



GUIDE TO GOING GLOBAL

IPT

Luxembourg



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INTRODUCTION

Welcome to the 2023 edition of DLA Piper's *Guide to Going Global – Intellectual Property and Technology*.

GUIDE TO GOING GLOBAL SERIES

Many companies today aim to scale their businesses globally and into multiple countries simultaneously. In order to help clients meet this challenge, we have created a handy set of global guides that cover the basics companies need to know. The *Guide to Going Global* series reviews business-relevant corporate, employment, equity compensation, intellectual property and technology, and tax laws in key jurisdictions around the world.

INTELLECTUAL PROPERTY AND TECHNOLOGY

Inside this guide, we outline crucial aspects of IPT laws in over 40 jurisdictions that are particularly relevant to businesses seeking to expand their operations globally. We also summarize some fundamental commercial terms that customarily appear in IPT-related agreements.

You will find answers to such common questions as:

- Which jurisdictions recognize moral rights?
- What does my business need to do to have an enforceable assignment of intellectual property from an employee, from a consultant?
- What kind of liability can be excluded from a commercial contract?

With this edition, we've also included a section for each country that discusses the enforceability of electronic signatures.

Our goal is to make the guide as readable and informative as possible, providing you just the background you need to get an overview of the IPT laws in the selected jurisdictions. This is not a substitute for professional legal advice. If you have questions regarding specific matters, we encourage you to contact one of our contributors listed in the contributors section of this guide. With nearly 500 dedicated IPT lawyers around the globe, DLA Piper's IPT group is ready to handle your legal needs wherever you do business.

Also, please note that the guide's use of the term "trademarks" also refers to service marks, unless specifically addressed separately. The summary of intellectual property covers only the most commonly used categories worldwide (for example, we have not addressed plant patents). We have also referred to international treaties and conventions with their most commonly used names and not their formal titles (such as the TRIPS Agreement, the Berne Convention, the Paris Convention and the Patent Cooperation Treaty).

We hope that you find this guide valuable and we welcome your feedback.

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This is a general reference document and should not be relied upon as legal advice. The application and effect of any law or regulation upon a particular situation can vary depending upon the specific facts and circumstances, and so you should consult with a lawyer regarding the impact of any of these regimes in any particular instance.

DLA Piper and any contributing law firms accept no liability for errors or omissions appearing in this publication and, in addition, DLA Piper accepts no liability at all for the content provided by the other contributing law firms. Please note that intellectual property and technology law is dynamic, and the legal regime in the countries surveyed could change.

LUXEMBOURG



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

In general, the intellectual property rights in Luxembourg are governed by the following statutory laws:

- i. Copyright – Law of 18 April 2001 on Copyright, Neighboring Rights and Databases, as amended, lastly by the Law of 3 April 2020 (the Copyright Act)
- ii. Database Rights (*sui generis* right, distinct from copyright) – Law of 18 April 2001, as amended by the Law of 18 April 2004 and lastly by the Law of 10 February 2015 (the Copyright Act)
- iii. Patent – Law of 20 July 1992 amending the System for Patents for Invention, as amended by the Law of 24 May 1998 and lastly by the Law of 18 December 2009 (the Patent Act)
- iv. Trademarks – Benelux Convention on Intellectual Property of 25 February 2005 as approved by the Law of 16 May 2006. The Benelux Convention was amended by the Protocol of 11 December 2017 (into force 1 March 2019), approved by the law of 20 July 2018.
- v. Industrial Designs – Benelux Convention on Intellectual Property of 25 February 2005 as approved by the Law of 16 May 2006. The Benelux Convention was amended by the Protocol of 11 December 2017 (into force 1 March 2019), approved by the law of 20 July 2018.
- vi. Semiconductors – Law of 29 December 1988 on the Legal Protection of Topographies of Semiconductor Products
- vii. Professor's Privilege/Ownership of publicly funded research – Special laws on the public funding of research results

Article 50bis of the Luxembourg income tax law, providing for a specific tax regime applying for intellectual property rights, has been repealed by the Law of 18 December 2015 and no longer applies as from July 1, 2016.

