

CHECKLIST OF ISSUES ON ENFORCEMENT¹

Responses from Germany

Preliminary Remarks

The following statutes ensure specific protection of intellectual property rights:

- Patent Law (Patentgesetz)
- Utility Model Law (Gebrauchsmustergesetz)
- Law on the Protection of the Topographies of Microelectronic Semiconductor Products - Semiconductor Protection Law (Gesetz über den Schutz der Topographien von mikroelektronischen Halbleitererzeugnissen - HalbleiterschutzG)
- Law on the Protection of Plant Varieties - Varieties Protection Law (Sortenschutzgesetz - SortenschutzG)
- Law on the Protection of Trade Marks and other Signs - Trade Mark Law (Gesetz über den Schutz von Marken und sonstigen Kennzeichen - Markengesetz)
- Law concerning Copyright in Industrial Designs - Designs Law (Gesetz betreffend das Urheberrecht an Mustern und Modellen - Geschmacksmustergesetz)
- Law on Copyright and Neighbouring Rights - Copyright Law (Gesetz über Urheberrecht und verwandte Schutzrechte - Urheberrechtsgesetz)

The following statutes are also relevant to the general questions of implementation of the law:

- Civil Code (Bürgerliches Gesetzbuch - BGB)
- Criminal Code (Strafgesetzbuch - StGB)
- Courts Constitution Act (Gerichtsverfassungsgesetz - GVG)
- Code of Civil Procedure (Zivilprozeßordnung - ZPO)
- Code of Criminal Procedure (Strafprozeßordnung - StPO)
- Court Costs Act (Gerichtskostengesetz - GKG)
- Federal Code of Lawyers' Fees (Bundesgebührenordnung für Rechtsanwälte - BRAGO)

¹Document IP/C/5

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 the relevant statutes (with the exception of the Copyright Law) the civil chambers of the Regional Courts (Landgericht) have exclusive jurisdiction for litigation regarding intellectual property rights, regardless of the value in dispute (section 143 subsection 1 of the Patent Law, section 27 subsection 1 of the Utility Model Law, section 11 subsection 2 of the Semiconductor Products Protection Act in conjunction with section 27 subsection 1 of the Utility Model Law, section 38 subsection 1 of the Varieties Protection Law, section 15 subsection 1 of the Designs Law and section 140 subsection 1 of the Trade Mark Law). The Länder governments are empowered by virtue of these statutes to concentrate such litigation with one Regional Court by means of a legal ordinance (section 143 subsection 2 of the Patent Law, section 27 subsection 2 of the Utility Model Law, section 11 subsection 2 of the Semiconductor Protection Law in conjunction with section 27 subsection 2 of the Utility Model Law, section 38 subsection 2 of the Varieties Protection Law, section 15 subsection 2 of the Designs Law and section 140 subsection 2 of the Trade Mark Law). Most of the Länder have done this.

Copyright litigation may be carried out before the courts of ordinary jurisdiction (section 104 first sentence of the Copyright Law). Jurisdiction then belongs with either the Local Courts (Amtsgericht) or the Regional Courts -depending on the value in dispute- (section 23 subsection 1 and section 71 of the Courts Constitution Act). For copyright litigation arising out of employment or service relationships that concern solely claims to the payment of an agreed remuneration, recourse may be had to the Labour Courts (Arbeitsgericht) or to the Administrative Courts (Verwaltungsgericht) (section 104 second sentence of the Copyright Law). The Länder governments may by means of a legal ordinance concentrate with one Local Court copyright litigation falling within the jurisdiction of the Local Courts. The same applies to litigation falling within the jurisdiction of the Regional Courts (section 105 subsections 1 and 2 of the Copyright Law). Most of the Länder have done this.

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?

Anyone claiming to hold a right, or claiming to be the legal successor of the original right holder, may assert this right in court.

Before Regional Courts and higher courts, the parties must be represented by a lawyer acting as their counsel who is admitted by the trial court (section 78 subsection 1 of the Code of Civil Procedure). If jurisdiction has been concentrated, (cf. at 1), lawyers may also represent who are admitted to the Regional Court within whose jurisdiction the action would fall without this concentration (section 143 subsection 3 of the Patent Law, section 27 subsection 3 of the Utility Model Law, section 11 subsection 2 of the Semiconductor Protection Law in conjunction with the section 27 subsection 3 of the Utility Model Law, section 38 subsection 3 of the Varieties Protection Law, section 140 subsection 3 of the Trade Mark Law, section 15 subsection 3 of the Designs Law and section 104 subsection 4 of the Copyright Law). If the litigation is under the jurisdiction of the Local Court (which is only possible in copyright litigation cf. at 1), in accordance with section 79 of the Code of Civil Procedure the parties may carry out the proceedings themselves or via any person having the capacity to conduct proceedings (cf. sections 51-55 of the Code of Civil Procedure on this matter). Patent lawyers may also act.

