

DE – MP3 Player Import (mp3 player import), infringement proceedings, German Federal Supreme Court, 17 September 2009, Docket No. Xa ZR 2/08.

**German Federal Supreme Court confirms broad responsibility of forwarding agents for handled goods; increased requirements to examine compliance of handled goods with German patent law.**

Summary<sup>1</sup>

The plaintiff is an exclusive licensee of patented mp3-player technology. The defendant, an international forwarding agent, has imported patent-infringing mp3-players from China on behalf of his client. These mp3-players were confiscated on the plaintiff's request by the German customs authority. Subsequently, the plaintiff requested to have the infringing goods destroyed. The defendant objected to this request, being of the opinion not to be responsible for patent infringement, because forwarding agents had no obligation to examine the compliance of the goods they handle with German patent law.

According to earlier German case law, forwarding agents were usually regarded as not being obliged to generally examine the compliance of handled goods with German patent law, in view of the great amount of goods handled in international trade. It was, however, not clearly decided, whether there may be exceptions to this rule, and if yes, in which specific situations such an exception may be assumed. On April 30, 2008, the Federal Supreme Court decided in an internet auctioning case (trademarks) that the provider would only be obliged to examine the legitimacy of the handled goods in case of an obvious infringement (Federal Supreme Court I ZR 73/05 I ZR – Internet Versteigerung III / Internet Auction III). On August 15, 2007, the Court of Appeals Hamburg decided, again in a trademark case, that a forwarding agent would only have to examine the legitimacy of the handled goods, if there is a definite acknowledgement of falsification (Court of Appeals Hamburg 5 U 188/06 – YU-GI-OH!-Karten / YU-GI-OH!-Cards).

With the present decision, the Federal Supreme Court confirmed the Court of Appeals Düsseldorf's preceding decision that in patent infringement matters, forwarding agents were usually not obliged to examine the compliance of the handled goods with German patent law, but already mere indications of patent infringement (e.g. seizure by the German customs authority, receipt of a warning letter, and the like) constituted an obligation to evaluate the legitimacy of the goods. The extent of such an evaluation was not definite and was to be determined on a case-by-case basis, depending on the alleged extent and likelihood of patent infringement (principle of reasonableness). As a result, only in case the forwarding agent was aware of potential patent infringement indications and did also not comply with his obligation to evaluate this situation, the patent proprietor was entitled to request the forwarding agent to omit further infringement and to destroy all infringing goods.

With this decision, the Federal Supreme Court strengthens the position of patent proprietors aiming to also attack forwarding agents. The requirements for suing a forwarding agent who directly assists to put infringing goods into the German market, are now clarified. However, the forwarding agent may only be successfully attacked for transporting any patent infringing goods, if the forwarding agent is aware of sufficient indications of patent infringement, e.g. a warning letter or a custom's seizure. In such cases, forwarding agents may then avoid risks of attacks by examining the patent situation. However, in simple cases, e.g. importation of only a few pieces, it could be sufficient for the forwarding agent to comply with its obligations to just refer to its client and to request related instructions in view of the alleged patent infringement.

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<sup>1</sup> First published in Bardehle Pagenberg IP Report 2010/I, available at: [http://www.bardehle.com/fileadmin/bardehle/sonstiges/IP\\_Reports/IP\\_Report\\_2010\\_I.pdf](http://www.bardehle.com/fileadmin/bardehle/sonstiges/IP_Reports/IP_Report_2010_I.pdf)