

Report Q204

in the name of the Peruvian 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 Peru, the applicable laws regarding industrial property matters are Decision 486 of the Andean Community and Legislative Decree No. 823 – Intellectual Property Law – while the applicable laws regarding copyright are Decision 351 of the Andean Community and Legislative Decree No. 822 – Copyright Law.

In relation to patents, article 68 of Legislative Decree No. 823 states that the patent confers on its owner the right to prevent any third party, without his consent, from supplying or offering to supply means of making an essential element of the patented invention to persons who are not entitled to exploit it, where the third party knows or the circumstances make it obvious that such means are suitable for the making of the invention and are intended for that purpose. This right is not applicable where the means referred to are goods available on the open market, except where the third party induces the person to whom the means are supplied to commit acts prohibited.

Regarding trademarks article 155, section c), of Decision 486 of the Andean Community states that the registration of a mark confers on its owner the right to proceed against any third party who, without his consent, manufactures labels, containers, wrappers, packaging or other materials that reproduce or include the mark, and also marketing or stocking such materials.

Finally, article 39 of Copyright Law states that no authority or natural person or legal entity may authorize the use of a work or any other product protected by Copyright Law, or assist in such use, if the user does not have the prior written authorization of the owner of the relevant rights, save in the exceptional cases provided for by law. In the case of failure to comply, he or it shall be jointly liable.

There are no specific provisions regarding industrial designs.

- 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?*

Even though the law is not clear and there have been no cases in relation of patent contributory infringement, from the reviewing of the law it can be said that it is not a condition for such

liability that the means supplied are actually used by another for committing acts that amount to direct infringement of the IPR in the same country.

It is indeed required the following:

- The means offered or supplied should be used for making an essential element of the patented invention.
- The supplier must or should know that such means are suitable for the making of the invention and are intended for that purpose.

Regarding trademarks, the only case of contributory infringement estipulated in the law is the one of offering or supplying labels, containers, wrappers, packaging or other materials that reproduce or include the mark. In this case the liability is objective.

Regarding Copyright the Law does not estipulate any requirement. It does only states that the one who assist in the use of a work or any other product protected by Copyright Law, without prior written authorization of the owner of the relevant rights, shall be be jointly liable. Under this provision, the administrative authorities have sanctioned the landlords that lease their establishments to people that perform their commercial activities infringing copyright regulations. Indeed, there are resolutions issued by the Copyright Office that establish joint and several liability against both, the landlord and the lessee, because of the illegal acts committed by the latter. Although the landlord was not the author of the illegal activities held in his establishment, the Copyright Office considers that he is also liable for having known or presumably known and consented the illegal distribution of protected work and did not do anything to stop it.

Even though the law does not state anything about the territory in any case it should be interpreted that the acts that amount to direct infringement of the IPR must be committed in the same country.

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.

See answer 2 above.

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

Yes. They are set out in Decision 486 of the Andean Community – Common Regime for Industrial Property, Legislative Decree No. 823 – Industrial Property Law and Legislative Decree No. 822 – Copyright Law.

- 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?*

See answer 4 above.

- 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?*

Yes, he could.

According to article 245 of Decision 486 of the Andean Community, any person who institutes or intends to institute proceedings for infringement may request the competent national authority to order immediate precautionary measures with the view to preventing the infringement from being committed, avoiding its consequences, securing or preserving evidence or ensuring the effectiveness of the action or compensation for damages and prejudice.

The following precautionary measures among others may be ordered:

- a) The immediate cessation of the acts constituting the alleged infringement.
 - b) The withdrawal from commercial channels of the goods resulting from the alleged infringement, including containers, packaging, labels, printed matter or advertising or other material, and also the material and means that mainly served for the commission of the infringement.
 - c) The suspension of the import or export of the goods, materials or means referred to in the foregoing subparagraphs.
 - d) The provision of sufficient security by the alleged infringer.
 - e) The temporary closure of the establishment of the defendant or accused, where necessary to avoid the continuation or recurrence of the alleged 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?*

Compensation for damages shall compensate for losses sustained and also for loss of profits attributable to the infringement. Indemnification for damages shall compensate for losses sustained and also for loss of profits attributable to the violation. The amount of earnings not realized shall be determined according to the profits that the owner would have realized through use or exploitation of the right had the violation not occurred; the profits actually realized by the infringer as a result of the violation; and the price that the infringer would have had to pay the owner for the grant of the license that would have enabled him to engage in rightful use.

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, they should.

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

The ones stated in question 3.

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

In general they should be the same but there could be some particulars depending on the 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?*

The IPR owner should be able to obtain injunctive relief to the same extent as in case of direct infringement. Now regarding damages and other compensation the IPR owner should be able to obtain them in relation to the contributory infringer's contribution.

