

National group	Belgium
Title	Joint liability for IP infringement
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I. CURRENT LAW AND PRACTICE

1) Are there any statutory provisions which specifically apply to Joint Liability? If yes, please briefly explain.

No. There are no statutory provisions in Belgium which apply *per se* to Joint Liability within the strict meaning referred to in the questionnaire.

However, various statutory provisions are of peculiar interest.

Under Belgian law:

Article XI.29, §2, of the Belgian Code of Economic Law (hereafter 'CEL') governs the possible liability for **indirect patent¹ infringement**:

§ 2. The patent also confers the right to prevent any third party, without the patent owner's consent, from the delivery or the offering for delivery, on the Belgian territory, to a person other than those entitled to exploit the patented invention, means for implementing, in this territory, this invention relating to an essential element thereof, when the third party knows or when the circumstances make it obvious that these means are suitable and intended for this implementation. The provisions of the preceding paragraph are not applicable when the means of implementation are products that are commonly in commerce, unless the third party incites the person to whom it delivers to commit acts prohibited by paragraph 1. Persons performing the acts referred to in Article XI.34 (1) (a) to (c) shall not be considered as persons entitled to exploit the invention within the meaning of paragraph 1 of this paragraph'.

More generally, in case of any IPR infringement (not only patents), the President of the Commercial Court or the Court of First Instance, or as the case may be the ordinary chamber

¹ Although the words "indirect infringement" do not appear in the statute, it is recognized that this is the subject matter of para 2 of Art. XI.29. The first paragraph, regarding direct infringement, provides that: "The patent shall confer the right to prevent any third party, without the patentee's consent, from: (a) manufacturing, offering, offering for sale, using or importing or holding for the aforementioned purposes the product which is the subject of the patent; (b) the use of a process which is the subject of the patent or, where the third party knows or where circumstances make it obvious that the use of the process is prohibited without the consent of the patent owner, the offering of its use on Belgian territory; (c) the supply, offering for sale or use, or the importation or holding for the above purposes of the product obtained directly by the process which is the subject of the patent".

of these courts², can issue cease and desist orders against “intermediaries”. Art. XVII.14, §4, CEL states in this respect that:

§ 4. The President may also issue an injunction against intermediaries whose services are used by a third party to infringe a right referred to in paragraphs 1 to 3³.

Two “catch-all” provisions should also be mentioned, as their broad scope could extend to some of the situations mentioned in the questionnaire:

- Article VI.104 CEL, which provides for a general prohibition of unfair trade practices among economic actors (undertakings), stating that: ‘Any act contrary to the fair market practices whereby an undertaking causes or threatens to cause prejudice to the professional interests of one or more other undertakings is prohibited’.

- Article 1382 of the Belgian Civil Code according to which: ‘Any act whatever of man which causes damage to another obliges him whose fault caused the damage to compensate it’.

Finally, Articles XII.17 to XII.20 CEL should be mentioned, which implement into Belgian law the provisions of the e-Commerce Directive⁴ concerning the liability of certain intermediary service providers in the information society (see below).

At the European level:

Two Directives must be taken into account: the IP Rights Enforcement Directive⁵, which contains the principle that cease and desist orders should also be available against intermediaries⁶ (see above regarding the transposition thereof in Belgian law) and the e-Commerce Directive.

Section 4 of the e-Commerce Directive, entitled “Liability of intermediary service providers”, provides **conditional liability exemptions** (“safe harbours”) in favour of certain intermediaries providing specific services at the heart of the information society, namely the

² See Art. XI.334. § 1, CEL.

³ The first three paragraphs under Article XVII.14 CEL provide the basis for cease and desist proceedings against the infringers themselves: ‘§ 1. The President of the Commercial Court establishes the existence and orders the cessation of any infringement of an intellectual property right, except for patent law including the law on supplementary protection certificates, copyright, neighbouring rights and the rights of the producer of a database. § 2. The President of the Commercial Court of Brussels shall establish the existence and order the cessation of any infringement of patent law, including the law relating to supplementary protection certificates. § 3. The President of the Court of First Instance and the President of the Commercial Court, in matters falling respectively within the jurisdiction of these courts, shall ascertain the existence and order the cessation of any infringement of a copyright, a neighboring right or the right of the producer of a database.’

⁴ Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (‘Directive on electronic commerce’), O.J.E.U., L 178, 17/07/2000, p. 0001 – 0016 ((hereafter, e-Commerce Directive).

⁵ Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, O.J.E.U., L157 of 30 April 2004 (hereafter, ‘Directive 2004/48’).

⁶ Article 11 of Directive 2004/48 provides that IPR right holders may apply for an injunction against intermediaries whose services are used by a third party to infringe an IPR.

services of mere conduit (Art. 12)⁷, caching (Art. 13)⁸ and hosting (Art. 14)⁹. In addition, Article 15 prohibits the imposition on intermediaries of general monitoring obligations¹⁰.

2) Under the case law or judicial or administrative practice in your jurisdiction, are there rules which specifically apply to Joint Liability? If yes, please briefly explain.

There cannot be found any rules in case law or administrative practice in Belgium that specifically apply to Joint Liability as defined in the Study Question. Nonetheless, judicial practice allows to ascertain certain cases where the statutory provisions mentioned above in Question 1) will apply. Consequently, we may derive some tendencies regarding the 'actionability' and, as the case may be, the liability, of intermediaries and other entities who have contributed to the infringement of IP rights.

⁷ "1. Where an information society service is provided that consists of the transmission in a communication network of information provided by a recipient of the service, or the provision of access to a communication network, Member States shall ensure that the service provider is not liable for the information transmitted, on condition that the provider:

(a) does not initiate the transmission;

(b) does not select the receiver of the transmission; and

(c) does not select or modify the information contained in the transmission.

2. The acts of transmission and of provision of access referred to in paragraph 1 include the automatic, intermediate and transient storage of the information transmitted in so far as this takes place for the sole purpose of carrying out the transmission in the communication network, and provided that the information is not stored for any period longer than is reasonably necessary for the transmission.

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."

⁸ "1. Where an information society service is provided that consists of the transmission in a communication network of information provided by a recipient of the service, Member States shall ensure that the service provider is not liable for the automatic, intermediate and temporary storage of that information, performed for the sole purpose of making more efficient the information's onward transmission to other recipients of the service upon their request, on condition that:

(a) the provider does not modify the information;

(b) the provider complies with conditions on access to the information;

(c) the provider complies with rules regarding the updating of the information, specified in a manner widely recognised and used by industry;

(d) the provider does not interfere with the lawful use of technology, widely recognised and used by industry, to obtain data on the use of the information; and

(e) the provider acts expeditiously to remove or to disable access to the information it has stored upon obtaining actual knowledge of the fact that the information at the initial source of the transmission has been removed from the network, or access to it has been disabled, or that a court or an administrative authority has ordered such removal or disablement.

2. 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."

⁹ "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 service is acting under the authority or 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."

¹⁰ "1. Member States shall not impose a general obligation on providers, when providing the services covered by Articles 12, 13 and 14, to monitor the information which they transmit or store, nor a general obligation actively to seek facts or circumstances indicating illegal activity.

2. Member States may establish obligations for information society service providers promptly to inform the competent public authorities of alleged illegal activities undertaken or information provided by recipients of their service or obligations to communicate to the competent authorities, at their request, information enabling the identification of recipients of their service with whom they have storage agreements."

This case law essentially concerns several types of intermediaries, *i.e.* parties whose activities allow, facilitate, encourage or increase the consequences of a direct IP infringement by other parties. It may be that the intermediary provides an element of the infringing good, either essential or non-essential, or provides a facility to the infringer, either online (*e.g.* an online market place; hosting services or internet access) or in the real world (physical market place¹¹; transport or stocking of infringing goods; making reproduction facilities available¹², etc.). The term ‘intermediaries’ is interpreted broadly by the Courts¹³. Further on, the intermediary may or may not have knowledge of the IPR infringement.

An important distinction has to be made between the mere ‘actionability’ of the intermediary and its liability in a strict meaning. Whereas intermediaries whose services are used by a main infringer will in most cases be ‘actionable’, in the sense that they can be ordered by the court to cease and desist from providing their services to the infringer (thereby contributing to stop, or limiting the scope, of the infringement), they may not necessarily be held liable for such infringement, *i.e.* they may not be condemned to compensate the harm or loss incurred by the IPR holders as a result of the infringement and pay damages.¹⁴ This may be because they do not perform themselves an act which is reserved to the IP right owner (*e.g.*, under copyright law, an act of reproduction or of communication of the public) or because they enjoy the benefit of one of the safe harbours described by the e-Commerce Directive (in case of mere conduit, neutral and passive hosting or caching of electronic content).

On the basis of the examined case law, and without being exhaustive¹⁵, the following three topic situations prove recurring¹⁶:

- a) **Internet Service Providers (ISP’s)**: quite an extensive jurisprudence concerns the actionability and possible liability of ISP’s¹⁷. Holders of IPR (typically copyright), or their representative (in Belgium for example the collective management society SABAM), have on several occasions reached out to the courts with the view to block access, by the ISPs clients, to peer-to-peer file sharing sites (*e.g.* The Pirate Bay). Even though ISP’s cannot strictly speaking be held liable for IPR infringements¹⁸ as

¹¹ See *e.g.* Court of First Instance Antwerp, 17 November 2008, AR A/08/2661 (available on www.darts-ip.com).

¹² See *e.g.* Court of Appeal Ghent, 16 June 2003, 2002/AR/0730, (copy center making CD-R machine and supports available to its clientele: injunction denied) (available on www.darts-ip.com).

¹³ CJEU 7 July 2016, *Tommy Hilfiger Licensing e.a.*, C-494/15, (ECLI:EU:C:2016:528), para 23. See also: CJEU 27 March 2014, *UPC Telekabel Wien*, C-314/12, (EU:C:2014:192), para 32 and 35; CJEU 19 February 2009, *LSG-Gesellschaft Zur Wahrnehmung von Leistungsschutzrechten*, C-557/07, (EU:C:2009:107), para 44; President Commercial Court Antwerp 6 May 2008, *IRDI* 2008, p. 260, commentary B. GOOSSENS.

¹⁴ See also *infra* question 7.

