

Enforcement of Intellectual Property Rights under German Private Law

*An outline in view of the European Directive on the
Enforcement of Intellectual Property Rights
(2004/48/EC)*

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Intellectual Property

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„geistige Eigentumsrechte“?

- In German, used to be a colloquial term only
- Analogy to property was thought to be inappropriate
- Renaissance of the term now via American and European law
- Pure semantics? Yes and no...

The rightholder's private law remedies

- Injunction: order to
 - cease infringing and/or
 - stop interference with the right (prevent further infringements; provide information...)
- Restitution of the infringer's unjust enrichment:
Reasonable licence fee
- Damages (in case of wilful or negligent infringement)
 - Lost profit or
 - Reasonable licence fee or
 - Account of the profit made by the infringer

Claims against third parties

- In some cases, someone who has made possible an infringement is liable as infringer himself
- Injunction available against a third party in case of infringements that are “gross and easily perceptible” (BGH, March 11, 2004 – I ZR 304/01).
- Content industry is currently lobbying for information rights against internet service providers in general

Sources of the applicable law

- Civil Procedure Act (Zivilprozessordnung)
- Statutes concerning the relevant IP right (Patent Act, Copyright Act, etc.)
- Civil Code (Bürgerliches Gesetzbuch, BGB)
- Case law

Fact-finding during civil litigation

Under the Code of Civil Procedure (ZPO)

- each party is obliged to comment on sufficiently detailed (“substantiated”) allegations by the other party, Section 138 (3) ZPO
- at the request of one party the court can order the other party or a third person to present documents or other evidence to the court (Sections 142 and 144 ZPO)

Rights to be informed under the BGB and IP laws

- against the infringer
- in some cases, against a third party who has made the infringement possible
- often balancing of interests by the courts

Rights to be informed

- Scope:
 - Extent of the infringing activities
 - Identity of other infringers (suppliers, commercial customers)
- Form:
 - Statement by the infringer; no access to infringer's business files for the rightholder
 - Court can order confidential data to be disclosed only to a third party who is under a professional duty to secrecy (usually, an accountant)
- Time:
 - If the request for information is declined the rightholder usually needs to obtain a final court decision confirming his right to be informed
 - In exceptional cases the right to be informed can be enforced through an interim injunction

The European Directive „on the Enforcement of Intellectual Property Rights“ (2004/48/EC)

- To be implemented by 29 April 2006
- National provisions that are more favourable for the rightholders remain unaffected

Scope

- Private law, not criminal law
- Infringements of “intellectual property” rights
- Commercial and non-commercial infringements
 - Commercial infringements are those “carried out for direct or indirect economic or commercial advantage”; this is said to “normally” exclude acts carried out by end-consumers acting in good faith
 - More far-reaching measures in case of (alleged) infringement on a commercial scale
 - Member states have the option to extend the more incisive measures to non-commercial infringements

Directive 2004/48: An overview

- Injunctions mandatory; possibly extension of third parties' liability
- Computation of damages: few and comparatively vague provisions, will probably not entail any changes to German law
- Detailed provisions on the fact-finding process
- Other (codes of conduct for the industry, publication of court decisions, et al.)

Evidence (Art. 6)

- Each party can file for the court to order the other party to present evidence to the court
- Infringements on a commercial scale:
Courts can order one party to present bank, financial and commercial documents

Measures for preserving evidence (Art. 7)

- Orders against the alleged infringer
- Rightholder needs to present “reasonably available evidence to support his claims”
- Then „prompt and effective provisional measures“, e. g., the **seizure of infringing goods, materials used for their production or distribution and documents relating thereto**
- Without the other party having been heard beforehand if necessary, in particular
 - if any delay is likely to cause irreparable harm
 - or if there is a demonstrable risk of evidence being destroyed

Right of information (art. 8)

- Information about distribution channels, the amount of infringing goods and the prices charged
- From persons who were
 - a) Found in possession of the infringing goods on a commercial scale;
 - b) Found to be using the infringing services on a commercial scale;
 - c) Found to be providing on a commercial scale services used in infringing activities, or
 - d) Indicated by a person referred to under a)-c) as being involved in the production, manufacture or distribution of the goods or the provision of the services.
- Balancing of interests by the courts (claimant's request needs to be „proportionate“)

Provisional and precautionary measures (art. 9)

- Preliminary injunctions against
 - the alleged infringer
 - „an intermediary whose services are being used by a third party to infringe an intellectual property right“ (except for infringements of copyright or related rights; for these, art. 8 of the directive 2001/29 remains authoritative)
- Seizure or delivery up of allegedly infringing goods
- Infringements on a commercial scale: order for the precautionary seizure of the alleged infringer's assets and the communication of bank, financial and commercial documents possible
- In appropriate cases the concerned party does not need to be heard beforehand

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