



**COUNCIL OF
THE EUROPEAN UNION**

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WORKING DOCUMENT

From: General Secretariat
To: Working Party on Intellectual Property
Subject: Commission Report on the Application of Directive 2004/48/EC of the European Parliament and the Council of 29 April 2004 on the enforcement of intellectual property rights
- Presidency questionnaire

Delegations will find attached a note, drawn up by the Presidency, to serve as a basis for the discussion at the Working Party on Intellectual Property on 21 February 2011.

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The Commission issued its Report on the application of Directive 2004/48/EC on the enforcement of intellectual property rights (hereinafter referred to as the Enforcement Directive) (5140/11) on 10 January 2011 and the accompanying working document (5140/11 ADD 1) containing a more detailed analysis of that Directive's application in the Member States.

The conclusion of the Report is inviting Member States and the Council of Ministers to present their views on its contents before 31 March 2011. This feedback is supposed to assist the Commission in conducting a thorough impact assessment in preparation of an eventual amendment of the Enforcement Directive and any other future measures concerning the enforcement of intellectual property rights. Member States will also have the opportunity to share their experience in implementing the Enforcement Directive at an expert meeting organised by the Commission on 25 March 2011.

The Presidency, in an effort to facilitate discussions and to stress the Council's commitment in the fight against counterfeiting and piracy by enhancing the enforcement framework of intellectual property rights while safeguarding the rights of all parties involved in IP-related legal disputes, proposes to conduct a structured debate at experts level, on the basis of the Commission's Report and of the "Issues paper" contained in the Annex to this Note.

The objective of this "Issues paper" is to highlight those aspects of IP enforcement that still raise questions (be it practical or theoretical) despite harmonisation and to identify the points that may require clarification or additional legal measures, thus facilitating it for the Commission to evaluate the Enforcement Directive's application. The "Issues paper" covers all the issues raised in the Commission's Report and endeavours to help Member States react to that Report in a focused and structured manner, while assisting the Commission in gathering feedback from Member States in a comparable format.

The Commission will give an oral presentation of its Report at the meeting of the Working Party on Intellectual Property on 9 February 2011. The subsequent meeting of the Working Party on Intellectual Property on 21 February 2011 will be entirely dedicated to a structured debate of the Report, on the basis of certain highlighted questions contained in the "Issues paper". At this meeting, delegations will be invited to present their preliminary views on these selected questions.

As regards the rest of the questions contained in the "Issues paper", delegations should submit their written replies and comments directly to the Commission, as the aim of the exercise is to channel structured contributions into the survey of the Commission in preparation of the expert meeting mentioned above.

Taking into account the Commission's two Communications¹, the Council's two Resolutions² and the European Parliament's Resolution on enforcement of IPR in the internal market of 22 September 2010³, the Presidency deems it more instrumental to keep discussions at experts level, considering that, the political objectives in this field being sufficiently clear, no further political guidance seems to be called for at this stage.

Please note that only the questions highlighted in **bold** will be discussed at the Working Party meeting on 21 February 2011: the replies to the remaining questions should be included in the written contributions to be sent by Member States directly to the Commission.

¹ Documents 12267/08 and 13286/09.

² OJ C 253, 4.10.2008, p. 1 and OJ C 56, 6.3.2010, p. 1.

³ INI/2009/2178

Issues paper

Questions related to the Commission's Report on the application of Directive 2004/48/EC on the enforcement of intellectual property rights (5140/11 PI 2 DROIPEN 4 JUSTCIV 1)

1. Digital environment

1.1. Do you consider that IPR infringements over the Internet pose a problem that the current toolbox of Directive 2004/48/EC (Enforcement Directive) is not entirely suitable to handle?

1.2. What kind of specific measures are in your view suitable to combat such infringements? Which measures should be taken at EU level?

1.3. Is there a need to lay down rules regarding the *liability of online service providers* (and *limitations* thereto) in the Enforcement Directive beyond those already existing in Directive 2000/31/EC (Directive on electronic commerce)? If yes, is there a need to *define the term* "online service provider" in the legal framework of intellectual property?