However, the new law of 17 April 2018 introduced a new article 50ter which provides for an 80-percent partial tax exemption on the net income derived from eligible intellectual property assets as well as a 100-percent exemption from net wealth tax.

COMMERCIAL CONTRACT FRAMEWORK

Overview

A number of laws may apply to commercial contracts depending on the type of contract and the industry involved. However, generally commercial contracts are governed by provisions contained in the Luxembourg Civil Code.

The Consumer Code in Luxembourg applies to business-to-consumer agreements, and the E-Commerce Law of 14 August 2000, as amended, applies to e-commerce transactions.

COPYRIGHTS

Nature of right

To qualify for copyright protection, a work must be original.

The same requirement of originality applies to the copyright protection of databases, which are considered original when they constitute the author's own intellectual creation by reason of the selection or arrangement of their contents.

There is no registration process for copyright protection; the author's right arises automatically with the creation. Mere ideas or concepts are not protected.

Legal framework

Copyrights are governed by the Law of 18 April 2001 on Copyright, Neighboring Rights and Databases, as amended.

In April 2019, the European Union adopted the Directive 2019/790 in order to adapt the existing framework of copyright and related rights to the digital age. This directive has yet to be implemented into Luxembourg law. A draft law No. 7847 is currently being discussed and, when adopted, should modify:

- The Law of 18 April 2001 on Copyright, Neighboring Rights and Databases, as amended
- The Law of 3 December 2015 on certain authorized uses of orphan works
- The Law of 25 April 2018 on the collective management of copyright and related rights and the granting of multi-territorial licenses of rights in musical works musical works for online use in the internal market.

Duration of right

The duration of an author's right is the author's life plus 70 years after their death.

Ownership / licenses

Only natural persons (ie, individuals) who have created works may enjoy the status of an author, even where an author is an employee. However, there are some presumptions, such as those regarding the assignment of economic rights in computer programs, that automatically favor employers.

The Copyright Law includes a rebuttable presumption of authorship; the author is presumed to be the person under whose name the work is being disclosed.

Persons collaborating directly on the creation of a work become co-authors. Their copyright is indivisible. In these situations, the exercise of the right of co-authors is governed by agreement. Failing such agreement, no author may exercise this right in isolation, unless a court decision provides otherwise in case of a dispute. In a situation in which the contributions of the authors may be individually identified, those authors share the right to exploit their contribution in isolation provided that such exploitation is not done together with the contribution of another co-author and does not harm the joint work.

The economic rights of the author shall be freely assignable and transferable, in whole or in part, in accordance with the provisions of the Civil Code. In particular, they may be the subject of alienation or of an ordinary or exclusive license.

A specificity of Luxembourg copyright law is that it also allows the author to assign or transfer, in whole or in part, their moral rights to the extent that it is not prejudicial to their honor or reputation.

Remedies for infringement

Given the implementation of the Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, right holders are entitled to similar remedies under most intellectual property laws in the European Union, which differ only slightly and which warrant both (interim and final) injunctive and monetary relief.

The possible civil and criminal remedies for copyright infringement are set out under Sections 8 and 9 of the Copyright Act.

Civil remedies are inter alia:

- i. Cessation of infringement
- ii. Damages
- iii. Publication and posting of judgment
- iv. Daily monetary fine (articles 2059-2066 of the Luxembourg Civil Code)

Reference should also be made to the *saisie-contrefaçon* procedure (Section 8 of the Copyright Act), which allows a rights holder to enter, without prior warning but after authorization by the judge, the premises of an alleged infringer or an intermediary third party in order to find evidence of and more information regarding infringements.

