

Kluwer Copyright Blog

Copyright case law of the German Bundesgerichtshof 2015 – 2019 – Part 4 of 4: Copyright contract law and enforcement

Jan Bernd Nordemann (NORDEMANN) · Wednesday, November 24th, 2021



Parts 1 to 3 of this post (originally published in “Auteurs & Media”) summarising case law of the German Bundesgerichtshof from 2015 to 2019 are available [here](#), [here](#) and [here](#).

VII. Copyright contract law (Sections 31 et seqq. UrhG)

1. Right of remuneration (Sections 32 et seqq. UrhG)

German copyright law stipulates that the author is entitled to appropriate remuneration for every use of their work (Section 32 UrhG). In order to determine whether remuneration is appropriate or not, associations of authors define collective remuneration rules together with associations of work users or individual work users (Section 36 UrhG). In the event of an unexpected success of a work, the author can even become entitled to a subsequent claim for additional remuneration (Section 32a UrhG, bestseller or fairness compensation). These provisions served as, among other things, models for Articles 18 and 20 in the new DSM Copyright Directive (2019/790).

As far as the collective remuneration rules under Section 36 UrhG are concerned, there are two BGH decisions from 2015 that can be looked at ([here](#) and [here](#)). Generally speaking, an appropriate remuneration under Section 32(2), first sentence, in conjunction with Section 36 UrhG can only be determined by direct application of a collective remuneration rule if the respective personal, factual and temporal requirements set out in the rule are met, when assessing the appropriate level of remuneration as per Section 32(2), second sentence UrhG. But still, collective remuneration rules whose requirements for application are not (completely) met can also be utilised for comparison or guidance purposes. In the matter on which the first decision was based, the collective remuneration rules for freelance, full-time journalists for daily newspapers from January 2010 were able to be cited for guidance purposes although the plaintiff was claiming remuneration for a period not covered by the remuneration rules.

According to the BGH, the citing of remuneration rules on an indicative basis simply requires a comparable situation regarding the interests involved. In the parallel decision in *GVR-Tageszeitungen II*, the BGH clarified that the provision in Section 32 UrhG only covered remuneration to which the author is entitled for the granting of exploitation rights and permission to use the work. Travel costs which a journalist incurs in the course of their research do not fall within the scope of application of Section 32 UrhG, but merely remuneration for the use of rights.

In another decision, from 2016, the BGH found that remuneration claims under Section 32 UrhG arise when the agreed remuneration at the time of the respective contract being concluded is not appropriate when viewed from the perspective of the time of conclusion of the contract (ex-ante view). The claim based on the bestseller Section 32a UrhG for additional appropriate remuneration arose if the exploitation of the work led to the agreed consideration being conspicuously disproportionate to the revenues and benefits earned from the exploitation of the work (ex-post view). That means that in the case of an ongoing use of the work, each use of the work forms the basis of a new claim for appropriate participation, if at the time of the act of exploitation a conspicuous disproportion exists between the author's remuneration and the revenues and benefits of the exploiter.

2. Protection of technical measures (Section 95a UrhG)

Section 95a UrhG stipulates that technical measures employed for the protection of a copyrighted work or protected subject matter may not be circumvented without the authorisation of the rightholder, Section 95a UrhG being the transposition into German law of Article 6 of the InfoSoc Directive (2001/29). In this context, [the BGH issued a decision in 2014](#) in relation to the games console, Nintendo DS. The defendant in that case had offered adapters for sale which enabled Nintendo games, that had been produced by third parties in circumvention of copy protection measures and downloaded from the internet, to be used on the Nintendo games console. Nintendo viewed the offering for sale as a violation of the provision in Section 95a(3) UrhG and requested that the defendant be prohibited from distributing the specified adapters.

According to the BGH, the specific design of the cards and consoles manufactured by the plaintiff constituted effective technical measures within the meaning of Section 95a(2) and (3) No. 3 UrhG. The adapter cards distributed by the defendant were mainly created and produced for the purpose of circumventing the plaintiff's effective technical measures.

