

No. 21-1043

IN THE
Supreme Court of the United States

ABITRON AUSTRIA GMBH, ET AL.,
Petitioners,

v.

HETRONIC INTERNATIONAL, INC.,
Respondent.

**On Writ of Certiorari
to the United States Court of Appeals
for the Tenth Circuit**

**BRIEF OF GERMAN LAW PROFESSORS—DR.
MAXIMILIAN HAEDICKE, DR. PETER MEIER-
BECK, AND DR. THEO BODEWIG—AS *AMICI*
CURIAE IN SUPPORT OF PETITIONERS**

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TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES.....	ii
INTEREST OF <i>AMICI CURIAE</i>	1
SUMMARY OF ARGUMENT	3
ARGUMENT.....	4
I. The Territoriality Principle	4
II. Justification of the Territoriality Principle.....	7
III.Participation Abroad in Acts of Domestic Trademark or Patent Infringement	10
CONCLUSION	12

TABLE OF AUTHORITIES

Page(s)

Cases

<i>Hetronic International, Inc. v. Hetronic Germany GmbH</i> , 10 F.4th 1016 (10th Cir. 2021)	2
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Statutes

Lanham Act, Act of July 5, 1946, ch. 540, 60 Stat. 427, codified as amended at 15 U.S.C. § 1051 <i>et seq.</i>	2, 12
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Treaty Provisions

Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) art. 3, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299.....	4 n.3, 10 n.25
Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, as revised Jul. 4, 1967, [1970] 21 U.S.T. 1583	4 n.3, 7, 10 n.25

International Materials

Act on the Protection of Trade Marks and other Signs of 25 October 1994 (Federal Law Gazette [BGBl.] I p. 3082), as last amended by Article 5 of the Act of 10 August 2021.....	8 n.23
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BGH Jan. 22, 1964, Ib ZR 92/62, GRUR Ausl. 1964, 202 (Ger.)	6 n.8
BGH Oct. 2, 1997, I ZR 88/95, GRUR 1999, 152 (Ger.)	4 n.4
BGH Feb. 26, 2002, X ZR 36/01, GRUR 2002, 599 (Ger.)	11 n.27
BGH Mar. 3, 2004, 2 StR 109/03, GRUR 2004, 421 (Ger.)	4 n.4
BGH Sept. 17, 2009, Xa ZR 2/08, BGHZ 182, 245 (Ger.)	11 n.29
BGH Apr. 25, 2012, I ZR 235/10 (KG), NJW-RR 2013, 48 (Ger.)	5 n.6, 7 n.12
BGH Mar. 8, 2012, I ZR 75/10 (KG), GRUR 2012, 621 (Ger.)	7 n.7
BGH Feb. 3, 2015, X ZR 69/13, BGHZ 204, 114 (Ger.)	11 n.26
BGH May 16, 2017, X ZR 120/15, BGHZ 215, 89, GRUR 2017, 785 (Ger.)	11 nn.27, 29
BGH June 8, 2021, X ZR 47/19, GRUR 2021, 1167 (Ger.)	12 n.30
ECJ June 22, 1994, Case C-9/93, <i>IHT</i> <i>Internationale Heiztechnik v. Ideal-Standard</i> , GRUR Int. 1994, 614	5 n.6
ECJ Feb. 27, 2020, Case C-240/18 P, <i>Constantin Film Produktion GmbH v.</i> <i>EU IPO</i> , GRUR 2020, 395	9 n.24

Other Authorities

- Benjamin Raue in: *Dreier/Schulze Urheberrechtsgesetz*, 7th ed. 20224 n.4, 7 n.13
- Bettina Thalmaier in: *BeckOK Markenrecht*, 31st ed. 2022..... 6 n.7
- Dan Wielsch, *Zugangsregeln* (2008) 8 n.19
- Elisabeth Mielke in: *BeckOK Markenrecht*, 31st ed. 20227 n.12
- Ernst-Joachim Mestmäcker & Heike Schweitzer in: *Europäisches Wettbewerbsrecht*, 3rd ed. 2014.....5 n.5, 8 nn.20, 21
- Erwin Deutsch, *Wettbewerbstatbestände mit Auslandsbeziehung* (1962)7 n.15
- Eugen Ulmer, *Die Immaterialgüterrechte im internationalen Privatrecht* (1975) 4 n.4
- Frank Peter Regelin, *Das Kollisionsrecht der Immaterialgüterrechte an der Schwelle zum 21. Jahrhundert* (2000)..... 7 n.14, 8 n.18
- Hanns Ullrich, *Technologieschutz nach TRIPS: Prinzipien und Probleme*, GRUR Int. 1995, 623..... 7 nn.13, 16
- Harro Wilde & Bettina Linder in: *Handbuch des Wettbewerbsrechts*, 5th ed. 2019.....6 n.7

