

Civil enforcement of intellectual property rights: public consultation on the efficiency of proceedings and accessibility of measures

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| Introduction | |
| Creation date --(optional) | 2013-03-29 |
| Last update date --(optional) | |
| User name --(optional) | ***** |
| Case Number --(optional) | 134764322481608813 |
| Invitation Ref. --(optional) | 490217236451533412 |
| Status --(optional) | N |
| Language --(optional) | en |
| Background information | |
| Name of the respondent: -open reply-(compulsory) | EDIMA – the European Digital Media Association |
| Identity of the respondent: -single choice reply-(compulsory) | ASSOCIATION |
| Country of establishment: -single choice reply-(compulsory) | BE - Belgique / België |
| Are you a part of a multinational group? -single choice reply-(optional) | |
| In which Member States do you operate or trade? -multiple choices reply-(optional) | |
| What is the average annual turnover of your undertaking/association in EURO? -open reply-(optional) | |
| Are you registered in the EU Interest Representative Register? -single choice reply-(optional) | YES |
| Number: -open reply-(optional) | 53905947933-43 |
| Please provide your contact information (name, address and e-mail address): -open reply-(compulsory) | |
| EDiMA Secretariat – 60 Rue du Trône, 1050 Brussels; email: info@europeandigitalmedia.org | |
| What is your sector of activity (if possible with a 3 digit NACE classification)? -open reply-(compulsory) | |
| SECTION J — INFORMATION AND COMMUNICATION (Division 62 Computer programming, consultancy and related activities, and 63 Information service activities) | |
| What type of IPRs do you hold? -multiple choices reply-(optional) | |
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| Copyright -single choice reply-(optional) | |
| Rights related to copyright -single choice reply-(optional) | |
| Sui generis right of a database maker -single choice reply-(optional) | |
| Rights of the creator of the topographies of a semiconductor product -single choice reply-(optional) | |
| Trademark rights -single choice reply-(optional) | |
| Design rights -single choice reply-(optional) | |
| Patent rights -single choice reply-(optional) | |
| Geographical indications -single choice reply-(optional) | |
| Utility model rights -single choice reply-(optional) | |
| Plant variety rights -single choice reply-(optional) | |
| Trade names -single choice reply-(optional) | |
| What is the value of your IPR portfolio? -open reply-(optional) | |

How do infringements of your intellectual property rights impact the total value of your IPR portfolio (eg. estimated annual loss of turnover)? How do you calculate this impact?
-open reply-(optional)

Losses do not always depend on piracy. The study on 'Creative Destruction and Copyright Protection' for example highlighted that estimate annual loss of turnover of the music industry in 2008 regarding the detrimental impact of infringing file-sharing on sales are flawed (Cammaerts, Bart and Meng, Bingchun (2011) Creative destruction and copyright protection: regulatory responses to file-sharing. Media policy brief, 1. pp. 5-7. Department of Media and Communications, London School of Economics and Political Science, London, UK

What is the substitution rate between original goods and counterfeited/pirated goods in your sector according to your estimation? How do you measure this rate?
-open reply-(optional)

Substitution rate in the context of counterfeited and pirated goods online is not necessarily the most reliable methodology and can't be used on a stand-alone basis because considerations vary according to the sector, demand/offer sides, GDP of the country, education, etc. The RAND Study on 'Measuring IPR infringements in the internal market' has already highlighted the drawbacks of this methodology: "The existing methodologies currently applied by the industry essentially consist of a simple arithmetical operation which multiplies the total number of infringements by the number of lost sales per infringement (the so called 'substitution rate') in order to derive the overall impact of illegally downloaded files on sales. This is, in a nutshell, the methodology that was applied, for example, in the study by TERA Consulting (2010). This type of estimation exercise is well regarded by the industry, but as it currently stands presents a number of critical issues that pose significant threats to its reliability. " (Stijn Hoorens, Priscillia Hunt, Alessandro Malchiodi, Rosalie Liccardo Pacula, Srikanth Kadiyala, Lila Rabinovich, Barrie Irving (2012) Measuring IPR infringements in the internal market, Development of a new approach to estimating the impact of infringements on sales, pp. 77, RAND Technical report, Rand Europe) Moreover, the European Commission's Joint Research Centre published a new research finding "no evidence" for piracy displacing digital music sales. In fact, their model suggests that clicks on legal downloading and streaming sites would have been lower if it weren't for pirate sites (follow the link to see the study: <http://ftp.jrc.es/EURdoc/JRC79605.pdf> + see the attached document)

