

EUROPEAN ECONOMIC AREA  
**STANDING COMMITTEE**  
OF THE EFTA STATES

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**SUBCOMMITTEE I ON THE FREE MOVEMENT OF GOODS**

**EEA EFTA COMMENT ON THE PROPOSAL FOR A DIRECTIVE OF THE  
EUROPEAN PARLIAMENT AND OF THE COUNCIL ON MEASURES AND  
PROCEDURES TO ENSURE THE ENFORCEMENT OF INTELLECTUAL  
PROPERTY RIGHTS (COM(2003) 46 final)**

**I EXECUTIVE SUMMARY**

The EEA EFTA States welcome the Commission's proposal for a Directive of the European Parliament and of the Council on measures and procedures to ensure the enforcement of intellectual property rights, recognising that trade mark piracy and counterfeit products have become a significant problem for the business community and consumers. In the view of the EEA EFTA States, the procedural rules should, however, be left out of the Directive, at least to the extent that the rules do not concern distinctive features of disputes in the area of intellectual property rights.

With regard to the scope, the EEA EFTA States suggest to amend the wording of Article 2 on the scope of the Directive, as the criterion "significant harm" is unclear.

The EEA EFTA States respectfully propose that a licensee, rights management body or professional defence body should be obliged to inform the right holder about plans to instigate infringement procedures in accordance with Article 5.

The proposed rules on damage assessment would contribute substantially to the aim of increasing the efficiency of the enforcement of intellectual property rights; an aim which is supported by the EEA EFTA States.

The inclusion of penal or procedural rules will have a bearing on the EEA-relevance of the Directive.

## **I GENERAL REMARKS**

1. The EEA EFTA States welcome the Commission's proposal for a Directive of the European Parliament and of the Council on measures and procedures to ensure the enforcement of intellectual property rights. Also in the EEA EFTA States, experiences with trade mark piracy and counterfeiting show damaging effects to trade and consumer satisfaction. The possible link to organised crime makes it even more important to step up harmonised activities to combat the phenomenon.

2. A large part of the proposal is related to judicial procedures in civil cases. The EEA EFTA States agree that it is important to have efficient procedures for judicial enforcement of intellectual property rights. However, it is difficult to see the justification for a comprehensive (minimum) harmonisation of procedural rules within this specific area. Most of the rules are derived from general procedural principles that are common to most European States. The EEA EFTA States still question the appropriateness of introducing them in a Directive on intellectual property rights.

3. The regulation of dispute settlement limited to one sector may threaten the coherence of national procedural law and make the rules more complicated, particularly to the extent that the rules deviate from common procedural principles. It can give rise to challenges related to both implementation and application, as the rules have to be fitted into existing and much more elaborate procedural systems with a general scope of application. Rules differing from general procedural rules of dispute settlement may also create practical problems, *e.g.*, with regard to the handling of court cases that are not solely related to intellectual property rights.

4. In the view of the EEA EFTA States, the procedural rules should be left out of the Directive, at least to the extent that the rules do not concern distinctive features of disputes in the area of intellectual property rights. In the opinion of the EEA EFTA States, this would support the Commission's aim of *limiting Directives to the essential aspects of legislation*, see point 2.1 in the Commission's Action Plan "Simplifying and improving the regulatory environment" (COM(2002) 278 final).

## **II SPECIFIC REMARKS**

### **2.1 *Remarks concerning Article 2 (Scope)***

5. The first paragraph of Article 2 sets out the scope of the Directive. When reading the provision it seems unclear, however, which acts are covered by the Directive. The sentence ends with the alternative qualifying acts "commercial purposes" *or* "significant harm to the right holder". Before the court can decide whether significant harm has been caused, it has to examine the substance of the case. The assessment of which procedural rules apply to the handling of the case, should therefore not be based on this criteria.

6. The EEA EFTA States respectfully suggest that the unclear term "significant harm" should be deleted. The EEA EFTA States do not suggest substituting the said condition; it should suffice to regulate infringement for commercial purposes.

## **2.2 *Remarks concerning Article 5 (Persons entitled to apply for the application of the measures and procedures)***

7. The EEA EFTA States respectfully propose that a licensee, rights management body or professional defence body should be obliged to inform the right holder about plans to instigate infringement procedures in accordance with Article 5. The main rationale for this proposal is to give the right holder an opportunity to intervene. It will also reduce the risk of parallel cases based on the same infringement.

## **2.3 *Remarks concerning Article 7 (Evidence)***

8. As stated in the Commission's explanatory remarks, Article 7 sets out a number of obligations with regard to evidence. The motivation for the proposed Article is the "paramount importance" of evidence in cases of infringement of an intellectual property right. The EEA EFTA States agree to this characterisation. However, evidence is in general of paramount importance in court cases. At the outset, it is therefore difficult to see the need for internal market rules on the production of evidence in the field of IPR. As the rules are modelled on Article 43 TRIPS, it would be a challenge to avoid inconsistencies between the case law of the ECJ and the dispute settlement system under the TRIPS Agreement.

## **2.4 *Remarks concerning Articles 9, 10 and 11***

9. The EEA EFTA States do not see the need for detailed procedural rules on these issues. Reference is made to our remarks concerning Article 7.

## **2.5 *Remarks concerning Article 17***

10. It is often difficult to provide proof for the level of economic loss in cases of infringement of an intellectual property right. Rules on *e.g.*, double royalty as an alternative to a compensation covering actual loss, would contribute substantially to the aim of increasing the efficiency of the enforcement of intellectual property rights; an aim which is supported by the EEA EFTA States.

## **2.6 *Remarks concerning Article 18 (Legal costs) and 20 (Criminal law provisions)***

11. The EEA EFTA States cannot see the need for specific rules on legal costs in this area. Detailed internal market provisions regarding penal sanctions in infringement cases seem unnecessary in light of the general obligations set out in Article 4 of the proposal and the provisions in Article 61 TRIPS.

## **2.7 *Remarks concerning EEA relevance***

12. Penal law and dispute settlement are not covered by the general scope of the EEA Agreement. Thus, if rules on penal or procedural law are included in the Directive, this will have a bearing on the EEA-relevance of the proposed *acquis*.