On principle, the parties are not obligated to appear in person before the court. In accordance with section 141 subsection 1 first sentence and section 273 subsection 2 No. 3 of the Code of Civil Procedure, the court may however order the parties to appear in person if this is necessary in order

to clarify the facts of the case. This does not apply if a party cannot be expected to attend the hearing in person because of a great distance or for another important reason (section 141 subsection 1 second sentence of the Code of Civil Procedure).

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?

If an intellectual property right has been violated, the injured party may demand from the injuring party information relating to the origin and distribution channels of items constituting the violation of the right. The right to information covers: information as to the manufacturer's name and address, the supplier and other previous owners of the items, the commercial purchaser or client, as well as the amount of items which have been manufactured, delivered, received or ordered (section 140b subsections 1 and 2 of the Patent Law, section 37b subsections 1 and 2 of the Varieties Protection Law, section 24b subsections 1 and 2 of the Utility Model Law, section 9 subsection 2 in conjunction with section 24b of the Utility Model Law, section 19 subsections 1 and 2 of the Trade Mark Law, section 14a of the Designs Law in conjunction with section 101a of the Copyright Law and section 101a subsections 1 and 2 of the Copyright Law). These rights to information may be asserted either via a separate action or -if the special preconditions are met (cf. below at 12.)- by means of a provisional disposition in accordance with sections 935 and 940 of the Code of Civil Procedure.

Section 809 of the Civil Code grants a right to have an item submitted or to inspect it if the right holder has or supposes to have a claim "in respect of the item". Such rights may emerge from intellectual property rights. In accordance with a line of rulings of the Federal Court of Justice (BGHZ 93, 191= GRUR 1985, 512), this is conditional on the person who asserts the claim demonstrating that the item very probably constitutes a violation of a right. The required inspection may therefore only serve to create a final, clear picture of the violation. In accordance with a line of rulings by the Federal Court of Justice "inspection" is only permissible with regard to investigation methods which may be used without encroaching on the substance of the item which is to be investigated. The right to inspect may be asserted by means of a separate action or -if the other preconditions are met (cf. below at 12.)- by means of a provisional disposition in accordance with sections 935 and 940 of the Code of Civil Procedure.

In the context of pending civil proceedings, firstly the distribution of the burden of proof is to be adhered to. The party which is not under this burden on principle does not need to provide any evidence on its own initiative. There are however several exceptions to this principle:

- At the request of the party under the burden of proof, the court may order that the other party submit documents which are in its possession if the latter had previously referred to them in the course of offering evidence, even if that occurred in a preparatory brief (section 423 of the Code of Civil Procedure). The same applies if the party which is under the burden of proof is entitled to demand the relinquishment or the production of the documents from the opposing party under civil law (section 422 of the Code of Civil Procedure). The most important basis for a claim under civil law in the area of intellectual rights is contained in section 810 of the Civil Code. This norm affords a right to inspect a document if it was created in the interest of the person asserting the claim, if it certifies the existence of a legal relationship between him and another, or if it records negotiations relating to a legal transaction in which the person asserting the claim was involved either directly or via an agent. If the opposing party refuses to submit the document although he or she is obligated to do so, in accordance with section 427 of the Code of Civil Procedure the court may regard

the submission of the party under the burden of proof with regard to the nature and content of the document as proven.

- At the request of the party under the burden of proof or *ex officio*, the court may order the opposing party to be questioned (sections 445 and 448 of the Code of Civil Procedure). If the latter refuses to make a statement, the court may reach its own conclusions with regard to this circumstance, and where appropriate may also regard the rejected fact as proven (sections 446 and 453 of the Code of Civil Procedure).
- And finally, the line of rulings has extracted from the principle of good faith a duty incumbent on the party not under the burden of proof to provide information in individual cases (section 242 of the Civil Code). This has concerned cases where the party which was actually under the burden of proof was unclear for comprehensible reasons as to the existence and the extent of its right, whilst the opposing party was easily able to provide more details. This is however conditional on a legal relationship existing between the parties which may also be established by means of a violation of a right. Persons seeking information must also at least plausibly demonstrate that a right has been violated.

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

Section 383 subsection 1 No. 6 of the Code of Civil Procedure grants to such persons a right to refuse to testify, "to whom matters are entrusted by virtue of their office, profession or trade which are to be kept secret due to their nature or by law" such as lawyers and patent lawyers, auditors and auditors of annual accounts, as well as banks.

In accordance with section 384 of the Code of Civil Procedure a right to refuse to testify also exists with regard to questions, "which the witness would not be able to answer without revealing an artistic or commercial secret".

The parties themselves are not exempted from their respective duties to go forward with the evidence. The interest of the party not under the burden of proof to maintain its business or company secrets however limits the establishment of duties to provide information or to cooperate: unless the interest in information evidently takes precedence, the party not under the burden of proof is not obligated to reveal its own secrets. This can be deduced from section 446 of the Code of Civil Procedure which specifically concerns the questioning of the party. This principle however also applies to the duties to cooperate deduced from good faith (section 242 of the Civil Code) and to right of information contained in section 809 of the Civil Code.

