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Mannheim Regional Court on the Liability of a Foreign Supplier under German Patent Law

Thorsten Bausch (Hoffmann Eitle) · Thursday, August 1st, 2013

The Mannheim Regional Court decided on March 8, 2013 (court docket: 7 O 139/12) that a supplier which is located abroad is regularly only liable for participating in patent-infringing acts in Germany if the foreign supplier learns, e.g. by means of a warning letter, that its supply of products to the German market may result in a patent infringement under German law and if the supplier does not refrain from further shipments into Germany.

In the present case the plaintiff sued the defendant for participating in the infringement of the German part of European patent EP 0 798 168 B1. The patent in suit claims a side collision protection device for vehicle passengers.

The defendant, a company having its place of business not in Germany but in another European member state, was a supplier of side collision protection devices which fall under the scope of the patent in suit (attacked embodiment).

Since May 2010 the defendant has been producing the attacked embodiment abroad on behalf of a German car manufacturer. The attacked embodiments were collected at the production facilities of the defendant – either by the car manufacturer itself or by a carrier acting for the car manufacturer – and were transported to one of the car manufacturer's factories in Germany. The side collision protection device was incorporated by the manufacturer into cars. The German car manufacturer delivered both products, i.e. the cars and the attacked embodiments as spare parts, all over Germany.

On May 7, 2012 the plaintiff sent the defendant a warning letter. In response, the defendant rejected on May 9, 2012 the plaintiff's warning letter and continued supplying the German manufacturer with the attacked embodiments.

The question at issue in the present case was whether the defendant had participated in patent-infringing acts committed by the car manufacturer in Germany even though all acts of the defendant had taken place abroad.

In 2009, the Federal Court of Justice decided in the "MP3 Player Import" case that a defendant is liable under patent law not only when it personally fulfills one of the elements constituting use under the German Patent Act, but also when it intentionally facilitates or assists a third party in fulfilling this requirement of use. The infringer and therefore the liable party is also he who

facilitates or assists in the fulfillment of the use requirement by a third party despite being capable of obtaining with reasonable effort the knowledge that the act he is supporting infringes the exclusive right of the patentee (cf. Federal Court of Justice, Xa ZR 2/08, IIC 2010, 471).

In the present case, the Mannheim Regional Court decided – following the Federal Court of Justice's "MP3 Player Import" decision – that a supplier located abroad and only acting abroad, which is supplying a domestic manufacturer having production facilities in Germany with patent-infringing products, can only be held liable for negligent joint infringement of the German patent – together with the domestic manufacturer – if it is under a legal obligation to examine and act accordingly.

According to the Mannheim Regional Court the foreign supplier is in principle not under a legal obligation to check the intellectual property situation where the domestic manufacturer is based if the supplier abroad only knows that the supplied products are intended for the domestic market. According to the Mannheim Regional Court the foreign supplier can actually trust the manufacturer that the latter is acting in accordance with the law.

However, a legal obligation of the foreign supplier to check the intellectual property situation in Germany will regularly arise if the supplier learns about the possibility that the domestic car manufacturer is committing infringing acts which are the result of the supplier's contributory acts. The supplier may learn of this, for instance, by means of a warning letter from the patentee to the foreign supplier as in the present case.

The Court states that its decision is in line with decision "Funkuhr I" of the Federal Court of Justice of 2002, in which the Federal Court of Justice considered the foreign supplier to be liable due to its knowledge of the plaintiff's patent.

Since in the case at issue here the defendant had rejected the plaintiff's warning letter without diligently checking the intellectual property situation in Germany, the continued supply of the German car manufacturer with attacked embodiments constituted a breach of the defendant's legal obligations. Therefore, the Mannheim Regional Court found that at least from May 9, 2012 onwards also the defendant was liable for the domestic car manufacturer's patent-infringing acts.

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