- Johannes Christian Wichard, *Europäisches Markenrecht zwischen Territorialität und Binnenmarkt*, ZEuP 2002, 23 6 n.10
- Karl-Heinz Fezer, *Markenrecht* (4th ed. 2009) 7 n.15, 8 nn.17, 20
- Karl-Nikolaus Pfeifer, *Das Territorialitätsprinzip im Europäischen Gemeinschaftsrecht vor dem Hintergrund der technischen Entwicklungen*, ZUM 2006, 1 7 nn.13, 16
- Lukas Wollenschläger, *Die kollisionsrechtliche Anknüpfung des Patentvindikationsanspruches* (2018) 4 n.4, 5 n.5, 7 n.11
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- Paul Katzenberger & Axel Metzger in: *Urheberrecht* (6th ed. 2020) 4 n.4, 8 n.22

INTEREST OF *AMICI CURIAE*

Amici are German judges and professors of law who have substantial experience in intellectual property law.¹

Professor Dr. Maximilian Haedicke, LL.M. (Georgetown) is the Chair for Intellectual Property and Competition Law at Albert-Ludwigs-University in Freiburg, where he has been tenured since 2005. He was previously an assistant professor at the Max Planck Institute for Foreign and International Copyright, Patent and Competition Law in Munich. Professor Haedicke has served as secretary of the Patent Committee of the Association for the Protection of Industrial Property and Copyright (GRUR) since 2008 and also the Biotech Committee since 2015. Between 2011 and 2017, Professor Haedicke served as a Judge at the Patent Division of the Court of Appeals in Düsseldorf.

Professor Dr. Peter Meier-Beck served for nearly 30 years as a German judge in patent law matters and is among the most influential intellectual property figures in Europe. He became a judge at the Bundesgerichtshof, the German Federal Court of Justice, in 2000 and assumed chairmanship of the patent division in 2010. In 2019, he became presiding judge of the Bundesgerichtshof's new Antitrust division. He has

¹ No counsel for any party authored this brief in whole or in part, nor did any person or entity other than *amici* or their counsel make a monetary contribution to the preparation or submission of this brief. Petitioners filed a blanket consent to the filing of *amicus curiae* briefs in this case. Counsel for Respondent provided written content to this brief's filing.

lectured in law at Heinrich Heine University in Düsseldorf since 2005 and was also appointed an honorary professor at the University College London Faculty of Laws. He continues to be a prominent advocate for the harmonization of patent laws across Europe and throughout the wider world.

Professor Dr. Theo Bodewig is a leading intellectual property law expert and a senior professor at the Humboldt University of Berlin, where has held a chair on Civil Law, Intellectual Property Law, Commercial Law, and Comparative Law. From 1980 to 2002, Professor Bodewig headed the U.S. Department of the Max Planck Institute for Foreign and International Patent, Copyright and Competition Law. Professor Bodewig has also served as a professor at the LMU Munich Faculty of Law and has taught courses at Duke University School of Law, John Marshall Law School, Tulane Law School, Santa Clara University School of Law, and the University of Washington School of Law. Professor Bodewig served as a judge in the Munich Court of Appeals.

Amici respectfully submit that the decision of the court of appeals in *Hetronic Int'l, Inc. v. Hetronic Germany GmbH*, 10 F.4th 1016 (10th Cir. 2021), unwisely extends the application of the Lanham Act² to foreign conduct that does not deliberately or negligently cause domestic acts of trademark infringement. The decision should be reversed because it impinges on the sovereign rights of other states and unduly violates the ter-

² Act of July 5, 1946, ch. 540, 60 Stat. 427, codified as amended at 15 U.S.C. § 1051 *et seq.*

territoriality principle to the detriment of the international intellectual property system, competition, and the general public.

SUMMARY OF ARGUMENT

The decision of the court of appeals conflicts with the territoriality principle for intellectual property rights that has long been a globally-recognized cornerstone for the international regulation of intellectual property rights.

The territoriality principle in trademark law is grounded in the recognition that a trademark is an exclusive right granted by a particular country and, accordingly, can only have effect within the granting country's borders. This ensures the coexistence of different trademarks with different owners in different countries and allows individual countries to tailor the regulations of intellectual property rights to their particular economic policies and unique socio-ethical considerations. This longstanding approach is essential to buttressing legal certainty and does not impose undue burdens on trademark holders, who remain free to register trademarks in foreign countries to achieve comparable treatment to other trademark holders in those jurisdictions.

