

## Article 2.1 : Scope

<p>1. Without prejudice to the means which are or may be provided for in Community or national legislation, in so far as those means may be more favourable for right holders, the measures provided for by this Directive shall apply to any infringement of the rights deriving from Community and European acts on the protection of intellectual property, as listed in the Annex, and from the provisions adopted by the Member States in order to comply with those acts when the infringement is committed for commercial purposes or causes significant harm to the right holder.</p>	<p>1. Without prejudice to the means which are or may be provided for in Community or national legislation, in so far as those means may be more favourable for right holders, <b>and in accordance with Article 3</b>, the measures and procedures provided for by this Directive shall apply</p> <p><b>a) to intentional infringements of copyright and related rights, of sui generis rights of a database manufacturer and of the creator of the topographies of a semiconductor product, undertaken in the course of a business;</b></p> <p><b>b) to the commercial counterfeiting of trademark goods and of geographical indications, indications of origin, undertaken with the intent to deceive or mislead consumers.</b></p>
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### Justification

*As the 1998 Green Paper on Counterfeiting and Piracy made clear, the primary rationale for enacting the enforcement directive is to reduce distortions in the EU Single Internal Market by reducing disparities between national laws which may create opportunities for large-scale copyright infringement and trademark piracy. However, this rationale does not apply to unintentional or non-commercial scale acts of infringement. Given the broad differences in Member States' copyright and related right laws, and trademark laws, there will correspondingly be a significant difference as to which acts constitute infringement under different national laws. For instance, where a consumer creates an MP3 copy of an audio CD that they have purchased and burns it on to a CD-ROM for personal use in his or her car, this may be infringement in one Member State, but not in another. Furthermore, small businesses that in good faith use software that is later alleged to infringe copyright should not be targeted in the same way as commercial counterfeiters. Accordingly, it is appropriate and proper to harmonize enforcement only at the level of intentional commercial infringement, since it is the only standard that is common across Member States, and is the relevant focus for removal of distortions within the Internal Market.*

*Similarly, in relation to trademark law, the scope of the Directive should be limited to use of a mark that is intended to mislead or deceive consumers in the course of trade, to ensure that the Directive only applies to rights protected by intellectual property laws that are recognized in all Member States. Given that only some Member States protect other activities that fall short of trademark infringement, such as "unfair competition" and "passing off", the Directive should be limited to the enforcement of intentional, commercial-scale trademark infringement which is common to all Member States.*

*This was clearly the intent of the 1998 Green Paper which led to the proposal currently being considered: "The concepts do not, however, cover acts which may sometimes be equated by the layman with counterfeiting or piracy, such as acts coming solely under the heading of unfair competition or parasitism which do not directly affect an intellectual property right (e.g. look-alike products). Acts which do not constitute infringements of an intellectual property right, such as acts covered by the principle of the Community exhaustion of rights, likewise do not fall within the scope of this Green Paper." (Commission of European Communities, Green Paper on Combating Counterfeiting and Piracy in the Single Market, COM (98), section 1.4, p. 7).*

*This amendment clearly enumerates the intellectual property rights that need to be protected at an EU level to protect right holders against commercial counterfeiting and piracy.*

## **Article 5 : Persons entitled to apply for the application of the measures and procedures**

<p>1. Member States shall recognise as persons entitled to apply for application of the measures referred to in this Chapter the holders of intellectual property rights, as well as all other persons authorised to use those rights in accordance with the applicable law, or their representatives.</p>	<p>1. Member States shall recognise as persons entitled to apply for application of the measures referred to in this Chapter the holders of intellectual property rights, as well as all other persons <b><i>with an exclusive license</i></b> to use those rights in accordance with the applicable law, or their representatives.</p>
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### **Justification**

*Increases legal certainty and reduces the possibility of vexatious abuse of the measures and procedures contained in this Directive by limiting the parties able to make use of them to the right holder and any exclusive licensees. Without this protection, any one of a potentially large number of licensees of a particular right would be able to threaten the use of the Directive's strong measures against a competitor. A company could license a right specifically in order to attack a competitor who was allegedly infringing that right.*

## Article 7 : Evidence

<p>1. Member States shall lay down that, where a party has presented reasonably accessible evidence sufficient to support its claims, and has, in substantiating those claims, cited evidence which is to be found under the control of the opposing party, the judicial authorities may order that such evidence be produced by the opposing party, subject to the protection of confidential information.</p> <p>2. In order to identify and prosecute the real beneficiaries of the infringement, Member States shall take such measures as are necessary to enable the responsible authorities to order the communication or seizure of banking, financial or commercial documents, subject to the protection of confidential information.</p>	<p>1. Member States shall <b><i>ensure that, in the case of an infringement carried out on a commercial scale and on application by a party which has presented</i></b> reasonably available evidence sufficient to support its claims, and has, in substantiating those claims, specified evidence which lies in the control of the opposing party, <b><i>a judge or court of law</i></b> may order that such evidence be produced by the opposing party, subject to the protection of <b><i>personal data and confidential information</i></b>. <b><i>For the purposes of this paragraph, Member States may provide that a reasonable sample of a substantial number of copies of a work or any other protected object be considered by a judge or court of law to constitute reasonable evidence.</i></b></p> <p>2. <b><i>Under the same conditions, Member States shall take such measures as are necessary to enable a judge or court of law to order, where appropriate, on application by a party, the communication of banking, financial or commercial documents under the control of the opposing party, subject to the protection of personal data and confidential information.</i></b></p>
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### Justification

