Israel
Israël
Israel

Report Q204

in the name of the Israeli Group
by Tal BAND

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.?*

Israeli law provides for liability for contributory infringement of patents, copyrights and in all likelihood registered designs, though further guidance from the legislator and the courts may be desirable.

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?*

Israeli case law is inconclusive as to whether direct infringement constitutes a precondition for contributory infringement. The Supreme Court has noted that U.S. law so stipulates, but was not required to rule as to whether such a condition applies under Israeli law, as it was assumed that direct infringement had occurred in the case under consideration. On the other hand, in a district court decision, the applicability of contributory infringement with respect to the Design Ordinance was left under consideration as no direct infringement occurred.

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.

Israeli case law specifies three conditions for the contributory infringement of patents: the means supplied to the infringer constitute an essential part of the invention; the supplier knew, or should have known, that the means supplied to the infringer are especially suitable to be included in an infringing combination and that they were actually intended for such use by the infringer; and the means supplied are not staple commercial products.

The recently enacted Copyright Law, 2007 imposes liability for knowingly or negligently permitting, for financial gain, the public performance of copyrighted work in a place designated for public entertainment, without the consent of the copyright owner.

Israeli courts have found contributory infringement of copyrights to exist in other cases as well, applying conditions analogous to those used under patent law, such as: where assistance is provided to the creation of a copy of a non-trivial element of a protected work; and where the proprietor or possessor of the premises in which the infringement took place knew of the infringement, but did not act to prevent it.

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

The Patents Law, 1967, the Trademarks Ordinance [New Version], 1972 and the Design Ordinance, bear no reference to contributory infringement of the respective IP rights. As noted above, the Copyright Law provides for liability with regard to permitting the public performance of a protected work in a place for public entertainment.

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?*

Israeli case law considers patent infringement to be a tortious breach of statutory duty. While patent infringement is actionable only under the *lex specialis* of the Patents Law, it is possible, under the auspices of the Civil Wrongs Ordinance to hold a party liable for procuring patent infringement. However, contributory infringement is an independent doctrine developed by case law and is not limited to cases where the indirect infringer actually procured or joined the direct infringement, as generally prescribed under 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?*

Injunctive relief may be obtained against an indirect infringer under the terms of the relevant IP laws. Compensation, according to the Patents Law, will be awarded based on the extent of the infringing activity and the plaintiff's ensuing situation, taking into account any profits derived from the infringement and reasonable royalties for exploitation of the patent, to the extent infringed. Case law does not discuss whether or not a contributory infringer should be held liable only to the extent of his contribution to the infringement. Some basis for full compensation may be found in a Supreme Court decision which suggested that the provisions of the Patent Law are sufficient to facilitate compensation from an indirect infringer, without it being necessary to seek recourse under gain-based recovery doctrines, such as restitution/ unjust enrichment.

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?

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

Direct infringement of the patent within the territory should be a condition for indirect infringement.

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

No.

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?*

  Yes, unless the means capable of indirect infringement are also suitable for legitimate uses.

– *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 IPR owner should be able to obtain full compensation from the indirect infringer, jointly and severally with the direct infringer.

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

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