Furthermore, in accordance with section 172 No. 2 of the Courts Constitution Act the court may hold the entire proceedings or a part of them in camera, if "an important secret is discussed relating to business, a company, an invention or to fiscal matters the public discussion of which would violate priority interests which are worthy of protection". In accordance with section 174 subsection 3 of the Courts Constitution Act the court may also obligate the persons remaining at the session, in particular the parties and their counsel, to keep secret facts of which they learn in the proceedings.

In order to comply as closely as possible both with the interest of secrecy and of clarification, the court may order that an article or a document may not be examined before the court in the presence of the parties, but by a neutral person who has been sworn to secrecy, such as an auditor. The latter is given a precisely defined commission to investigate, on which he is then to report before the court.

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

- injunctions

Injunctive relief is afforded by section 139 subsection 1 of the Patent Law, section 24 subsection 1 of the Utility Model Law, section 9 subsection 1 first sentence of the Semiconductor Protection Law, section 37 subsection 1 of the Varieties Protection Law, section 14 subsection 5 of the Trade Mark Law, section 14a subsection 1 of the Designs Law and section 97 subsection 1 of the Copyright Law. Injunctive relief may already be asserted by the right holder even if the violation has not yet been committed, but concrete facts give rise to the fear that a violation might be committed in the future ("preventive injunctive relief"). If the violation has already been committed, relief is conditional on the danger existing that the act will be repeated. As a rule, however, this is already evident from the previous violation.

Section 14a subsection 1 of the Designs Law and section 97 subsection 1 of the Copyright Law afford to the injured party a right to have the violation removed. In accordance with section 14a subsection 3 of the Designs Law and with section 101 subsection 1 of the Copyright Law, a person committing such a violation without guilt may instead indemnify in money the injured party if removing the violation in nature would be disproportionately detrimental to him, and if on the other hand the injured party may reasonably be required to accept redress in cash.

- damages, including recovery of profits, and expenses, including attorney's fees

Damages can be claimed according to section 139 subsection 2 of the Patent Law, section 24 subsection 2 of the Utility Model Law, section 9 subsection 1 second sentence of the Semiconductor Protection Law, section 37 subsection 2 of the Varieties Protection Law, section 14 subsection 6 of the Trade Mark Law, section 14a subsection 1 of the Designs Law and section 97 subsection 1 of the Copyright Law. Damages are always conditional on the injuring party having acted intentionally or negligently. In accordance with section 249 of the Civil Code, damages are intended to bring about restoration of the previous condition and, in accordance with section 251 of the Civil Code, are mostly to be made in the form of money. The injured party may calculate the damage done in three different ways:

- (i) by demonstrating the concrete loss of assets incurred because of the violation of the right. In accordance with the principle contained in section 252 of the Civil Code, this also includes loss of profit;
- (ii) by requiring payment of a reasonable licence fee as the customary remuneration for the use of the right which has been violated; or
- (iii) by demanding the profit gained by the injuring party from the violation of the right. This is expressly mentioned only in section 14a subsection 1 second sentence of the Designs Law and section 97 subsection 1 of the Copyright Law, but is however recognised in relation to all intellectual property rights.

The cost of consulting a lawyer or patent lawyer prior to the proceedings can also be compensated for, unless these costs are met in the context of reimbursal of the costs of the proceedings in accordance with sections 91 *et seq.* of the Code of Civil Procedure (cf. below at 8.).

In cases where the injuring party can only be accused of slight negligence, section 139 subsection 2 second sentence of the Patent Law, section 24 subsection 2 second sentence of the Utility

Model Law, section 9 subsection 1 second sentence of the Semiconductor Protection Law, section 37 subsection 2 second sentence of the Varieties Protection Law and section 14a subsection 1 third sentence of the Designs Law make it possible for the court, at its discretion and taking into account all the circumstances of the individual case, to determine, instead of damages, compensation the amount of which is less than the full extent of the damages, but which however must be at least as high as the benefit obtained by the injuring party by means of the violation of the right.

Without proof of guilt, the injured party may demand from the injuring party the surrender of the benefit obtained from the violation of the right in accordance with the principles of unjust enrichment (sections 812 *et seqq.* of the Civil Code). As a rule, the benefit conferred upon the violator is the use of the right for which he or she would otherwise have had to pay. In such cases, the market value of such use is to be reimbursed. In contrast, the person violating the right may, in accordance with section 818 subsection 3 of the Civil Code, attempt to prove that he or she is no longer enriched.

- **destruction or other disposal of infringing goods and materials/implements for their production**

The injured party may demand that the items themselves which violate the right, as well as equipment used to violate the right, be destroyed. This right does not exist if the condition of the equipment caused by the violation of the right can be averted by other means, or if the injuring party cannot be expected to destroy the equipment in an individual case (section 140a of the Patent Law, section 24a of the Utility Model Law, section 9 subsection 2 of the Semiconductor Protection Law in conjunction with section 24a of the Utility Model Law, section 37a of the Varieties Protection Law, section 18 of the Trade Mark Law, section 14a subsection 3 of the Designs Law in conjunction with sections 98-101 of the Copyright Law, as well as sections 98 and 99 of the Copyright Law). Particular rights to have computer programs destroyed are also afforded by sections 69c and 69f of the Copyright Law.