¹⁵ See also for example: President Commercial Court Brussels, 26 September 2012, *IRDI* 2013, p. 203 (can filling service provider); Court of Appeal Liège, 19 April 2012, *Ing. Cons.* 2012, p. 415 (bottle filling service provider); Court of Appeal Ghent, 16 June 2003, 2002/AR/0730 (available on www.darts-ip.com).

¹⁶ See also: V. FOSSOUL, “La responsabilité des intermédiaires en droit des marques et droit d’auteur”, *TBH* 2014, p. 489; K. JANSSENS, “Targeting the middle man: het opleggen van maatregelen aan tussenpersonen in de strijd tegen namaak en piraterij” in *Handhaving van intellectuele rechten in België / Respect des droit intellectuels en Belgique*, Larquier, 2018, p. 37-56; R. SCHOEFS, “Aanspreekbaarheid tussenpersonen IE-geschillen: een stand van zaken”, *IRDI* 2013, p. 136.

¹⁷ See for example: Supreme Court 22 October 2013, *IRDI* 2014, p. 365; Court of Appeal Brussels, 28 January 2010, *AM* 2010, p. 176; Court of Appeal Antwerp 26 September 2011, *RABG* 2011, p. 1269; President Court of First Instance Brussels, 29 June 2007, *IRDI* 2007, p. 442; Court of First Instance Brussels, 22 October 2008, *AM* 2008, p. 467; President Commercial Court Brussels, 13 March 2015, *IRDI* 2015, p. 101.

¹⁸ The attempt of SABAM to hold the ISPs directly liable, considering that they perform a communication of works to the public, which is distinct from the communication made by the internet user who uploads the infringing files, has been dismissed by the President of the Court of First Instance of Brussels (President Court of First Instance Brussels, 13 March 2015, *IRDI* 2015, p. 101).

long as they respect the conditions under Articles XII.17-19 CEL, they can nonetheless be required to block access to specific websites, or contents, that have been found to infringe or facilitate infringement of IPR rights (cease and desist order).

However, while it is possible for right holders, or their representative, to request and obtain an order to block access to a specific website, or content, which is found to be infringing upon the claimant's copyright in particular works (DNS-blocking order), it has been held by the Court of Justice of the European Union (hereafter CJEU'), on the basis of Article 15 of the e-commerce Directive, implemented in Belgium by Article XII.20 CEL, that it is precluded to order an ISP to install a system for filtering (i) all electronic communications passing via its services, in particular those involving the use of peer-to-peer software, which (ii) applies indiscriminately to all its customers, as a preventive measure, exclusively at its expense and for an unlimited period, which is capable of identifying on that provider's network the movement of electronic files containing a musical, cinematographic or audio-visual work in respect of which the applicant claims to hold intellectual-property rights, with a view to blocking the transfer of files the sharing of which infringes copyright¹⁹. The exact delineation between an admissible blocking order and a non-admissible general monitoring obligation remains however to be determined²⁰.

- b) **(Online) market places:** A second trend of cases involves online market places, such as *eBay*.²¹ These market places allow both individuals and undertakings to offer and sell goods online. Given the limited control exercised by the operators of such online market places, these have been massively used to advertise and sell counterfeit goods. In Belgium, this eventually led Lancôme, a well-known luxury perfumes manufacturer, to initiate proceedings against eBay. By way of this procedure, Lancôme sought both an injunction for eBay to refrain from selling any infringing goods and a compensation for the damage incurred. However, the Court dismissed the request, stating that eBay, as an intermediary, cannot be obliged to actively monitor its platform, but can only be requested to react when it has been made aware of specific infringing goods offered on a specific place on its websites²².
- c) **Transporters, shipping agents, etc.:** a third category of recurring cases concerns intermediaries that play a role in the transportation and importation of goods that enter the territory of the European Union and infringe IPR's (either patent rights, trademarks²³ or copyright) in force in this area. Quite an extensive jurisprudence has been established in this regard, often at the initiative of the Dutch electronics company Philips, by the courts of Antwerp which had jurisdiction since the counterfeit and pirate goods were seized by the customs authorities in the major sea harbour of

¹⁹ CJEU 24 November 2011, *Scarlett Extended*, C-70/10, (ECLI:EU:C:2011:771), para 47 ff.

²⁰ See for example: J. NORDEMANN, "Liability of Online Service Providers for Copyrighted Content – Regulatory Action Needed?", Directorate General for Internal Policies. Policy Department A: Economic and Scientific Policy (available at http://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOL_IDA%282017%29614207)

²¹ For a case concerning a brick and mortar market place, cf. Court of First Instance Antwerp, 17 November 2008, AR A/08/2661 (available on www.darts-ip.com); CJEU, 7 July 2016, *Tommy Hilfiger Licensing e.a.*, C-494/15, (ECLI:EU:C:2016:528), E. CORNU, "Arrêt « Tommy Hilfiger »: injonctions visant à faire cesser des atteintes à des droits de propriété intellectuelle (marchés physique ou en ligne)", *JDE* 2016, p. 264.

²² Commercial Court, Brussels 31 July 2008, *RDTI* 2008, p. 521.

²³ See for example: Court of Appeal Ghent, 8 April 2009, 2007/AR/1581 (available on www.darts-ip.com); Commercial Court Brussels, 14 October 2008, *IRDI* 2009, p. 65; Commercial Court Brussels, 8 October 2014, A/2013/09073 (available on www.ie-forum.be).

Antwerp.²⁴ Even though, in contrast to the previous two categories of intermediaries, this type of cases involves an intermediary in an offline environment, the results are comparable to online intermediaries. Offline intermediaries are not protected by a specific provision limiting their liability as some online intermediaries do (*cf. supra*). Nonetheless the jurisprudence appears to confirm that while they may be requested to cease offering their services, that facilitate the infringement of IPR's, they are not liable to pay damages, as long as there are no particular indications that they were aware of the infringing nature of the goods.

3) In the following hypotheticals, would party A be liable for Joint Infringement with party X? In each case, please explain why or why not.

- a) X sells handbags in a shop which is a small stall located in a shopping mall owned by A. The handbags infringe the registered design of Z. A knows that X (and other tenants) sells infringing goods.**

In this case, it is likely that Party A would be held liable for joint infringement and hence condemned to compensate the aggrieved IPR right holder. To that end, the conditions referred to in point II hereunder (*Liability under article 1382 of the Belgian Civil Code*) must however be met.

Moreover, as already mentioned above, even if it would be found that Party A has not itself infringed, neither directly nor indirectly, the IP right in question, and has moreover not committed any wrongful act or negligence within the meaning of Article 1382 of the Civil Code, and hence does not incur any 'liability', it might well receive an injunction to stop making its stalls available to vendors of infringing goods (I).

I. Injunction

Under Belgian law, it is possible to force the operator of a physical marketplace to put an end to IPR infringements committed by market-traders²⁵. As we have seen, IPR holders may indeed apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right. Belgian case law gives a large interpretation to the term "intermediaries" and has already found an operator of a physical marketplace to be an intermediary actionable under such provision²⁶.

Likewise, the CJEU has held in its "Hilfiger" judgment²⁷ that an operator of a physical marketplace which provides a service to third parties relating to the letting or subletting of pitches in a marketplace, and which thus offers the possibility to those third parties of selling counterfeit products in that marketplace, must be classified as an 'intermediary' within the meaning of Directive 2004/48.

²⁴ See for example: Commercial Court Antwerp, 6 May 2008, *IRDI* 2008, p. 260; President Commercial Court Antwerp, 24 February 2011, *IRDI* 2011, p. 320; Court of First Instance Antwerp, 11 September 2008, AR 05/6993/A (available on www.darts-ip.com); Court of First Instance Antwerp 9 October 2008, AR 05/6313/A (available on www.darts-ip.com); Court of First Instance Antwerp 15 January 2009, AR 06/6416/A (available on www.darts-ip.com); Court of First Instance Antwerp, 24 February 2011, A/10/04223 & A/10/04224 (available on www.darts-ip.com).

²⁵ For an example regarding copyright infringement: Court of First Instance Antwerp, 17 November 2008, AR A/08/2661 (available on <http://www.darts-ip.com/>).

²⁶ Court of First Instance Antwerp, 17 November 2008, AR A/08/2661 (available on www.darts-ip.com).

²⁷ CJEU, 7 July 2016, *Tommy Hilfiger Licensing e.a.*, C-494/15, (ECLI:EU:C:2016:528).

The CJEU stated in this judgment that whether the provision of a sales point is within an online marketplace or a physical marketplace is irrelevant because the scope of the Directive 2004/48 is not limited to electronic commerce.

The CJEU considered that, like the operators of online marketplaces covered by the judgment in *L'Oréal/eBay*²⁸ (see hereunder), the operator of a physical marketplace may, pursuant to the Directive 2004/48, be forced by law to bring trademark infringements committed by market-traders to an end and to take measures in order to prevent new infringements.

It is therefore more than likely that under Belgian law, Party Z will be able to obtain an injunction against Party A in the contemplated circumstances.

II. Liability under Article 1382 of the Belgian Civil Code

In addition, under the cited circumstances, as Party A was apparently aware that Party X was selling counterfeited goods, it could be argued that Party A committed a fault and that it is liable pursuant to article 1382 of the civil code.

This implies, however, that Party Z convinces the court, not only that Party A has not behaved like a normally cautious owner of a shopping mall would have (breach of the general rule of prudence)²⁹, but also that without this fault the harm or loss suffered by Party Z would not have been incurred.

It should also be noted that the owner of a physical market place does not enjoy the liability privilege provided for by the E-commerce directive for some providers of online services.

In the case at hand, as Party A apparently knew that the goods sold by Party X were counterfeited, it could be held liable for joint infringement together with Party X.

b) X sells handbags in an online shop which is hosted by a large market place platform owned by A. The handbags infringe the registered design of Z. A knows that X (and other web shop operators hosted by A's market place platform) sells infringing goods via their respective outline shops.

The answer to the question depends whether Party A plays an “active role” in the commercialisation of the infringing goods (II) or merely act as a passive provider of hosting services (I)

I. If Party A is a mere (passive) provider of hosting services

In this case, one has to take into account the “safe harbour” offered by the E-commerce directive (Art. 14) and the Belgian CEL (Art. XII.19) regarding liability exemption/privilege for providers of hosting services.

