

CHECKLIST OF ISSUES ON ENFORCEMENT¹

Responses from Austria

Civil and Administrative Procedures and Remedies

(a) *Civil judicial procedures and remedies*

1. Specify the courts which have jurisdiction over IPR infringement cases.

In accordance with § 51, para 2, Z 9 and 10 JN disputes involving legal procedures referring to the protection and use of inventions, trade marks, models etc. as well as disputes in respect of the intellectual property rights law irrespective of the value of the object disputed fall within the competence of the commercial courts (at the time being there is only one commercial court situated in Vienna) and/or the commercial senates of the respective provincial courts. § 162 PatG, § 38 MuSchG, § 23 HlSchG and § 44 GMG furthermore stipulate the exclusive competence of the Vienna Commercial Court for claims on the grounds of violation of patent rights as well as design protection and semiconductor protection or utility model protection rights.

2. Which persons have standing to assert IPRs? How may they be represented? Are there requirements for mandatory personal appearances before the court by the right holder?

In accordance with § 27, para 1 ZPO parties appearing before the Vienna Commercial Court or the provincial courts must be represented by lawyers (statutory requirement to be represented by a lawyer). But the party concerned may well accompany the lawyer and appear before court and make additional oral statements. Foreign lawyers admitted to practise in EEA countries and having furnished evidence of an Austrian lawyer they are in agreement with, may represent a client before Austrian courts in accordance with EEA-RAG 1993, Federal Gazette No. 21.

According to § 371 ZPO the giving of evidence in the form of having a party interrogated may be ordered upon request or *ex officio*. Taking evidence by a judge requested to do so is permissible only if the personal appearance of a party meets with insurmountable obstacles or would involve out of all proportion high costs.

There is no obligation for a party to appear before court. Where a party summoned to appear for an interrogation does not show up without furnishing sufficient reasons in accordance with § 381 ZPO the Court must decide as to what influence this behaviour is to have as regards the discovery of evidence, duly taking into account all circumstances.

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3. What authority do the judicial authorities have to order, at the request of an opposing party, a party to a proceeding to produce evidence which lies within its control?

a) In accordance with § 183, para 1, Z 2 ZPO the judge may order that a party submits documents or other objects for judicial inspection in its possession. If the party does not meet the order, this can only be taken into consideration at the evaluation of evidence.

b) If a party claims that a document containing an essential piece of evidence is in the hands of the opponent (or a third party) the court may upon the request of the claiming party order the opponent (or the third party) to present such document. Information material and probably also pictures and sound carriers are placed on an equal footing with documents (§ 318 ZPO).

In such cases the opponent may refuse presentation of the document only:

- if it refers to family matters;
- if the presentation would violate an obligation of honour;
- if disclosure of the document would be to the detriment of the party or of third persons or might entail danger of prosecution;
- if by presenting the document the party would violate its duty to observe secrecy; or
- if there are other material obstacles justifying refusal of presentation of the document.

But if the opponent (or the third party) is obliged to present the document according to civil law, if the document by its content is a common document of both parties (a document is considered a common one if it is written in the interest of all parties concerned or documents the mutual legal relations) or if also the opponent has referred to it for the purpose of giving evidence, the opponent (or the third party) must submit the document.

The order to the opponent to submit the document is not executable (contrary to an order of presentation issued to a third party). If the opponent does not fulfil his duty of disclosure of the document or has on purpose destroyed or otherwise invalidated it, the influence of such a deed on the judgement of the case lies within the discretion of the judge.

4. What means exist to identify and protect confidential information brought forward as evidence?

Procedural law in Austria does not provide for any special marking or protection of confidential evidence.

In accordance with § 172 ZPO the public is to be excluded *ex officio* if public morals or public order seem to be in danger or if facts of family life need to be discussed and proven. In proceedings involving a claim on the grounds of the federal law against unfair competition, Federal Gazette No. 448/1984, the public may be excluded upon request if a business or company secret could be endangered by the presence of the public (§ 26 UWG).

In accordance with § 219 ZPO the parties may inspect procedural records, also in the case of procedural records of other courts or intellectual property rights material submitted by witnesses. Third parties have access to inspection only upon the consent of both parties or in the event that they can furnish *prima facie* evidence of their legal interest.