1.4. Taking into account the types of data mentioned in Article 8(1) and 8(2) of the Enforcement Directive, is there a need to introduce explicit rules that enable authorities to order *online service providers*, regardless of their liability, to *disclose information* relating to *individual subscribers* who have allegedly committed IP infringement? If yes, what should be the *preconditions* and *limits* for such orders (e.g. infringement has to be on a commercial scale, only judicial authorities may order such measures, infringement proceedings have to be in progress, only certain types of data may be provided, limitations for safeguarding rights to privacy and protection of confidential data)? What should be the *sanction* for non-compliance with such orders? Should these measures be limited to IP infringements? (See also question 5.3.)

1.5. Taking into account the jurisprudence of the European Court of Justice, is there a need to amend the existing legal framework relating to *the liability or legal obligations of online service providers* (including search engines and online market places) whose services are directly used in infringing activities (not necessarily on a commercial scale)? If yes, which legal instrument should be amended (the Directive on electronic commerce, the Enforcement Directive or the Trade Mark Directive)?

1.6. In the case of online copyright infringements, does your law provide for the possibility of taking measures against *websites facilitating such infringements* or against *advertisers* financing such websites? Does your law provide for specific legal measures against P2P file sharing? Do you see a need for such measures to be included in the Enforcement Directive?

2. *Scope of the Directive*

2.1. Is there a need to apply some (or all) of the measures provided for in the Enforcement Directive also with a view to rights that currently are not covered by the Directive⁴?

2.2. How do you think issues like the protection of trade secrets and domain names and protection against parasitic copies (look-alike marketing) should be dealt with? Do you see them as being linked to IPR or do you consider them more an issue of unfair competition law? Would you see an added value of EU action in that area?

2.3. Is there a need to provide *a list of intellectual property rights* in the Enforcement Directive? If yes, what should be the relation of this list to the scope of the Directive (exhaustive list, indicative list, minimum list)? Should such a list be included in the Articles or in the recitals? How should rights protected only by certain national laws be treated in such a list?

3. *Evidence*

3.1. What are the limits of the provisional measures (e.g. search or seizure orders) in respect of confidential (private) information under your law? Have you encountered any difficulties in this respect?

3.2. What are the conditions, under your law, to *obtain banking, financial or commercial documents*?

3.3. Is there a need to ensure that

- (a) *personal computers* can be searched/seized in order to establish evidence for an IPR infringement committed via the Internet?
- (b) *screenshots* are accepted by courts as evidence for infringements committed via the Internet?

3.4. Is there a need to clarify the term “*under the control*” relating to evidence in Article 6 of the Enforcement Directive?

4. *Intermediaries*

4.1. Is there a need to introduce a *common definition of intermediaries* in the Enforcement Directive?

4.2. Does your law contain *specific provisions on injunctions against intermediaries*, or do such injunctions have to be requested under the general rules? If there are specific provisions, what are these and are they used often?

⁴ See Statement by the Commission concerning Article 2 of Directive 2004/48/EC of the European Parliament and of the Council on the enforcement of intellectual property rights (2005/295/EC)

4.3. Is there a need to clarify in the Enforcement Directive that not only permanent injunctions are available against intermediaries but also *interlocutory injunctions*? Should other provisional or precautionary measures be available against intermediaries (see also question 5.1.)?

4.4. Taking into account that certain measures are available against intermediaries even when they cannot be held liable for the infringing acts, is there a need to *clarify the standing* of an intermediary in IP infringement proceedings? Can an intermediary be deemed an “*unsuccessful party*” when an injunction is issued against it without establishing its liability for the infringement (e.g. relating to cost issues)?

4.5. Should intermediaries (transport service providers, Internet platforms, ISPs) be involved to a greater extent in the prevention or termination of IP infringements? If yes, what ways would you deem appropriate?

5. Right of information

5.1. Is there a difficulty in applying IP enforcement measures (especially rules on right of information) together with rules on *data protection* or *right to privacy* in your country?

5.2. What are the limits of the right of information in your country, in view of privacy issues? Is there a need to amend the Enforcement Directive (or other EU legal instruments) in order to accommodate such conflicts?

5.3. Is there a need to clarify that the right of information pursuant to Article 8 of the Enforcement Directive may also be invoked before the infringement (and, where appropriate, the acts having been carried out on a commercial scale) was established by the judicial authorities, i.e. that *providing information* may also be ordered as a *provisional measure*? Is the usefulness of this interpretation in strengthening the IP enforcement framework enough to outweigh that providing information is by definition “irreversible” and that in certain cases the addressees of such orders are third parties (intermediaries) not being party to the litigation?