²⁸ CJEU, 12 July 2011, *L'Oréal and Others v. eBay*, C-324/09, (ECLI:EU:C:2011:474).

²⁹ Belgian legal doctrine and case-law considers that the fault is established when the intermediary knew – or had every reason to know – that he was helping with the counterfeiting activities. See Benelux Court of Justice, 28 juin 1982, A 81/5, *Hagens Transporten B.V. et Joh. Jacobs & Co. GMBH / Theodorus Niemeyer*; V. Fossoul, « La responsabilité des intermédiaires en droit des marques et en droit d'auteur à la lumière de la récente jurisprudence européenne », *RDC*, 2014/4, p. 474.

In the present case, the possibility for Party A to rely on the liability privilege will depend both upon the type of knowledge which it has of the infringing character of the goods commercialized on its platforms and on the measures it takes to prevent such commercialisation.

In *L'Oréal v. eBay*, the CJEU held that a hosting provider loses its privilege under Article 14 of Directive 2000/31, and may hence be held liable for damages, if it does not act as a "diligent economic operator"³⁰. The hosting provider is thus denied the privilege in cases where it had been aware of facts or circumstances on the basis of which a diligent economic operator should have identified the illegality in question and did not act in consequence³¹ and, more certainly, when it has become aware of a particular unlawful activity or information which it hosts.

The CJEU adds that the service provider may become aware of an unlawful activity or information, either (i) as a result of an examination carried out on his own initiative or by (ii) a notification of the existence of such an activity made to it by a third party.

In the second case, although such a notification admittedly cannot automatically preclude the exemption from liability provided for in Article 14 of Directive 2000/31, given that notifications of allegedly illegal activities or information may turn out to be insufficiently precise or inadequately substantiated, such notification represents, as a general rule, "*a factor of which the national court must take account when determining, in the light of the information so transmitted to the operator, whether the latter was actually aware of facts or circumstances on the basis of which a diligent economic operator should have identified the illegality*"³². Said more concretely, where the owner of a platform receives from a right holder a notification of the existence of concrete offers for counterfeiting goods on its platform, the owner is under the duty to remove, or disable access to, the offers in question. What is more a matter of controversy, is whether the hosting provider must take technical measures to prevent the reappearing of similar offers, either by the same vendor or other vendors³³.

Belgian case-law already found a hosting services provider liable where it hosted mainly websites containing links to unauthorized reproductions of musical recordings³⁴. In this case, the Court of Appeal of Brussels found that the host provider was liable because the host provider had knowledge of the unlawful nature of the links and had not taken proper action.

Nevertheless, in the case envisaged under the questionnaire, Party Z will bear the burden of proving A's knowledge of the counterfeiting character of the goods sold by Party X. An

³⁰ Cf. J. BERN NORDEMANN., Liability of Online Service Providers for copyrighted Content – Regulatory action needed?, doc. European Parliament, IP/A/IMCO/2018-08, 2018, p .11; CJEU, 12 July 2011, *L'Oréal and Others v. eBay*, C-324/09, §120 et seq. (ECLI:EU:C:2011:474). See in particular §145, 6.: "(...) *even in cases in which the operator has not played an active role (...), it cannot rely on that exemption from liability if it was aware of facts or circumstances on the basis of which a diligent economic operator should have realised that the online offers for sale were unlawful and, in the event of it being so aware, failed to act promptly to remove the data concerned from its website or to disable access to them*".

³¹Prof. Dr.J. BERN NORDEMANN., Liability of Online Service Providers for copyrighted Content – Regulatory action needed?, doc. European Parliament, IP/A/IMCO/2018-08, 2018, p .11.

³²CJEU, 12 July 2011, *L'Oréal and Others v. eBay*, C-324/09, (ECLI:EU:C:2011:474), § 122; A new trend has however emerged in recent years regarding the "knowledge" criterion, influenced by the case-law of the European Court of Human Rights in the *Delphi* case (see question 3.c) hereunder).

³³ CJEU, 16 February 2012, *Sabam v. Netlog*, C-360/10 (ECLI: EU:C:2012:85); J. BERN NORDEMANN., Liability of Online Service Providers for copyrighted Content – Regulatory action needed?, doc. European Parliament, IP/A/IMCO/2018-08, 2018, p .16.

³⁴ See e.g. Court of Appeal Brussels, 13 February 2001, *A&M*, 2001, p.279.

appropriate notice to take down the unlawful content appears to be the most convenient way to prove such knowledge. Once this notice has been received by the intermediary, it should act promptly and adequately if it wishes to avoid liability.

II. If Party A plays an “active role”

In *L’Oréal/eBay*³⁵, the CJEU observed that eBay not only allowed sellers to propose counterfeiting goods but assisted the sellers, in order to enhance their offers for sale, to set up online shops, to promote and increase their sales. It also advertised some of the products sold on its marketplace using search engine operators such as Google to trigger the display of advertisements. L’Oréal complained that eBay was involved in trademark infringements committed by users of its website. Moreover, it claimed that, by purchasing from paid internet referencing services (such as Google’s AdWords) keywords corresponding to the names of L’Oréal trademarks, eBay directs its users towards goods that infringe trademark law, which are offered for sale on its website. The CJEU held that, when the operator has played an “active role” of that kind, it cannot rely on the exemption from liability under Directive 2000/31.

Therefore, if Party A, as a large market place platform, provides assistance to its clients which entails, in particular, optimising the presentation of the offers for sale or promoting those offers, for example through advertising Party X offers with own advertisements on Google search engine, then, Party A might be considered to play an “active role”³⁶ and might hence, upfront, not be able to rely the liability privilege under article 14 E-commerce directive and Article XII.19 CEL. If Party A plays such an active role, it will definitively be held liable for infringement, under Belgian law, if it does not take any measures to try and prevent the sale of infringing goods on its shopping platform.

c) X sells handbags in an online shop. The handbags infringe the registered design of Z. A designed the online advertising campaign for X’s shop and books online advertising resources for X on websites and in search engines. A knows that X sells infringing goods.

In such a case, Party A will definitively not be able to rely on one of the three liability safe harbours provided for under Directive 2000/31 (respectively for mere conduit, caching and hosting services). This does not mean, as such, that Party A will be held liable. However, it is likely that such liability will be established under either Article 1382 of the Civil Code or Article VI.104 CEL, i.e. the general standards of good behaviour. Designing the online advertising campaign for someone else’s shop and booking advertising resources to that effect while knowing the counterfeiting character of the goods sold by that person, would most likely be held as a fault and a behaviour contrary to honest trade practises.

d) For each of the hypotheticals in (a) to (c) above, does it make a difference if A merely suspects that X sells infringing goods? If yes, what is the level of "suspicion" required, and how is it demonstrated?

In principle, a mere suspicion should not suffice to establish liability, as intermediaries are not under a general obligation to monitor the information which they transmit or store, nor to

³⁵ CJEU, 12 July 2011, *L’Oréal and Others v. eBay*, C-324/09, (ECLI:EU:C:2011:474).

³⁶ CJEU, 12 July 2011, *L’Oréal and Others v. eBay*, C-324/09, (ECLI:EU:C:2011:474), §113 et seq.; CJEU, 23 March 2010, *Google France and Google*, C-236/08 to C-238/08 (ECLI: EU:C:2010:159), § 114 and 120.

actively seek facts or circumstances indicating illegal activity³⁷. Article 14 of the E-commerce Directive and Article XII.19 CEL refers to “actual knowledge” of the illegal activity or information. However, as regards claims for damages – as opposed, in our understanding, to criminal liability – the threshold appears lower: the provider of hosting services will be protected from liability only if it “*is not aware of facts or circumstances from which the illegal activity or information is apparent*”.

It should also be noted that the recent case law of the European Court for Human Rights³⁸ and Belgian and European Doctrine³⁹ tend to advocate for a more flexible criterion of knowledge.

A working document of the European parliament indeed states that “*an active knowledge of the individual information and its unlawfulness (thus of the specific infringement) may no longer be used as criterion for losing the privilege (...) It seems too narrow to ask for actual knowledge of the specific infringement committed in order to dis-apply Article 14 E-commerce Directive. Rather, in particular if hosting providers are running a dangerous business model fostering infringements of their users, the standards of knowledge should be lowered in order not to let bad faith hosting providers profit from the liability privilege of Article 14 E-commerce Directive. (...) The wording of Article 14 E-commerce Directive should give sufficient room to treat such dangerous business models adequately, as not only the absence of actual knowledge is required for the liability privilege, but also that the service provider is not aware of facts or circumstances from which the illegal activity or information is apparent*”⁴⁰.

It is therefore not excluded that the “mere suspicion” of infringing information or activity could in some cases be sufficient to exclude the liability privileges under the e-commerce Directive, when the business model and concrete activity of the intermediary creates a particular risk of entailing infringing activities and the intermediary does not take adequate measures to mitigate such risk.

4) In the following hypothetical, would party A be liable for Joint Infringement with party X? In your answer, please explain why or why not?

Z owns a patent claiming a method for addressing memory space within a memory chip which is built into telecommunication device having further features (main processor, suitable software etc.). A manufactures memory chips. The chips are objectively suitable to be used for the claimed method. A's memory chips are distributed over multiple distribution levels to a plethora of device manufacturers. A has no knowledge of the actual end use of its memory chips.

Further, under your Group's law, would it be considered obvious (in the sense of Q204P) that A's chips would be put to one or more infringing uses and if so, why?

For the following reasons, we consider it very unlikely under Belgian law that A could be held liable for Joint Infringement in the above scenario, no matter whether X has directly infringed Z's patent or not.

³⁷ Article 15 of the E-commerce Directive; Article XII.20 CEL.

³⁸ ECHR, Grand Chamber case of 16 June 2015, *Delfi v. Estonia*, application n° 64569/09.

³⁹ Prof. Dr.J. BERN NORDEMANN, *Liability of Online Service Providers for copyrighted Content – Regulatory action needed?*, doc. European Parliament, IP/A/IMCO/2018-08, 2018, p.12; ; V. FOSSOUL, « La responsabilité des intermédiaires en droit des marques et en droit d'auteur à la lumière de la récente jurisprudence européenne », RDC, 2014/4, p.479.

