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These slides accompany the explanation of the acquis to Albania and North Macedonia and can only be used for that purpose. Their content is subject to further development of the acquis and interpretation by the Court of Justice of the European Union.

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Enforcement of Intellectual Property Rights in the EU

Directive 2004/48/EC and MoUs

7-8 February 2019, Brussels

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Directive on the enforcement of IPR

- **Main legislation on EU level**
  - Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights (OJ L 195, 2.6.2004, p. 16–25), "Enforcement Directive", "IPRED"
- **Objectives:**
  - **approximate legislative systems** of the Member States so as to ensure a high, equivalent and homogeneous level of protection in the internal market
  - provide harmonisation of national **civil redress** rules and procedures to ensure that all Member States have a similar **minimum** set of measures available primarily for rightholders to defend their IPRs
  - provide for effective, proportionate and dissuasive **measures, procedures and remedies** for civil enforcement of intellectual property rights

Directive on the enforcement of IPR

- **Civil enforcement**: before IPRED disparities between Member States regarding the means of civil enforcement

- **Criminal enforcement**: Member States

not covered by IPRED

- **Customs enforcement**: **Council regulation N°608/2013** on customs actions against goods suspected of infringing IPR which replaces **Council regulation N°1383/2003**

not covered by IPRED

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Directive on the enforcement of IPR

- **Minimum harmonisation**
  - IPRED does not intend to provide for a full harmonisation of measures, procedures and remedies, but does apply without prejudice to the means which are or may be provided for in EU or national legislation, in so far as those means may be **more favourable for rightholders**
- **Combination of EU and national law**
  - Legal framework is not limited to a single Directive
  - It encompasses an enforcement system based on national legislation with complementing parts going beyond the Directive's scope
  - This national civil enforcement pillar is composed first and foremost of the national **procedural civil law**

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What is the scope of IPRED?

- **Any infringement of IPR** as provided by the EU law and/or by the national law of the Member State concerned
- Commission published a list of IP rights covered (Statement 2005/295/EC):
  - copyright and rights related to copyright, sui generis right of a database maker,
  - rights of the creator of the topographies of a semiconductor product,
  - trade mark 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.

Art. 3 General obligation

Measures, procedures and remedies shall:

- be **fair and equitable**
- not be unnecessary complicated or costly
- not entail unreasonable time-limits or unwarranted delays
- be **effective, proportionate and dissuasive**
- be applied in such a manner as to avoid barriers to legitimate trade and to provide for **safeguards against their abuse**

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Art. 4 Persons entitled to apply

- **Holders of IPR**
  - in accordance with the provisions of the applicable law
- **Other persons authorised to use those rights** (e.g. licensees)
  - in so far as permitted by and in accordance with the provisions of the applicable law
- **Collective rights-management bodies**
  - regularly recognised as having a right to represent IPR holders
  - in so far as permitted by and in accordance with the provisions of the applicable law
- **Professional defence bodies**
  - regularly recognised as having a right to represent IPR holders
  - in so far as permitted by and in accordance with the provisions of the applicable law

Art. 5 Presumption of authorship or ownership

For the purposes of applying the measures, procedures and remedies provided for in IPRED:

- for 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;**

- the provision under (a) **shall apply mutatis mutandis to the holders of rights related to copyright** with regard to their protected subject matter.

Art. 6 Evidence - disclosure

Competent judicial authority may order disclosure of:

- **specified** evidence
- on **application** by a party which has presented reasonably available evidence sufficient to support its claims
- evidence that **lies in the control** of the opposing party
- subject to **protection of confidential information**
- e.g.: reasonable sample of a substantial number of copies of a work or any other protected object

In case of an infringement committed on a commercial scale:

- communication of banking, financial or commercial documents

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Art. 7 Measures for preserving evidence

Competent judicial authority may order prompt and effective **provisional measures** to preserve:

- **relevant** evidence
- on **application** by a party which has presented reasonably available evidence sufficient to support its claims
- even **before** the commencement of the proceedings on the merits
- subject to **protection of confidential information**
- e.g.: tailed 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
- possibility to award ***ex parte***

Art. 8 Right of information

Competent judicial authority may order disclosure of:

- **information** on the origin and distribution networks of the goods or services which infringe IPR
- justified and proportionate **request** of the claimant
- in the context of the proceedings concerning infringement of IPR

Who should disclose?

- infringer
- any other person who:
  - was found in possession of the infringing goods on a **commercial scale**;
  - was found to be using the infringing services on a **commercial scale**;
  - was found to be providing on a **commercial scale** services used in infringing activities;

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Art. 9 Provisional and precautionary measures

Competent judicial authority may at the request of applicant:

- issue an **interlocutory injunction**
  - to prevent any **imminent** infringement
  - to forbid, on a **provisional** basis, the continuation of alleged infringement
  - against alleged **infringer**
  - against **intermediary**, whose services are being used by a third party to infringe IPR
- order the **seizure or delivery up** of the goods
  - suspected of infringing an IPR
  - so as to prevent their entry into or movement within the channels of commerce

Art. 10 Corrective measures

What type of measures?