- **any other remedies**

In accordance with section 103 of the Copyright Law, also referred to in section 14 subsection 3 of the Designs Law, the injured party who has won in the damages proceedings may be afforded permission to have the judgment published at the expense of the losing party.

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?

The relevant statutes (section 140b of the Patent Law, section 24b of the Utility Model Law, section 9 subsection 2 in conjunction with section 24b of the Utility Model Law, section 37b of the Varieties Protection Law, section 19 of the Trade Mark Law and section 14 subsection 3 of the Designs Law in conjunction with section 101a of the Copyright Law) afford the injured party the right to information regarding the origin and the distribution channels of the articles which infringe his rights against anyone utilising the right without his consent. This covers information regarding the name and address of the manufacturer, the supplier and other previous owners, the commercial purchaser or client, as well as on the quantity of objects violating the right. The claim only ceases to exist if its implementation would be disproportionate in individual cases.

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?

As long as a judgment has not gained a final binding effect (section 705 of the Code of Civil Procedure, "Rechtskraft"), the winning party executes it at its own risk. In accordance with section 717 subsection 2 of the Code of Civil Procedure, he or she is to compensate for any damage done to the other party by execution of a judgement which has been declared provisionally executable if this judgement is rescinded or amended. For this reason, in accordance with section 709 of the Code of Civil Procedure, on principle judgements which have not yet gained a final binding effect ("Rechtskraft") are declared provisionally executable only upon payment of a security which is intended to ensure payment of any claim for damages under section 717 subsection 2 of the Code of Civil Procedure.

Even if a party has obtained a provisional disposition against the other in accordance with section 935 or 940 of the Code of Civil Procedure, he or she is obligated to pay compensation if the provisional disposition reveals itself as having been unjustified from the outset (section 945 of the Code of Civil Procedure).

Anyone who has an incorrect judgement or another executory title -such as a provisional disposition- executed even though they are aware of facts giving rise to the incorrectness of the title, may be obligated by the other party to pay compensation under section 826 of the Civil Code if their conduct is to be regarded as unethical, if for instance they have intentionally obtained an incorrect executory title.

In accordance with section 839 subsection 2 of the Civil Code, judges are liable for damage caused by incorrect judgements only in cases where their breach of duty constitutes a criminal offence - such as in cases of (intentional) perversion of justice (section 336 of the Criminal Code). In accordance with section 839 subsection 1 of the Civil Code they are liable for damage done to the losing party by an incorrect provisional disposition only if they have intentionally or negligently acted in breach of an official duty incumbent on them with regard to the specific party encumbered by the provisional disposition. In accordance with section 839 subsection 3 of the Civil Code, the duty to provide compensation does not however apply if the injured party has intentionally or negligently omitted to avert the damage by filing an appeal.

In accordance with section 839 of the Civil Code in conjunction with Article 34 of the Basic Law, the state is liable for intentional or negligent breaches of official duties by officials in respect of third parties.

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

There are no provisions governing the minimum required or maximum permissible duration and cost of proceedings. The courts are independent and are not bound by a strict timeframe. However, there is a series of provisions in the Code of Civil Procedure aimed at expediting civil proceedings in very general terms. This includes for instance provisions specifying that litigation should be dealt with as soon as possible and at a single session, which is to be comprehensively prepared (sections 272 *et seqq.* of the Code of Civil Procedure), or which instruct the parties to make a declaration as early as possible (sections 282 and 519 of the Code of Civil Procedure), and which make it possible for the court to disregard late submissions (sections 296 and 527 *et seqq.* of the Code of Civil Procedure). In accordance with section 95 of the Code of Civil Procedure, a party whose conduct delays the proceedings is to bear the costs caused by the delay.

Proceedings aimed at the issuance of a provisional disposition in accordance with sections 935 and 940 of the Code of Civil Procedure are much quicker since the applicant does not need to prove his or her allegations, but simply to "credibly establish" them (section 936 in conjunction with 920 subsection 2 and 294 subsection 1 of the Code of Civil Procedure) and because only evidence presented to the court is admitted (section 294 subsection 2 of the Code of Civil Procedure).

Court costs, also including those of the taking of evidence, are determined in civil proceedings in accordance with the value in dispute, and are laid down by law in the Court Costs Act (GKG). This applies on principle also to lawyers' fees which -depending on the value in dispute- are regulated by the Federal Code of Lawyers' Fees. The parties may agree in writing on higher lawyers' fees.

Some of the relevant statutes provide for the court being able to order, in response to an application, that the fees are only to be calculated in accordance with a part of the value in dispute if a party makes a plausible case that the burden of the costs of the proceedings would pose a considerable danger to their economic position were they to be calculated in accordance with the full value in dispute (section 144 of the Patent Law, section 26 of the Utility Model Law, section 11 subsection 2 of the Semiconductor Products Protection Act in conjunction with section 26 of the Utility Model Law and section 142 of the Trade Mark Law).