⁴⁰ ECHR, Grand Chamber case of 16 June 2015, *Delfi v. Estonia*, application n° 64569/09.

I. Conditions to establish a possible (co)liability

In Belgium, it is settled case-law – at least on the basis of the few available decisions – that a (natural or legal) person whose means are used to implement a protected invention may be held (co)liable for the infringement of the patent rights relating to the considered invention only if its liability can be established under the specific rules of patent law or under the general rules on civil liability (torts).

In patent law, Article XI.29 §2 of the Belgian Code of Economic Law (“CEL”) governs the possible (co)liability for “indirect” (contributory) infringement. Under this provision, for a person to be held (co)liable for an indirect infringement of a patent right, it must be established that:

- the means which are supplied are suitable and intended⁴¹ to implement a protected invention in that they relate to an essential element of the invention⁴²;
- the supplier knows, or it is obvious from the circumstances, that the supplied means will be used to implement the protected invention⁴³.

⁴¹ “The criteria to qualify as contributory infringement is the intention (and the suitability) of using the means ‘for putting the invention into effect’ [...] The mere fact that the means concerned can also be used for other purposes than putting the invention into effect is not decisive as long as said means are ‘suitable’ and ‘intended’ to this end. However, in this last case, the criteria for assessing the knowledge required on the part of the supplier could be different. E.g., the judge could consider that specific facts are necessary to conclude that ‘it is obvious in the circumstances’ that the means are intended for putting the invention into effect. In the Senseo-case, the court came to such a conclusion because of indications by the supplier for the use of the means in the invention” (B. MICHAUX, G. PHILIPSEN, C. EYERS, N. D’HALLEWEYN, M. DEMEUR and E. DE GRYSSE, “Liability for contributory infringement of IPRs”, AIPPI - Q204, Belgian report, p. 4; K. CALLEWAERT, A. CLERIX, N. D’HALLEWEYN, B. DAUWE, E. DE GRYSSE, C. DE CONINCK, C. RONSE, P. THEUNIS and M. VERLINDEN, “Liability for contributory infringement of IPRs – certain aspects of patent infringement”, AIPPI - Q 204P, Belgian report, p. 1-3); “The circumstance that the means to use the invention are such that they can also be applied outside the invention, does not stop the fact that there could be indirect infringement of the patent. The means using the invention must indeed not be exclusively intended to use the invention. It suffices that these means are effectively and deliberately offered with the intention to use the invention in such a way that their neutral character is not anymore relevant” (Court of Appeal of Antwerp, 8 November 2005, *Ing. Cons.*, 2005, p. 504); “Dit moreel element is vooral delicaat in situaties waarin het aangeboden middel op verschillende wijzen kan worden aangewend – ook op wijzen die niet tot een rechtstreekse inbreuk kunnen leiden, b.v. er is een mogelijkheid de koffiebuiltjes ook in machines zonder het geoctrooieerde systeem met aangepaste houder te gebruiken. Men zal dan aan de hand van de omstandigheden de intentie van degene die ze aanbiedt of levert moeten bewijzen”, free translation: This moral element is especially delicate when the means which are supplied can be used in different ways – including in a way which does not constitute a direct infringement, for instance when it is possible to use the coffee pads in machines that do not include the patented system with an adapted holder. One will then have to prove the intent of the person offering or delivering them on the basis of the circumstances, (E. DE GRYSSE, “Straffe koffie (met een laagje schuim)!”), note under Court of Appeal of Antwerp, 8 November 2005, *Ing. Cons.*, 2005, p. 538-541); See also C. RONSE, K. VAN LINT, T. BEDERT, S. FLECIJN, D. OP DE BEEK, C. DEKONINCK, A. CLERIX, K. VANHALST, “Second medical use or indication claims, AIPPI – Q 238, Belgian Report.

⁴² “According to the Antwerp Court of Appeal, means relating to an essential element of the patented invention are means that are functional in realizing or helping to realize the protected inventive concept (Senseo-case)” (B. MICHAUX, G. PHILIPSEN, C. EYERS, N. D’HALLEWEYN, M. DEMEUR and E. DE GRYSSE, “Liability for contributory infringement of IPRs”, AIPPI - Q204, Belgian report, p. 4).

⁴³ “Het bijzondere aan de onrechtstreekse octrooi-inbreuk is in de eerste plaats dat er naast een materieel element ook een moreel element aanwezig moet zijn in hoofde van de beweerdde inbreukmaker: niet alleen moet hij middelen leveren die toelaten de uitvinding toe te passen, hij moet ook weten of het moet duidelijk zijn dat deze middelen voor die toepassing geschikt en bestemd zijn [...] Het intentioneel element is in essentie een subjectief vereiste: de persoon die de middelen aanbiedt of levert moet weten of het moet gezien de omstandigheden duidelijk zijn dat de aangeboden of geleverde middelen geschikt en bestemd zijn voor de (inbreukmakende) toepassing”, free translation: The peculiarity of the indirect patent infringement is primarily that, in addition to a material element, a moral element must also be present on the part of the alleged infringer: not only must he supply means that allow the invention to be applied, he must also know or it must be obvious that these means are suitable and intended for that implementation [...] The intentional element is in essence a subjective requirement: the person who offers or supplies the means must know whether, given the circumstances, it must be obvious that the means offered or provided are suitable and intended for the (infringing) implementation, (E. DE GRYSSE, “Straffe koffie (met een laagje schuim)!”), note under Court of Appeal Antwerp, 8 November 2005, *Ing. Cons.*, 2005, p. 538-541).

In view of these cumulative conditions, Article XI.29 §2 CEL is in our view limited to Contributory Infringement within the meaning under points 8 and 9 of the Study Guidelines.

On the other hand, indirect infringement as defined in Article XI.29 §2 CEL is independent of a finding of direct infringement; in other words, it is sufficient that the means may be used to infringe the patent in question⁴⁴.

Finally, Article XI.29 §2 CEL does not apply when the means are staple commercial products, except when the supplier of the essential means of implementation further on induces the person supplied to commit acts prohibited by paragraph 1 of Article XI.29 CEL.

If (co)liability cannot be established under Article XI.29 §2 CEL, it might still be established on the basis of general tort law (Articles 1382 and following of the Belgian Civil Code) or, provided the “infringing” party can be considered an undertaking⁴⁵, on the basis of the general provision on unfair trade practices (Article VI.104 CEL). However, it will be necessary to demonstrate that the conditions of such liability are met⁴⁶. To that end, the claimant should establish a fault, a damage and a causal link between the fault and the damage.

⁴⁴ “The prohibition on the mere ‘offering to supply means’ indicates that indirect infringement can be committed before direct infringement occurs (A.Benyamini, *Patent Infringement in the European Community, IIC Studies, Vol.13, Max Plancke Institute for Foreign and International Patent, Copyright and Competition Law, Munchen, VCH, 1994, p.181*). These wordings seem therefore to confirm that the contributory infringement is regarded as an independent or autonomous infringement” (B. MICHAUX, G. PHILIPSEN, C. EYERS, N. D’HALLEWEYN, M. DEMEUR and E. DE GRYSSE, “Liability for contributory infringement of IPRs”, AIPPI - Q204, Belgian report).

⁴⁵ See K. JANSSENS, “Targeting het middle man: het opleggen van maatregelen aan tussenpersonen in de strijd tegen namaak en piraterij” in F. PETILLON (ed.), *Handhaving van intellectuele rechten in België / Respect des droit intellectuels en Belgique*, Larcier, 2018, p. 38; B. MICHAUX, G. PHILIPSEN, C. EYERS, N. D’HALLEWEYN, M. DEMEUR and E. DE GRYSSE, “Liability for contributory infringement of IPRs”, AIPPI - Q204, Belgian report, p. 5.

⁴⁶ “Contrairement à certains systèmes de common law, le droit civil ne connaît pas de mécanismes similaires à la doctrine générale du contributory infringement laquelle permet d’engager la responsabilité des personnes aidant ou encourageant des activités de contrefaçon lorsqu’il est démontré qu’elles avaient connaissance des activités contrefaisantes et que le support qu’elles ont donné a permis de faciliter voire de déclencher les activités contrefaisantes. [...] Ainsi, dans l’affaire Jakobs, le transporteur savait que les produits qu’il transportait vers les Pays-Bas portaient atteinte à une marque. Il avait été informé de l’interdiction judiciaire prononcée contre son donneur d’ordre et conformément à laquelle ce dernier ne pouvait livrer du café sous la marque JACOBS à des détaillants néerlandais. De même, dans l’affaire Red Bull, Winters avait déjà fourni ses services à Red Bull et connaissait dès lors bien ces marques. Chargé du remplissage de canettes portant des signes ressemblant à ces marques, aurait-il dû réagir? La réponse est ici moins évidente dès lors qu’il n’y avait pas, comme dans l’affaire Jakobs, une décision de justice constatant la contrefaçon. En l’absence d’une décision de justice, les intermédiaires sont dans une situation peu enviable, tiraillés entre les prétentions du titulaire de droit et leurs obligations contractuelles à l’égard du donneur d’ordre avec à la clé, une potentielle condamnation en responsabilité. Pour parer à toute éventualité, certains intermédiaires ont recours à des clauses particulières dans leurs conditions générales leur permettant par exemple de suspendre leurs services ou d’abandonner les biens suspects, en l’absence de réaction du donneur d’ordre et en présence d’une plainte de contrefaçon. Dans la jurisprudence relative aux activités en ligne, on observe une influence certaine du système particulier de responsabilité mis en place par la directive n° 2000/31. Ainsi, la doctrine s’accorde généralement à considérer que la responsabilité des moteurs de recherche ne peut être engagée en raison de l’usage abusif d’un métatag – à moins que mis au courant, ils ne prennent pas de mesure. Préalablement à l’adoption en droit belge de la loi du 11 mars 2003, la cour d’appel de Bruxelles avait conclu à la responsabilité d’un hébergeur de sites en raison de la présence sur des sites qu’il hébergeait de liens renvoyant à du contenu illicite. La cour d’appel a conclu à la responsabilité de l’hébergeur dès lors qu’ayant connaissance du caractère illicite, il n’avait pas agi. Cependant, comme mentionné ci-dessus, ce raisonnement a dû en grande partie être influencé par le système mis en place par la directive sur le commerce électronique. On observe cependant qu’il s’agit là de conditions qui trouvent parfois à s’appliquer pour des activités qui ne relèvent pas des cas de figure envisagés par la directive n° 2000/31”, free translation : Unlike some common law systems, civil law does not have mechanisms similar to the general doctrine of contributory infringement, which allows for the liability of persons assisting or encouraging counterfeiting activities when it is shown that they knew of the counterfeit activities and that the support they have given has facilitated or even triggered counterfeit activities. [...] Thus, in the Jakobs

In most cases, it will be difficult to prove a fault, which may consist either in the breach of statutory law, or in the not abiding to a general standard of prudence and good behaviour. In any event, it will always be a case-by-case analysis: It is indeed excluded to make a finding of (co)liability merely on the basis of the supply of technical means which allowed a third party to implement a protected invention. Moreover, it is not reasonable to require intermediaries whose means might possibly be used to implement a protected invention, that they *systematically* check the use that any purchaser actually makes, or intends to make, of the supplied means⁴⁷. Such an obligation would exceed the precautions that can legitimately be expected from normally diligent undertakings and would endanger their freedom of trade.

