



A I P P I

**ASSOCIATION INTERNATIONALE
POUR LA PROTECTION DE LA PROPRIETE INTELLECTUELLE**

**INTERNATIONAL ASSOCIATION
FOR THE PROTECTION OF INTELLECTUAL PROPERTY**

**INTERNATIONALE VEREINIGUNG
FÜR DEN SCHUTZ DES GEISTIGEN EIGENTUMS**

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Report

Special Committee Q185

Enforcement of Intellectual Property Rights
Exercice des droits de Propriété Intellectuelle
Durchsetzung von Rechten des Geistigen Eigentums



Report Q185

Enforcement of Intellectual Property Rights

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I) Introduction

The Special Committee Q185 “Enforcement of Intellectual Property rights” has been established at the end of 2003. The aim of the present Committee is to monitor, advice and study the development of the enforcement of Intellectual Property rights. Of particular interest in this context is the EU Directive on measures and procedures to ensure the enforcement of Intellectual Property rights and the achievements of the WIPO. A further task of this Special Committee will be to formulate, submit and represent AIPPI’s standpoints related to the present subject matter.

II) Achievements of prior Special Committees in the area of enforcement of Intellectual Property rights

“Enforcement of Intellectual Property rights” was and still is subject to discussions and studies in different Special Committees of the AIPPI. Of general interest are in particular the achievements of the following Special Committees: Q134 “Enforcement of intellectual property rights - TRIPS”, Q134A “Enforcement of intellectual property rights - infringement and liability”, Q134B “Enforcement of intellectual property rights - procedure and sanctions” and Q169 “Criminal law sanctions with regard to infringement of intellectual property rights”.

As the subject matter “enforcement of Intellectual Property rights” is extremely diversified and plays a role in various contexts, it goes without saying that IP enforcement issues were and still are under discussion also in other Special Committees of the AIPPI. The work of the Special Committee Q185 shall properly take into account all achievements of the AIPPI in the present context.

Special Committee Q134 carried out a complete and methodological study of national legislations with respect to the enforcement of Intellectual Property rights¹. Of particular concern was the application of compulsory and optional provisions of the TRIPS Agreement by national legislations. The Special Committee Q134 was divided into two subcommittees, namely in Q134A “infringement and liability” and Q134B “procedure and sanctions”. In April 1997, both subcommittees presented Resolutions at the Congress of Vienna which were only approved in part due to discrepancies in the Plenary Meeting. This demonstrates the particular sensitiveness of the present subject matter.

The Summary Reports of both subcommittees² contain extensive information on national legislations, and it may be deduced that in general, the various national legislations stand in line with the provisions of the TRIPS Agreement.

¹ AIPPI, Yearbook 1997/ p. 140.

² AIPPI, Yearbook 1997/I p. 140.

The further discussions of Q134 resulted in a Resolution rendered at the Congress of Rio de Janeiro in May 1998. The criminal side of the present subject matter was addressed by the Special Committee Q169. Its work is also summarized in an extensive Report and a Resolution was rendered at the EXCO of Lisbon in June 2002³.

Of the mentioned Resolutions, substantive standpoints of the AIPPI regarding various specific items in the present field may be extracted. It appears, however, that further harmonization in the area of enforcement of Intellectual Property rights is of general interest.

III) Importance of ongoing discussions in view of harmonization of law related to the enforcement of Intellectual Property rights

Infringing activities in the area of Intellectual Property are still growing and pose a serious threat to all national economies and governments. It is a visible and commonly known phenomenon on an international scale that existing national legal disparities may influence the choice of where such infringing activities are carried out. For example, infringing activities such as the manufacture of infringing products are more likely to happen in countries which are less effective than others in combating such infringing activities. It is evident that this phenomenon has direct impact on competition in the different markets and leads to distortions of the international trade.

Exactly this was the reason of an important recent European development, which was the focus of the first studies of the present committee.