Criminal remedies are:

- i. Criminal fine
- ii. Confiscation or destruction of infringing goods or goods that directly served the purpose of committing the infringements at hand
- iii. In case of a bad-faith or fraudulent infringement, the sanction may include imprisonment
- iv. Heavier sanctions in case of repeated infringement:
 - Possible combination of imprisonment and monetary fine
 - Permanent or temporary closure of the establishment ran by the condemned party for a maximum period of 5 years
 - Publication and posting of the judgment

MASK WORKS / TOPOGRAPHIES

Nature of right

The topography of a semiconductor product is protected if it is the result of its creator's own intellectual effort and is not commonplace in the semiconductor industry. Where the topography of a semiconductor product consists of elements that are commonplace in the semiconductor industry, it shall be protected only to the extent that the combination of such elements, taken as a whole, is the result of the creator's own intellectual effort and the combination is not commonplace in the industry. The protection extends solely to the topography and not to any concept, process, system, technique or encoded information embodied in the topography.

The rights holder has the exclusive and temporary right to reproduce and commercially exploit the topography (or import it to this end). The rights holder may, however, not assert this exclusive right (i) to prohibit reproductions of the topography that serve the sole purpose of analyzing or evaluating its techniques (ie, reverse engineering) and (ii) to act against any topography resulting from such analysis to the extent that it is the result of the creator's own intellectual effort and is not commonplace in the semiconductor industry.

Legal framework

The protection of semiconductor topographies is governed by the Law of 29 December 1988 on the Legal Protection of Topographies of Semiconductor Products.

Duration of right

The exclusive right related to the protection of topographies of semiconductor products come into existence on the earlier of:

- The date on which the topography was first commercially exploited anywhere in the world

- The date on which the application for registration was filed in due form

This exclusive right expires after 10 years, calculated from the end of the calendar year during which the exclusive right came into existence.

Exclusive rights will no longer be enjoyed or will expire if an application for registration has not been filed with public authority within 2 years of its first commercial exploitation.

Where a topography has not been commercially exploited anywhere in the world within a period of 15 years from its first fixation or encoding, the exclusive rights may no longer commence unless an application for registration has been filed within that period.

Ownership / licenses

The ownership of the exclusive right is granted to the creator of the topography of a semiconductor product. Where this topography is created by an employee in the course of their employment, the employer shall be deemed the creator, unless otherwise agreed in writing. Where this topography is created under a contract other than a contract of employment, the person who has commissioned the topography shall be deemed the creator, unless otherwise agreed in writing.

The exclusive rights are not granted automatically but require a registration; they are freely licensable and transferrable, including to the successors in title of the rights holder.

Remedies for infringement

Compensation for infringement is governed by the same provisions of the legislation on patents for invention. (See "[Patents – Remedies for Infringement](#).")

PATENTS

Nature of right

An invention is eligible for patent protection if it satisfies 3 conditions:

- i. It is new
 - An invention is new if it does not fall within the relevant state of the art –meaning everything made available to the public before the date of filing of the patent application.

The novelty of an invention is not jeopardized if the invention was disclosed to the public in the course of 6 months prior to the filing of the application and it is due directly or indirectly to (a) an obvious abuse in relation to the applicant or (b) the invention has been displayed at an exhibition organized by the public authorities or an official international exhibition. In the latter case, the applicant shall declare, when submitting their application, that the invention was actually disclosed during an exhibition and furnish a relevant certificate.

- i. Inventive

- It is inventive if it, in regard to the state of the art, is not obvious to a person skilled in the art.
- ii. Capable of industrial application
 - Finally, the term "industrial application" must be understood very widely as being able to be made or used in any kind of industry, including agriculture.

Patent protection requires the successful completion of a patent application process.

- i. A priority right is granted by the person who has filed an application for a patent for the same invention. In order to benefit from this priority right, registrations must be carried out before the end of the 12th month following the date of filing of the first application. In addition, the applicant must make a "statement of priority" when applying.
- ii. Such priority right provides that the date of priority shall be the date of filing the application.
- iii. Any person who, in good faith, prior to the patent application or the priority date, possessed in Luxembourg a justified right in the prior use of the patented invention is entitled to continue the exploitation of the invention, for personal use, notwithstanding the existence of a patent granted to a third party.