A finding of fault will however often be made when it is established that the supplier knew - or should have known, considering the circumstances, - that it was "assisting" a possible act of infringement (because it knew that the supplied means would be used for such purpose or it carried on its activities despite a Court order recognizing the subsequent act as infringing, and while knowing the existence of such order⁴⁸).

It infers from the above that whatever the liability regime that is applied, the (constructive) knowledge of the supplier regarding the potential infringement, is critical⁴⁹. Such knowledge has been found only in limited cases:

case, the carrier knew that the goods he was transporting to the Netherlands infringed a trademark. He had been informed of the judicial prohibition against his client and in accordance with which the latter could not deliver JACOBS coffee to Dutch retailers. Similarly, in the Red Bull case, Winters had already provided its services to Red Bull and was therefore familiar with these brands. In charge of the filling of cans bearing signs resembling these trademarks, should he have reacted? The answer here is less obvious since there was no court decision finding the infringement, as in the Jakobs case. In the absence of a court decision, the intermediaries are in an unenviable situation, torn between the claims of the right holder and their contractual obligations towards the client with the risk of a potential conviction in responsibility. To avoid any eventuality, certain intermediaries use specific clauses in their general agreement allowing them, for example, to suspend their services or to abandon suspicious goods, in the absence of a reaction from the client and in the presence of a counterfeit complaint. In the case-law relating to online activities, there is a certain influence of the special system of liability set up by Directive No 2000/31. Thus, the doctrine generally agrees to consider that the responsibility of search engines cannot be bound because of the misuse of a metatag - unless informed, they do not take action. Prior to the adoption of the Belgian law of 11 March 2003, the Brussels Court of Appeal had found that a web host was liable for the presence on sites that he hosted of links to illegal content. The Court of Appeal held the host liable since he knew of the unlawfulness, he had not acted. As mentioned above, this reasoning is largely influenced by the system put in place by the e-commerce directive. However, these conditions are sometimes found to apply to activities that are not covered by the situations envisaged by Directive 2000/31, (V. FOSSOUL, "La responsabilité des intermédiaires en droit des marques et en droit d'auteur à la lumière de la récente jurisprudence européenne", *R.D.C.*, 2014, p. 473-475).

⁴⁷ "La Cour en déduit [arrêt Tommy Hilfiger], comme elle l'avait déjà fait dans son arrêt L'Oréal, mais dans cet arrêt à propos d'un service de la société de l'information pour lequel la directive 'commerce électronique' prévoit déjà ce principe, qu'il ne saurait non plus être exigé de l'intermédiaire qu'il exerce une 'surveillance générale et permanente' de ses clients [§ 34]", free translation : The Court deduces from this [the Tommy Hilfiger judgement], similarly to what it already did in its LOréal judgement, but in that judgement regarding an information society service for which the E-commerce Directive already foresees this principle, that it cannot be required from an intermediary to perform a 'general and permanent surveillance' of its clients, (E. CORNU, "Arrêt Tommy Hilfiger": injonctions visant à faire cesser des atteintes à des droits de propriété intellectuelle (marchés physique ou en ligne)", *Journal de droit européen*, 2016, p. 265; in this sense, T. DE HAAN, "Précisions sur la notion d' 'intermédiaire' au sens de l'article 11 de la directive 2004/48 relative au respect des droits de propriété intellectuelle", Les Pages, December 2016, p. 3; R. SCHOEFS, "De aansprakelijkheid van tussenpersonen in IE-geschillen: een stand van zaken", *I.R.D.I.*, 2013, p. 145; P. MAEYAERT, "Different yet the same? Intermediary liability in physical and online markets", www.worldtrademarkreview.com, February-March 2017, p. 44).

⁴⁸ V. FOSSOUL, "La responsabilité des intermédiaires en droit des marques et en droit d'auteur à la lumière de la récente jurisprudence européenne", *R.D.C.*, 2014, p. 474; see reference made to CJ Benelux, 29 June 1982, A 81/5, *Hagens Transporten B.V. et Joh. Jacobs & Co. GMBH / Theodorius Niemeyer*.

⁴⁹ B. MICHAUX, G. PHILIPSEN, C. EYERS, N. D'HALLEWEYN, M. DEMEUR and E. DE GRYSSE, "Liability for contributory infringement of IPRs", AIPPI - Q204, Belgian report, p. 5.

- *“A patent infringement as stipulated in Article 27 §1 of the Belgian Patent Act is not proven in respect of the defendants [...] The liability of these defendants invoked by the claimants on the grounds of Article 1382 of the Belgian Civil Code has not been proven. The latter states that Ari Trans, SBL Logistique and MSC Belgium, by providing their services as cargo handlers in respect of the disputed DVD players, committed a fault, and are liable under Article 1382 of the Civil Code, since they provide the services after having been informed of the infringing nature of the goods. There is no exhibit which shows that those defendants had knowledge of the infringing nature of the goods at issue when they were ordered to handle or at the time they provided their services. The claim, in so far as it is based on Article 1382 of the Civil Code, is unfounded, since no fault on the part of the aforementioned defendants has been proven in causal connection with the damage claimed by the claimants”⁵⁰ (case concerning the possibility to establish the joint liability of intermediaries that were involved in the importation into the EU of DVD-players infringing Philips’ patent - we underline).*

- *“It does not appear that Unitex, shipper of the goods, or Sonatrans, ordered by the buyer to accept the goods, or CMA-CGM Belgium, the shipping agent, has committed an infringing act as described in Article 27 §1 of the Belgian Patent Act. They are neither liable nor co-liable for the patent infringements by Hung Kwong Screws and Sonexi. The liability of Unitex, Sonatrans and CMA-CGM Belgium on the grounds of Article 1382 of the Civil Code has not been proved. The claimant does not prove wrongful or careless action by these defendants. It does not appear that these defendants had knowledge of the patent-infringing nature of the goods, with the services they had to provided [...]”⁵¹ (case concerning the possibility to establish the joint liability of intermediaries that were involved in the importation into the EU of DVD-players infringing Philips’ patent - we underline).*

- *“The respondents do not show that the appellant would know that her customers use the CD-writer in an illegal manner. The files do not contain any exhibit that allows this conclusion to be drawn. The official report of the SABAM inspector also does not allow concluding that a copy was made in violation of the legislation on copyright and neighbouring rights. Finally, the respondents also do not prove that the appellant would deliberately set up the possibility to realize illegal copies of protected works with her help. Again, nothing in the files allows this conclusion”⁵² (case concerning the provision by a copy center of a CD-writer or CD-copier allowing the direct or indirect reproduction of copyrighted work without the authorization of their authors - we underline).*

⁵⁰ Free translation of: *“Een octrooi-inbreuk zoals bepaald in artikel 27 §1 Octrooiwet is niet bewezen in hoofde van de verwerende partijen [...] De door eisende partij aangevoerde aansprakelijkheid van deze verwerende partijen op grond van artikel 1382 BW is niet bewezen. Eisende partij zet uiteen dat Ari Trans, SBL Logistique en MSC Belgium, door het verlenen van hun diensten als goederenbehandelaars met betrekking tot de litigieuze DVD-spelers, een fout hebben begaan, en aansprakelijk zijn in hoofde van artikel 1382 BW, vermits zij de diensten hebben geleverd nadat zij kennis hadden gekregen van het inbreukmakend karakter van de goederen. Er ligt geen enkel stuk voor waaruit blijkt dat deze verwerende partijen kennis hadden van het inbreukmakende karakter van de litigieuze goederen, op het tijdstip dat zij met de behandeling ervan werden gelast of op het tijdstip dat zij hen diensten hebben uitgevoerd. De vordering, in zoverre deze is gesteund op artikel 1382 BW, is ongegrond, nu geen fout in hoofde van de voormelde verwerende partijen is aangetoond in oorzakelijk verband met de door eisende partijen aangevoerde schade”,* Court of First Instance Antwerp, 11 September 2008, AR 05/6993/A, p. 8-9, (available on www.darts-ip.com); see comment in R. SCHOEFS, “De aansprakelijkheid van tussenpersonen in IE-geschillen: een stand van zaken”, *I.R.D.I.*, 2013, p. 142.

⁵¹ Free translation of: *“Het blijkt niet dat Unitex, verscheper van de goederen, of Sonatrans, door de koper gelast met de inontvangstname van de goederen, of CMA-CGM Belgium, scheepagent, een in artikel 27 §1 BOW beschreven inbreukmakende handeling heeft gesteld. Zij zijn niet aansprakelijk noch medeaansprakelijk voor de octrooi-inbreuken door Hung Kwong Screws en Sonexi. De door eisende partij aangevoerde aansprakelijkheid van Unitex, Sonatrans en CMA-CGM Belgium op grond van artikel 1382 BW is niet bewezen. Eisende partij bewijst niet een foutief of onzorgvuldig handelen van deze verwerende partijen. Het blijkt niet dat deze verwerende partijen kennis hadden van het octrooi-inbreuk makende karakter van de goederen, met de behandeling waarvan zij waren gelast [...]”,* Court of First Instance Antwerp, 9 October 2008, AR 05/6313/A, p. 8, (available on www.darts-ip.com); in the same sense, also see Court of First Instance Antwerp, 15 January 2009, AR 06/6416/A, p. 7-8, (available on www.darts-ip.com).