On 15 October 1998, the European Commission presented a Green Paper on the fight against counterfeiting and piracy in the Single Market⁴ and introduced a discussion on this topic. The various contributions of the involved interested circles were later summarized in a report of June 1999⁵ confirming important disparities between the national systems and the necessity for a harmonization of the European national systems. Consequently, the European Commission has elaborated a proposal for a Directive on measures and procedures to ensure the enforcement of Intellectual Property rights of the European Parliament and the Council⁶, which was submitted to the European Parliament at the beginning of 2003. After a reading by the European Parliament (March 8 and 9, 2004) this Directive has finally been adopted by the Council of Ministers on April 26, 2004 and will be implemented within the next two years into the laws of the EU Member States.

The aim of this Directive is to tackle the above described situation by harmonizing national legislations and also by amplifying the legal possibilities for right holders to enforce their rights.

The Directive is supposed to set a common minimum standard in the European Member States. It relates to procedural measures such as preliminary injunctions, measures for protecting evidence (etc.) and is even aimed to change the substantive law regarding, for instance damages. It significantly goes beyond the TRIPS Agreement, for which reason it is also called "TRIPS plus".

As the Directive is to be implemented into national law, the national legislators are free to provide for rules being even "*more favorable to right holders*" (cf. article 2 of the Directive). In the same context, it will be of importance that the Directive distinguishes between "may" (optional) provisions and mandatory provisions.

The most important points of this Directive are:

- The rules to be implemented in compliance with the Directive shall cover all types of Intellectual Property rights, including patents. This includes also national property rights. An area

³ AIPPI, Yearbook 2002/II p. 381-382.

⁴ COM(98) 569.

⁵ Report on responses to the European Commission Green Paper on Counterfeiting and Piracy, June 1999.

⁶ COM(2003) 46 final.

of concern for the national legislators will certainly be the patent law as it can be much more complicated than other areas of IP law and much more open to abuse. Thus, the Directive will form a general framework for all Intellectual Property rights.

- Criminal provisions have finally been excluded from the scope of the Directive. Many Member States opposed their inclusion on the grounds that criminal sanctions in national legislation are outside the scope of the Directive and Community law generally.
- Specific far-reaching and important measures are subject to an additional requirement or limitation, namely that *"the infringement is carried out on a commercial scale"*. In the text which was finally adopted, this *"commercial scale"* requirement only applies to specific sections of the Directive. According to the Directive, the following three cases are concerned (see recital 13a, so called "compromise clause").

IV) Committee's program

The work of the Committee will be embedded in the prior achievements and results of the before-mentioned Special Committees of the AIPPI. Due to the complexity and diversity of the present topic, the work of the Committee will be focussed on the critical matters of the topic.

On the European level, the harmonization process, in particular with respect to the provisions of the Directive, will be linked to an implementation into national rules. As an open margin is thereby given into the hands of the national authorities, one must respond - even on the European level - to the question whether the implementation requires further harmonization. As the Directive will be monitored and reviewed in due course on a European level, the AIPPI will also have the opportunity - if necessary - to communicate standpoints.

On an international level, the study of the Committee will be concentrating on existing or non-existing gaps between the practice and the case law of the countries of the AIPPI.

As mentioned above, the complexity and diversity of the present topic requires a concentration on the critical matters.

A predominant and still not completely satisfied interest in enhancing the harmonization on an international level can be found in the Resolution of Q134B, containing a list of different topics. The majority of these topics has been subsequently addressed by Q134 which resulted in a Resolution rendered at the Congress of Rio de Janeiro in May 1998. However, not all issues of the aforementioned list have been answered. One of the topics which seems to demand for a further in depth study and which has expressively been mentioned in the resolution Q134 concerns the proceedings for the introduction of evidence. Thus, the present Committee has agreed that this topic will be in the coming time the crucial point of its work.

The procedural aspects of evidence have particularly been addressed in the IP Directive in Article 7 "Evidence order" aiming at the production of evidence which *"lies in the control of the opposing party"*, Article 8 *"Measures for protecting evidence"* relating to the alleged infringement, and Article 9 *"Right of Information"*.

Thus, procedural aspects of evidence will stand at the beginning in the foreground of the Committee's work.

The Committee will meet for the first time at the Congress in Geneva in June 2004 in order to establish its specific working guidelines.