The patent shall confer on its owner the right to prevent all third parties not having their consent:

- From making, offering, putting on the market or using a product that is the subject matter of the patent, or importing or stocking the product for those purposes
- From using a process that is the subject matter of the patent or from offering the process for use in Luxembourg territory, or when the third party knows, or it is obvious in the circumstances, that the use of offering of the process is prohibited without the consent of the owner of the patent
- From offering, putting on the market, using, importing or stocking for those purposes the product obtained directly by a process that is the subject matter of the patent
- Supplying or offering to supply, in Luxembourg territory, a person other than a person entitled to exploit the patented invention the means of implementing, in that territory, the invention with respect to an essential element thereof where the third party knows, or it is obvious from the circumstances, that such means are suited and intended for putting the invention into effect

Legal framework

The Law of 20 July 1992 amending the System for Patents for Invention, as amended, governs patents in Luxembourg.

Duration of right

Patents have a duration of 20 years from the date of filing of the patent application. Renewal is not possible.

Exploitation of the invention is not a prerequisite for maintaining patent protection. However, if the invention is not exploited in Luxembourg or any other Member State of the Agreement Establishing the WTO for a period of 4 years following the date of patent application or for a period of 3 years following the grant of the patent, a compulsory license may be granted following a request to the court.

Ownership / licenses

The Patents Law provides that the patent rights are owned by the inventor or their successor in title.

In case of joint ownership, each co-owner has a personal right to exploit the invention or give non-exclusive licenses if they compensate the other owner(s). An exclusive license may, however, only be granted with the consent of all co-owners. Each co-owner may act against infringement actions or assign any rights of the patent, but they must notify the other co-owners thereof. In the latter event that one of the co-owners wishes to assign their share, the other co-owners have a pre-emption right over the proposed assignment for a 3-month period from the moment they have been informed of the intention to assign. In addition, the co-ownership regime as specified in the Luxembourg Civil Code (815 et seq.; 1973a-1 et seq and 883 et seq) is not applicable to patent co-ownership.

If a patent application is submitted only by 1 owner without the involvement of the other joint owner(s), the other joint owner(s) may initiate legal proceedings requiring the transfer of the patent or the patent application as joint owner.

Remedies for infringement

The possible remedies for infringement are set out under title IX "Trademark counterfeiting" of the Patent Act:

- i. Cessation of infringement (provisional or permanent), possibly accompanied by the penalty of a daily fine
- ii. Publication of the judgment
- iii. Damages to make good the harm caused
- iv. Confiscation or destruction of infringing goods and of the instruments, devices or means specifically intended for committing the infringement

Reference should also be made to the description and *saisie-contrefaçon* procedures (Article 79 of the Patent Act), which respectively allow for:

- The drawing up of a detailed description of the allegedly infringing articles and the instruments that have served to commit the alleged infringement by a sworn expert and
- The unexpected seizure of allegedly infringing articles and the instruments that have served to commit the alleged infringement

Both procedures serve the purpose of gathering evidence of and more information regarding infringements and may not exceed a period of 3 months from notification of the order to the person or to their domicile.

TRADEMARKS

Nature of right

Any signs (such as, but not limited to, names, designs, imprints, stamps, letters, numerals, shapes of goods or their packaging, colors and slogans) that may be represented graphically and may be used to distinguish the goods or services of a company are eligible to be registered as individual trademarks. However, signs solely comprising a shape which is imposed by the very nature of a product, which gives the product substantial value or which is necessary for obtaining a technical result may not be registered as trademarks.

Trademark protection requires the successful completion of a trademark registration process.

In order to be registered, the sign must have a sufficient "distinctive character." Such distinctive quality is not a constant but a variable. This means that a rather weak trademark at the time of registration may become a strong trademark through intensive advertising and enforcement, or, conversely and failing sufficient advertising and enforcement, that a strong trademark may become a weak trademark with a smaller scope of protection or even become the normal commercial description of a product or service for which it is registered as a result of the activity or inactivity of its owner, in which case the trademark will be declared as lapsed.

