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- > New Technologies, Privacy & ICT
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IP ENFORCEMENT IN THE EUROPEAN UNION

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Legal Framework

Purpose of the Directive

Scope

Main principles

Who may request a measure?

Evidence

Right of information

Provisional and precautionary measures

Internet intermediaries

Corrective measures

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Legal Framework

- Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights;
- National laws of transposition.
- At international level, all Member States, as well as the Community itself as regards matters within its competence, are bound by the Agreement on trade-related aspects of intellectual property (the TRIPS Agreement), approved, as part of the multilateral negotiations of the Uruguay Round, by Council Decision 94/800/EC(3) and concluded in the framework of the World Trade Organization¹.
- There are also international conventions to which all Member States are parties and which also contain provisions on the means of enforcing intellectual property rights. These include, in particular, the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, and the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations.

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¹ The TRIPS Agreement contains, in particular, provisions on the means of enforcing intellectual property rights, which are common standards applicable at international level and implemented in all Member States.





The EC Commission has started a public consultation process and it is probable that a new Directive will be adopted in a near future.

Purpose of the Directive

The Directive requires all Member States to apply effective, dissuasive and proportionate remedies and penalties against those engaged in counterfeiting and piracy and so create a level playing field for rightholders in the EU. It means that all Member States will have a similar set of measures, procedures and remedies available for rightholders to defend their intellectual property rights (be they copyright or related rights, trademarks, patents, designs, etc) if they are infringed.

Scope

The Directive concerns the measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights (it includes industrial property rights).

In April 2005, the EC Commission published a statement saying that at least the following intellectual property rights are covered by the scope of the Directive: copyright, rights related to copyright, sui generis right of a database maker, rights of the creator of the topographies of a semiconductor product, trademark rights, design rights, patent rights, including rights derived from supplementary protection certificates, geographical indications, utility model rights, plant variety rights, trade names, in so far as these are protected as exclusive property rights in the national law concerned.

Main principles

Pursuant to the directive, Member States shall provide for the measures, procedures and remedies necessary to ensure the enforcement of the intellectual property rights. Those measures, procedures and remedies shall be fair and equitable and shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.

Those measures, procedures and remedies shall also be effective, proportionate and dissuasive and shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

The directive establishes an objective to be attained by the States, without laying down the measures and exact procedures. There is a concern in so far as the practice could vary greatly from one state to the other even if a form of convergence is observed in practice. This means that it is of the ut-



most importance to have recourse to a lawyer of the state concerned by the procedure.

Who may request a measure?

At least the following persons are entitled to seek application of the measures, procedures and remedies referred to in the directive:

- a) the holders of intellectual property rights, in accordance with the provisions of the applicable law;
- b) all other persons authorized to use those rights, in particular licensees, in so far as permitted by and in accordance with the provisions of the applicable law;
- c) intellectual property collective rights-management bodies which are regularly recognized as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the provisions of the applicable law;
- d) professional defence bodies which are regularly recognized as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the provisions of the applicable law.

For the purposes of applying the measures, the author of a literary or artistic work, in the absence of proof to the contrary, to be regarded as such, and consequently to be entitled to institute infringement proceedings, it shall be sufficient for his/her name to appear on the work in the usual manner.

Evidence

Pursuant to the directive, on application by a party which has presented reasonably available evidence sufficient to support its claims, and has, in substantiating those claims, specified evidence which lies in the control of the opposing party, the competent judicial authorities may order that such evidence be presented by the opposing party, subject to the protection of confidential information.

Under the same conditions, in the case of an infringement committed on a commercial scale, it is possible to request documents such as the communication of banking, financial or commercial documents under the control of the opposing party, subject to the protection of confidential information.

The above applies when there is a dispute between parties. It only solves part of the issue since a complainant is often reluctant to take legal action because he is suspicious of a third party, but does not have relevant evidence. Without evidence, it is indeed impossible to take judicial action.



Most important is the element of surprise. If the opposing side becomes aware of the forthcoming introduction of legal proceedings they will take every measure to ensure that all traces of evidence are eradicated.

It is for this reason that the directive requires member states to provide right holders with the possibility of collecting evidence before the introduction of legal action : “Even before the commencement of proceedings on the merits of the case, the competent judicial authorities may, on application by a party who has presented reasonably available evidence to support his/her claims that his/her intellectual property right has been infringed or is about to be infringed, order prompt and effective provisional measures to preserve relevant evidence in respect of the alleged infringement, subject to the protection of confidential information. Such measures may include the detailed description, with or without the taking of samples, or the physical seizure of the infringing goods, and, in appropriate cases, the materials and implements used in the production and/or distribution of these goods and the documents relating thereto”.

Those measures shall be taken, if necessary without the other party having been heard, in particular where any delay is likely to cause irreparable harm to the rightholder or where there is a demonstrable risk of evidence being destroyed. However, in such case, the parties affected shall be given notice, without delay after the execution of the measures at the latest. A review, including a right to be heard, shall take place upon request of the parties affected with a view to deciding, within a reasonable period after the notification of the measures, whether the measures shall be modified, revoked or confirmed.

