

Report Q204

in the name of the Hungarian 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.?*

Liability for contributory infringement is explicitly provided for in our national law for patents [Art. 19(3)-(5) of Act XXXIII of 1995 on the protection of inventions by patents].

No such provisions are stipulated in the Hungarian laws for the other IPRs. However, liability for acts which are believed to comprise but also covering a wider scope than contributory infringement is also provided for in Hungary. According to our national IPR laws, an IPR owner may request an injunctive relief also against any person whose services were used for the infringing activities. Further, liability for acts directly threatening with infringement is also provided for in the case of all kinds of IPRs (patents, utility models, trademarks, geographical indications, designs, topography, copyright). For the purpose of the present report, all acts according to this paragraph are called "contributory acts". Thus, contributory acts seem to comprise acts of contributory infringement in the narrow sense as defined in the introduction of the Working Guidelines, as well as further acts which are excluded from the definition of contributory infringement by the Working Guidelines.

There is no published case law in Hungary concerning contributory infringement and on contributory acts as defined above.

- 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?*

No.

- 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.

In the case of patents, all the above conditions apply, except for that the means were intended to be put to that use in the same country. There are no further conditions for patents.

No such explicit conditions apply to the liability for contributory acts. Such acts are to be adjudicated in the light of all relevant circumstances.

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

For patents, yes.

Rules concerning contributory acts are also set out in the Hungarian laws protecting the IPRs.

- 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?*

Liability for acts directly threatening with infringement has its roots in the tort law laid down in the Hungarian Civil Code [Art. 341].

- 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?*

In the case of patents, the same legal consequences apply to contributory infringement as for direct infringement. The patent owner can obtain injunctive relief, as well as can claim the enrichment of the indirect infringer to the same extent as for direct infringement. The patent owner can also obtain damages emerged in connection with acts of the indirect infringer. If there are both direct and indirect infringements, the total claim for actionable damages may be shared between the direct and indirect infringers.

In the case of all IPRs, only injunctive relief can be obtained to stop and prohibit from contributory acts.

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, at least for patents and utility models.

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

Supplying or offering to supply any person, other than a party entitled to exploit the IPR, with means, relating to an essential element of the subject matter of the IPR, for putting it into effect therein, when the supplier or offerer knows, or it is obvious in the circumstances, that these means are suitable and intended for putting that subject matter into effect.

This should not apply when the means are staple commercial products, except where the supplier or offerer induces the person supplied to commit infringing acts.

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

No for patents and utility models.

The interpretation of the terms "means" and "essential element" can be, however, problematic for other IPRs.

- A design is usually deemed as a whole, and not as a product made of essential parts having essential external characteristic features. Thus, the offering or supply of means relating to an essential element of a design - which produces for the informed user the same overall impression as the design itself - may qualify as a direct infringement.
- In the case of trademarks and geographical indications, the term "essential element of the subject matter of the IPR" is to be understood in connection with the physical appearance of the trademark itself, e.g. branded labels as given in the example in point 9 of the Working Guidelines. A clear distinction is to be made that the term "essential element" does not relate to elements of the products or services covered by the trademark. Such an interpretation would lead to a high level of legal uncertainty among suppliers.
- The Hungarian law for copyright provides protection for the copyrighted work as a whole, as well as for integral parts thereof. The offering or supply of an integral part of a copyrighted work seems to qualify as a direct copyright infringement in Hungary. To some extent, the same applies to topography protection.

Accordingly, the terms "means" and "essential element" should be defined more precisely for IPRs other than patents and utility models.

In the view of the Hungarian Group, a generally available possibility of blocking persons whose services are used for infringing activities and of blocking persons directly threatening with infringement (see point 1 above) offers effective enforcement against contributory acts for owners of IPRs other than patents and utility models.

- 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?*

The same legal consequences should apply as for direct infringement.

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

No.

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

In our view, the idea of contributory infringement is somewhat similar to the concept of incomplete criminal acts in the criminal law, wherein not all factors of a crime are carried out, and liability is adjudicated on the basis of consciousness/intention of the relevant person. The similarity between these criminal law and civil law concepts is that missing factors of the crime or direct infringement are “filled out” with the consciousness, intention of the person. The necessity of adjudication of such subjective conditions is relatively rare in the civil law, therefore exact and precise provisions and guidelines are to be laid down for the public and for the courts.

In the opinion of the Hungarian Group, AIPPI should propose to include explicit provisions concerning liability for contributory infringement in the national laws at least for patents and utility models. Further, AIPPI should encourage to lay down precise national provisions and guidelines for the sake of legal certainty.

Summary

In Hungary, liability for contributory infringement is explicitly provided for in the Hungarian law for patents, with the same legal consequences as for direct infringement. Liability for acts which are believed to comprise but also covering a wider scope than contributory infringement (“contributory acts”, like acts directly threatening with infringement) is also provided for in Hungary for all kinds of IPRs. Against such acts injunctive reliefs can only be obtained.

In the opinion of the Hungarian Group, AIPPI should propose to include explicit provisions concerning liability for contributory infringement in the national laws at least for patents and utility models. Further, AIPPI should encourage to lay down precise national provisions and guidelines for the sake of legal certainty.

Résumé

En Hongrie, la responsabilité relative à la violation par complicité est prévue explicitement dans la loi hongroise sur les brevets, et elle comporte les mêmes conséquences légales que la violation directe. En Hongrie, pour tous les types de droits de propriété intellectuelle, on prévoit également la responsabilité relative à des actes considérés comme recouvrant un champ plus vaste que la violation par complicité (“actes par complicité”, tels que des actes présentant un risque direct de violation). A l’encontre de tels actes, seule une ordonnance sur requête peut être obtenue.

Le Groupe hongrois est d’avis que l’AIPPI devrait proposer d’inclure dans les législations nationales des dispositions explicites portant sur la responsabilité en matière de violation par complicité, et ce au moins pour les brevets et modèles d’utilité. De plus, l’AIPPI devrait encourager la mise au point de dispositions et de directives nationales précises en vue de garantir la sécurité juridique.

Zusammenfassung

In Ungarn ist die Haftung für mittelbare Verletzungen von Rechten des Geistigen Eigentums in dem ungarischen Patentgesetz in expliziter Weise geregelt, mit den gleichen Rechtsnachteilen wie bei den direkten Verletzungen. Eine Haftung für Tätigkeiten die höchstwahrscheinlich mittelbare Verletzungen – aber auch anderen – umfassen (“mittelbare Verletzungsmassnahmen” wie z.B. Massnahmen die mit direkter Verletzung drohen) ist in Ungarn auch für alle Rechte des Geistigen Eigentums bestimmt. Gegen solche Massnahmen können nur provisorische Entscheidungen erreicht werden.

Der Meinung der Ungarischen Gruppe nach, AIPPI sollte vorschlagen, Regelungen in expliziter Weise hinsichtlich der Haftung für mittelbare Verletzungen wenigstens für Patente und Gebrauchsmuster in den nationalen Gesetzen aufzunehmen. Weiters, im Interesse der Rechtssicherheit sollte AIPPI befördern, präzise nationale Vorschriften und Richtlinien zu erstellen.