The territoriality principle does not impede effective protection of domestic trademark and other intellectual property rights against infringement from abroad. Foreign trademarks can be protected domestically on the basis of special regulations or mutual recognition. For example, signatories of international

treaties for the protection of intellectual property³ are obligated to treat foreign nationals with registered trademarks no less favorably than a member state's own nationals with regard to the protection of intellectual property. Moreover, in Germany, the principle of territoriality does not protect against liability for intentional infringement or, under certain circumstances, negligent infringement, provided that the infringing acts induced or caused abroad take place on German territory.

ARGUMENT

I. The Territoriality Principle

The territoriality principle is the basis of the international system of intellectual property rights.⁴ As a cornerstone of international intellectual property law, it guarantees the peaceful coexistence of the various

³ See, e.g., Paris Convention for the Protection of Industrial Property (Paris Convention), Mar. 20, 1883, as revised July 4, 1967, [1970] 21 U.S.T. 1583, art. 2; Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Apr. 15, 1994, art. 3, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299.

⁴ See, e.g., Bundesgerichtshof [BGH] [Federal Court of Justice] Oct. 2, 1997, I Zivilsenat [ZR] 88 / 95, German Association for the Protection of Intellectual Property [GRUR] 1999, 152, 153 (Ger.); BGH Mar. 3, 2004, 2. Strafsenat [StR] 109/03, GRUR 2004, 421, 422 (Ger.); Benjamin Raue in: *Urheberrechtgesetz*, 7th ed. 2022, Vor §§ 120, marginal no. 4; Paul Katzenberger & Axel Metzger in: *Urheberrecht*, 6th ed. 2020, Vor §§ 120, marginal no. 109; Maximilian Haedicke & Henrik Timmann, *Handbuch des Patentrechts* § 12, marginal no. 18 (2d ed. 2020); Lukas Wollenschläger, *Die kollisionsrechtliche Anknüpfung des Patentvindikationsanspruchs* 75, marginal no. 142 (2018); Eugen Ulmer, *Die Immaterialgüterrechte im internationalen Privatrecht* 9, 37 (1975).

national and supranational legal intellectual property systems.

According to the territoriality principle, intellectual property rights are limited in their territorial effect to the territory of the country in which they have been granted.⁵ Consequently, national intellectual property rights can only impose legal consequences, such as damages, on acts that have been committed within or have immediate effects within the territory of the country which granted the respective intellectual property rights.⁶

Amici explain this below using the example of intellectual property rights under German law, in particular German trademark law and, in Section III *infra*, patent law.

Under German law, trademarks are governed by the territoriality principle. The effect of a registered trademark only extends to the territory of the country

⁵ Ernst-Joachim Mestmäcker & Heike Schweitzer in: *Europäisches Wettbewerbsrecht*, 3d ed. 2014, § 28, marginal no. 3; Wollenschläger, *supra*, at marginal no. 142.

⁶ BGH Apr. 25, 2012, I ZR 235/10 (KG), Neue Juristische Wochenschrift Rechtsprechungs-Report Zivilrecht [NJW-RR] 2013, 48, marginal no. 23 (Ger.); ECJ June 22, 1994, Case C-9/93, *IHT Internationale Heiztechnik v. Ideal-Standard*, 1994 E.C.R., GRUR Int. 1994, 614 marginal no. 22.

of registration.⁷ In its landmark *Maja decision*⁸ in 1964, the Bundesgerichtshof stated:

In trademark law [the territoriality principle] . . . states that foreign trademark rights cannot be infringed by domestic acts, domestic trademark rights cannot be infringed by foreign acts, and that the existence of these rights is also generally not dependent on the existence of the corresponding foreign registration rights to which the same owner is entitled.⁹

It is therefore a bedrock principle in German intellectual property law that a trademark is protected within the country that grants the trademark, and only against acts of infringement that occur within that country, while trademark use or infringement abroad is irrelevant. National trademark rights are independent of each other; “they lie spatially next to each other like honeycombs.”¹⁰

The territoriality principle in trademark law is based on the consideration that the trademark is an exclusive right granted by the country and that the act of granting a trademark can only have effect

⁷ BGH Mar. 8, 2012, I ZR 75/10, GRUR 2012, 621, marginal no. 34 (Ger.); Bettina Thalmaier in: *BeckOK Markenrecht*, 31st ed. 2022, § 15, marginal no. 93; Harro Wilde & Bettina Linder in: *Handbuch des Wettbewerbsrechts*, 5th ed. 2019, § 10, marginal no. 84.

