



European Counterfeiting and Piracy Observatory
Sub-Group on Legal Framework
Meeting of 11 December 2009 – European Commission, Brussels

Reported by Olivier Vrins, Member of ECTA Anti-counterfeiting Committee, Altius, Belgium

The third meeting of the Sub-Group of experts on Legal Framework set up within the European Counterfeiting and Piracy Observatory took place on 11 December 2009 in Brussels.

The meeting was attended by:

Zuzana Heckova (SK), EU Commission, DG MARKT (Chair)
 Benoît Lory (FR), EU Commission, DG MARKT
 Allen Dixon, International Intellectual Property & Technology Consulting (UK) . Delegate of BASCAP
 Ann-Charlotte Söderlund, Delphi law firm (SE) . Founder Swedish Anti-Counterfeiting Group, Co-Founder Global Anti-Counterfeiting Group and Swedish member of the Anti-Counterfeiting Committee of ECTA
 Prof. Cesare Galli, Galli law firm (IT), University of Parma . Delegate of Indicam
 Charlotte Lund-Thomsen, International Video Federation (IVF)
 Jo Oliver, IFPI
 Lisa Peets, Covington & Burling law firm (UK) . Delegate of Business Software Alliance
 Olivier Vrins, Altius law firm (BE) . Delegate of ECTA and the Belgian Anti-Counterfeiting Association

A delegate from BEUC (The European Consumers Organisation) is also part of the Sub-Group but was not present at the meeting.

1. Following the approval of the Minutes of the 24 November meeting, the meeting followed-up on the review of the implementation in the Member States of Articles 13-14 of the Enforcement Directive relating to damages (scope, calculation, burden of proof, etc.) and costs, including additional financial measures not specified in the Directive that might nonetheless exist in the Member States.

As of 24 November 2009 (i.e. only a few weeks after the questionnaire was sent to the national practitioners), the Sub-Group had received 20 out of the 27 national reports on damages. This is a very satisfactory result, bearing in mind that, to date, only 17 Member States have provided the Commission with the implementation status report mentioned in Article 18 of the Enforcement Directive and the other 10 Member States have failed to do so.

The members of the Sub-Group will make sure that all 27 surveys are finalised before the next meeting, which will take place in Brussels on 19 January 2010.



The overall quality of the reports provided to the Sub-Group so far is very good. Depending on the quality and comprehensiveness of the answers provided, the Sub-Group's members might, however, decide to submit some reports to third-party experts for review and/or completion.

DG MARKT (Zuzana Heckova) has started to screen the surveys and to set up a comparative table highlighting the similarities and differences in legislation and practice in the Member States. The comparative table will be sent to the 27 national contributors to make sure that it is accurate. Definitive conclusions will hopefully be drawn from the 27 damages reports at the 19 January meeting. It will then be up to the Sub-Group's members to make recommendations to the Commission, possibly based on national best practices, in order to improve the existing legal framework.

The national reports and Sub-Group's recommendations will ultimately be compiled and published in the form of a booklet by the EU Observatory on Counterfeiting and Piracy.

One of the main goals of the damages study is to make sure that the provisions on damages contained in the Directive, as it has been implemented and is being applied in the Member States, have a deterrent effect on would-be infringers. To date, the screening process carried out by the Sub-Group suggests that this is not the case. The general prohibition on punitive damages in the Member States may, in some cases, mean that infringers are not (entirely) deprived of the profits made from producing counterfeit goods, even though this is widely seen as unsatisfactory. Lack of deterrence is one of the main concerns and one of the most important areas for amendments to the Directive. The implementation of the provisions of the Directive relating to the recovery of legal costs (and, typically, lawyers' fees) also seems to have given rise to problems. In several countries, the amount of lawyers' fees which can be recovered depends on the value of the claim, but this is inadequate, as the value of the claim does not necessarily reflect the complexity of the case and may, therefore, be an inappropriate criterion for evaluating the reasonableness of the lawyers' fees.

The other major enforcement problems that have been reported so far in the Member States relate to the issue of transit and trans-shipment, the lack of expertise of the courts which hear IPR-related cases, the unreasonable length of legal proceedings, the lack of interest in, and prioritisation of, IPR crimes, the distinction made between health-threatening IPR infringements and other types of infringement when it comes to taking action against counterfeiters, and the high costs incurred by IP rights owners when seeking border measures, monitoring internet activity, etc.

2) The Sub-Group also finalised the draft templates/questionnaires on:

- Evidence, including the right to information (Arts. 6 to 8 of the Enforcement Directive);
- Corrective Measures (Art. 10).

Reference is made to the ECTA Flash of 1 December 2009 as regards the intended scope of these surveys.



European Communities Trade Mark Association

Both templates will be circulated once again to all members of the Sub-Group for approval in the next few days, and will hopefully be sent the national experts by the end of 2009.

The Sub-Group's next meetings will take place on:

- 19 January 2010,
- February (exact date to be confirmed),
- 18 March 2010,
- 21 April 2010,
- 31 May 201.