In 2017, [the BGH once more issued a ruling](#) on Section 95a UrhG in relation to the Nintendo DS games console. The BGH confirmed that the so-called adapter cards distributed by the defendant

(for the use of illegal copies of games) were within the meaning of Section 95a(3) No. 3 UrhG mainly created and produced for the purpose of circumventing the plaintiff's effective technical measures.

VIII. Claims under copyright law

In Germany, in the case of copyright infringements, Section 97(1) and (2) UrhG provides for claims to be asserted for injunctive relief and damages. In addition, claims for information are provided for at various points in the UrhG. The German provisions are based on the relevant provisions in the EU Enforcement Directive (2004/48).

1. Injunctive relief (Section 97(1) UrhG) and cease and desist agreements

The BGH stated in 2018 that when interpreting (contractual) cease and desist agreements in cases of doubt cease and desist obligation must be interpreted as meaning that its effect has the same scope as the statutory claim for injunctive relief. According to the BGH, a cease and desist obligation therefore only covered acts of infringement of third parties to a limited degree, namely only to the extent the obligor was also obliged under the law to exert influence on independently acting third parties whose actions confer a positive economic benefit on the obligor and in respect of whom the obligor would seriously have to expect – possibly additional – violations.

2. Damages (Section 97(2) UrhG)

The BGH has expressed its opinion in a number of decisions on claims for damage under copyright law, as set out in Section 97(2) UrhG.

The BGH stressed in the already mentioned *auf fett getrimmt* decision (see III. 3. above) that a claim for non-material damages under Section 97(2), fourth sentence UrhG requires that the infringement concerned is of a serious nature and the impairment could not be satisfactorily compensated in any other way. The BGH reasoned that a claim for non-material damages was weakened by the fact that there were doubts as to whether the relevant public in that case even attributed the edited images to the author at all. Moreover, the possibility existed that the reputational impairment asserted by the plaintiff could be effectively counteracted by a prominently placed correction on the defendant's newspaper website. The decisive factor, however, was that one could not assume that viewers of the publisher's website would have assumed that the photographer "even just sanctioned, let alone supported or assisted in" the distortion of their work.

As far as the calculation of the level of damages is concerned, in the form of an appropriate licence fee, the BGH described the damages in *CT-Paradies*, calculated according to the licensing analogy in *CT-Paradies*, of 620 Euro per photograph, for various eBay product photographs by the photographer who brought the action, as "seemingly completely disproportionate". In this regard, the BGH considered it to be "legally unobjectionable" to base an estimation of damages on the economic value of the advertising effect of an electronic link to the plaintiff's website, if the plaintiff has generally offered the option of using his photographs free of charge in return for an electronic link to his website.

The *Goldrapper* case concerned, once more, a claim for non-material damages as per Section 97(2), fourth sentence UrhG. The question as to whether the required serious infringement of moral rights had occurred could, the BGH ruled, only be ascertained on the basis of an analysis of the

entire circumstances of the specific case. A judgment ordering injunctive relief could influence the claim for monetary damages and possibly even exclude such a claim.

As far as material damages in the form of an appropriate licence fee are concerned, [the BGH confirmed, in a 2018 decision](#), that the starting point is the fictitious conclusion of a licensing agreement. According to the BGH, appropriate meant what a sensible licensor would have demanded when granting rights and what a sensible licensee would have accepted. The objective value of the right of use had to be determined, in which context it was irrelevant whether and to what extent the infringer themselves would have been willing to pay remuneration for their acts of use. The infringement at trial was a photo of a sportscar illegally used on the internet for advertising purposes. The BGH considered a licence fee in the amount of 100 Euro to be appropriate to cover the objective value of the right of use. Additional fees could also be applied due to the failure to credit the author by name.

3. Claim for information

A decision in 2017 concerned a claim for information under Section 101(9) UrhG, specifically information with the use of traffic data. This claim for information is often asserted in the case of rights infringements on the internet. [The BGH decided](#) that if network operator and end customer provider are separate entities, the information provided by the network operator regarding the attribution of the dynamic IP address to a user ID allocated to an end customer provider does fall under Section 101(9) UrhG whilst the information from the end customer provider regarding the name and address of the owner of the connection allocated to the user ID does not. In order to ensure that when enforcing claims under Section 101(9) UrhG, the telecommunications provider does even have data on hand (so-called quick freeze process), the BGH generally grants a request for a preliminary storage of data, according to which the rightholder can request information and, if necessary, that the provider refrains from deleting data.

