

Implementation of the EC -Enforcement Directive 2004/48/EG in Germany

Dr. Bernd Christian Janssen

1. Introduction

The law implementing EC Directive 2004/48/EG in Germany entered into force on **September 1, 2008**.

Along with the implementation, there will be a number of changes regarding enforcement of patent rights in Germany.

2. Injunction (Sect. 139 PatG)

„Any person who exploits an invention contrary to Sections 9 to 13 may be sued by the injured party to enjoin such use, if the risk of recurrent infringement exists. The same applies in case of a risk of infringement“.

2. Injunction (Sect. 139 PatG)

The amendment to Sect. 139 introduces as a further element of the “risk of recurrent infringement”, which is only a clarifying aspect since it was an element required by the case law. A risk of recurrent infringement can only be dispelled with a declaration to cease and desist comprising a reasonable penalty clause.

3. Recall (Sect. 140a (3) PatG)

„Any person who exploits a patented invention contrary to Sections 9 to 13 can be sued to recall products, which are the subject matter of the patent or to finally remove them from all distribution channels. The first sentence shall also apply, if the products are manufactured directly by a method, which is the subject matter of the patent.”

3. Recall (Sect. 140a (3) PatG)

Under the previous law, it was already possible for the patent owner to demand the destruction of goods in the possession of the infringer. With the amendment it is now possible for the patent owner to demand recall and destruction of products which have left the sphere of control of the infringer.

3. Recall (Sect. 140a (3) PatG)

The entitlement of recall of products which have left the sphere of control of the infringer is only enforceable as far as the infringer has influence on the distribution channels of the products, which means that the infringer must have legal or factual ability to influence his customer to send the products back to the infringer.

This claim for recall will be important in the future, as it is an expensive burden for the infringer

4. Compensation (Sect. 139 (2) PatG)

„Any person who undertakes such an action intentionally or negligently shall be liable for compensation to the injured party for the damage suffered therefrom. By calculating the damage the profit can be taken into account, which the infringer has made by infringing the right. The claim for damages can also be calculated on the basis of the amount, which the infringer would have paid as a reasonable remuneration, if he/she requested the permission to use the invention.”

4. Compensation (Sect. 139 (2) PatG)

Under German Law, the patentee can choose whether compensation is calculated:

- based on the profit of the infringer resulting from the infringing product,
- based on the patentee's own loss of profits,
- based on an adequate license from the infringer.

4. Compensation (Sect. 139 (2) PatG)

The calculation method based on the profit of the infringer recently gained increasing popularity, as the German courts have provided the infringers with severe difficulties in minimizing their profits.

By adding overheads infringers were frequently able to show a loss on infringing sales. Now overheads can only be deducted in exceptional cases.

Fed. Supreme Court. IIC, 2002, 200 (Share of Overheads)

5. Rendering Account (Sect. 140b PatG)

„In cases where infringement is evident or in cases, in which the infringed party has filed a law suit, the claim exists [...] also against a person who commercially

- 1. possesses infringing products*
- 2. utilized infringing products*
- 3. rendered services for infringing actions or*
- 4. [...] was involved in production, creation or distribution of such products or in rendering such services.”*

5. Rendering Account (Sect. 140b PatG)

Patentee may claim information on the names and addresses of commercial customers.

Patentee may also obtain information on non-commercial customers, but only if the information is provided to a certified accountant as a middleman between the patentee and the infringer.

5. Rendering Account (Sect. 140b PatG)

Furthermore, patentee may claim information against commercially acting **third parties** in case of evident infringements and if they possess infringing products in a commercial extent.

Thus, it is now possible to burden the intermediary trade, who can relay their costs for rendering account onto the infringing producer.

5. Rendering Account (Sect. 140b PatG)

Under the former legal practice rendering a false account was more or less without any consequences to the infringer.

Now, the patentee is entitled to receive an affidavit from the managing director of the infringer, if he has tangible information that the account rendered is incomplete or wrong.

6. Obtaining Evidence (Sect. 140c PatG)

„Any person who exploits an invention contrary to Sections 9 to 13 with sufficient probability may be sued by the injured party or any other beneficiary to submit documents or inspection of an object, which is in his /her power of disposal, or a process that is the subject matter of a patent, if this is necessary to give reasons of their claim.”

6. Obtaining Evidence (Sect. 140c PatG)

The most fundamental amendment is the extension of disclosure claims. It is now possible to obtain evidence from a third party not directly involved in the infringement. These may be customers of shipping companies.

It is a precondition that an infringement exists on a commercial scale. Further, the infringement must be obvious or be the subject of an infringement claim at court.

6a. Preserving Pieces of Evidence

In cases, where the realization of features of the patent in suit is publicly available.

- a. There is the risk of loosing pieces of evidence (Sect. 481(1) ZPO)
- b. The inspection of the pieces of evidence might lead to the settlement of the dispute (Sect. 481(2) ZPO)

6b. Ascertainment of the facts of the case

In cases, where the realization of features of the patent in suit is *not* publicly available.

- a. There is the risk of loosing pieces of evidence (Sect. 481(1) ZPO)
- b. The inspection of the pieces of evidence might lead to the settlement of the dispute (Sect. 481(2) ZPO)
- c. *PRELIMINARY INJUNCTION (Sect. 809 ZPO)*

6. Obtaining Evidence (Sect. 140c PatG)

Opposing party will be heard, with exception of the following situations:

- a. cases of particular urgency;
- b. risk that the pieces of evidence be modified after a hearing.

6. Obtaining Evidence (Sect. 140c PatG)

The scope of inspection of assumed infringing devices or processes includes substantial interventions such as installation or removal of components of the device, activation or shutdown of devices and processes, etc.

Every useful action should be named in the motion or inspection

6. Obtaining Evidence (Sect. 140c PatG)

Consideration of Defendant's secrecy interests may be achieved:

- a. prior hearing (not always applicable)
- b. preclusion of Plaintiff as well as Plaintiff's attorneys from the inspection
- c. preclusion of Plaintiff from the inspection and secrecy obligation of Plaintiff's attorneys towards Plaintiff (this is applied by the Düsseldorf Court)

6. Obtaining Evidence (Sect. 140c PatG)

If Respondent defies the inspection and does not grant access to his commercial establishments it is possible to obtain a judicial search warrant (Sect. 758a ZPO).

Will be issued only by the local court where the search is conducted (Sects. 758a (1), 802 ZPO).



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