⁵² Free translation of: *“Geïntimeerden tonen niet aan dat appellante zou weten dat haar klanten de CD-writer op een illegale wijze gebruiken. De dossiers bevatten geen enkel stuk dat toelaat deze conclusie te trekken. Ook het proces-verbaal van de controleur van SABAM laat niet toe te besluiten dat een kopie gemaakt werd in strijd met de wetgeving inzake auteursrechten en naburige rechten. Tot slot bewijzen geïntimeerden ook niet dat appellante bewust de mogelijkheid zou creëren om met haar hulp illegale kopies van beschermde werken te realiseren. Opnieuw laat geen enkel stuk van de dossiers deze conclusie toe”,* Court of appeal of Gent, 16 June 2003, 2002/AR/0730, (available on www.darts-ip.com).

- “The Veenhuis company considers that its distributors do not commit an infringement of Joskin’s patent EP 0 520 974

The reason given in support of this position is that the manufacture of machinery by Veenhuis, in accordance with his patent NL 1011803, includes the fixing of the knives as opposed to the fact that the knives in Joskin’s distributor are free.

However, it turns out that, in the two cases covered by the descriptive-seizure [by Joskin against Veenhuis], the fixing had been ground and that the knives were therefore free resulting in the obliteration of fundamental differences between Joskin’s distributor and Veenhuis’ distributor.

The descriptive-seizure ordered at the premises of the interveners thus reveals the existence of an infringement or, at least, supplies of means (article 27 §2 of the Belgian patent law). The seizure highlights - regarding Mister Broekx [Veenhuis customer] - that it was the case regarding the distributor used by him and acquired from Veenhuis and delivered by this one.

It should also be noted that Broekx, once interrogated, explained that the pins have been ground because experience has shown that it improves the performance of the machine delivered by Veenhuis [...]

The conditions required by Article 27 §2, which prohibits the indirect infringement of the invention or, in other words, acts that are intended to allow any direct infringement of the patent, are met namely:

- the delivery or the delivery offer took place on the Belgian territory,
- the delivery or the delivery offer concerns the exploitation of the invention in Belgium,
- the means relate to an essential element of the invention [...],

- The supplier must know that the delivered means are suitable and intended for the implementation of the patented invention or the circumstances must make this obvious. This is the case here. The user of the machine clearly states that it cannot properly function if the knives are fixed. We also should mention that the knife has a central hole for its fixation as the pins are ground, a hole that would be useless if the fixings are maintained [...] It is therefore necessary to at least conclude that there are obviously some acts of indirect infringement, which can be punished⁵³ (case concerning the producing and/or marketing of agricultural machinery indirectly infringing patent rights over similar agricultural machinery - we underline).

- “At the hearing, the lawyer of PREFARAILS and FERONIA noted that ALM had to realize that it was not normal that the order was passed by CDM. ALM must have been aware, through its past relationships, of the organization and

⁵³ Free translation of : “La société Veenhuis estime que ses répartiteurs ne constituent pas une contrefaçon du brevet EP 0 520 974 de Joskin. La raison invoquée à l’appui de cette position est que la fabrication des machines par Veenhuis, selon son brevet NL 1011803 comporte une fixation de ses couteaux par opposition au fait que les couteaux dans le répartiteur de Joskin sont libres. Or, il s’avère que, dans les deux cas visés par la saisie-contrefaçon [réalisée par Joskin à l’encontre de Veenhuis], les fixations avaient été meulées et que les couteaux étaient donc libres ce qui anéantissait les différences fondamentales entre le répartiteur Joskin et le répartiteur Veenhuis. La saisie-description pratiquée chez les intervenants révèle donc l’existence d’une contrefaçon à tout le moins de fournitures de moyens (article 27 §2 de la loi sur les brevets). La saisie met en exergue – en ce qui concerne Monsieur Broekx [client de Veenhuis] – que le répartiteur utilisé par lui et acquis auprès de Veenhuis et livré par cette dernière l’était en l’état [...] On notera encore qu’interrogé, Monsieur Broekx, explique que les ergots ont été meulés parce que l’expérience a prouvé que cela améliore le rendement de la machine livrée par Veenhuis [...] Les conditions requises par l’article 27 §2 lequel interdit la contrefaçon indirecte de l’invention c’est-à-dire les actes qui sont destinés à permettre la contrefaçon directe du brevet sont réunies à savoir:

- la livraison ou l’offre de livraison a eu lieu sur le territoire belge,
- la livraison ou l’offre de livraison concerne l’exploitation de l’invention en Belgique,
- les moyens se rapportent à un élément essentiel de l’invention [...],

Le fournisseur doit savoir que les moyens livrés sont aptes et destinés à la mise en œuvre de l’invention brevetée ou les circonstances doivent rendre ce fait évident. Tel est le cas d’espèce. L’utilisateur de la machine expose clairement qu’elle ne peut fonctionner correctement si les couteaux sont fixés. On notera encore que le couteau comporte un trou central permettant son maintien dès lors que les ergots sont meulés, trou sans utilité si les fixations sont maintenues [...] Il s’impose donc de conclure qu’à tout le moins il y a manifestation des actes de contrefaçon indirecte qui peuvent être sanctionnés”. Court of First Instance Liège, 6 December 2007, *Ing. Cons.*, 2008, p.140; Commercial Court Mons, 28 June 2012, AR A/10/1456, (available on www.darts-ip.com), p. 13.

*division of tasks between PREFARAILS and CDM. Such a grievance would have made sense in an unfair competition proceeding. It is irrelevant as part of an infringement action. The purpose of the current proceeding is only to establish whether a patent infringement has occurred and not to determine whether the agreements between PREFARAILS and CDM have been infringed with the assistance of a third party*⁵⁴ (case concerning the alleged infringement to patents relating to a technology to isolate railway tracks from stray electrical currents).

II. In the case at hand: Absence of (co)liability

Before answering the question under examination, certain elements of the question should be specified:

- Given the wording of the question, we assume that the chip developed by A is an essential element of Z' invention.
- In the light of the scarce relevant case-law in Belgium⁵⁵, we tend to think that A's chip is not a "staple commercial product" within the meaning of Article XI.29 §2 CEL.

It is stated in the question that "A has no knowledge of the actual end use of its memory chips". If, on the basis of the few elements at our disposal, we further on assume that it was not obvious for A, considering the circumstances, that the chips were or would be effectively used in infringing telecommunication devices, then A should not be held liable on the basis of Article XI.29 §2 CEL.

The mere fact that A's chips are "objectively suitable" to be used to implement the method covered by Z' patent should not alter that finding. A has no obligation to systematically check the use that device manufacturers actually intend to make of its chips. Such an obligation would, in view of the Belgian group, exceed the precautions that can legitimately be expected from a chips manufacturer, especially when the chips are distributed over multiple distribution levels to a plethora of device manufacturers. If the chips were distributed to a unique device manufacturer, A's lack of enquiry might have been questioned⁵⁶.

This said, as A's chips are objectively suitable to be used for the claimed method, it could be submitted that in order to behave as a cautious chip manufacturer, A should mention either in the instructions manual or on the products packaging that it is forbidden to use the chip for the patented method without a valid license. However existing, scarce, Belgian case law, does not allow to state that such indication would have been recognized as mandatory⁵⁷.

⁵⁴ Free translation of: "A l'audience, le conseil de PREFARAILS et FERONIA a relevé que ALM devait bien se rendre compte qu'il n'était pas normal que le commande soit passée par CDM. ALM devait connaître, par ses relations passées, l'organisation et la répartition des tâches entre PREFARAILS et CDM. Un tel grief aurait eu du sens dans le cadre d'une procédure en concurrence déloyale. Il est sans pertinence dans une action en contrefaçon. Le but de la présente procédure est uniquement de vérifier s'il y a contrefaçon d'un brevet et non de déterminer si les accords entre PREFARAILS et CDM ont été méconnus avec l'aide d'un tiers." Commercial Court Mons, 28 June 2012, AR A/10/1456, (available on www.darts-ip.com), p. 16 (confirmed by the Court of Appeal Liège on 2 December 2013, AR 2012/RG/842, available on www.ie-forum.be).

⁵⁵ The most relevant decision appears to be that of the Court of Appeal Antwerp of 8 November 2005 in the Senseo case (*Ing. Cons.*, 2005, p. 527).

⁵⁶ Commercial Court Mons, 28 June 2012, AR A/10/1456, (available on www.darts-ip.com).

⁵⁷ Court of Appeal Ghent, 16 June 2003, 2002/AR/0730 (available on www.darts-ip.com):

"Het middel dat appellante geen initiatief zou nemen om inbreuken op de Auteurswet te voorkomen of te beperken faalt in feite.

In conclusion, we consider that A would not be held (co)liable either under Article XI.29 §2 CEL, or under Article 1382 of the Civil Code / Article XI.104 CEL, in the circumstances mentioned under question 4, principally due to a lack of knowledge on A's part of the infringing use of its products.

5) In the following hypotheticals, would party A be liable for Joint Infringement with party X? Please explain why or why not.

- a) **Z owns a patent claiming a method for exchanging (sending / receiving) encrypted messages between server “a” and server “b”. A operates server “a” in your country, which exchanges encrypted messages with server “b” operated by X, also located in your country. A and B know that their servers exchange encrypted messages according to the patented method.**

Assuming that the patent requires both sending and receiving, and that neither A nor B (or is it X?) uses or offers the entirety of the patented method, they will not commit an act of direct infringement in the sense of article XI.29, §1.b) Belgian Economic Law Code.

Typically, under Belgian law, both parties could be challenged as Indirect/contributory infringers in the sense of article XI.29, § 2 CEL (since the service they offer is likely to be a "means relating to an essential part of the claimed method" and they are aware of this use of the method). One might also argue that A commits a contributory infringement and that B is merely actionable as an intermediary, on the basis of Article XVII.14, §4, CEL, because its server is used by A to (indirectly) infringe the patented method (or *vice versa*). That may be relevant in case a direct challenge of B is undesirable.