4. Capacity to be subject to legal action

a) Perpetrators and accessories

As far as perpetrators and accessories are concerned, [the BGH ruled in 2015](#) that a theatre operator was, as the promoter, involved as a perpetrator in a performance as per Section 19(2) UrhG, if the scope and the significance of the activity undertaken justify the assumption that a contribution to the performance has occurred.

b) Liability of the owner of a company

[The BGH confirmed in *Cordoba II*](#) that the provision in Section 99 UrhG, which stipulates that the infringed party is also entitled, under certain conditions, to claims for damages or injunctive relief and claims for destruction, recall and surrender against the owner of a company, also applies to state bodies.

c) Internet trading platforms

[According to a decision](#) on the liability of internet trading platforms from 2015, online traders cannot be regarded merely as an auxiliary person. If they issue their own offers, they are liable for such offers, in the event of infringement, as perpetrators. This is only not the case if the internet platform provides third parties the possibility of issuing offers and the operator of the internet

market place does not present itself as the seller (and is thus the hosting provider).

d) Liability of managing directors (*Geschäftsführer*)

In 2015, the BGH ruled that managing directors have limited liability in copyright matters. According to that decision, a managing director is not automatically liable in the event of copyright infringements committed by their company. A managing director is personally responsible, however, if he had been involved in any such infringement either by way of a positive act or if he ought to have prevented them due to a guarantor position based on general principles of tort law. If the rights infringement is based on a measure taken by the company which is normally decided at management level, one can assume, in accordance with outward appearances and in the absence of any findings to the contrary, that they were arranged by the managing director or managing directors.

The BGH repeated these principles in a decision from 2017, stressing that the managing director does not have an obligation to prevent every single tortious act. From a copyright law perspective, this would mean every copyright infringement. It seems that according to that case law, in the case of indirect causal contributions any liability of managing directors could only be through the principle of “Störerhaftung” (breach of duty of care).

e) File sharing services

In 2015, the BGH issued two important decisions concerning issues of liability in relation to illegal file sharing via file sharing services (“P2P”) on the internet. In *Tauschbörse I*, the BGH decided that proof that copyright infringing acts of making available to the public were actually being committed via the identified dynamic IP address at the relevant time of the offence, could be furnished by way of presentation of an investigation, performed by a company engaged by the record producer that brought the case, and documented with screenshots, together with an explanation, by an employee of the company, of the usual procedure for conducting such investigations.

According to the decision in *Tauschbörse II*, the loss or damage to be compensated under the principles of the licence analogy, can be levelled against parents who are not responsible as perpetrators but do have other civil law accountability. In illegal file sharing cases, it is often only possible (using the IP address) to identify the owner of the internet connection but not the actual perpetrator. Owners of internet connections can, if they are not liable as perpetrator or otherwise, at least be obliged to refrain from infringements in future, specifically according to the principles of “Störerhaftung” (breach of duty of care). This does require a violation of a due diligence obligation, however. In the absence of concrete indications of already committed or imminent copyright infringements, the owner of the connection is not obliged to educate the adult members of his shared abode or adult visitors or guests about the illegality of taking part in a file sharing network and to prohibit them from using such a service.

The BGH confirmed in a 2016 decision, once again, that a factual presumption that the owner of the connection is a perpetrator applies if, at the time of the rights infringement, no other people were able to use the connection in question. However, the factual presumption can be excluded where third parties did have the possibility of using the connection because it was not adequately secured at the time of the offence or other persons had knowingly been allowed to use it. In such situations, the connection owner only bears a secondary burden of presentation and proof. The

connection owner can meet this secondary burden simply by submitting for the court whether other persons had had independent access to his connection and could come into question as perpetrators. In this regard, the connection owner is obliged to perform research to a degree as can be reasonably expected. A sweeping assertion of a merely theoretical possibility of access by third parties living in the household does not suffice.