The losing party bears the costs of the winning party (section 91 of the Code of Civil Procedure). This includes not only lawyers' fees up to the level laid down by law in the Federal Code of Lawyers' Fees, but -with the exception of copyright litigation- also the costs of a patent lawyer (section 143 subsection 5 of the Patent Law, section 27 subsection 5 of the Utility Model Law, section 38 subsection 4 of the Varieties Protection Law, section 140 subsection 5 of the Trade Mark Law and section 15 subsection 5 of the Designs Law). If only partial success is achieved in the proceedings, all of the costs of the proceedings (including the necessary lawyers' fees incurred by both parties) are divided between the parties (section 92 of the Code of Civil Procedure).

At present, there are no up-to-date data regarding the duration and cost of proceedings concerning violations of intellectual property rights. Older studies exist only in the areas of proceedings relating to violations of trademarks and to litigation on patents and utility models.

A study undertaken by the Max Planck Institute for Foreign and International Private Law on proceedings related to violation of trademarks (Eva-Marina Bastian, Horst-Peter Götting, Roland Knaak, Dieter Stauder: *Der Markenverletzungsprozeß in ausgewählten Ländern der Europäischen Wirtschaftsgemeinschaft [Proceedings Related to Violation of Trademarks in Selected States of the European Economic Community]*, 1993) is based on studies of 985 sets of proceedings in trademark litigation which were started in 1983 and 1984. The value in dispute of these proceedings was between DM 5,000 and DM 6.3 million, averaging around DM 220,600. Average costs for provisional disposition proceedings were DM 4,920, for proceedings in the main action DM 6,380.

539(= 54.7%) of the cases which were studied were dealt with as proceedings for a final judgment ("Hauptsacheverfahren"). If they were concluded at first instance, they took on average 5.25 months (163 days). If the proceedings went to second instance, the average grew to about one year and five months (513 days). If a party filed an appeal on points of law only, the entire proceedings took an average of three years and eleven months (1,416 days). Of the 485 sets of proceedings which were carried out on their merits, only 110 went to the stage of appeal on points of fact and law, of which only 16 reached the Federal Court of Justice as appeals on points of law only.

446 sets of proceedings (= 45.3 %) were for a provisional disposition. On average, an enforceable ruling was issued after three days, and a judgement at first instance after a total of about

2 1/2 months. If the proceedings then went to second instance, the total duration grew to between 6 and 8 months.

For proceedings relating to violations of patents and utility models, there exists only a study of cases which were begun in 1972-1974 (Dieter Stauder: Patent -und Gebrauchsmusterverletzungsverfahren in der Bundesrepublik Deutschland, Großbritannien, Frankreich und Italien [Proceedings relating to Violations of Patent and Utility Models in the Federal Republic of Germany, Great Britain, France and Italy], 1989). This study is now out of date. Patent infringement proceedings usually take slightly longer than proceedings related to the violation of trademarks. It can be estimated that the proceedings in the first instance usually take about 1-2 years. If an expert opinion is necessary they may last between 2 and 4 years.

(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.

Proceedings relating to violation of an intellectual property right are not carried out as administrative proceedings, unless it is a question of seizing at a border items which violate rights (cf. 15.-19. below).

Provisional Measures

(a) *Judicial measures*

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

As has already been stated above, all the relevant statutes afford a "preventive" right to omission even if the violation of the right has not yet been committed, but however specific facts indicate the danger of a future violation (section 139 subsection 1 of the Patent Law, section 24 subsection 1 of the Utility Model Law, section 9 subsection 1 first sentence of the Semiconductor Protection Law, section 37 subsection 1 of the Varieties Protection Law, Section 14 subsection 5 of the Trade Mark Law, section 14a subsection 1 of the Designs Law and section 97 subsection 1 of the Copyright Law). This right may be asserted by means of a provisional disposition in accordance with sections 935 and 940 of the Code of Civil Procedure.

In order to protect items of evidence, the injured party may apply for separate proceedings to be carried out for the taking of evidence in accordance with sections 485 through 494a of the Code of Civil Procedure. In this framework, inspection, questioning of witnesses or appraisal by an expert may be ordered. This is possible with the consent of the opposing party or if there is apprehension that the evidence will be lost or its use made difficult or when the present condition of a thing is to be determined and the petitioner has a legitimate interest in such determination (section 485 subsection 1 of the Code of Civil Procedure). This procedure therefore serves to safeguard evidence which the applicant is already able to identify in concrete terms. He or she may not use it in order to generally seek evidence from the opposing party.

Protection of evidence may also be afforded to the injured party by asserting the above-mentioned rights to information and to the submission of documents (section 810 of the Civil Code) or to inspection of an item (section 809 of the Civil Code). These can be asserted with the aid of a provisional disposition in accordance with sections 935 and 940 of the Code of Civil Procedure.

