. wilful or negligent act on the part of the contributory infringer.

The liability of the contributory infringer of protective rights should not exceed the amount of damages caused by the subsequent direct infringement of protective rights. It is not absolutely imperative that a direct act of infringement has been determined; it suffices, rather, that there is a likelihood of such damage occurring.

However, the German Group considers it unreasonable for the contributory infringer to be held liable at any event for the entire amount of damages caused by the direct infringement of protective rights. A limit should be set, according to which the liability of the contributory infringer is set in relation to his contribution to the actual infringement of protective rights. If, for example, the means he supplies is only marginally involved in the infringement, he should only be held liable for damages in respect of a small part of the total damages incurred as a result of the direct infringement. This principle should at least apply in those cases where it cannot be verified that the supplier wilfully contributed to the infringement of rights. If wilful action is clearly evident, for example because the proprietor of protective rights drew the supplier's attention to the infringement, then such a limitation could be dropped.

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

The case law mentioned in the context of Question 6, which in some respects is differentiated according to the different types of IPRs, could be reduced, in the view of the German Group, to a unitary regulatory concept. In general, it would appear that equal treatment for the different kinds of IPRs is possible to a large extent on the legal consequences side.

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

As part of international harmonisation, it would be desirable for the wording of rules on contributory infringement to be made identical for different types of IPRs, in those cases where no differentiation seems necessary in light of the foregoing. On the other hand, the rules relating to contributory infringement should be adapted in legislation to the context of provisions pertaining to perpetration and participation.

Summary

The German Group advocates liability for contributory infringement of intellectual property rights. In patent and utility model law, it is not essential that direct infringement occur for the IPR proprietor to be able to claim injunctive relief. It is sufficient, in other words, that the patent or utility model is endangered. In copyright law, design law and trademark law, a threat to the respective rights may likewise substantiate claims on the part of the IP proprietor.

In addition to special rules on contributory infringement in German patent, utility model and trademark law, the general principles of German tort law are also applicable.

In the view of the German Group, the proprietor of an intellectual property right should be able to take action not only against direct infringements, but also against threats to his right, in the form of means being offered or supplied that are suitable for direct infringement. However, this should be specifically contingent on it being known or obvious to the person offering or supplying such means that the person supplied is planning a direct infringement. It must still be possible to supply the means for non-infringing uses.

Résumé

Le droit national allemand prévoit une responsabilité en cas de violation indirecte de droits de la propriété intellectuelle. Dans la législation concernant les brevets et les modèles d'utilité, il n'est pas nécessaire, pour une demande de cessation de la part du propriétaire, qu'il y ait une violation directe. La mise en péril du brevet ou du modèle d'utilité est donc déjà suffisante. Dans la législation concernant les droits d'auteur, les modèles esthétiques et les marques, la mise en péril du droit respectif peut déjà aussi être à l'origine de droits au profit du propriétaire.

Outre les réglementations spéciales concernant la violation indirecte des lois allemandes concernant le droit des brevets, des modèles d'utilité et des marques, les principes généraux du droit correctionnel allemand sont applicables.

Le groupe fédéral allemand est d'avis que le propriétaire d'un droit de propriété intellectuelle doit pouvoir engager une procédure non seulement à rencontre de violations directes mais aussi de mises en péril de son droit -dues à la mise en vente ou à la livraison de moyens qui conviennent à une violation directe-. La condition préalable à ceci doit toutefois être notamment que le vendeur ou le livreur sache ou qu'il soit évident que celui qui reçoit la livraison envisage une violation directe. Les livraisons de ces moyens destinées à une utilisation ne constituant pas une violation doivent rester possibles.

Zusammenfassung

Das deutsche nationale Recht sieht eine Haftung für die mittelbare Verletzung von Rechten des geistigen Eigentums vor. Im Patent- und Gebrauchsmusterrecht ist für den Unterlassungsanspruch des Inhabers nicht erforderlich, dass es zu einer unmittelbaren Verletzung kommt. Es reicht also bereits die Gefährdung des Patents bzw. Gebrauchsmusters aus. Auch im Urheberrecht, Geschmacksmusterrecht und Markenrecht kann bereits die Gefährdung des jeweiligen Rechts Ansprüche des Inhabers begründen.

Neben speziellen Regelungen zur mittelbaren Verletzung in den deutschen Gesetzen zum Patent-, Gebrauchsmuster- und Markenrecht sind die allgemeinen Prinzipien des deutschen Deliktsrechts anwendbar.

Die deutsche Landesgruppe ist der Auffassung, dass der Inhaber eines Rechts des Geistigen Eigentums nicht nur gegen unmittelbare Verletzungen, sondern auch gegen Gefährdungen seines Rechts – durch Anbieten oder Liefern von Mitteln, die für eine unmittelbare Verletzung geeignet sind – vorgehen können sollte. Voraussetzung dafür sollte jedoch insbesondere sein, dass der Anbieter oder Lieferer weiss oder es offensichtlich ist, dass der Belieferte eine unmittelbare Verletzung plant. Lieferungen zur nicht-verletzenden Verwendung der Mittel müssen möglich bleiben.