In a further decision from 2018, on the secondary burden of presentation of a spouse in the case of illegal file sharing, the BGH decided that the connection owner had to make “sufficiently specific” submissions on the possibility of a third party being perpetrator, even within their own family.

In file sharing (P2P) scenarios, it is common place that the downloading “Peer” will receive the film or song in small fragments, which are put together to allow the downloader to enjoy the entire film or song. Against this background, the BGH addressed the question, as to whether mere file fragments which had been made available to the public – in that case of the film “Conference of the Animals 3D” – represented a sufficient copyright infringement. In the view of the BGH, an infringement of the film producer’s related right does not require that a copyright protected part had been used. The BGH assumed that an infringement of the related right of the film producer had occurred. According to the BGH, that was not a decisive factor, however, because the person uploading the file to the file sharing network is liable as a co-perpetrator together with the other users of the file sharing network who provided the other file fragments for the complete film.

The decision in *Bring mich nach Hause*, from 2019, is the final point in a long series of instances which in the meantime had produced the CJEU decision. According to that decision, the factual presumption of the perpetrator status of the connection owner does not apply if the connection in question is a WIFI which is regularly given to third parties to use and is not regularly used by the owner. The BGH stressed that the provider of an internet connection could be accountable for breach of a duty of care for rights infringements committed via his internet connection.

IX. Collecting Societies

In the area of collecting societies, a very important decision was issued in 2016. The judgment related to the collecting society, VG Wort, which in Germany administers the exploitation rights of text authors. The BGH had ruled, following the decision of the CJEU in *Reprobel*, that VG Wort had to distribute the monies it received from its activities solely to the entitled parties, specifically proportionate to how those monies are based on an exploitation of rights and the assertion of claims on the part of the respective entitled parties.

In *Deutsche Digitale Bibliothek*, the BGH made remarks on collecting societies’ obligation to conclude an agreement. Under the German Copyright Administration Act (UrhWG), which regulated the administration of exploitation rights in Germany by collecting societies up to 31 May 2016, it was generally acknowledged that the collecting societies’ obligation to conclude an agreement did not exist, in exceptional cases, when an abuse of a monopoly position could be excluded and the collecting society can counter the request to grant exploitation rights with legitimate interests which take precedence. In the absence of any serious Union law doubts, these principles continue to apply, according to the BGH, even after the new German Collecting Societies Act (VGG) (specifically Section 34 VGG) has come into force.

X. International aspects

A BGH decision in 2016 concerned copyright infringements of audio recordings by Marlene

Dietrich from 1972, which had been made available to the public via YouTube. The BGH decided that neither the TRIPS Agreement nor the WIPO Performances and Phonograms Treaty conferred upon the performing artist an exclusive right to make an audiovisual fixation of their performance available to the public. However, the plaintiff was, under Section 125(5)UrhG, entitled to cite the Rome Convention. Accordingly, treatment as a national which must be afforded under Article 2(2) of the Rome Convention covers the exclusive right of the performing artist to make their performance available to the public, a right which was not known at the time of conclusion of the Rome Convention and which had not yet been regulated in law.

In a decision in 2018, the BGH stressed that the starting point for copyright protection of a work is the nationality of the author and not the nationality of the person deriving exploitation rights from the author.

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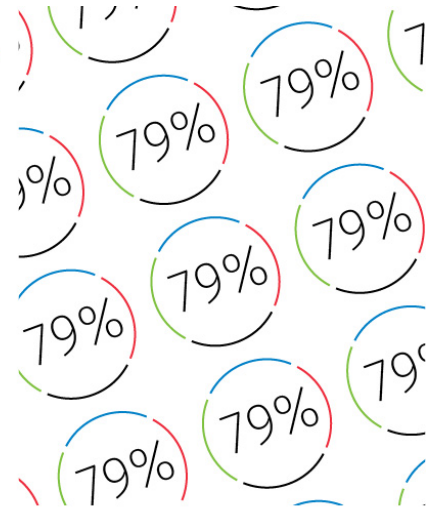
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