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

In accordance with section 936 in conjunction with section 921 subsection 1 of the Code of Civil Procedure, a provisional disposition may be issued without an oral hearing, and hence also without hearing the opposing party. In urgent cases, in accordance with section 944 of the Code of Civil Procedure, the presiding judge of the competent chamber may even decide alone. In accordance with section 936 in conjunction with section 929 subsection 3 of the Code of Civil Procedure, its enforcement is permissible even before the order containing the provisional disposition has been served on the opposing party.

The court may also decide to carry out the above-mentioned separate proceedings to take evidence without an oral hearing (section 490 Code of Civil Procedure). In accordance with section 491 of the Code of Civil Procedure, however, the opposing party "insofar as this can occur in accordance with the circumstances of the case" is then to be "summoned in good time to appear at the hearing set for the taking of evidence so that he or she may assert his or her rights at this hearing".

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.

A provisional disposition is ordered if the injured party "credibly establishes" (section 294 of the Code of Civil Procedure) that he or she is entitled to the right which he or she wishes to assert, and that there is reason to fear either that a change to the existing condition would prevent the right being realised, or make this much more difficult (section 935 of the Code of Civil Procedure), or that the provisional disposition "appears necessary in order to avoid substantial detriment or to prevent imminent violence" (section 940 of the Code of Civil Procedure). The content of the provisional disposition is determined by court at its discretion. For instance it may issue instructions or prohibitions or order sequestration (section 938 of the Code of Civil Procedure).

If the court regards an oral hearing as being necessary in order to clarify facts, it decides by means of a judgement, otherwise by a ruling (section 936 in conjunction with section 922 of the Code of Civil Procedure). The opposing party may file an objection against the ruling. This objection is then decided upon by means of a judgement after an oral session of the court. This judgement can be subject to an appeal by one of the parties.

If the main issue is not pending the court may, upon request, order that the party which has obtained the provisional disposition is to file an action within a time limit to be determined by the court (section 936 in conjunction with section 926 of the Code of Civil Procedure). If this does not happen, the court cancels the provisional disposition.

In accordance with section 936 in conjunction with section 927 of the Code of Civil Procedure, the opposing party may also apply for the provisional disposition to be cancelled because of changed circumstances. In accordance with section 939 of the Code of Civil Procedure, the court may cancel the provisional disposition only in exceptional cases "under special circumstances", and on payment of a security.

The provisional disposition is executed in accordance with the general provisions on execution (sections 704 *et seqq.* of the Code of Civil Procedure). Instructions and prohibitions may also be enforced by coercive means (sections 888 and 890 of the Code of Civil Procedure). Rights to surrender are coerced with the assistance of the bailiff (section 883 of the Code of Civil Procedure), who is also entitled to search premises (section 758 of the Code of Civil Procedure).

The person who has brought about the provisional disposition must begin execution within one month (section 936 in conjunction with section 929 subsection 2 of the Code of Civil Procedure). Execution is not permissible after this period. As has been mentioned, execution of a provisional disposition may also be permissible even before it has been served on the opposing party. Service must then however be subsequently performed within one week (section 936 in conjunction with section 929 subsection 3 of the Code of Civil Procedure).

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

Cf. at question 8 above.

(b) *Administrative measures*

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

With the exception of border measures (cf. 15.-19. below) there is no provision for administrative proceedings relating to violations of rights, cf., also question 9 above.

Special Requirements Related to Border Measures

Preliminary remark:

In addition to the German law described below, the Council Regulation (EC) No. 3295/94 of 22 December 1994 laying down measures to prohibit the release for free circulation, export, re-export or entry for a suspensive procedure of counterfeit and pirated goods (OJ EC No. L 341/8 of 30 December 1994) is applicable in Germany.

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?

On request, and on payment of a security by the right holder, on their importation or exportation, articles violating a right are subject to seizure by the customs authorities if the violation of the right is obvious. That said, this applies in trade with other Member States of the European Community only where customs checks take place.

The following articles are liable to be seized:

- a product that infringes a patent, a utility model or the topography of a microelectronic semiconductor product (section 142a subsection 1 of the Patent Law, section 25a subsection 1 of the Utility Model Law, section 9 subsection 2 of the Semiconductor Products Protection Act in conjunction with section 25a of the Utility Model Law);
- material relating to plant variety protection afforded in Germany (section 40a subsection 1 of the Varieties Protection Law);

- goods which have been illegally furnished with a protected trademark or commercial sign, unless Council Regulation (EC) No. 3842/86 of 1 December 1986 laying down measures to prohibit the release for free circulation of counterfeit goods (OJ EC No. L 357, p.1) is applicable (section 146 subsection 1 of the Trade Mark Law), and goods which have been illegally furnished with a protected indication of geographical origin (section 151 of the Trade Mark Law);
- duplicates the manufacture or dissemination of which is in violation of a protected utility model right or copyright (section 14a subsection 3 of the Designs Law in conjunction with section 111a of the Copyright Law and section 111a subsection 1 of the Copyright Law).