One of the major concerns of the authorities in creating the possibility of preliminary unilateral actions, was the fear of seeing a party divert this proceeding from its purpose in order to spy on or put pressure on a competitor. It is for this reason that it demands that the person who has obtained a preliminary unilateral measure should make a final decision within an allotted timescale: either s/he presents a judicial action on the merits, or s/he loses forever the right of using the information s/he has gathered thanks to the unilateral measure.

Right of information

In addition, on request of the claimant, the competent judicial authorities may order that information on the origin and distribution networks of the goods or services which infringe an intellectual property right be provided by the infringer and/or any other person who:

- a) was found in possession of the infringing goods on a commercial scale;
- b) was found to be using the infringing services on a commercial scale;





- c) was found to be providing on a commercial scale services used in infringing activities; or
- d) was indicated by the person referred to in point (a), (b) or (c) as being involved in the production, manufacture or distribution of the goods or the provision of the services.

This action is really effective since it provides specific information, notably: the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers.

Provisional and precautionary measures

Under certain condition, it is possible for a rightholder to request against the alleged infringer an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right, or to forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by national law, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the rightholder.

In the case of an infringement committed on a commercial scale, it is sometime possible to order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of his/her bank accounts and other assets. To that end, the competent authorities may order the communication of bank, financial or commercial documents, or appropriate access to the relevant information².

Internet intermediaries

An interlocutory injunction may also be issued, under the same conditions, against an intermediary whose services are being used by a third party to infringe an intellectual property right. This is of the utmost importance on the Internet³.

In the *Bonnier* case, the Court of justice of the European union has ruled that the EU applicable legislation must be interpreted as not precluding the application of national legislation which, in order to identify an internet subscriber or user, permits an internet service provider in civil proceedings to be ordered to give a copyright holder or its representative information on

² The injured party must notably demonstrates circumstances likely to endanger the recovery of damages.

³ Note : injunctions against intermediaries whose services are used by a third party to infringe a copyright or a related right are covered by Directive 2001/29/EC.



the subscriber to whom the internet service provider provided an IP address which was allegedly used in an infringement⁴.

In 2009 already, the Court ruled in the LSG and Tele2 case, that nothing preclude Member States from imposing an obligation to disclose to private third parties personal data relating to Internet traffic in order to enable them to bring civil proceedings for copyright infringements. Community law nevertheless requires Member States to ensure that they rely on an interpretation of those directives which allows a fair balance to be struck between the various fundamental rights involved.

This is congruent with the Promusicae case where the Court has ruled that Member States are not required to lay down an obligation to communicate personal data in order to ensure effective protection of copyright in the context of civil proceedings (they may, but that don't have to). However, if they do so, Member States must allow this fair balance. Further, when implementing the measures transposing those directives, the authorities and courts of the Member States must not only interpret their national law in a manner consistent with those directives but also make sure that they do not rely on an interpretation of them which would be in conflict with those fundamental rights or with the other general principles of Community law, such as the principle of proportionality.

The Court has added, in the L'Oréal case, that the Directive must be interpreted as requiring the Member States to ensure that the national courts are able to order the operator of an online marketplace to take measures which contribute, not only to bringing to an end infringements of those rights by users of that marketplace, but also to preventing further infringements of that kind. Those injunctions must be effective, proportionate and must not create barriers to legitimate trade.

However, the Court set clear limits in the Sabam and Scarlet case, ruling that applicable Directives read together and construed in the light of the requirements stemming from the protection of the applicable fundamental rights, must be interpreted as precluding a national court from issuing an injunction against a hosting service provider which requires it to install a system for filtering:

- information which is stored on its servers by its service users;
- which applies indiscriminately to all of those users;

⁴ The Court declares, in addition, that Directives 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications) and 2004/48, must be interpreted as not precluding national legislation such as that at issue in the main proceedings insofar as that legislation enables the national court seized of an application for an order for disclosure of personal data, made by a person who is entitled to act, to weigh the conflicting interests involved, on the basis of the facts of each case and taking due account of the requirements of the principle of proportionality.



- as a preventative measure;
- exclusively at its expense; and
- for an unlimited period,

which is capable of identifying electronic files containing musical, cinematographic or audio-visual work in respect of which the applicant for the injunction claims to hold intellectual property rights, with a view to preventing those works from being made available to the public in breach of copyright.

Corrective measures

As regards goods that have been found to be infringing an intellectual property right the rightholder may notably request following measures:

- a) recall from the channels of commerce;
- b) permanent removal from the channels of commerce; or
- c) destruction.

As a general rule, the judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement and, where provided for by national law, non-compliance with an injunction shall, where appropriate, be subject to a recurring penalty payment, with a view to ensuring compliance.

In some States, the law provides that the judge may order pecuniary compensation to be paid to the injured party instead of applying the measures provided for here above if that person acted unintentionally and without negligence, if execution of the measures in question would cause him/her disproportionate harm and if pecuniary compensation to the injured party appears reasonably satisfactory.

Needless to say, the injured party may claim damages.

When the judicial authorities set the damages:

- a) they shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the rightholder by the infringement; or
- b) as an alternative to (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the in-





fringer had requested authorization to use the intellectual property right in question.

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However, punitive damages are unknown in most European countries. Damages must be appropriate in order to cover the actual prejudice suffered by the injured party as a result of the infringement (the whole prejudice, but nothing more than the actual prejudice).