How do infringements of your intellectual property rights impact your investment in research, development and innovation (eg. estimated loss in investments/amount of investments not undertaken)?
-open reply-(optional)

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| <p>What is the relevance of the quality of civil enforcement system for intellectual property rights for your research, development and innovation investments? -single choice reply-(optional)</p> | <p>None</p> |
| <h2 style="text-align: center;">Efficiency and effectiveness of civil proceedings in cases concerning infringements of intellectual property rights</h2> | |
| <p>Did you pursue alternative dispute resolution mechanisms before instituting court proceedings in the cases of intellectual property rights' infringements? -single choice reply-(compulsory)</p> | <p>N/A</p> |
| <p>Do you consider that alternative dispute resolution mechanisms in cases of intellectual property rights' infringements are sufficiently accessible to parties affected by an infringement? -single choice reply-(optional)</p> | <p>YES</p> |
| <p>Please explain: -open reply-(optional)</p> | |
| <p>Self-regulation is an existing alternative dispute resolution mechanism based on real market needs. There are different ways to self-regulate but can be categorised in two broad groups: (1) self-regulation designed "by the industry for the industry" outside the framework of an existing legislation; (2) self-regulation used to clarify or complete or further detail an existing legislation. (see the attached document for example)</p> | |
| <p>Did you take part in litigation of cases concerning the infringements of IPRs during the period under examination? -single choice reply-(compulsory)</p> | <p>NO</p> |
| <p>In approximately what percentage of cases were these intellectual property rights found to be invalid as a result of these claims? -open reply-(optional)</p> | |
| <p>For what reasons did you refrain from litigating? -multiple choices reply-(optional)</p> | |
| <p>Did your decision on whether or not to litigate depend on the jurisdiction? -single choice reply-(optional)</p> | |
| <p>Did your decision on whether or not to litigate depend on the type of court concerned (e.g. courts specialised in intellectual property as opposed to standard commercial courts)? -single choice reply-(optional)</p> | |
| <p>Do you think it would be useful to establish, at EU level, model rules for fast track proceedings for civil law cases concerning infringements of</p> | <p>NO</p> |

IPRs?

-single choice reply-(optional)

Please explain, what would be in your opinion the drawbacks of this system? -open reply-(optional)

In the context of online infringements specifically, instead of long and complex legislative process or fast track proceedings without adequate legal safeguards, the focus should be on self-regulatory mechanisms. A multi-stakeholder dialogue with the objective of developing voluntary measures directly targeted at reducing the demand for, and supply of, infringing content (e.g. through increased public education about the negative impact of infringements, increased action at the source of infringement, or measures to cut off the revenue streams of infringers) would be more effective and proportionate, without prejudice to fundamental rights. Self-regulatory mechanisms as such can more effectively address new or rapidly evolving, and often time sensitive, subject matters. These measures would also increase rights holders to invest better because it would ensure that their disputes will be swiftly resolved. Draw backs of the fast track proceedings could be the lack of appropriate assessment as well as lack of adequate legal safeguards during the proceedings. Fast track procedures would allow only "limited discovery", which is the process of investigating a claim through depositions, written interrogatories and requests for production of documents. It can lead to the parties' presenting the dispute without fully knowing the underlying facts in the case. The inability to analyze the information can sometimes work to the resistant detriment. (SEE THE ATTACHED DOCUMENT)

Do you think it would be useful to establish, at EU level, specific (in addition to Regulation (EC) No 861/2007 of the European Parliament and of the Council of 11 July 2007 establishing a European small claims procedure) model rules for small claims proceedings for civil law cases concerning infringements of IPRs?