One might then consider arguing that both A and B would have committed a general tort in the sense of article 1382 Civil Code (or an act of unfair competition). This requires proof of a fault, a damage and a causal link between the two. However, it is questionable whether A or B can be held liable under such general provision while the Belgian patent Act (article XI.29 Belgian Economic Law Code) enumerates and describes with precision the various forms of patent infringement. If certain acts, closely related to a patented invention, are not covered

Uit de feitelijke uiteenzetting blijkt dat appellante een waarschuwing aangebracht heeft op de CD-writer zelf [...]. Haar raadsman heeft deze ook voorgelegd aan geïntimeerden en zich open getoond voor eventuele aanpassingen, die geïntimeerden zouden wensen of suggereren [...]. Geïntimeerden tonen thans niet aan dat de aangebrachte waarschuwing manifest of dermate onvoldoende is dat er toch een inbreuk op de Auteurswetgeving is [...]

Het Belgische auteursrecht, in tegenstelling tot het Belgische octrooirecht (zie artikel 27, §4 van de wet van 28 maart 1984 op de Uitvindingsoctrooien), bevat niet het begrip ‘contributory infringement’ en sanctioneert deze handeling dan ook niet. ‘Contributory infringement’, zoals opgenomen in het auteursrecht in de U.S.A. en Groot-Brittannië, betekent dat het ter beschikking stellen van middelen, die een inbreuk op het auteursrecht veroorzaken of een inbreuk stimuleren, op zichzelf een inbreuk vormt op de auteurswetgeving, voor zover de betrokkene kennis had of behoorde te hebben van de inbreuk op de auteurswetgeving. De intentionele medewerking aan de inbreuk op 'het auteursrecht vormt een inbreuk op het auteursrecht.

Het is hoe dan ook onvoldoende dat illegale kopieën zouden kunnen gemaakt worden op de CD-writer van appellante. Deze mogelijkheid bestaat steeds, net zoals op de gewone fotokopiemachines voor papier, die appellante in haar zaak ter beschikking stelt. Het zou appellante een verplichting tot toezicht opleggen, die buiten proportie is, indien zij elke gekopieerde drager eerst zou dienen te verifiëren alvorens het gebruik van het toestel toe te laten (de vraag daargelaten of dit wel kan in het licht van de wetgeving op de privacy)” (case concerning the provision by a copy centre of a cd-writer or cd-copier allowing the direct or indirect reproduction of copyrighted work without the authorization of their authors).

by this provision, it is doubtful that these very same acts (without additional circumstances) could constitute a tort pursuant to the general rule of extra-contractual liability.⁵⁸

As far as we are aware, there is no case law in Belgium addressing exactly the question raised.

b) Z owns a patent claiming a method for exchanging (sending / receiving) encrypted messages between server “a” and server “b”. A operates server “a” in your country, which exchanges encrypted messages with server “b” operated by X, located outside your country. A and B know that their servers exchange encrypted messages according to the patented method.

Since the patented method is not used (or offered) in its entirety in Belgium, A and B (or is it X?) will not commit an act of direct infringement in the sense of article XI.29, §1.b) CEL, as that provision is limited to acts accomplished on the Belgian territory. For that same reason, A and B will not commit an act of indirect infringement (within the meaning of Art. XI.29, §2, CEL) even if one of them supplied means relating to an essential part of the claimed method in Belgium, as long as those means are not used/implemented in Belgium.

For the sake of completeness, we point out that this restriction would not apply under the UPC system.

c) Z owns a patent claiming a method for exchanging (sending / receiving) encrypted messages between server “a” and server “b”. X operates server “a” outside your country, which exchanges encrypted messages with server “b” operated by Z, located in another country outside your country. A, located in your country, is a software consultant advising X and Z how to use the patented method (but A does not supply any software).

One should consider whether A is offering the patented method and is liable for direct infringement. He is liable if (i) he knew or should have known that such use of the method needed consent of the patentee and (ii) the method is used in Belgium. At least the latter condition is not met in our hypothesis, so there is again no direct infringement. Both the offer and the subsequent use need to take place in Belgium for there to be an act of patent infringement, as recently confirmed by the Belgian Constitutional Court.⁵⁹ The Court found that this double nationality requirement for process patents does not amount to a discriminatory distinction with product patents, which are infringed as soon as the offer takes place in Belgium, irrespective of where the product is then used. The alternative infringement arguments as set out in 5.a) and 5.b) are (*mutatis mutandis*) inapplicable.

6) Are there any other scenarios which result in Joint Liability for IPR infringement under your Group's current law?
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⁵⁸ Concerning the relationship between patent law and unfair competition law, reference can be made to Supreme Court 29 May 2009, Nr. C.06.0139.N, *Noël Marquet v Orac et al.*, www.cass.be; see also Ph. Campolini, « Brevets, secrets non brevetés et concurrence déloyale », in *Propriété intellectuelle et concurrence déloyale. Les liaisons dangereuses ?*, Brussels, Larcier, 2017; B. Vanbrabant, *La propriété intellectuelle. Nature juridique et régime patrimonial*, t. I, Brussels, Larcier, 2016, pp. 252 s.

⁵⁹ Constitutional Court Belgium, 28 September 2017, *Europlasma v P2i*, (available on www.ie-forum.be).

We have not spotted other scenarios which result in Joint Liability for IPR infringement under our Group's current law.

**7) What remedies are available against a party found liable for Joint Infringement?
In particular:**

a) Is an injunction available?

As already mentioned in our response to question 2, a person, and in particular an intermediary who provides services to a direct infringer, will often be subject to an injunction ('actionable') without being necessarily liable in the strict meaning. Indeed, under Belgian law, an injunction is available against intermediaries that, by offering their services to direct infringers, help facilitate infringements of IPR. It is not necessary for the intermediary to commit a direct infringement and/or to be liable for damages. The only relevant element is whether the intermediary is capable of stopping the infringement, or at the least contributing thereto. Therefore, an injunction is often the primary remedy claimed by the plaintiff. This possibility follows directly from specific statutory provisions which determine that the courts⁶⁰ which determine the existence of an infringement of IP rights can render an injunction against intermediaries whose services are being used to commit such infringement (see above, question 1). Courts have clarified that there is no "moral" requirement applicable, like being in bad faith or even having knowledge of the infringement, for these provisions to apply.⁶¹

Even though they enjoy a broad protection against liability under articles XII.17-19 CEL, online intermediaries, such as ISP's and providers of hosting services, may also be the addressees of injunctions.⁶² The 'safe harbours' offered by these provisions concern (criminal and civil) liability in the strict meaning, not cease and desist orders (injunctions).

b) Are damages or any other form of monetary compensation available; if YES, on what basis?

There are no specific statutory provision stipulating that intermediaries are liable for damages or any other form of monetary compensation. To the contrary, as mentioned above (*supra*, question 2), these intermediaries, insofar as they have not themselves infringed, either directly or indirectly, the IP right in question⁶³, are 'actionable' (above, under a) but not 'liable', which means they cannot be held to compensate the aggrieved IP right owner.

⁶⁰ In the event of an infringement of patent rights, the (President of the) Commercial Court of Brussels has exclusive jurisdiction (art. XVII.14 § 2 CEL). In copyright and related right cases, the competence sometimes belongs to the presidents of the Courts of First Instance.

⁶¹ See Commercial Court Antwerp, 6 May 2008, *IRDI* 2008, 260; Court of First Instance Antwerp, 11 September 2008, AR 05/6993/A (available on www.darts-ip.com); Court of First Instance Antwerp, 24 February 2011, AR A/10/04223 & A/10/04224 (available on www.darts-ip.com).

⁶² See *supra*.

⁶³ It is to be noted that while patent law provides for a specific liability in case of direct infringement – by providing knowingly, in Belgium, an essential element for the working of the invention, in Belgium, by another, the same does not exist, at least under statutory law, in case of copyright or trademark infringement. For examples of patent indirect infringement, see Court of Appeal Antwerp, 8 November 2005, *Ing. Cons.* 2005, 502 (*Sensio*); Court of First Instance Liège, 6 December 2007, *Ing. Cons.* 2008, 118 (*Joskin* agricultural machines); Commercial Court Mons, 28 June 2012 (provision of molds).

In theory, damages could well be available under the general rule of extra-contractual liability, based on article 1382 of the Belgian Civil Code⁶⁴. This implies, however, that the IPR holder can convince the court that the intermediary has committed a fault (either voluntarily or by negligence) and that without this fault the harm or loss suffered by the right owner would not have been incurred (causal link). In such case, the intermediary would be obliged to compensate the IPR owner, and the aggrieved party would be entitled to claim the totality of such damage to the intermediary instead of the (direct) infringer (if any). However, in practice proving a fault or negligence appears very difficult⁶⁵. One has indeed to convince the court that any diligent and cautious intermediary, placed in the same circumstances, would have behaved differently from the defendant.

Moreover statutory provisions expressly exclude the liability of certain categories of online intermediaries, namely providers of mere conduit, caching and hosting services.⁶⁶ The so-called 'safe-harbours' introduced by articles XII.17-19 CEL protect these intermediaries as long as they respect some conditions (including, as far as hosting services providers are concerned, acting expeditiously, upon obtaining awareness of facts or circumstances from which the illegal activity or information is apparent, to remove or to disable access to the infringing information).

But even intermediaries that do not fall under the scope of these provisions, for example transporters of infringing goods or shipping agents, are generally not found liable for damages. This is in essence due to the fact that they only have a limited involvement with the IPR infringement and/or have no actual, or even construed, knowledge of the infringing nature of the goods they transport or detain.⁶⁷

c) Are any of the available remedies different in scope to the remedies available against any acts of direct infringement or Contributory Infringement?

In theory, the remedies available to acts of Joint Liability do not differ from those available in case of direct or Contributory infringement. In both instances it is possible to obtain an injunction and damages, as well as other available remedies.⁶⁸

However, as has already been described above, acts of Joint Liability lead most often to mere 'actionability', not to liability in a strict meaning. This implies that while injunctions are easily available both for direct (or Contributory) and for Joint infringement, the same cannot be said as far as damages are concerned. Given that intermediaries rarely have actual knowledge of the infringing nature of the acts where they are involved in, it shall be rather difficult for an IPR holder to obtain damages from such parties.