A registered trademark will give its owner an exclusive right to prevent any third party, without its consent, from:

- Using in business a sign that is identical to the trademark for goods or services that are identical to those for which the trademark is registered
- Using in business a sign that is identical or similar to the trademark because the goods or services covered by the trademark and the sign are identical or similar and there is a risk of confusion in the mind of the public because of the risk of association between the sign and the trademark
- Using in business a sign which is identical or similar to the trademark for goods or services which are not similar to those for which the trademark is registered, where the trademark enjoys a reputation in the Benelux territory and where use of the sign without due cause would take unfair advantage of or be detrimental to the distinctive character or the reputation of the trademark
- Using a sign for purposes other than those of distinguishing the goods or services, where use of the sign without due cause would take unfair advantage of or be detrimental to the distinctive character or the reputation of the trademark

Legal framework

There is no Luxembourg trademark system per se. Luxembourg is party to the Benelux Convention, and as such, Benelux trademarks are in effect in Luxembourg alongside EU trademarks and international trademarks designating Benelux.

Trademarks are governed by the Benelux Convention on Intellectual Property of 25 February 2005 as approved by the Law of 16 May 2006, as amended.

The Directive (EU) 2015/2436 of the European Parliament and the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks has been implemented in Luxembourg through the Law of

November 17, 2016 and the Law of July 20, 2018 approving the protocol amending the Benelux Convention in the field of intellectual property.

Furthermore, as far as EU trademarks are concerned, Regulation (EU) 2015/2424 of the European Parliament amending Council Regulation (EC) No 207/2009 on the Community trademark and Community Regulation (EC) No 40/94 on the Community trademark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market, has now come into force. Most notably, it included a name change for the traditional Community marks to European Union marks as well as a change from the traditional OHIM to EUIPO.

Finally, the European Union trademark regime, which is applicable across all EU Member States, is regulated by Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017; Commission Delegated Regulation (EU) 2018/625 of March 5, 2018 supplementing Regulation (EU) 2017/1001 regulate the European trademark regime, which is applicable across all EU Member States; and Commission Implementing Regulation (EU) 2018/626 of March 5, 2018 lays down detailed rules for implementing certain provisions of Regulation (EU) 2017/1001.

Duration of right

The duration of trademark protection is 10 years starting from the date of filing of the application and renewable for an unlimited number of consecutive 10-year periods.

Ownership / licenses

The exclusive rights encompassed by a trademark are obtained by registration. An application for registration may be filed by anyone (eg. private persons, public authorities or companies) and does not need to be filed by the enterprise that will commercialize the trademark.

No protection to trademark owners is guaranteed without registration unless such unregistered trademarks are well known.

No specific provisions are foreseen in Luxembourg law with respect to co-ownership of trademarks.

Independently of the transfer or all or part of a business, a trademark may be transferred for all of some of the goods or services for which the trademark was filed or registered. A trademark may also be the object of a license for all or some of the goods or services for which the trademark was filed or registered.

Remedies for infringement

The possible remedies for trademark infringement are set out in articles 2.21 and 2.22 of the Benelux Convention on Intellectual Property of 25 February 2005, as approved, by the Law of 16 May 2006 and amended by the Protocol of 11 December 2017 (put into force March 1, 2019), approved by the Law of 20 July 2018.

- i. Compensation of material and non-material damages, which consist of:

- Losses suffered, including costs and expenses imposed on it for the investigation and determination of the infringements and the inconveniences connected with the proceedings the trademark holder is forced to institute, loss of reputation, prejudice to the commercial value of the trademarks and loss of market share
- Loss of profits
- ii. The handing over of the materials and instruments that were mainly used for the production of the infringing goods
- iii. In case of acts committed in bad faith, transfer of the profit enjoyed as a result of those infringing acts

TRADE SECRETS

Nature of right

Since July 2, 2019, trade secrets are explicitly regulated in Luxembourg through the Law of 26 June 2019 on the protection of undisclosed know-how and commercial information (business secrets) against unlawful acquisition, use and disclosure.