NO

-single choice reply-(optional)

Please explain, what would be, in your opinion, the drawbacks of this system? -open reply-(optional)

Because of the nature of the small claims procedures and the need to preserve the balance between costs and damages, it is possible that the small claims may not be suitable for resolving all types of IP disputes particularly in the online environment. Indeed, such procedures foresee that a judge may deal with a claim without a hearing i.e. 'on paper'. It is likely that patent disputes and some registered design issues, in particular given their complexity, may not sit well within a small claims procedure, although even in those fields a small claims procedure may be suitable if all the parties are SMEs or the case is entirely 'national' in character, for example, and the value of the case is within certain bounds. Article 14 of the Directive 2000/31/EC on e-Commerce already ensures that Member States can establish procedures governing the removal or disabling of access to information, while exempting intermediary from the liability for the information stored at the request of a recipient of the service. Therefore it would be more appropriate to review the Regulation (EC) No 861/2007 in order to broaden its scope to cover only specific property rights. As mentioned above if the Regulation (EC) No 861/2007 is revised, it could offer a better legal basis than the Directive 2004/48/EC. In this case the review of the letter on the basis of small claim procedures would only mean duplication of legislation.

Do you think it would be useful to establish rules for fast track proceedings for litigation of infringements of community trademarks and community designs?

NO

-single choice reply-(optional)

Do you think it would be useful to establish rules for small claims proceedings for litigation of infringements of community trademarks and community designs?

NO

-single choice reply-(optional)

What safeguards of defendant's rights should be put in place in case of the EU-level fast track/small claims proceedings concerning infringements of IPRs? -open reply-(optional)

The same safeguards of defendant should be put in place in all cases which could be guaranteed by the broadening of the scope of

Right of information

How do you identify infringers/alleged infringers of your IPRs? -open reply-(optional)

Identification of infringers has to be in line with the case law of the European Court of Justice (ECJ). The ECJ has ruled in line with Article 15(1) of Directive 2000/31, prohibiting national authorities from adopting measures which would require an ISP to carry out general monitoring of the information that it transmits on its network (Case C-70/10, Scarlet Extended SA v SABAM paragraph 35, C-360/10, (SABAM) v Netlog NV, paragraph 33). Furthermore the ECJ ruled that although the protection of the right to IP is enshrined in Article 17(2) of the Charter of Fundamental Rights of the European Union, nothing suggests that it's inviolable and should absolutely be protected (Case C-70/10, Scarlet Extended SA v SABAM paragraph 43). According to the court a balance between protection of fundamental right to property and protection of other fundamental rights should be ensured (Case C-275/06 Promusicae [2008] ECR I-271, paragraphs 62-68). (SEE THE ATTACHED DOCUMENT)

Do you face problems identifying infringers/alleged infringers of your IPRs? -single choice reply-(optional)

NO

Has it been possible for you to obtain information allowing identification of infringers/alleged infringers directly from an intermediary? -single choice reply-(optional)

YES

Please explain by which type of intermediary and by what means:

-open reply-(optional)

Has it been possible for you to obtain a court order obliging an intermediary to disclose the identity of the infringer/alleged infringer? -single choice reply-(optional)

YES

Please explain the procedure involved, the type of intermediary involved and what was the cost and duration of the proceedings: -open reply-(optional)

Has it been possible for you to obtain a court order obliging an intermediary to disclose the identity of the infringer/alleged infringer of your IPRs in case where the intermediary and/or the infringer/alleged infringer of your IPRs were incorporated, or resident in a Member State other than the one in which you operate? -single choice reply-(optional)

N/A

Mechanisms to inform about the alleged infringement and to impede access to goods and services allegedly infringing IPRs

Do you consider the possibility to use notification mechanisms to be a useful tool to inform the intermediary about the fact that his services are being (allegedly) used to infringe an intellectual property right and thus bring a stop to the infringing/allegedly infringing activity?