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

No. They should be the same since in all the cases the damage against the IPR owner is the same.

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

Summary

In Peru, applicable laws regarding intellectual property matters include provisions regarding contributory infringement.

Specifically, regarding patents, it is required that the means offered or supplied should be used for making an essential element of the patented invention and the supplier must or should know that such means are suitable for the making of the invention and are intended for that purpose. Regarding trademarks, it is forbidden the offering or supplying labels, containers, wrappers, packaging or other materials that reproduce or include the mark. In this case the liability is objective. Finally, regarding Copyright, the Law states that the one who assist in the use of a work or any other product protected by Copyright Law, without prior written authorization of the owner of the relevant rights, shall be be jointly liable. Even though the law does not state anything about the territory in any case, it should be interpreted that the acts that amount to direct infringement of the IPR must be committed in the same country.

The Group considers that measures should be available against acts that qualify as contributory infringement of IPRs. Further, the IPR owner should be able to obtain injunctive relief to the same extent as in case of direct infringement. Now regarding damages and other compensation the IPR owner should be able to obtain them in proportion to the contributory infringer's contribution.

Résumé

Au Pérou, les lois applicables à la propriété intellectuelle incluent des dispositions qui font référence à des infractions contributives.

Spécifiquement en ce qui concerne les brevets, il est exigé que les moyens offerts ou fournis soient utilisés pour adapter un élément essentiel de l'invention brevetée et le fournisseur doit ou devrait savoir que ces moyens conviennent parfaitement à l'élaboration de l'invention et ont un tel but. En ce qui concerne les marques, l'offre ou l'utilisation des étiquettes, des containers, des sacs et cartons d'emballage, ou d'autres matériels qui reproduisent ou incluent la marque sont interdits. Dans ce cas la, la responsabilité est objective. Finalement en ce qui concerne les droits de l'auteur, la loi établit que celui qui aide lors de l'utilisation d'un travail ou d'un autre produit protégé par la Loi relative au droit d'auteur et qui ne possède pas une autorisation écrite du propriétaire pour faire valider ces droits, sera aussi responsable. Bien que la loi ne donne aucune norme sur aucun aspect en relation avec le territoire, les actes qui donnent lieu à une infraction directe aux droits de la propriété intellectuelle doivent être commis dans le même pays.

Le Groupe considère qu'il faut disposer de mesures nécessaires contre les actes qui peuvent être qualifiés d'infraction contributive aux droits de la propriété intellectuelle. Ainsi, le propriétaire du droit de propriété intellectuelle doit pouvoir obtenir une mesure de précaution en cas d'infraction directe. Maintenant en ce qui concerne les indemnisations et autres compensations, le propriétaire du droit de propriété intellectuelle doit les obtenir en proportion à la contribution de l'infraction contributive.

Zusammenfassung

In Peru umfassen die Gesetze zum Schutz geistigen Eigentums Regelungen zum Beihilfe-Verstoss.

Speziell was Patente betrifft, wird verlangt, dass die gebotenen oder gelieferten Mittel dazu verwendet werden, einen wesentlichen Teil der patentierten Erfindung zu bilden, und der Lieferant soll oder sollte wissen, dass diese die geeigneten Mittel zur Herstellug der Erfindung sind und zu diesem Zweck geliefert werden. Was die Fabrikmarken betrifft, wird das Angebot bzw. die Verwendung von Etiketten, Behältern, Schutzhüllen, Verpackungen und weiteren Materialien verboten, die die Marke wiedergeben oder beinhalten. In diesem Fall ist die Verantwortung objektiv. Schliesslich, was die Autorrechte angeht, legt das Gesetz fest, dass wer zur Verwendung einer Arbeit oder eines vom Gesetz zum Autorenrecht geschützten Produktes, ohne die schriftliche Genehmigung des Eigentümers der betreffenden Rechte, beiträgt, mitverantwortlich ist. Obwohl das Gesetz keine Regelung bezüglich des Landes beinhaltet, ist es so zu verstehen, dass die Taten, die den direkten Verstoss gegen die geistigen Rechte verursachen, im selben Land begangen werden müssen.

Die Gruppe ist der Meinung, dass man über die notwendigen Massnahmen gegen Taten verfügen soll, die als Beihilfe gegen die Rechte des geistigen Eigentums zuzuordnen sind. Ebenso soll der Eigentümer des geistigen Eigentums eine vorbeugende Massnahme durchsetzen können, wie im Fall eines unmittelbaren Verstosses. Was den Schadenersatz und andere Entschädigungen betrifft, soll der Eigentümer des geistigen Eigentums die Möglichkeit haben, diese in der Höhe zu bekommen, die dem Ausmass der Beihilfe zum Verstoss entspricht.