To respond to the need for harmonization across borders, the Directive (EU) 2016/943 of the European Parliament and of the Council of June 8, 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure brought both a common definition for trade secrets as well as more legal clarity as to the conditions guaranteeing the protection of a trade secret across the European Union.

The Law of 26 June 2019 on trade secrets (Trade Secrets Act) has finally transposed the abovementioned directive. While trade secrets used to be defined by case law, the new law now provides a legal definition of trade secrets, thereby allowing for further legal stability.

As provided by the directive, the Trade Secrets Act defines a "trade secret" as "information which meets all of the following requirements:

- It is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question
- It has commercial value because it is secret
- It has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret

This definition is close to the definition of Section 39(2) of the TRIPS Agreement:

Reference should also be made to Section 1 (i) of the Commission Regulation (EC) 316/2014 of 21 March 2014 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of technology transfer agreements: "know-how" means a package of practical information resulting from experience and testing which is:

- Secret – that is, not generally known or easily accessible
- Substantial – that is, significant and useful for the production of the contract products
- Identified – that is, described in a sufficiently comprehensive manner so as to make it possible to verify that it fulfills the criteria of secrecy and substantiality

Legal framework

While remedies for trade secret infringements used to be governed by tort law (article 1382 of the Civil Code), unfair competition law (Competition Act of 23 October 2011) and general criminal law (article 309 of the Criminal Code), as well as contract law (article 1134 of the Civil code) under the Trade Secrets Act, the trade secret holder may make use of measures and remedies, such as:

- Prohibitory injunctions
- Damages
- Corrective measures (eg, the destruction of the infringing goods)

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

As for most European jurisdictions, competition rules prevail over contractual arrangements. Licenses of trade secrets are subject to Commission Regulation (EC) 316/2014 of March 21, 2014 on the application of Article 101 (3) of the Treaty on the Functioning of the European Union to categories of technology transfer agreements. Such licenses are exempted from the application of Article 101(1) of the treaty in case the parties' joint market share does not surpass certain thresholds and if the licensed technology rights have not expired, lapsed or been declared invalid or, in the case of know-how, for as long as the know-how remains secret, except if the disclosure of the know-how is the result of an action by the licensee (in which case the exemption shall only apply for the duration of the agreement). In any case, trade secrets licenses containing any of the hardcore restrictions listed in Section 4 of aforementioned regulation are not exempted.

Remedies for infringement

Civil remedies for misappropriation of trade secrets include:

- i. Injunction (eg, cease and desist order, ordinary action and interim relief)

- ii. Publication of judgment
- iii. Damages for both losses suffered and loss of profits
- iv. Restraint measures, such as a penalty for future breach of the court's order, ordinary action and interim relief

Reference should also be made to the possibility of obtaining a search order to search the premises and computer in order to find misappropriated data.

Criminal remedies include:

- i. Monetary fines
- ii. Imprisonment (natural persons)
- iii. Confiscation of goods used to commit the offense
- iv. Exclusion of public procurement markets (companies)
- v. Dissolution of company (companies)

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Copyright

In case of a work commissioned by third parties or works created by an employee in the performance of their tasks or upon instructions given by the employer, the employer or the commissioner is to be considered the assignee of the economic rights if the parties have expressly agreed to this in writing.

The original author retains the moral rights on the work but is in principle entitled to transfer them in whole or in part.

Patent

When the inventor is an employee and unless the parties have expressly agreed otherwise in writing, patent rights belong to the employer:

- i. When an industrial invention is made during the performance or fulfillment of the employment contract, whereby the inventive activity is deemed the objective and the employee is paid to invent and make researches
- ii. When an industrial invention is made through the knowledge or use of technics or specific means to the employer or data procured by the employer

Design

If a design has been created by an employee in the course of their employment, the employer shall, unless specified otherwise, be regarded as the creator.

