Kluwer Copyright Blog

Copyright case law of the German Bundesgerichtshof 2015 – 2019 – Part 2 of 4: Exploitation rights

Jan Bernd Nordemann (NORDEMANN) · Thursday, November 18th, 2021

Part 1 of this post (originally published in "Auteurs & Media") summarising case law of the German Bundesgerichtshof from 2015 to 2019 is available here, and parts 3 and 4 will be published on the blog over the coming days.

III. Exploitation rights (Sections 15-24 UrhG)

Germany has regulated exploitation rights, as harmonised under European law in Articles 2 to 4 of the InfoSoc Directive (2001/29), in Sections 15 to 22 UrhG.

1. **Right of distribution (Section 17 UrhG)**

The right of distribution, as set out in European law in Article 4(1) of the InfoSoc Directive (2001/29), is found in Germany in Section 17(1) UrhG. In 2015, the BGH rendered a judgment on the right of distribution in two cases concerning copyright protected furniture offered for sale from

Italy. The BGH ruled that the exclusive right of distribution of the author also included the right to offer the original or copies of the work to the public to purchase and to advertise to the public, in a targeted manner, the purchase of either the original or copies of the work. The BGH also ruled that a person in Germany could be deemed to be performing a relevant act of distribution if they targeted their advertising for the purchase towards members of the public resident in Germany and enabled those members of the public to have copies of the work delivered to them from Italy, through a specific delivery system and specific payment arrangements.

Another case from 2017 concerned the well-known tubular steel chairs (cantilever), created by *Mart Stam*. In that case, the BGH rejected a claim for injunctive relief in relation to the presentation of a chair from a Polish company, labelled as a prototype, at a trade fair in Germany, with the reasoning that initially there was no risk of repeat offence. Later, the BGH referred to the case law of the CJEU on the broad interpretation of the right of distribution in accordance with Article 4(1) of the InfoSoc Directive (2001/29), but rejected the existence of an infringement with regard to the chair at the trade fair and thus of a risk of repeat offence. According to the BGH, there was no general principle based on experience which would cause one to assume, based on the presentation of a product at a trade fair in Germany, an imminent offering for sale, distribution or other placing on the market in Germany. That applied in particular if the product being exhibited was not ready for market but merely a prototype or design study. Moreover, the BGH found, the presentation of a product at an international trade fair should not on its own be viewed as a targeted advert for the purchase of the exhibited product in Germany. The BGH also rejected a risk of first offence of an infringement of the right of distribution in Germany.

2. **Communication to the public (Section 15(2), Sections 19 et seqq. UrhG)**

The right of communication to the public, set out in Article 3(1) of the InfoSoc Directive (2001/29), can be found in German law in Section 15(2) and Section 19-22 UrhG.

A decision in 2015 concerned the definition of "public" in the act of communication. The BGH was of the opinion that when background music was played in dentists' waiting rooms, the number of people reached at the same time or consecutively was not large enough and therefore there was no "public".

According to the BGH, communication to the public can be ruled out on the grounds of the specific nature of the group of people, even if the relevant (specific) group comprises a relatively large number of people. In another case, this was 343 members of a community of homeowners, where all members were either living there permanently or had leased the homes to long term tenants.

In 2017, the BGH had the opportunity to implement the case law of the CJEU on communication to the public in the area of links in German law, to the extent it concerned links to copyright-infringing content. However, that case did not concern the liability for posting links but the liability for thumbnails of photos unlawfully displayed on the internet. Nevertheless, the BGH applied the CJEU principles on posting links to copyright infringing content. In doing so, the BGH applied the case law of the CJEU for the first time to search engines.

Similarly, the BGH considered the retransmission of terrestrial or satellite radio signals by cable into 49 rooms in a hospital to be a "specific technical process" and thus "public". The question of a "new public" therefore did not have to be answered.

The BGH decision in *Cordoba II* was issued after it had referred a question to the CJEU and the CJEU had then issued a ruling. The BGH thus transposed that CJEU decision into German law.

In that case, a school had made a student paper freely available to anyone on its website and that paper contained a photo of the city of Cordoba. The plaintiff held the copyrights in this photo; no rights had been granted to use the photograph in the student paper.

The BGH came to the same conclusion as the CJEU, that the use did constitute an act of communication to the public as per Article 3(1) of the InfoSoc Directive, where under German law this was specifically in the form of an act of making available to the public as per Section 19a UrhG. The public nature of the communication was therefore somewhat unclear (thus prompting the BGH to make its referral) because the photograph in dispute was freely available, legally, elsewhere on the internet. Whilst in that case the public nature of the communication was ruled out due to a lack of use of another technical means, in the case of technical means of the same type, the public nature of the communication can be achieved in that a "new public" is targeted, namely a public that was not already taken into account by the copyright holder when they authorised the initial communication of their work to the public. The "new public" aspect was met, at the point the photograph was posted on another website.

