

GERMANY IMPLEMENTS EU ENFORCEMENT DIRECTIVE & STRENGTHENS IP OWNERS' RIGHTS

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New laws effective September 1, 2008

Germany has implemented the EU IP Rights Enforcement Directive 2004/48/EC into national law. The new German law, called the Act on the Improvement of the Enforcement of Intellectual Property Rights, was passed by the German Parliament on April 11, 2008 and is effective from September 1, 2008. The aim of the new legislation is to give IP owners new tools for combating IP infringement.

Germany chose not to introduce a new general uniform procedural law on the enforcement of IP rights. Instead, it decided to revise and amend its existing specific IP laws, which include the German Trademark Act, Patent Act, Design Act and Copyright Act.

Main changes and improvements

Right to inspection

German law does not provide for discovery proceedings. In addition, German law, until recently, strictly prohibited exploratory investigations, the sole purpose of which was to gather (technical) information on the alleged infringement. The newly implemented IP laws now provide a codified right to inspection. The right to inspection requires only a certain (and not necessarily a high) probability of infringement. IP owners will be granted a pretrial right to inspection for the collection of evidence by the German courts. The right to inspection may also be immediately and provisionally enforced on the basis of a summary proceedings.

Right of information

The IP owner, as in the past, will have a right of information against the alleged infringer. This right has now been broadened considerably, however, and the IP owner will be able to assert a claim for information about the origin and distribution channels of infringing goods against certain non-infringers who, for example, are found in the possession of infringing products on a commercial scale, such as warehouse operators, shipping companies, etc.

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Right to remove infringing goods from distribution channels

In the past, the infringer would not be required to recall or remove all the products that had already been sold to the market. The new German provisions make it possible for IP owners to claim a recall or removal of the products. In such circumstances, all infringing goods would therefore need to be taken off the market.

Damage compensation

The three methods currently used in Germany to calculate the amount of damages—licence analogy, the patentee's lost profits and infringer's profits—were integrated into the respective national IP laws. IP owners still cannot request punitive damages.

Simplified procedure for the destruction of counterfeits

New supplemental rules have been implemented with customs actions against goods suspected of infringing IP rights. On the basis of the new rules, infringing products may be destroyed by customs offices regardless of whether a court has found the products to be infringing. The prerequisite for this will be either that the potential infringer agrees or, what will more often be the case, the infringer is deemed to agree (implied approval) to the destruction if he or she does not object to it within two weeks following the IP holder's application.

Publication of court decisions

The right of the prevailing party to request the publication of the court decision is also new. Where the decision should be published, for example in a trade magazine, it can be requested by the prevailing party, and the infringer must bear the costs of its publication.

Strengthening of IP rights in Germany

By implementing the new laws, Germany is moving closer to the concept of *'saisie-contrefaçon'* or 'discovery'. Germany has always been a good choice of venue for the enforcement of IP rights—due to its central location within Europe, its specialised IP courts, and moderate costs with respect to litigation. The new arsenal and the remedies now at hand will further strengthen IP owners' rights. Infringers of IP rights in Germany—beware!

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