Consultants / contractors

Please see the "Employees" section.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There are no general registration requirements for commercial contracts. Registration of licenses for patents, designs and trademarks is a legal requirement for the license to become enforceable against third parties and entitles the licensee to have an absolute defense against infringement, but is not required for the validity of the license itself.

Recognized language of commercial agreements

Commercial contracts may be concluded in any language. From an enforceability perspective, the claimant must prove that the counterparty consented to the terms, which includes understanding the language. For consumers, this evidentiary burden of proof is difficult to satisfy if the contract language is not the official language of the region of residence of the consumer.

Country-specific issues for online content

The Luxembourg E-Commerce Law of August 14, 2000, as lastly amended by the Law of April 2, 2014, provides several additional requirements regarding the information to be provided to conclude online agreements, including information about the service provider and the languages in which the agreement can be concluded.

Enforceability of online/clickwrap/shrinkwrap terms

When a contract is drafted by one party and the other party merely has the opportunity to accept it (ie, the contract is not negotiated), some provisions must be specifically approved in writing by the other party in order to be enforceable against the party that has not drafted the agreement. Such provisions include those relating to limitation of liability, time limits, exclusivity, withdrawal rights and choice of venue.

For contracts approved online, it is a common practice to contemplate a second checkbox to specifically approve the relevant clauses. However, such second tick is not deemed sufficient, and consequently there is the risk that users challenge the enforceability of the provisions mentioned above while the other terms of the contract will remain valid.

Governing law

Subject to the case law of the European Union on the conclusion of cross-border online agreements, the Rome I and Brussels Ibis regulations and the limitations they impose on consumer contracts and employment contracts, the governing law and venue for resolution of disputes – including arbitration – specified in a commercial contract will generally be accepted and recognized.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Limitations and exclusions of warranty claims are generally permissible, including in business-to-consumer contracts, but are subject to the Luxembourg Consumer Code in respect of the sale of consumer goods, as amended, which provides a 2-year warranty period.

Enforceability of exclusions/limitations of liability indemnification

Limitations of product liability for defects are severely restricted under Luxembourg law. Aside from product liability, liability in general may be excluded in principle, subject to certain conditions. For instance, liability may not be excluded if such would lead to a complete elimination of the main obligations of the agreement or would lead to limiting one's liability for fraud, willful misconduct, death or personal injury.

Indemnification

Under the general provisions of the Luxembourg Civil Code, only the damages that are the immediate and direct result of the non-performance or delay in the performance of the contractual obligation (Article 1142 and following of the Luxembourg Civil Code) may be claimed by the parties.

Electronic signatures

Until mid-2016, the use of electronic signatures in the European Union was governed by Directive 1999/93 on a Community framework for electronic signatures (E-Signature Directive) as transposed into the national laws of 28 Member States of the European Union.

The Regulation (EU) No 910/2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (eIDAS Regulation) was adopted in July 2014 and has been effective as of July 1, 2016. This eIDAS Regulation aims to provide more predictable regulatory environment and is directly applicable in all Member States of the European Union without having to be transposed in national legislation.

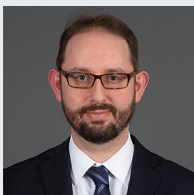
The eIDAS Regulation has a 2-tier approach. This means that all electronic signatures (ie, "data in electronic form which is attached to or logically associated with other data in electronic form and which is used by the signatory to sign") receive some legal recognition, but only so-called "qualified" electronic signatures are automatically assimilated with handwritten signatures. Thus, in case of a dispute, it is up to the competent court to decide whether a "non-qualified" electronic signatures may be assimilated with a handwritten signature. The eIDAS Regulation does not preclude Member States from deciding that, in certain circumstances, only specific types of electronic signatures, such as qualified electronic signatures, may be used.

In Luxembourg, the E-Signature Directive was implemented by the Luxembourg eCommerce Law of 14 August 2000, as amended, which was last modified by the Law of 17 July 2020. The eCommerce Law of 14 August 2000 now complies with the eIDAS Regulation, these last modifications having removed provisions of the eCommerce Law that had become obsolete.

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