⁸ BGH Jan. 22, 1964, Ib ZR 92/62, GRUR Auslands- und Internationaler Teil [Ausl] 1964, 202 (Ger.).

⁹ *Id.* at 204 (translated).

¹⁰ Johannes Christian Wichard, *Europäisches Markenrecht zwischen Territorialität und Binnenmarkt*, ZEuP 2002, 23, 27 (translated).

within the country's borders.¹¹ Foreign trademarks can only be protected domestically on the basis of special regulations or mutual recognition.¹²

II. Justification of the Territoriality Principle

From the point of view of international law, the territoriality principle results from the universally recognized principle that the effect of a national right is limited to the corresponding nation's territory.¹³ This independence of trademark rights is confirmed by Article 6(3) of the Paris Convention. Each country must be free to determine the content of intellectual property laws on its territory and no other country may interfere with this.¹⁴ This national limitation applies in particular when intellectual property rights are awarded by national (or supranational, such as the European Union) authorities.¹⁵ The territoriality principle thus corresponds to the scope and limitation of country sovereignty.¹⁶ The territoriality principle is an expression of respect for the domestic legal order

¹¹ Cf. Wollenschläger, *supra*, at marginal no. 142.

¹² Cf. BGH Apr. 25, 2012, I ZR 235/10 (KG), NJW-RR 2013, 48 marginal no. 17 (Ger.); Elisabeth Mielke in: *BeckOK Markenrecht*, 31st ed. 2022, § 14, marginal no. 50.1.

¹³ Raue, *supra*, at marginal no. 1; Hanns Ullrich, *Technologieschutz nach TRIPS: Prinzipien und Probleme*, GRUR International [Int.] 1995 623, 624; Karl-Nikolaus Pfeifer, *Das Territorialitätsprinzip im Europäischen Gemeinschaftsrecht vor dem Hintergrund der technischen Entwicklungen*, ZUM 2006 1, 1.

¹⁴ Frank Peter Regelin, *Das Kollisionsrecht der Immaterialgüterrechte an der Schwelle zum 21. Jahrhundert* 66 (2000).

¹⁵ Erwin Deutsch, *Wettbewerbstatbestände mit Auslandsbeziehung* 21 (1962); Karl-Heinz Fezer, *Markenrecht* chap. H, marginal no. 7 (4th ed. 2009).

¹⁶ Ullrich, *supra*, at 624; Pfeifer, *supra*, at 1.

vis-à-vis foreign sovereign rights.¹⁷ If intellectual property rights were to apply universally, they would seriously violate the legislative sovereignty of other states due to the far-reaching exclusive rights.¹⁸

The territoriality principle allows intellectual property rights to be shaped according to different countries' unique economic policies. This requires balancing the exclusivity of intellectual property rights and freedom of access.¹⁹ A territorial limitation makes it possible for each country to autonomously pursue its own economic policy considerations with regard to tailoring the content of intellectual property rights.²⁰ This also benefits the intellectual property right holders, who can develop individual market strategies for the respective national markets.²¹

In addition to economic policy considerations, the tailoring of intellectual property rights is also determined by socio-ethical considerations and, in the case of copyright, cultural policy concerns.²² The social foundations for granting and limiting intellectual property rights differ from country to country. An example in German trademark law is the violation of public order or morality according to section 8(2) No. 5 of the

¹⁷ Fezer, *supra*, chap. H, marginal no. 10.

¹⁸ Regelin, *supra*, at 66.

¹⁹ *Cf. id.*; Dan Wielsch, *Zugangsregeln* 31 (2008).

²⁰ Fezer, *supra*, chap. H, marginal no. 7; Mestmäcker & Schweitzer, *supra*, § 28, marginal no. 4.

²¹ Mestmäcker & Schweitzer, *supra*, § 28, marginal no. 7.

²² *Cf. Katzenberger & Metzger, supra*, Vor §§ 120, marginal no. 111.

German Trademark Act.²³ In order to establish a violation of morality under this provision, the use of the respective trademark in the social context must be perceived by the relevant public as a violation of the fundamental moral values and norms of society.²⁴ Only through an intellectual property right limited to the respective territory can such socio-ethical considerations be determined.