5.4. Due to data retention laws, online service providers sometimes do not possess the requested information about the infringements (e.g. it was subject to deletion). At the same time this information might need to be provided when requested by the public authorities. How do online service providers in your country respond to such requests from the public authorities when they are no longer in the possession of the information needed?

5.5. Can information that in your country would normally be subject to the banking secrecy, be requested by using the right of information?

6. Commercial scale

6.1. Have you defined "*commercial scale*" in your country – either in law or by jurisprudence? If so, which is the definition that you have chosen?

6.2. Is the definition of “*commercial scale*” still appropriate in Recital 14 of the Enforcement Directive? Is there a need to have a definition at all, and if yes, should it be moved to the Articles of the Directive? Should the link between the commercial scale requirement and the right of information remain intact?

6.3. The criterion of “commercial scale” (as for its definition, see Recital 14 of the Enforcement Directive) applies to a limited number of specific cases: communication of banking or commercial documents [Article 6(2)], right of information towards intermediaries [Article 8(1)], and seizure of movable and immovable property and blocking of bank accounts as a precautionary measure [Article 9(2)]. For which of the above mentioned three situations do you consider the *commercial scale criterion as necessary or useful*? What risks do you see if this criterion were to be abolished?

6.4. If you have made the right of information subject to the commercial scale requirement, how do you deal with the problem that sometimes the *rightholder needs additional information* from an intermediary in order to be able to determine whether the infringement has been committed at a commercial scale?

6.5. If under your law commercial scale is not a precondition for ordering the measures concerned, *has its absence lead to abuses*, in certain areas, by right holders? If yes, which areas are affected?

7. Damages

7.1. Do you see a deficiency in the practice of awarding damages, i.e. in compensating the rightholder for damages suffered (including moral prejudice and lost profits)? If yes, is this deficiency due to the current wording of the Enforcement Directive? Would it help this deficiency if recovery of unjust enrichment was to be ordered as an objective sanction (i.e. not depending on the culpability of the infringer), or should unjust enrichment of the infringer and other economical consequences play a greater role in calculating damages?

7.2. In your judicial practice, what is the relationship between unjust enrichment and lost profits (i.e. royalties or license fees that would have been due in a contractual relationship)?

7.3. What is the legal situation under your law relating to the *liability of legal persons* (and the managers thereof for the acts carried out by the legal person)? Is there any *IP-specific problem* in this respect that could be tackled in the Enforcement Directive?

8. Corrective measures

8.1. In your judicial practice, what is the *difference between “recall” and “definitive removal” from the channels of commerce? Is the fact that the infringer is no longer in possession of the infringing goods a factor in deciding which measure to apply?*

8.2. Is there a need to clarify in the Directive *the relationship between corrective and provisional measures?*

8.3. Does it happen frequently that the infringer is not able to pay the *costs of the destruction* and that those therefore have to be borne by the State? Would you consider it justified to impose the costs for the destruction of counterfeit goods on the State where the destruction is in the public interest (in particular because these goods pose a risk to consumers' health and safety)?

8.4. Would it improve the situation if the Directive clarified that courts are entitled to impose the costs of destruction of the infringing goods *directly* on the infringer once the infringement is established?

8.5. Do you see a need to harmonise aspects of *secondary use* (e.g. for charity purposes) of infringing goods in the Enforcement Directive?

9. Other issues

9.1. If you have not implemented one or more *optional provisions* of the Enforcement Directive, what were the reasons for that?

9.2. What are the main problems of *cross-border IP enforcement* arising from the current rules on jurisdiction (especially Regulation 44/2001/EC, also known as Brussels I Regulation)?

9.3. What specific problems have you encountered in *collecting evidence in cross-border cases?*

9.4. Are you aware of any *codes of conduct* that have been signed either between different parties from the private sector or between parties from the private sector and the public sector? If yes, what was the form and subject of these codes?

9.5. What are the main risks for consumers under the current rules of the Directive? Would it affect consumers adversely if certain rights of the rightholders were to be reinforced (in particular the right to information, the rules on collecting evidence etc.)?

9.4. Is there *anything else* that should be addressed in the review of the Enforcement Directive?

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