With the exception of section 151 subsection 1 of the Trade Mark Law, these provisions do not cover transit if no sales transactions are effected in Germany. Importation by private individuals is also not covered if it is unlikely that the imported goods will be subsequently brought into commercial exchange in Germany (cf. the grounds of the Federal Government's Draft Bill, Federal Parliament Publication 11/4792 dated 15 June 1989, p. 41).

The provisions contain no express exclusion of items violating rights which have been brought into commercial exchange in a third country either by or with the consent of the right holder.

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?

The procedure is the same for all rights. The right holder, or a person empowered by the latter, may file an application with the Regional Finance Office for seizure at the border. Local jurisdiction is in accordance with the place of residence or the company headquarters of the applicant. Foreign applicants should approach Munich Regional Finance Office (Sophienstr. 6, D-80333 München, Tel.: + 49/89/59952313, Fax: + 49/89/59951150). There are no requirements as regards the form and deadlines. The applicant must however document the right which has been violated and his or her entitlement to file an application, as well as describe the articles which are to be seized. If no shorter period was applied for, the application is valid for two years and may be extended on request once this deadline has expired.

Depending on the administrative effort and the economic significance, the fee for the application is between DM 60 and 600. In this respect, the relevant statutes refer to section 178 of the Fiscal Code (Abgabenordnung) and section 12 subsection 1 second sentence of the Customs Charges Ordinance (Zollkostenverordnung - ZKostO). In addition, storage costs (section 10 of the Customs Charges Ordinance) and expenses (section 12 subsection 2 of the Customs Charges Ordinance in conjunction with section 10 subsection 1 Nos. 1, 5 and 8 of the Administrative Costs Ordinance - VwKostO) are levied.

Applicants are to provide a security which should be such as to cover a claim for damages on the part of those concerned by the seizure.

If all preconditions for seizure are met, the Regional Finance Office instructs the customs offices to examine packages, and where appropriate to seize them. As soon as seizure is ordered, the customs authority is to inform without delay the applicant and the person who is entitled to dispose of the seized

items. The applicant must also be informed of the origin, the number and the place of storage of the articles which have been seized, as well as of the name and address of the person entitled to dispose of the items. The latter is afforded the opportunity to inspect the goods unless this constitutes a violation of business or company secrets.

The person entitled to dispose of the items may file an objection with the customs authority issuing the order within two weeks after the seizure order has been served. The objection does not have to contain grounds. If no objection is received, the customs authority orders confiscation of the items which have been seized. If the person entitled to dispose of the items files an objection, the applicant is thus informed without delay. If the applicant does not thereupon withdraw his application, he must submit an enforceable court decision within two weeks after the notification is served ordering the storage of the seized goods or a restraint on disposal. As a rule, this will be a provisional disposition which is issued in accordance with the procedure described above (at 12.). If the applicant demonstrates that the court decision has been applied for but that he has not yet received it, seizure is upheld for a maximum of two more weeks. If within this time limit the applicant is unable to submit a court decision, the customs authority rescinds seizure.

The person entitled to dispose of the items may oppose seizure and confiscation by the remedies allowed by the fixed penalty procedure under the Law on Minor Offences (Gesetz über Ordnungswidrigkeiten - OWiG). This person may file an objection against confiscation with the customs authority issuing the order within a week after the notification has been served (section 67 of the Act on Administrative Offences). In order to examine seizure, a court decision may be applied for at the authority issuing the order, or in urgent cases from the competent Local Court which has jurisdiction. An immediate appeal lies from the decision of the Local Court.

If (1) the seizure proves to have been unjustified from the outset, and (2) the applicant has not withdrawn the application in spite of the objection from the person entitled to dispose of the items, the applicant is obligated to pay damages to the latter. In addition, a claim for damages may emerge from section 945 of the Code of Civil Procedure if the applicant has obtained a provisional disposition the ordering of which has subsequently proven to have been unjustified from the outset (see above).

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?

There are no statistics relating to the duration and cost of border seizure proceedings. The time limits laid down in the law emerge from the previous answer describing the procedure.

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?

In general, the customs authorities may only act upon a request. In accordance with Article 4 of the above-mentioned EEC Ordinance No. 3295/94 which is directly applicable in Germany, they may also act *ex officio* under certain circumstances.

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

As has been stated in the answers to questions 16 and 17, the customs authorities may seize items which violate intellectual property rights if the violation of the right is obvious. If no objection is made to seizure, the customs authorities order confiscation of the items which have been seized. If the confiscation order has not been challenged by the person entitled to dispose of the items within the time limit for objections, as a rule the seized items are destroyed by the customs authority.

Criminal Procedures

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

Court jurisdiction is in accordance with the general provisions. Thus, in accordance with section 24 subsection 1 of the Courts Constitution Act on principle the Local Courts have jurisdiction, unless in individual cases punishment of more than four years' imprisonment is to be expected (No. 2).

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

All intellectual property rights are also protected by criminal provisions:

- Patents: section 142 of the Patent Law;
- Utility models: section 25 of the Utility Model Law;
- Rights relating to topographies of microelectronic semiconductor products: section 10 of the Semiconductor Protection Law;
- Plant Varieties Protection: section 39 of the Varieties Protection Law;
- Trademarks: section 143 of the Trade Mark Law;
- Indications of geographical origin: section 144 of the Trade Mark Law;
- Designs: section 14 of the Designs Law;
- Copyright: sections 106 - 111 of the Copyright Law.