YES

-single choice reply-(optional)

Please explain:

-open reply-(optional)

Article 2.3a of the Directive 2004/48/EC, makes it clear that it "shall not affect" the provisions in the E-Commerce Directive.

Do you consider the possibility to use notification mechanisms to be a useful tool also where the infringements/alleged infringements occurred in, or the intermediaries are incorporated in, a Member State other than the one in which you operate? -single choice reply-(optional)

YES

Please explain: -open reply-(optional)

Notification as a type of self-regulation is useful in cases where the implementation of the Directive differs from one Member State to another. As indicated by the Commission Staff Working Document, (SEC(2010) 1589 final p.15) in the area of the sale of counterfeit goods over the Internet, in many cases, intermediaries have adopted comprehensive policies on the protection of IPR which are clearly spelled out on their sites. These policies include sanctions for users that breach the rules, in particular for the repeat infringers, comprehensive notice and take-down processes and other tools that allow a timely elimination of illegal offers, the sharing of information with rightholders and reimbursement schemes for consumers who unintentionally bought counterfeit goods on their site. In addition, the Working Document states that measures have been applied without affecting the liability status of the intermediary and have significantly contributed towards the elimination of counterfeiting on the Internet.

Do you consider the possibility to use notification mechanisms to be a useful tool to inform the infringer/alleged infringer about the infringing/allegedly infringing character of his activity?

YES

-multiple choices reply-(optional)

Please explain: -open reply-(optional)

In cases of commercial scale infringements of intellectual property rights, do you consider that there should be particular consequences (i.e. including e.g. suspension of the infringer's/alleged infringer's account) resulting from a notification mechanism?

NO OPINION

-single choice reply-(optional)

In cases of notorious infringers of intellectual property rights, do you consider that there should be particular consequences (i.e. including e.g. suspension of the infringer's/alleged infringer's account) resulting from a notification mechanism?

YES

-single choice reply-(optional)

Please explain: -open reply-(optional)

A multi-stakeholder dialogue with the objective of developing voluntary measures directly targeted at reducing the demand for, and supply of, infringing content would be an effective and proportionate way to tackle the issue of notorious infringers. Part of such discussion should include information on existing platform policies relating to repeat infringers and how effective these policies have been thus far. (SEE THE ATTACHED DOCUMENT)

Injunctions imposed on intermediaries

Third party facilitation of infringements of IPRs

Corrective measures

Have corrective measures been ordered in cases in which you have been a party? -single choice reply-(optional)

Should the competent judicial authorities privilege one specific type of corrective measure? -single choice reply-(optional)

Should the competent judicial authorities be able to order that the goods that were found to infringe an intellectual property right should be disposed of outside the channels of commerce?
-single choice reply-(optional)

Should the consent of the right holder constitute a *conditio sine qua non* for disposing of the goods that were found to infringe an intellectual property right outside the channels of commerce? -single choice reply-(optional)

Please explain how in your opinion the infringing goods could be disposed of outside the channels of commerce: -open reply-(optional)

Would you be in favour of introducing sanctions for a party who, notwithstanding that the infringing goods were subject to corrective measures ordered by the competent judicial authorities, allowed these goods to subsequently return to the channels of commerce?
-single choice reply-(optional)

Damages

How do you determine the amount of damages to be awarded for the purpose of filing a civil claim concerning an infringement of an IPR? -open reply-(optional)

Do you take into account the resources invested in research and development while determining the damages to be awarded for the purpose of filing a civil claim concerning an infringement of an IPR? -single choice reply-(optional)

Would you agree that the level of damages awarded to the right holder in civil law cases concerning an infringement of IPRs should at least equal the profits made by the infringer?
-single choice reply-(optional)