A territorial connection is also necessary in the interest of legal certainty. It would lead to chaotic and legally insecure conditions if every right holder could instead enforce its domestic rights abroad. Unlike real property, the subject matter of an intellectual property right can be used worldwide and by anyone to whom it has come to be known, and it can therefore, secured by international conventions, in principle also be protected everywhere in the world. However, this protection cannot be granted, again unlike in the case of real property, by the countries mutually granting worldwide recognition to the property titles they have created, since there would then be, especially in the case of trademark law, a multitude of different beneficiaries of one and the same object of protection, each of whom could claim mutually contradictory exclusive rights. Competitors would be exposed to legal uncertainty if the territoriality principle were not applied, as it would be unclear which legal provisions would need to be followed. The domestic and foreign provisions could even

²³ Act on the Protection of Trade Marks and other Signs of 25 October 1994 (Federal Law Gazette [BGBl.] I p. 3082), as last amended by Article 5 of the Act of 10 August 2021 (Federal Law Gazette I p. 3490).

²⁴ ECJ Feb. 27, 2020, Case C-240/18 P, *Constantin Film Produktion GmbH v. EUIPO*, GRUR 2020, 395 marginal no. 43.

be contradictory and could therefore make lawful activities difficult, if not impossible. Contradictive injunctions could be issued and enforced.

The application of the territoriality principle does not cause considerable disadvantages for trademark owners. They are free to register trademarks in foreign countries, which are bound by the obligation of national treatment.²⁵ Foreign nationals that register trademarks will be treated no less favorably than a state's own nationals with regard to the protection of intellectual property rights.

III. Participation Abroad in Acts of Domestic Trademark or Patent Infringement

The territoriality principle does not impede effective protection of domestic trademark and other intellectual property rights against infringement from abroad. It does not reject the idea that acts abroad may be regarded as participation in an infringement of an intellectual property right in another nation and thus constitute domestic acts of infringement. This has been elaborated in the case law of the Bundesgerichtshof, in particular for patent law, but applies in the same way to other intellectual property rights, in particular trademark law.

For example, a company that manufactures a product abroad and supplies it to another company to import this product into Germany despite knowing that the product is protected by a third party's patent in

²⁵ Paris Convention art. 2; TRIPS art. 3.

Germany intentionally contributes to patent infringement in Germany and infringes the German patent.²⁶ An injunction granted against the foreign manufacturer and supplier for patent infringement does not contradict the territoriality principle because liability is not linked to the manufacture or export from abroad, but instead to the deliberate delivery into the German market. This ensures that the person who causes or exploits the infringement of a domestic patent abroad can be held liable for it.

The same applies to the negligent causation of a patent infringement in Germany by actions of a company based abroad.²⁷ However, the Bundesgerichtshof emphasizes that, to establish liability for negligent patent infringement, the foreign company must have concrete indications of an imminent delivery to the domestic market.²⁸ Only these concrete indications justify postulating the duty of a foreign company to prevent domestic patent infringement. They also only require reasonable measures to prevent it.²⁹ When formulating a cease-and-desist order, care must be taken to cover only those foreign acts which cause the domestic infringement.³⁰ The duty to prevent a domestic patent

²⁶ BGH Feb. 3, 2015, X ZR 69/13, Entscheidungen des Bundesgerichtshofes in Zivilsachen [BGHZ] 204, 114, GRUR 2015, 467 marginal no. 26 (Ger.).

²⁷ BGH Feb. 26, 2002, X ZR 36/01, GRUR 2002, 599 (Ger.); BGH, May 16, 2017, X ZR 120/15, BGHZ 215, 89, GRUR 2017, 785 marginal no. 57 (Ger.)

²⁸ *Id.*

²⁹ BGH Sept. 17, 2009, Xa ZR 2/08, BGHZ 182, 245 marginal nos. 41-45 (Ger.); BGH May 16, 2017, X ZR 120/15, BGHZ 215, 89, GRUR 2017, 785, marginal nos. 53, 81 (Ger.).

³⁰ BGH June 8, 2021, X ZR 47/19, GRUR 2021, 1167, marginal nos. 41, 47, 48 (Ger.).

infringement must not hinder a foreign company in its activities in its home market and other foreign markets where the German patent is not valid. Otherwise, German patent law would be subject to an international claim of validity to which it is not entitled.

CONCLUSION

The territoriality principle for intellectual property rights is a cornerstone of the international regulation and coexistence of intellectual property rights. It creates a functioning system for dealing with intellectual property-related cross-border transactions when applied worldwide and has proven indispensable for the international regulation of intellectual property rights, including trademarks. The application of the Lanham Act to foreign acts that do not deliberately or negligently cause domestic acts of alleged infringement impinges on the sovereign rights of other states and unduly violates the territoriality principle to the detriment of the international intellectual property system, competition, and the general public.

Respectfully submitted,

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December 27, 2022