

GRUR MEETS BRUSSELS
ENFORCEMENT OF IP RIGHTS IN THE DIGITAL ENVIRONMENT – CONCERN, CHALLENGES
AND ACTIONS REQUIRED FOR THE PROTECTION OF THE SINGLE MARKET

BRUSSELS
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E-COMMERCE DIRECTIVE VS. IP RIGHTS ENFORCEMENT
LEGAL BALANCE ACHIEVED?

A GERMAN CONSIDERATION OF THE NEW ENFORCEMENTS INSTRUMENTS WITH A SPECIAL
VIEW TO THE “eBAY DECISIONS”, THE GERMAN TELEMEDIA ACT OF 18 JANUARY 2007 AND
DATA PROTECTION-RELATED ASPECTS

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I. Introductory Remarks

Remarks concerning the topic:

- Focus on judgment “Internet-Auction” of 11 March 2004 by the Bundesgerichtshof (BGHZ 158, 236 = GRUR 2004, 860 = NJW 2004, 3102; English language version published in IIC 2005, 573)
- Touching on new German Telemedia Act of 26 February 2007

II. ROLEX/RICARDO Case: The Facts

- Plaintiff: ROLEX. Trademark ROLEX” and



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- Defendant: RICARDO. Organizer of third-party auctions
- Sale of counterfeits
- Indication of forgeries: (“FINE REPLICA”, “No difference to the original”, “Blender” or “Phoney”, “Top imitation” “ROLEX SUBMARINE without certificate of authenticity”)
- Action against RICARDO for a cease and desist order, for disclosure, for a finding that the defendant was liable for damages
- District court granted a cease and desist order, an order for disclosure, and gave a declaratory judgment as to damages
- Court of Appeal reversed judgment of the District Court and dismissed the action

III. ROLEX/RICARDO Case: The Judgment

Appeal of ROLEX was successful in part:

- Action was rightly dismissed as to disclosure and damages
- Court of Appeal’s judgment was set aside as to cease and desist order
- As to cease and desist order the case was remitted to the Court of Appeal

IV. ROLEX/RICARDO Case: The Findings

- Clear trademark infringement
- Likelihood of confusion is not eliminated because bidder knows he/she is buying counterfeit goods (after sale confusion)

- RICARDO is privileged under Article 14 E-Commerce Directive (2000/31/EC) or Article 11 of the German Teleservices Act

Article 14 E-Commerce-Directive

Hosting

1. Where an information society service is provided that consists of the storage of information provided by a recipient of the service, Member States shall ensure that the service provider is not liable for the information stored at the request of a recipient of the service, on condition that:

- (a) the provider does not have actual knowledge of illegal activity or information and, as regards claims for damages, is not aware of facts or circumstances from which the illegal activity or information is apparent; or
- (b) the provider, upon obtaining such knowledge or awareness, acts expeditiously to remove or to disable access to the information.

2. Paragraph 1 shall not apply when the recipient of the control of the provider.

3. This Article shall not affect the possibility for a court or administrative authority, in accordance with Member States' legal systems, of requiring the service provider to terminate or prevent an infringement, nor does it affect the possibility for Member States of establishing procedures governing the removal or disabling of access to information.

No damages. No disclosure.

- Privilege of Article 14 E-Commerce Directive does not include injunctive relief (cease and desist order)

Article 14(3) E-Commerce-Directive

Article 14(1)(a) E-Commerce-Directive contains a special privilege as to damages claims: If the service provider **is not aware of facts or circumstances from which the illegal activity or information is apparent**, there is no liability for damages. If injunctive relief were covered by the liability privilege under Article 14 of the Directive, this would have the unacceptable consequence that stricter requirements would apply to injunctive relief than do apply to the claim for damages.

Article 8(2) of the German Teleservices Act first sentence states that **„service providers within the meaning of Secs. 9 to 11 ... (are) not obliged to monitor the information communicated or stored by them or to investigate circumstances that indicate an unlawful activity“**.

The second sentence makes it clear that **„obligations to remove or block the use of information in accordance with the general laws ... (remain) unaffected even where the service provider is exempt from liability pursuant to Sections 9 to 11“**. Section 8(2)(2)

of the Teleservices Act applies to all service providers pursuant to Sections 9 to 11 of the Act”

- RICARDO itself did not commit a trademark infringement because it does not itself offer the goods or puts them into circulation, nor does it use the trademark for advertising purposes. RICARDO is not an accomplice in the trademark infringement of the vendor because of lack of intent.
- RICARDO can still be liable as an accessory (Störer).
- Injunctive relief against an accessory (Störer) is subject to conditions. It only applies if an obligation to prevent the infringement on the side of the accessory can be construed and if the accessory has infringed such an obligation.
- Did RICARDO have such an obligation
 - No obligation to examine all the offers made in the auction before publication in the internet.
 - RICARDO participates in the infringement by way of a commission.
 - Whenever the RICARDO’s attention has been drawn to a clear infringement of a trademark two obligations arise:
 - (1) Obligation to block access to the specific offer
 - (2) Obligation to prevent, as far as possible, further trade mark infringements of this kind.
 - Once an infringement such as in the ROLEX/RICARDO case has occurred and the service provider’s attention is drawn to the infringement, the service provider has to take reasonable provisions to prevent further infringements (*in casu*: RICARDO would be obliged to react to these cases by subjecting offers of Rolex watches to a special examination in order to find out whether or not there is a clear infringement)

V. The new German Telemedia Act of 26 February 2007

- Identical provisions as to privilege of hosting
- Complaints of the industry (eBay) are mentioned in the memorandum to the draft, but they are left to the European legislator

V. Conclusions

Balance of interest between the interests of the right holder and service provider. The judgment makes it clear that the business model of internet auctions should not be jeopardized.

Balance of interest is, however, based on the peculiarities of German law, especially on the rules applying to the liability of the accessory (Störerhaftung). E-Commerce Directive does not provide for such a balanced solution. European legislator is being asked for.