5. Describe the remedies that may be ordered by the judicial authorities and criteria, legislative or jurisprudential, for their use:

- **injunctions;**
- **damages, including recovery of profits, and expenses, including attorney's fees;**
- **destruction or other disposal of infringing goods and materials/implements for their production;**
- **any other remedies.**

Anyone whose exclusive rights under copyright law were infringed may:

- lodge a claim for injunction, also if the infringement is merely to be anticipated;
- lodge a claim for discontinuation of the *status quo* constituting a violation of the law (this includes destruction of the objects of encroachment and also the rendering unusable of the means of encroachment, i.e. the means exclusively used for the illegal duplication);
- under certain conditions request the publication of a court decision on the claim for discontinuance and destruction;
- where an exploitation right is concerned, request reasonable compensation;
- in the case of guilty violation of the law request the replacement of the property damage including the lost profit plus a reasonable compensation for the disadvantages not consisting in loss of money.

Furthermore, a person entitled to compensation may request from the person sentenced to pay a reasonable remuneration, a reasonable compensation, damages, or profits made, the submission of invoices and the verification of correctness of the invoices by an expert.

6. In what circumstances, if any, do judicial authorities have the authority to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the goods or services found to be infringing and of their channels of distribution?

A right to information is not provided for in the two instances mentioned in the question. However, the right to information can be made use of in the two following cases:

- A person liable as a guarantor or payer for the so-called blank tape levy (remuneration for private re-recording) must inform the person entitled thereto from whom he/she obtained the carrier material unless he/she pays the remuneration for this carrier material.
- A person distributing material in respect of which the distribution right has been exhausted by marketing in one of the member states of the European Economic Community or the European Free Trade Association expired, must give correct and complete information to the person entitled thereto on the manufacturer, the content, the country of origin, and the quantity of the material distributed.

7. Describe provisions relating to the indemnification of defendants wrongfully enjoined. To what extent are public authorities and/or officials liable in such a situation and what "remedial measures" are applicable to them?

In accordance with § 41 ZPO the party fully losing an action must remunerate all opponents for all the costs incurred for an adequate prosecution and defence during the court proceedings.

If the endangered party is deprived of the claim for which the interim injunction was granted, if the request is proved unjustified or if the party does not meet the deadline for bringing an action or instituting the execution, the party having obtained the interim injunction must indemnify the opponent for all monetary disadvantages suffered from the interim injunction. If the interim injunction was obviously brought about out of (pure) mischief the party must be punished with a respective fine to be assessed individually in due consideration of the circumstances of a case upon request of the opponent. As far as the state liability is concerned, as referred to in the second sentence of question 7, it can be pointed out that in accordance with § 1 of the state liability law (AHG), Federal Law Gazette No. 20/1949, in the current version, according to the provisions of the civil law, the federal government and the other legal entities are liable for damage caused by persons acting as organs executing the law by illegal behaviour towards whoever. This liability also extends to negligence. According to jurisdiction, however, no fault infringement is committed if the authority took an incorrect but in the concrete case defensible legal point of view. Damages can only be made in terms of money. No limitation in respect of the amount of the liability is foreseen. The acting organ is not personally liable to the person who suffered the damage.

8. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.

a) Duration of proceedings

The following concentration measures should be emphasized: the collection of material rests with the first instance; the prohibition of renewal applies to the higher instances. The principle of oral presentation helps to streamline proceedings; in accordance with § 258 ZPO prepared written statements of the case are only permissible up to the start of the dispute proceedings. Hearings and deadlines must be stipulated *ex officio*. Although in accordance with § 179 ZPO the parties may submit new statements and pieces of evidence until the end of the oral proceedings, such behaviour may be declared improper if the new applications and pieces of evidence were obviously not proffered earlier for the purpose of delaying the proceedings and if their admission would, in actual fact, essentially prolong the proceedings. Acceptance of evidence offered may, in accordance with § 275 ZPO be refused upon request or *ex officio*, if the court gains the conviction that such evidence is only offered in order to prolong the proceedings. Where the acceptance of a piece of evidence meets with the obstacle of uncertain duration, the court must upon request fix a due date after the expiry of which the proceedings are continued irrespective of any evidence not yet furnished. If statements or evidence are furnished out of time the court may, upon request or *ex officio*, charge the party concerned, also if the party wins the case, with the indemnification in part or in full of the costs of the proceedings (cost fine) in accordance with § 44 ZPO, or charge it for the costs incurred (cost separation) in accordance with § 48 ZPO. The party having caused a delayed due date or a prolonged hearing, must be charged with the costs incurred therefor in accordance with § 142 ZPO.

