TRAPLE KONARSKI PODRECKI & PARTNERS

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Damages in IP Infringement Matters – Calculation Methods and Liable Persons

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I. Calculation of Damages – the Law

- **Law on Industrial Property (Act of 2000)**
  - Art. 287 (Patents), 289 (Prescription), 296 (Trademarks), 286^1 (Information)
- **Copyright Act of 1994**
  - Art. 79 (remedies), 80 (right of information)
- **Civil Code of 1964**
  - Art. 415, 361 (Causal Link), 363 (Damages)
- **Code of Civil Procedure**
  - Art. 322 (appropriate amount taking into account all relevant factors if the exact calculation impossible or excessively burdensome
- Directive 2004/48/EC
  - Art. 3 (general principles), 8 (information), 13 (Damages)

I. Calculation– Remedies

- Damages according to the general rules of civil law
  - Actual loss
  - Lost profits
- License fees (adequate remuneration)
  - Benchmarks
  - Causality
- Restitution of unjustified profits
  - Restitution of profits and unjustified enrichment in the civil code

- **Damages ≠ Infringer's profits**

I. Calculation– Remedies

- **Cumulative or alternative**
  - Two standards of damages
  - Damages and profits
- **Conditions of liability**
  - Fault
  - Causality
  - Damage
- **Right of Information**
  - Practicalities
  - Standard of evidence (high probability of infringement)

I. Calculation of Damages – Copyright

- **Double license fees**
  - (Case C-367/15, 25 January 2017) -
- **Triple license fee unconstitutional (**Constitutional Court, 23.06.2015 r. SK 32/14 (JoL2015.932)
- **Damages even for innocent infringements (license fee standard)**
- **How to arrive at the appropriate amount of remuneration**
- **Right of Information**
  - Standard of evidence (probability of infringement)

I. Calculation - Common problems

- **Lost profits**
  - Standard of evidence
  - No „loss of chance”
  - Many intervening factors
  - New vs. established products
  - Expert calculations and court reality
- **Profits**
  - Access to data
  - What part of profits due to infringement?
  - Costs of the infringer

- **Few relevant court decisions!**

II. Liable Persons – Industrial Property

- **(Direct) Infringers - IPL**
  - Industrial property rights – art. 66 IPL
  - Offering, putting on the market, manufacturing, exporting
  - Partial infringement
  - Swiss type claims, EPC 2000, peculiarities of pharmaceuticals
- **Risk of infringement (art. 285 IPL)**
- **Joint Tortfeasance**
- **Conditions of liability**
  - Objective, but damages require fault
- **Directors and affiliates**
  - Generally, no piercing the veil

II. Liable Persons – Industrial Property

- **Indirect infringers**
  - No regulation of indirect patent infringement
- **Alternatives**
  - Art. 422 CC
  - Inducing infringement
  - Assisting in committing infringement
  - Taking advantage of damage caused to another
  - Art. 439 CC – preventive action
- **Limitations**
  - Intention required
  - No direct infringement = no liability under 422
  - No injunctions?

II. Liable Persons – Copyright

- **Direct infringements**
  - What does ‘infringement’ mean?
  - Scope of exclusive rights – CJ EU’s input (e.g. linking)
  - No differentiation of remedies
- **Joint Tortfeasance**
- **Conditions of liability**
  - Objective, even for damages
- **Directors and affiliates**
  - Generally, no piercing the veil

II. Liable Persons – Copyright

- **Indirect infringements**
  - No special rules
  - Art. 422 CC
  - Art. 439 CC
  - Art. 8(3) InfoSoc not implemented (blocking injunctions)
- **Internet Service Providers**
  - Safe harbours
  - Obligations imposed on intermediaries
  - Monitoring obligations (specific)

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Thank you for your attention!

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- *Rzeczpospolita daily 2016 – leader position in IP, vice leader position in TMT*
- *Chambers Europe 2016 – Band 1 in TMT practice, Band 2 in Intellectual Property practice*