The BGH arrived at the same ruling as in *Cordoba II* in another judgment in 2019 called *Testversion*. According to the BGH, making a computer program available for retrieval on a download portal constitutes an act of communication to the public if the operator of the download portal stores the computer program on a computer of its own and in this way exercises control over its availability. The same applied if the computer program had previously been made freely available on the internet by the copyright holder on another website.

In another case concerning television sets in hotels, the BGH had to answer the question of whether individual televisions in hotel guest rooms, which receive TV signals individually (via DVB-T antennas) and thus broadcast works, are communicating to the public. In a first detailed indicative ruling, the BGH denied a "communication" in the meaning of Article 3(1) of the InfoSoc Directive. A rejection decision then followed, which was likewise justified with detailed reasoning.

3. **Dependent adaptation and free use (Sections 23, 24 UrhG)**

The scope of protection of German copyright is limited by the principle of free use of works under Section 24 UrhG. According to Section 24 UrhG, an independent work that has been created in the free use of the work of another person may be exploited without the consent of the author of the work used. Strict requirements apply, however. The CJEU decision in *Pelham* has raised the question of whether Section 24 UrhG is in line with the exhaustive list of exceptions in Article 5 of the InfoSoc Directive (2001/29) (see also BGH, 30 April 2020, I ZR 115/16 – *Metall auf Metall IV*. The German legislature is planning to reform the principle of free use in 2021.)

In a 2015 decision, the BGH repeated its criteria for differentiating between the relevant types of use under copyright law in the form of reproduction or adaptation on the one side and the exploitation of a work created in free use permitted under Section 24(1) UrhG on the other. Accordingly, the BGH stated, the decisive factor was the degree of similarity in the objective features which determine the creative originality of the original. In this context, the question was whether the creative elements, identified in the parts of the earlier work, did not actually "fade" in

prominence. In the view of the BGH, when comparing musical works, changes in tempo, transpositions and the partial use of an equaliser are of particular importance. An assessment must also be made as to whether a so-called genre leap constitutes an aspect which, in the scope of the test under Section 24 UrhG, supports the assumption of a distance between the new work and the borrowed personal characteristics of the work used. The genre leap was affirmed in the case because musical works in a gothic style had been "translated" into the distinctly different rap style.

In the *auf fett getrimmt* decision, the BGH modified its case law on parodies related to Sections 23 and 24 UrhG to align it with the case law of the CJEU on the EU parody exception. The caricature and parody exceptions under Article 5(3)(k) of the InfoSoc Directive (2001/29) have not been explicitly transposed into the German Copyright Act. In this respect, the BGH ruled in 2016 that the provision in Section 24(1) UrhG must be interpreted in the light of Article 5(3)(k) of the InfoSoc Directive (2001/29), as far as the permissibility of parodies under copyright law is concerned. In the case, a Berlin daily newspaper, on its website, called upon its readers to edit photographs of prominent actors to show them as significantly more corpulent than they are in reality. The photographer viewed this as a copyright infringement, the newspaper invoked the principle of free use in the form of parody.

According to the BGH, there was sufficient degree of difference from the work used and thus free use could apply, if the new work maintains an "internal distance" from the borrowed, unique characteristics of the earlier work (e.g. in the case of parodies) that is great enough that the new work has to be seen as independent in nature. The BGH interpreted the term of parody in accordance with European law, referring in this context to the CJEU decision in *Deckmyn & Vrijheidsfonds v Vandersteen*.

According to the *CJEU*, the only significant factor was that the parody should display "noticeable differences" from the parodied work. An anti-thematic treatment (i.e. a critical examination of the work itself) was no longer a requirement for a parody. Instead, humour or mockery of a third party was sufficient. According to the *CJEU,* however, a second step must then involve striking a fair balance between the rights and interests of, in particular, the authors and users of protected subject matter: According to the BGH, as far as the party that produced the parody is concerned, a serious interest in a free expression of opinion must generally be taken into account. In the case of anti-thematic parodies, their interest would usually predominate, which would rule out an infringement.

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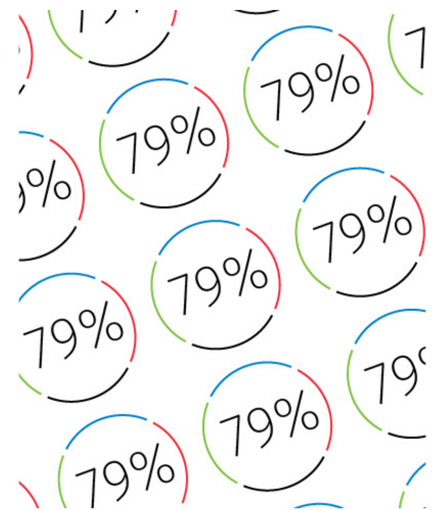

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