The duration of dispute proceedings at the provincial courts and at the Vienna Commercial Court lies between 6 and 18 months.

b) Costs

The costs of a proceeding comprise the court fees (including also other costs incurred) and all other costs (in particular the representation costs of the lawyer).

The fee to be paid to the State for the execution of the proceedings depends on the value in dispute. It is a lump sum per instance appealed to and does not depend on the duration of the proceedings, in particular the number and duration of court hearings.

In the context of the above-mentioned proceedings, the value in dispute usually amounts to between ATS 50.000.- and ATS 500.000.-. For proceedings in the first instance the fee for a value in dispute between ATS 50.000.- and ATS 100.000.- is ATS 2.910.-; for a value in dispute between ATS 100.000.- and ATS 500.000.- ATS 6.890.-.

For proceedings in the second instance (appeal proceedings) the fee for an amount in dispute on appeal of between ATS 50.000.- and ATS 100.000.- is ATS 5.300.- and for an amount in dispute on appeal of between ATS 100.000.- and ATS 500.000.- ATS 10.600.-

For proceedings in the third instance (revision proceedings) the fee for an amount in dispute at revision of between ATS 50.000.- and ATS 100.000.- is ATS 6.620.- and for an amount in dispute at revision of between ATS 100.000.- and ATS 500.000.- ATS 13.250.-

To this must be added possibly further costs (in particular the costs incurred for experts and fees paid to witnesses), the amount of which cannot even be approximated in view of the different circumstances encountered in each procedure.

The costs of the lawyer are calculated according to a system of rates graded on the basis of the value in dispute. *Quota-litis* agreements are not permitted.

(b) *Administrative procedures and remedies*

9. Reply to the above questions in relation to any administrative procedures on the merits and remedies that may result from these procedures.

Administrative procedures are not provided for in the field of intellectual property rights law.

Provisional Measures

(a) *Judicial measures*

10. Describe the types of provisional measures that judicial authorities may order, and the legal basis for such authority.

In accordance with § 378 EO the court may, upon request, issue an interim injunction in order to secure the rights of a party before and during proceedings and also during the execution process. Interim injunctions may be issued in order to secure pecuniary claims and also other claims. Interim injunctions in order to secure pecuniary claims are not permissible in as far as the party can, for the same purpose, obtain execution procedures on the property of the opponent. Such interim injunctions

may otherwise be issued if there is the probability that in their absence the opponent would behave in a way so as to render the collection of the outstanding money difficult or impossible for the endangered party, or if the sentence would have to be executed abroad. The security measures to be issued may be the following:

- the custody and administration of movable physical objects of the opponent of the endangered party;
- total prohibition of transfer or pawning of movable physical objects;
- inhibition of third parties (the opponent of the endangered party is denied all forms of disposition in respect of the claim and third parties are ordered not to make any payments due to the opponent of the endangered party until further notice, not to hand over objects the opponent is entitled to and do nothing whatsoever which might render an execution difficult or impossible).

Interim injunctions to provide security for other rights may be issued if and when it is to be anticipated that in their absence the prosecution or recovery of the claim in question might be rendered very difficult or altogether impossible. One of the complications referred to in this context would be the execution of the sentence abroad. Or also if such an injunction appears necessary in order to prevent the threat of violence or irrecoverable damage.

An interim injunction ordering the prevention of a violation of intellectual property rights or related protective rights, patent rights, trademark rights, model rights or semi-conductor rights may also be issued if these preconditions do not exist.

11. In what circumstances may such measures be ordered *inaudita altera parte*?

The opponent of an endangered person need not be given the opportunity of commenting on the requested interim injunction prior to its issue. A request for the issue of an interim injunction is, in principle, decided on exclusively on the basis of the evidence furnished by the endangered party.

12. Describe the main procedures for the initiation, ordering and maintenance in force of provisional measures, in particular relevant time-limits and safeguards to protect the legitimate interests of the defendant.

In the request for the issue of an interim injunction the endangered party must specify the injunction desired, the time period for which it is requested, as well as the claim stated or already adjudicated and truthfully and in detail indicate all facts the application is based on. In the absence of satisfactory evidence for the stated claim an interim injunction may be issued if the disadvantages the opponent is threatened with may be compensated for by a pecuniary indemnification and the applicant deposits the respective sum as fixed by the court. The court may make the issue of an interim injunction dependent on such a security deposit also if the furnished evidence is satisfactory.