- **recall** from the channels of commerce
- **definitive removal** from the channels of commerce
- **destruction**

of

- **goods infringing IPR**
- **materials and implements** principally used in the creation or manufacture of these goods

Art. 11 Injunctions

Competent judicial authorities may issue **an injunction**:

- where **IPR infringement** has been found
- to prohibit the continuation of the infringement
- against **infringer**
- against **intermediary** whose services are used by a third party to infringe IPR
- non-compliance may be subject to a recurring penalty payment

Art. 12 Alternative measures

Competent judicial authorities may order **pecuniary compensation** to be paid to the injured party instead of applying corrective measures and/or injunctions:

- at the **request** of person liable to be subject to these measures
- if that person **acted unintentionally** and **without negligence**
- if execution of corrective measures and/or injunctions would cause **disproportionate harm**
- and if pecuniary compensation appears **reasonably satisfactory**

Art. 13 Damages

Competent judicial authorities may order the infringer to pay damages appropriate to the actual prejudice suffered

- infringer **knowingly, or with resonable grounds to know**, engaged in infringing activity
- damages may be set on the basis of ”**all appropriate aspects**” (Art. 13(1)a) or a **lump-sum** (Art. 13(1) b)

Art. 14 Legal costs

General rule:

- **reasonable** and **proportionate**
- **legal costs** and **expenses** incurred by the succesful party
- borne by the **unsuccessful party**
- unless **equity** does not allow this

Art. 15 Publication of judicial decisions

- Compulsory regime
- Judicial authorities may order appropriate measures for the dissemination of the information concerning the decision
- At the request of applicant and at the expense of the infringer

Better enforcement of IPR in digital era

- **IP protection is key to foster innovation and growth**
  - IP-intensive sectors account for **42%** of EU GDP worth **€5.7 trillion** and generate **38%** of all jobs
- **But IP infringements are on the rise**
  - 5% of goods imported into the EU are counterfeit or pirated, corresponding to €85 billion in illegal trade
  - Negatively affects jobs & growth, creates safety & security issues
- **Therefore, need for a comprehensive approach:**
  - Focus on commercial scale infringements ('follow the money')
  - Enforcement as well as prevention
  - Acting within Europe, at Europe's borders and at a global level

IPR Enforcement Package

- **Overall strategy**
  - Communication "A balanced IP enforcement system responding to today's societal challenges"
- **IPR Enforcement**
  - Communication "Guidance on certain aspects of Directive 2004/48/EC on the enforcement of intellectual property rights"
  - Commission SWD: Evaluation Report on IPRED
  - Commission SWD: Overview of the functioning of the MoU on the sale of counterfeit goods via internet
- **Standard Essential Patents (SEPs)**
  - Communication "Setting out the EU approach to Standard Essential Patents"

Evaluation of the Enforcement Directive

Results showed that:

- the measures, procedures and remedies set out in the Directive have effectively helped to better protect IPR throughout the EU and are still fit for purpose
- IPRED has led to the creation of a common legal framework where the same set of tools is applied across the EU
- however, the provisions of IPRED are not implemented and applied in a uniform manner in all EU countries
- thus, the EU legal framework for civil enforcement of IPR could benefit from the clarification of certain aspects of the Directive, allowing a more consistent and effective interpretation and application.

→ This clarification was provided through the **Guidance Communication**, to ensure a more homogeneous, effective and balanced judicial redress.

Better judicial enforcement

Guidance to ensure a more homogeneous, effective and balanced judicial redress, e.g.:

- **Injunctions against intermediaries:**
  - Can be granted independent of whether or not the latter is liable
  - May entail specific monitoring obligations
- **Clarification of 'commercial scale'**

What issues are covered?

- ☑ Scope of injunctions, injunctions against intermediaries, dynamic injunctions
- ☑ Rules on obtaining and preserving evidence, digital evidence
- ☑ Availability of certain specific measures (e.g. right of information)
- ☑ Focus on commercial scale infringements
- ☑ Calculation of damages (including moral damages)
- ☑ Reimbursement of legal costs
- ☑ Cross-border dimension

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Better judicial enforcement

- **Building on the Guidance, the Commission will:**
  - Work closely with Member States to ensure **full compliance with the Guidance**
  - Work with Member States and the legal community to develop **best practice** and further **practical guidelines**
  - Bring the relevant information and best practices online

- **Member States are called up on:**
  - To invest in a specialisation of judges
  - To improve publication of judgements

Expert Group on the enforcement of IPR

- Set up in September 2014
- Objectives:
  - to establish cooperation between the Commission and authorities in EU countries that are responsible for overseeing the enforcement of intellectual property rights,
  - to provide the Commission with advice and expertise in relation to the preparation and implementation of policy initiatives,
  - to facilitate the exchange of regulatory experience and good practice between EU countries.

More information in the Register of Commission Expert Groups

Supporting industry-led initiatives

- **Voluntary agreements between intermediaries and right holders ('MoUs')**
  - The MoU on the sale of counterfeit goods via the internet (between right holders and platforms): example of successful cooperation, to be further developed and expanded
  - MoU on online advertising and IPR, stakeholders' dialogues on payment services and transport/shipping
- **Promoting due diligence in supply chains**
  - Via accreditation processes, by facilitating the roll-out of blockchain-based solutions

Wider context

- **Acting within EU, at EU's borders and at a global level**
  - IP Watch List for outside the EU
  - Customs Action Plan
- **Illegal content online**
  - Communication on tackling illegal content online
  - Recommendation on measures to effectively tackle illegal content online

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Thank you!