Working Guidelines

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Question Q204

Liability for Contributory Infringement of IPRs

Introduction

1) This Question concerns the availability of liability for contributory infringement, in respect of patents as well as other forms of intellectual property rights (IPRs). The term "contributory infringement" has different meanings in differing languages and legal systems. In these Working Guidelines, "contributory infringement" shall comprise only the form of "indirect infringement" consisting in the offering or supply of means suitable for committing an act that is a direct infringement of an IPR; "contributory infringement" shall not include other acts known as "indirect infringement", such as inducement or the provision of other assistance than the offering or supply of means for committing a direct infringement.

Previous work of AIPPI

2) At the 1997 ExCo held in Vienna, AIPPI considered the question of indirect infringement of patents, including what is known as contributory infringement.

3) In its resolution Q134A, AIPPI took the position that in respect of patents, liability for indirect infringement does not presuppose that an act of infringement is actually committed by another (the direct infringer).

4) It has been suggested that this position was contrary to established principles of territoriality.

5) However, it was not resolved whether, in the opinion of AIPPI, liability for contributory patent infringement could exist even if the offering or provision by the would-be "contributory infringer" of means to use the invention took place in one country, whereas nobody ever intended to use the means for working the invention in that country, or in any other patent-covered territory.

6) AIPPI has not previously explored the availability of liability for contributory infringement of intellectual property rights other than patents.

Discussion

7) Under the generally established principle of territoriality, the national laws of a country C1 protecting IPRs, such as patents, would only concern infringing acts taking place within the territory of that country. If an undertaking U1 domiciled in country C1 offers and/or supplies means (not themselves constituting a breach of the claims of a patent) that are suitable for working an invention patented in country C1, and the offering and/or supply takes place in country C1 only, and if undertaking U1's customer, undertaking U2, is domiciled in country C2, and obtains and uses the means only there, then there is no "direct" patent infringement in country C1 because no act falling within the patent claims took place in that country. If there is no corresponding patent in country C2, there could be no direct patent infringement in country C2 either.

8) The question is, however, whether there could be liability for contributory patent infringement in country C1 under the circumstances described above. In many countries, it would be a prerequisite for such liability that the means offered and/or supplied by undertaking U1 were not only suitable to be put into an infringing use but also intended for such use on the part of the customer, undertaking U2, and that they were intended for that use in country C1; furthermore, it would be a condition that, at the time of offering and/or supply of the means, such intended use was known to the supplier, undertaking U1, or that it was obvious in the circumstances; on the other hand, it is not a condition for liability for contributory infringement that undertaking U2 actually completed direct infringement by putting the means to the intended use in country C1, provided that it was clear that that was the intention when the means were offered and/or supplied. Such a legal framework does not appear to be in conflict with principles of territoriality.

9) Similar situations could occur in respect of other IPRs. For example, as regards copyright and design rights, the acts that may be considered might, for example, be assistance in supplying parts of a copyrighted or design protected product (e.g. a chair or table protected as a work of art or registered as a design); as regards trademarks, a relevant act may be the printing of branded labels and supplying them to someone who intends to affix them to non-authentic goods, and so on.

10) A variant situation that may indicate the complexity of the issues involved was recently decided upon by the German Federal Supreme Court (Case No. X ZR 53/04 (Funkuhr II)). It was held that supply from Germany into another country of essential parts for a product patented in Germany amounted to contributory patent infringement in Germany where the supplier was aware that the person supplied intended to make the patented product abroad and export the finished product into Germany, which ultimately would constitute use of the invention in Germany.

11) It is a purpose of this Question to explore to what extent there is uniformity in the requirements for liability for contributory infringement of IPRs as described above and, if not, whether there is basis for harmonisation.

12) The Question intends to explore to what extent such liability is regulated in IPR laws or whether it follows from generally applicable legal principles, including those of tort law. It is not the intention of this Question to deal with issues of criminal sanctions.

13) In a more general sense, it may be said that the Question concerns what parties in a chain of supply may be held liable, which is an increasingly relevant issue in globalized trade, including Internet trade, where not all links in the chain may be identifiable or accessible for enforcement measures. However, the Question is not limited to situations where the various links in a supply chain are domiciled or active in different territories.

14) Although IPR infringements on the Internet raise many important issues, e.g. of liability for access providers and hosting providers, it is not the particular focus of this Question to specifically explore the many details of liability or distribution of liability for infringements via the Internet, or the many issues of jurisdiction, conflicts of laws etc.

15) Depending, among other things, on whether the extension of IPR protection to contributory acts follows from IPR laws or from generally applicable legal principles, the content of that protection may vary, for example, in respect of whether injunctive relief is available or whether only economic compensation is available.

Questions

The Groups are invited to answer the following questions under their national laws:

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.?*

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?*

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.

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

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?*

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?*

II) Proposals for substantive harmonisation

The Groups are invited to put forward their proposals for adoption of uniform rules, and in particular consider the following questions:

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?*

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

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?*

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?*

Note:

Because of the breadth of this Question, it will be preferable if the Groups could ensure that experts from all fields of IPR will participate in the preparation of Group Reports on this Question.