*Adapts the Council Common Position to aim at a more proportionate approach, by limiting pretrial judicial applications to cases of commercial infringement. Without this limitation there is a substantial risk that such applications would be used as a means of harrasing individuals on a large scale, rather than as the proper preliminaries to a substantive civil case. To protect all affected parties' due process and privacy rights, Article 7 should be clarified to ensure that this power can only be exercised by a judge or court of law after presentation and weighing of sufficient evidence about the alleged infringement, and not, for instance, by an administrative process on presentation of a form to a judicial clerk. Mandatory provision of evidence should be subject to protection of both individuals' personal information and data which may be disclosed in the evidence, and businesses' confidential information.*

## Article 8 : Measures for protecting evidence

1. Member States shall lay down that, where there is a demonstrable risk that evidence may be destroyed even before the commencement of proceedings on the merits of the case, the judicial authorities may, in the event of an actual or imminent infringement of an intellectual property right, authorise in any place either the detailed description, with or without the taking of samples, or the physical seizure of the infringing goods, and, in appropriate cases, the documents relating thereto. These measures shall be taken by order issued on application, if necessary without the other party having been heard.

Where evidence-protection measures have been adopted without the other party having been heard, the affected parties shall be given notice immediately after the execution of the measures at the latest. A review, including a right to be heard, shall take place upon request of the affected parties with a view to deciding, within a reasonable period after the notification of the measures, whether the measures shall be modified, revoked or confirmed.

*Deleted.*

2. Member States shall lay down that physical seizure may be subject to the applicant's lodging of an adequate guarantee intended to ensure compensation for any prejudice suffered by the defendant if the proceedings instituted against him are subsequently judged to be unfounded..

3. Member States shall lay down that, if the applicant has not instituted legal proceedings leading to a decision on the merits of the case within 31 calendar days of the seizure, the seizure shall be null and void, without prejudice to the damages which may be claimed. Where the evidence protection measures have been revoked, or where they lapse owing to any act or omission by the applicant, or where it is subsequently found that there has been no infringement of any intellectual property right, the judicial authorities shall have be empowered to order the applicant, at the defendant's request, to provide the defendant with adequate compensation for any injury caused by the measures.

### Justification

*This Article introduces a legal instrument - the so-called Anton Piller order or saisie-contrefaçon - which is so far unknown to the legal systems of most Member States,*

*and has been highly criticised by many legal experts. Although these orders are designed to be a last resort form of relief in cases where the applicant can provide evidence to a judge that the evidence sought is likely to be destroyed, they have also been utilized against non-infringing third parties including intermediaries such as universities and Internet service providers, increasing costs of operation and raising significant privacy concerns. It is not appropriate to include this type of relief in a Community directive, first, because this type of judicial relief is not recognized in the majority of Member States' national laws, and second, because it is subject to potential misuse and privacy violations where applied against third party non-infringers not intentionally or directly involved in any alleged infringement. These measures are in any case unnecessary, since large-scale copyright infringement is already a crime (or must be made so due to Member States' obligations under TRIPs) and the seizure of evidence can therefore be conducted by the police using a search warrant. In civil cases, searches and seizures would in most Member States be regarded as disproportionate. Their introduction would lead to an alienation of EU citizens from EU legislators*

## Article 9.1 : Right of Information

<p>1. Member States shall lay down that, in order to deal with proceedings involving an infringement of an intellectual property right, or in response to a request for provisional or precautionary measures, the judicial authorities shall order, at the request of the right holder, unless particular reasons are invoked for not doing so, any person to provide information on the origin of the goods or services which are thought to infringe an intellectual property right and on the networks for their distribution or provision, respectively, if that person:</p> <p>(a) was found in possession, for commercial purposes, of the infringing goods;</p> <p>(b) was found to be using the infringing services for commercial purposes; or</p> <p>(c) was indicated by the person referred to in point (a) or (b) as being at the origin of the goods or services or as being a link in the network for distributing those goods or providing those services.</p>	<p>1. Member States shall <i>ensure that, in appropriate court cases, and in response to a justified and proportionate request of the claimant, a judge or court of law may order that</i> information on the origin <i>and distribution networks</i> of the goods or services which infringe an intellectual property right <i>be provided by the infringer and/or any other person who:</i></p> <p><i>a) was found to be, for commercial purposes and on a commercial scale, in possession of the infringing goods or using infringing services;</i></p> <p><i>b) was found to be providing, for commercial purposes and on a commercial scale services used in infringing activities; or</i></p> <p><i>c) was indicated by the person referred to in point (a) or (b) as being involved in the production, manufacture or distribution of the goods or the provision of the services.</i></p> <p><i>This information shall be subject to the protection of personal data and confidential information. The provisions on Internet Service Providers' liability for mere conduit, caching or hosting in Directive 2000/31 EC, Articles 12-14, shall apply.</i></p>
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### Justification

*Aims at a more proportionate approach and at establishing a compromise between the Commission proposal, the vote in the Legal Affairs Committee and the Council Common Position. Also reinforces the Council's proposed Recital 13(a) that consumers that are in good faith using products or services alleged to have infringed an intellectual property right are not subject to these disclosure orders.*

*To protect all affected parties' due process and privacy rights, Article 9 should be clarified to ensure that information (including individuals' identities) can only be obtained after presentation of sufficient evidence to a judge or court of law about the alleged infringement, and not, for instance, by an administrative process on presentation of a form to a judicial clerk.*

Provision of information about origin and distribution networks may inadvertently reveal information about the identity of non-infringers. Provision of information should be subject to protection of both individuals' personal information and data which may be disclosed, and businesses' confidential / commercially-sensitive information.