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 principle, the public prosecution offices and the authorities and officers of the police service are obligated to prosecute criminal offences *ex officio* (sections 152, 158 subsection 1, 160 and 163 of the Code of Criminal Procedure). Violations of intellectual property rights which constitute criminal offences are, however, prosecuted only upon request, unless the prosecution authorities deem that *ex officio* prosecution is justified in view of the particular public interest, or unless the offender acts by way of trade (section 142 subsection 4 of the Patent Law, section 25 subsection 4 of the Utility Model Law, section 10 subsection 4 of the Semiconductor Protection Law, section 39 subsection 4 of the Varieties Protection Law, section 143 subsection 4 of the Trade Mark Law, section 14 subsection 4 of the Designs Law and section 109 of the Copyright Law).

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

Section 374 of the Code of Criminal Procedure provides that acts which constitute offences in accordance with section 142 subsection 1 of the Patent Law, section 25 subsection 1 of the Utility Model Law, section 10 subsection 1 of the Semiconductor Protection Law, section 39 subsection 1 of the Varieties Protection Law, section 143 subsection 1, section 144 subsection 1 and 2 of the Trade Mark Law, section 14 subsection 1 of the Designs Law and sections 106 through 108 of the Copyright Law may be prosecuted by a private action without the prosecution authorities having to intervene.

The prosecution authorities, in turn, file a public action if a particular public interest exists in prosecution, or if the offender has acted by way of trade (cf. above at 22. on this matter). Then, section 395 subsection 2 No. 3 of the Code of Criminal Procedure affords the injured party the opportunity to join the proceedings as a joint plaintiff.

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.**

Imprisonment and fines:

All of the above-mentioned criminal provisions threaten intentional violations of rights with imprisonment of up to three years or with a fine (section 142 subsection 1 of the Patent Law, section 25 subsection 1 of the Utility Model Law, section 10 subsection 1 of the Semiconductor Protection Law, section 39 subsection 1 of the Varieties Protection Law, section 143 subsection 1 of the Trade Mark Law, section 14 subsection 1 of the Designs Law, as well as sections 106 through 108 of the Copyright Law). Unlawful use of indications of geographical origin is threatened with up to two years' imprisonment or with a fine (section 144 subsections 1 and 2 of the Trade Mark Law). If the offender acts by way of trade, in the case of all intentional violations of rights, with the exception of unlawful use of indications of geographical origin, the punishment is up to five years' imprisonment or a fine (section 142 subsection 2 of the Patent Law, section 25 subsection 2 of the Utility Model Law, section 10 subsection 2 of the Semiconductor Protection Law, section 39 subsection 2 of the Varieties Protection Law, section 143 subsection 2 of the Trade Mark Law, section 14 subsection 2 of the Designs Law and section 108a of the Copyright Law).

Seizure:

In all cases of punishable violations of rights, the court may order the seizure of objects implicated in an offence (section 142 subsection 5 of the Patent Law, section 25 subsection 5 of the Utility Model Law, section 10 subsection 5 of the Semiconductor Protection Law, section 39 subsection 5 of the Varieties Protection Law, section 143 subsection 5 of the Trade Mark Law, section 14 subsection 4 of the Designs Law and section 110 of the Copyright Law). According to section 74a of the Criminal Code even such items may be seized which belong to a person other than the offender or participant, if this person has at least negligently implicated these items in the offence or its preparation (section 74a

No. 1 of the Criminal Code), or if he has acquired the items in a reproachable manner in the knowledge of circumstances which would have given rise to seizure (section 74a No. 2 of the Criminal Code).

In convicting persons of unlawful use of indications of geographical origin, the court determines that the unlawful sign on the items which are in the possession of the convict are to be removed or, if this is impossible, that the items are to be destroyed (section 144 subsection 4 of the Trade Mark Law).

Other sanctions:

In all cases of punishable violations of rights, at the request of the injured party the court may order the publication of the conviction where the injured party demonstrates a legitimate interest in this (section 142 subsection 6 of the Patent Law, section 25 subsection 6 of the Utility Model Law, section 10 subsection 6 of the Semiconductor Protection Law, section 39 subsection 6 of the Varieties Protection Law, section 143 subsection 6 of the Trade Mark Law, section 14 subsection 6 of the Designs Law and section 111 of the Copyright Law).

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.

The duration of the proceedings is not governed by statute. The distribution of costs in criminal proceedings emerges from sections 464 *et seqq.* of the Code of Criminal Procedure. According to this provision, on principle the convict bears the costs of the proceedings, including those of the joint plaintiff. The amount of the costs laid down in the Court Costs Act, and lawyers' fees in the Federal Code of Lawyers' Fees.

No empirical studies exist relating to the duration and cost of criminal proceedings relating to violations of intellectual property rights.