In the decision by which an interim injunction is issued the time period for which the injunction is valid, must be indicated. If an interim injunction is granted prior to the effective date for the rights claimed by the applying party or otherwise prior to the instigation of proceedings or of the execution, the decision must indicate a reasonable deadline for filing a claim or for applying for an execution permit. Upon expiry of the due date without any result, the injunction must be revoked upon request or *ex officio*.

The execution of a granted injunction is not permissible, unless it is postponed by an appeal lodged, if more than one month elapsed since the day the permission was announced or forwarded to the applicant.

The opponent of the endangered party may, if not heard prior to the decision being taken, lodge opposition within a period of 14 days. This has no effect on the execution of the injunction issued, however.

13. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.

As regards the costs of proceedings, please see the answer to question 8, lit b. No data are available in respect of the typical duration of proceedings on interim injunctions in matters of immaterial property rights.

(b) *Administrative measures*

14. Reply to the above questions in relation to any administrative provisional measures.

No administrative provisional measures are provided for in the intellectual property rights law.

Special Requirements Related to Border Measures

15. Indicate for which goods it is possible to apply for the suspension by the customs authorities of the release into free circulation, in particular whether these procedures are available also in respect of goods which involve infringements of intellectual property rights other than counterfeit trademark or pirated copyright goods as defined in the TRIPS Agreement (footnote to Article 51). Specify, together with relevant criteria, any imports excluded from the application of such procedures (such as goods from another member of a customs union, goods in transit or *de minimis* imports). Do the procedures apply to imports of goods put on the market in another country by or with the consent of the right holder and to goods destined for exportation?

A suspension of customs release applies to:

- "imitated goods" (for a definition see Art. 1, para 2, lit a of EC Directive No. 3295/94);
- "unlawfully manufactured items of duplication" (for a definition see Art. 1, para 3 of EC Directive No. 3295/94).

These terms are much less rigorously coined than the terms "counterfeit trademark or pirated copyright goods" as defined in annotation 14 to Article 51 of the TRIPS Agreement and thus include also goods not covered by the TRIPS Agreement.

Excluded from the customs authority measures are:

- Goods traffic between member states of the European Union, since customs checks are no longer effected there for as long as the goods are transported within the community;

- Original goods lawfully put on the market in another country and intended for imports or exports in circumvention of contractually fixed distribution channels (parallel imports, re-imports);
- Goods without commercial character, belonging to the personal luggage of travellers and permitted as duty free imports.

16. Provide a description of the main elements of the procedures relating to the suspension of the release of goods by customs authorities, in particular the competent authorities (Article 51), the requirements for an application (Article 52) and various requirements related to the duration of suspension (Article 55). How have Articles 53 (security or equivalent assurance), 56 (indemnification of the importer and of the owner of the goods) and 57 (right of inspection and information) been implemented?

An application for the intervention of customs authorities must be filed by the title holder or an authorized representative of the latter. Title holders not having a business seat or a residence in Austria, may file an application via an authorized representative with a business seat or a residence in Austria only.

The application must be filed with the Customs Office at Arnoldstein, Greuth 9, A-9602 Thörl-Maglan, Tel: 04 255 8282-405, Telefax: 04 255 8282-417.

The application must contain:

- a sufficiently precise description of the goods;
- evidence of possession of the respective protection right for the goods; and
- indication of the duration for which the intervention of the customs authorities is requested (the application may be requested for two years at the longest, but is infinitely extendable).

The title holder must furnish a guaranty (e.g. bank guaranty or cash), depending on the respective duration, and intended to cover the liability vis-à-vis a person affected by the measures taken and any transport or depot costs in connection with the confiscation of goods.

The applicant must reimburse the costs of personnel and material incurred for the intervention of the customs authorities when dealing with the application, the personnel costs being charged according to the personnel cost rates applied for customs procedures. Irrespective of any cash reimbursements or other material expenditure they will amount to between ATS 900.- and 1.000.-

The decision issued on the basis of an application will be forwarded to all Austrian customs offices. The latter will intervene if they discover goods which are a subject matter of the decision.

17. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost. How long is the validity of decisions by the competent authorities for the suspension of the release of goods into free circulation?

No information can be furnished at the time being in respect of the length and cost of proceedings.

18. Are competent authorities required to act upon their own initiative and, if so, in what circumstances? Are there any special provisions applicable to *ex officio* action?

So far there are no provisions for an *ex officio* action on the part of the customs authorities.

19. Describe the remedies that the competent authorities have the authority to order and any criteria regulating their use.

The procedures as specified for customs release apply *mutatis mutandis*. Besides the relevant procedural specifications above all the provisions on security in customs procedures must be adhered to.

Criminal Procedures

20. Specify the courts which have jurisdiction over criminal acts of infringement of IPRs.

Penal proceedings in accordance with the intellectual property rights law and the trademark protection law rest with the judge sitting alone at the court of the first instance (§ 91, para 5 UrhG; § 53, para 2 MarkG).

Penal proceedings in accordance with the patent law (§ 162, para 2), model protection law (§ 38, para 2), utility model law (§ 44, para 2) and the semi-conductor protection law (§ 23, para 2) fall within the competence of the criminal court of the first instance in Vienna.

21. In respect of which infringements of which intellectual property rights are criminal procedures and penalties available?

A criminal offence according to § 91 of the intellectual property rights law is committed by a person who intentionally and unauthorized makes use of a piece of literature or art in a way reserved to the author/originator; records the presentation or performance of a work of literature or music contrary to legal provisions on a picture or sound carrier or duplicates or distributes the latter; broadcasts the presentation or performance of a work of literature or music via radio or publicly reproduces it; makes use of a picture or a sound carrier in a way reserved to the manufacturer or makes use of a broadcast in a way reserved to a broadcaster; furthermore, puts goods exclusively destined to facilitate the illegal removal or circumvention of technical mechanisms for the protection of computer systems on the market or possesses the latter for profit-making purposes; and, furthermore, who as owner or manager of an enterprise does not prevent activities of this kind undertaken by an employed or otherwise commissioned person.

A criminal offence according to §§ 51 and 52 of the trademark protection law is committed by a person who intentionally, in a way that might cause confusion in business, and unauthorized uses a registered trademark or a sign similar to the trademark for making goods or services, for which the trademark was registered, or goods or services of the same kind transactions, or offers such goods for sale or puts them on the market; furthermore, who unauthorized uses a name, a company name or the special designation of a company or a sign similar to such designations for marking goods or services, or offers such goods for sale or puts them on the market. The intentional infringement of a patent (§ 159 PatG), a model right (§ 35 MuSchG), a utility model (§ 42 GMG) and/or a semi-conductor protection right (§ HlSchG) also constitutes a criminal offence; the owner or manager of a company who deliberately does not prevent such criminal activity on the part of an employed or

otherwise commissioned person, makes himself liable for prosecution. Liability of the owner or manager of a company extends in such cases also to organs of the company if the owner is a legal person.

22. Which public authorities are responsible for initiating criminal proceedings? Are they required to do this on their own initiative and/or in response to complaints?

In all the cases quoted the offender is to be prosecuted only upon request by the person offended; it is always a private criminal offense.

23. Do private persons have standing to initiate criminal proceedings and, if so, who?

See reply to question 22.

24. Specify, by category of IPR and type of infringement where necessary, the penalties and other remedies that may be imposed:

- **imprisonment;**
- **monetary fines;**
- **seizure, forfeiture and destruction of infringing goods and materials and implements for their production;**
- **other.**

Criminal offenses in accordance with the intellectual property rights law are punishable by imprisonment of up to 6 months or fines up to 360 daily rates.

Punishment for all other criminal offenses referred to above is a fine of up to 360 daily rates.

Furthermore all laws mentioned provide for the destruction and rendering unusable of objects and means encroached upon the request of the plaintiff and authorization of the winning party to publish the decision at the expense of the sentenced party (see § 92 UrhG, § 54 MarkG, and §§ 148 f PatG, to which the other laws refer).

In accordance with the intellectual property rights law objects and means encroached may be confiscated upon the request of the plaintiff (§ 92 UrhG). Destruction and rendering unusable may also have to be ordered in a separate proceeding (§ 92, para 2 UrhG).

25. Describe provisions governing the length and any cost of proceedings. Provide any available data on the actual duration of proceedings and their cost, if any.

No data available.