⁶⁴ This well-known provision states that "*any act of man, which causes damages to another, shall oblige the person by whose fault it occurred to repair it*".

⁶⁵ Cf. for example Court of Appeal Brussels 30 April 2013, Meta Media Uitgeverij, AR 2010/AR/766 (liability of a forum administrator for hosting of pictures (no)) (available on www.darts-ip.com); President Commercial Court Brussels, 14 October 2008, IRDI 2009, 65, holding jointly liable the operator of a warehouse where infringing goods were stocked on the basis of Art. 1384 (1) of the Civil Code regarding custody of defective goods.

⁶⁶ See *supra*.

⁶⁷ See for example: Commercial Court Antwerp, 6 May 2008, IRDI 2008, 260; President Commercial Court Antwerp, 24 February 2011, IRDI 2011, 320; Court of First Instance Antwerp, 11 September 2008, AR 05/6993/A (available on www.darts-ip.com); Court of First Instance Antwerp 9 October 2008, AR 05/6313/A (available on www.darts-ip.com); Commercial Court Brussels, 8 October 2014, AR A/2013/09073, (available on www.ie-forum.be).

⁶⁸ Such as, for example, the publication of the judgement, the seizure and/or destruction of infringing goods, etc.

II. POLICY CONSIDERATIONS AND PROPOSALS FOR IMPROVEMENTS OF YOUR GROUP'S CURRENT LAW

8) Are there aspects of your Group's current law that could be improved? If YES, please explain.

We do not consider that our current legislation should be drastically modified, in particular because the CJUE case law has already provided numerous clarifications and nuances on the matter, which have allowed to better circumscribe the scope of intermediaries' liability and safe harbours.

Some points are however subject to discussion and could therefore be further clarified, such as:

- the interaction between specific IP provisions defining direct and/or indirect infringement on IP rights and provisions of general civil and/or economic law which could apply in addition to the former provisions or, where appropriate, in the absence of such specific provisions;
- the asymmetry between patent law, which explicitly addresses the issue of indirect infringement (Article XI.29 §2 CEL), and other IP rights regulations that do not include any similar provision.

However, we do not consider that the aforementioned points alone justify the intervention of the legislator to modify Belgian statutory law. We believe that our current legislation is rather adequate and that it provides a sufficiently flexible framework. It makes it possible to obtain injunction measures relatively easily, and also offers the possibility of obtaining damages under general civil law.

9) Should acts outside the scope of direct infringement or Contributory Infringement give rise to Joint Liability for IPR infringement? If YES, should that sound in availability of injunctive relieve and/or damages? Please explain why or why not.

To answer this question correctly, it is first necessary to recall the scope of the term "(joint) liability" under Belgian law (see question 2): In Belgium, for a person to be held (jointly) liable of an IP right infringement (and as the case may be to be liable for damages), such person must necessarily be aware (or, considering the circumstances, should have been aware) of the infringing character of the act that he is being blamed for. Injunction measures may however be ordered against an intermediary even in the absence of constructive knowledge if said measure can contribute to stop or to limit the infringement.

In other words, in Belgium, even if an act cannot be qualified as a direct or indirect infringement and, therefore, cannot give rise to (joint) liability in the strict sense of the word, it may entail injunctions aimed at stopping or limiting the scope of an IP infringement.

We consider that our current system is satisfactory and that an act falling outside the scope of direct or indirect infringement should not necessarily give rise to (joint) liability, provided

that it is possible, even in the absence of any liability in the strict sense of the word, to impose injunction measures to stop or limit the infringement.

Nevertheless, it could be appropriate to expressly include in the Belgian legislation the notion of **inducement** as known in the United States, which only requires (specific) knowledge (by inducement) of a direct infringement (which must actually take place), independently of the offer or supply of means suitable to commit the considered infringement (see point 12 of the Study Guideline).

In Belgium, the notion of inducement to commit an IP right infringement is only referred to in Article XI.29 §2 CEL and hence applicable only in patent cases. Moreover, inducement is considered in the context of Contributory Infringement and comes as an exception to the rule that the provision of *non-essential* means, suitable to commit the infringement, shall in principle not be regarded as an infringement (in other words, provision of non-essential means is an infringement only when the provider moreover induces the infringing use of such means).

That being said, the absence of a broader, express, provision in respect of IP rights inducement is not necessarily a major issue since it should still be possible to fall back on Article 1382 of the Civil Code if the inducement, taking into account the particular circumstances of the fact, can be considered as a wrongful act (fault).

10) Should Joint Liability be excluded if one or more acts being necessary for establishing Joint Liability for IPR infringement are committed outside the domestic jurisdiction? Please explain why or why not.

The Belgian legislation is governed by the principle of territoriality, pursuant to which to qualify as indirect (infringement) and hence to give rise to (joint) liability, an act should in principle be committed on the Belgian territory.

However, in the event that it is plain that someone performed an act outside Belgium *while knowing* that it would contribute to the infringement of an IP right in Belgium, and did this abroad *in order to circumvent* the principle of territoriality, it should be possible to establish joint liability on the basis of Article 1382 of the Civil Code. Provided, however, that in such a case, a stringent knowledge, if not inducement, requirement should apply, in order to avoid that such person acting abroad could be found liable in Belgium without even knowing that what he was doing was prohibited under Belgian law.

11) Are there any other policy considerations and/or proposals for improvement to your Group's current law falling within the scope of this Study Question?

Nothing to add.

III. PROPOSALS FOR HARMONISATION

Please consult with relevant in-house / industry members of your Group in responding to Part III.

12) Is a consolidated doctrine of Joint Liability for IPR infringement desirable?

Yes. Considering the disparities between the national law of the groups, that will probably appear from the general report, a consolidated doctrine of Joint Liability for IPR infringement is desirable. The question of Joint Liability has not been sufficiently studied under Belgian law and such consolidated doctrine should hence be particularly useful to our jurisdiction.

13) Is harmonisation of the laws of Joint Liability for IPR infringement desirable?

If YES, please respond to the following questions without regard to your Group's current law.

Even if NO, please address the following questions to the extent your Group considers your Group's current law could be improved.

Yes. There is no doubt that harmonisation of the laws of Joint Liability for IPR infringement is desirable. It should however occur under a flexible approach and, in the interest of all undertakings, both IP rights owners and other providers of products and services, including (on-line) intermediaries.

14) Please propose a suitable framework for Joint Liability for IPR infringement, focussing on the hypotheticals set out in Questions 3 to 5 above:

a) The acts in question are limited to activities such as renting retail space, hosting websites, advertising etc. (as further described in Question 3 (a) to (d) above)

As such activities or services allow the infringement to take place, or broaden its scope, the right holder should at least be able to obtain an injunction against the person who provides them. In addition, if the service provider has knowledge, either effective or construed, of the infringing activities, he should be held liable in the strict meaning, i.e. be under a duty to compensate for the harm suffered by the right owner, without prejudice provider's right to exercise a recourse against the direct infringer.

b) The means supplied or offered by the contributory infringer related to a substantial element of the subject matter of the protected IPR, but at the time of offering or supply, the suitability and intended use were not known to the supplier or obvious under the circumstances (as further described in Question 4 above)

Without (construed) knowledge there should be no liability. Such condition must be met at the time when the means in question are offered or supplied.

Injunctions (against intermediaries/contributory infringers) should nevertheless be available: see above, sub (a).

c) The infringing acts are divided between two parties, and the acts of each party do not qualify as direct infringement or Contributory Infringement, as further described in Question 5 (a) to (c) above.

There should be no finding of infringement if the legal criteria are not met, unless there is evidence of an organized division of activities to circumvent enforcement measures. In addition, the fact that infringing activity takes place abroad should not *per se* exclude a finding of infringement if it is established that the whole scheme has been set up on purpose to take advantage of the territoriality of IP rights; this is especially the case if the copied item is protected by parallel rights which are valid and enforceable in all relevant countries.

15) Are there any other scenarios which should result in Joint Liability for IPR infringement, and where harmonisation is desirable? If YES, please explain.

No other scenarios identified: cf. Question 6 above.

16) What remedies should be available against a party found liable for Joint Infringement? In particular:

a) Should an injunction be available?

Injunctions should be widely available in the event a party is found liable for Joint Infringement. In connection hereto, we refer firstly to our response to question 9). It is important for an IPR holder to have easy access to injunctive relief for acts of Joint Liability. Even if the involved party has no actual knowledge of the infringing nature of the acts they were involved in as an intermediary, it should still be possible for an IPR holder to obtain an injunction against this party (without however interfering with this intermediary's non-infringing, legitimate, business).

The availability of such injunction is important because the IPR holder may sometimes experience difficulties in identifying or pursuing the parties liable for direct or Contributory infringement, for example if they are located abroad or in an online environment. In such cases, it is important that the IPR holder has access to an effective measure that can help stopping, or mitigating the scope of, the infringement. This can often be achieved through an injunctive relief measure against a (local) intermediary.

b) Should damages or any other form of monetary compensation be available; if YES, on what basis?

Damages or any other form of monetary relief should not be as widely available as injunctions to IPR holders against parties found liable of Joint Infringement. No such remedy should be available as long as the party: (i) has no actual or construed knowledge of the infringing nature of the acts in which they are involved and (ii) does not induce the party committing acts of direct or contributory infringement. This exemption of liability should furthermore be made subject to the condition that once put on notice of the infringement (with sufficient details), or *a fortiori* following an injunction, the indirect infringer takes proper measures to cease providing the means, or services, in question to the main infringer.

c) Should any available remedies be different in scope to the remedies available against any acts of direct infringement or Contributory Infringement?

As already explained above, the remedies should not be different in theory, but a party committing acts of Joint infringement should not be held liable for damages if the conditions described above under (b) are respected.

17) Please comment on any additional issues concerning any aspect of Joint Liability you consider relevant to this Study Question, having regard to the scope of this Study Question as set out in paragraphs 7 to 13 above.

We have not encountered any relevant additional issues concerning any aspect of Joint Liability.

18) Please indicate which industry sector views are included in your Group's answers to Part III.

Not applicable.