Schriften zum geistigen Eigentum
und zum Wettbewerbsrecht 34

Götting/du Vall (†)/Röder-Hitschke (Hrsg.)

Enforcing Intellectual Property Rights

Necessary Instruments versus Over-Enforcement

Nomos

Horst-Peter Götting/Michał du Vall (†)/
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ISBN 978-3-8329-5366-9

1. Auflage 2012

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Band 34

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in memoriam Michal du Vall

Preface

The enforcement of intellectual property rights has been one of the most important and controversial issues for almost a decade now. In order to achieve at least a minimum harmonization within the European Union, the widely debated Directive 2004/48/EC on the enforcement of intellectual property rights should provide uniform measures to be adopted by the member states. More than two years after the implementation of this so-called Enforcement-Directive into Polish Law and about one year after its implementation into German Law, members of the Institute for Intellectual Property, Competition and Media Law (IGEWeM) at the Technische Universität Dresden and the Institute of Intellectual Property Law at the Uniwersytet Jagielloński in Kraków discussed the impact of these (in part) new legal standards on national law and proceedings and the question if the reinforced recognition of intellectual property rights has reached its limits, in a bilateral conference.

This conference on "Enforcing Intellectual Property Rights - Necessary Instruments versus Over-Enforcement", organized by the IGEWeM Dresden in cooperation with the Institute of Intellectual Property Law, was held on 9 and 10 October 2009 in Dresden. Being the second conference of its kind, it followed a tradition of regular scientific exchange and conferences on current issues in intellectual property law between both institutes. This tradition was first established in 2007 with a conference on "Recent Developments in IP Law - European, German and Polish Perspective", organized by the Institute of Intellectual Property Law in Kraków.

Eleven speakers participated in this conference and contributed to an intense and fruitful discussion on civil enforcement, actual problems of competition law and objections and counterclaims in IP-Litigation. Our special thanks go to the speakers and authors who made the conference as well as this publication possible. Even if some time has passed since then, their conference contributions are still relevant today and almost all of them could be put together in this volume.

A third bilateral conference is planned for autumn 2012 and will probably take place in Kraków.

Dresden / Kraków, in December 2011

Prof. Dr. Horst Peter Götting
Prof. Dr. Michał du Vall
Heike Röder-Hitschke

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Implementation of the Enforcement Directive into Polish Law - Substantive Law Aspects

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I. Introduction

It is unquestionable that the protection of intellectual property constitutes the area of law in which the European legislator is very active. However, the results of this activity need to be implemented into national laws in a way which is congruent with the intended goals and does not destroy legal systems of the EU member states too much. More than three years after the deadline for implementation of the directive 2004/48/EC of 29 April 2004 on the enforcement of intellectual property rights[1] into the national legal orders constitutes a good time perspective to assess the real need of this act, its value and effects on the improvement of the protection of these rights in EU member states (i.e. the real enforcement which was to be enhanced by this act). It should be pointed out that the Enforcement Directive, adopted on the eve of admitting ten new members of the EU in 2004, is perceived as the demonstration of will of the European policy-makers[2] and vote of no confidence in the efficiency of the protection of intellectual property in these countries. The results of this improvement made as a last-minute attempt will be discussed on the example of Polish law.

The main feature of the regulation of liability for the infringements of the intellectual property rights in Poland is that each specific act in this area of law has its own catalogue of claims in case of an infringement. This kind of regulation arose with the historical development of Polish intellectual property law since most of the specific regulations were drafted before the adoption of the general regulation of the Polish civil law. To limit the doubts as to the scope of liability in case of infringement a separate catalogue of claims was included in each specific act. Unfortunately, the legislator did not care about the coherence between these regulations. This legislation technique is nowadays well established in Polish law, also despite the existence of the general regulation of civil law – the

1 OJ EU L 157 of 30 April 2004, p. 45; corrected version: OJ EU L 195 of 2 June 2004, p. 16 (hereinafter the "Directive"). According to Art. 20 of the Directive member states were obligated to bring into force the laws and other regulations necessary to comply with the Directive by 29 April 2006.

2 A. Kur, *The Enforcement Directive – Rough Start, Happy Landing?*, 35 IIC 821 (2004).

Civil Code, which should be a keystone for all the area of private law. Consequently, before the harmonization of the Polish law with the requirements of the Enforcement Directive there existed material discrepancies between the accessible measures in case of the infringement of different intellectual property rights. However, the implementation of the Enforcement Directive increased these differences and incoherencies.

The act implementing the Directive into Polish law[3] came into force on 20 June 2007. This act harmonized regulations of civil measures in case of infringement of several intellectual property rights: copyright and related rights, *sui generis* rights to a database, rights to the topography of a semiconductor product, trademark rights, design rights, patent rights, rights to geographical indications, utility model rights and plant variety rights. To this end several specific acts regulating different subject matters of intellectual property law were amended. The Polish legislator decided to exclude unfair competition law from the process of implementation even though certain areas of intellectual property are protected indirectly by the Unfair Competition Act[4]. Obviously, it is not a mistake taking into account the provisions of the Enforcement Directive[5] but in Poland the Unfair Competition Act is in practice very often used as a legal ground to protect intellectual property (e.g. unregistered trade mark, trade name). Consequently, this decision spoils the cohesion of the system. Namely, before the implementation of the Enforcement Directive the catalogue of claims provided for in the Unfair Competition Act and in other acts protecting specific subject matters of intellectual property was comparable, regardless of the delictual nature of protection against unfair competition acts.

Currently, the differences between the available measures are so significant that it may be perceived as a manifestation of the imbalance in the protection of intellectual property. It is even more visible when we compare the catalogues of claims in each act regulating the specific subject matter of intellectual property. The Polish legislator, for some unknown reason, provided for material differences in these catalogues of claims (e.g. the scope of claims for damages and recovery of profits). As a result of the harmonization of Polish law with the European standards outlined in the Directive we have different levels of protection as regards the available claims depending on their legal basis. Consequently, im-

3 Act of 9 May 2007 amending the Act on copyright and related rights and several other acts, Polish OJ of 2007, No. 99, para. 662.

4 Act on suppression of unfair competition of 16 April 1993, consolidated text: Polish OJ of 2003, No. 153, para. 1503 amended (hereinafter the "Unfair Competition Act").

5 See recital 13 of the Directive's preamble and the Statement by the Commission concerning Art. 2 of Directive 2004/48/EC of the European Parliament and of the Council on the enforcement of intellectual property rights (2005/295/EC), OJ EU L 94 of 13 April 2005, p. 37.

proving enforcement of intellectual property resulted in differentiating individual rights and claims available in case of their infringement.

In April 2009 the Polish Ministry of Culture and National Heritage prepared, pursuant to the requirements of Art. 18 of the Directive, a report on the implementation of this Act.[6] In the general assessment included in the Report it is clearly stated that the amendment of Polish law due to the requirements of the Directive has little influence on the level of innovative activities and development of the information society. Moreover, the consulted entities have better assessed the legal solutions which were in force before implementation of the Directive. In the Report it is also criticized that the implementation of the Directive in Poland caused different levels of protection of individual intellectual property rights.

II. The scope of harmonization – combating piracy v. prevention of any infringement of IP

The main goal of the proposal of the Directive[7] was to enhance the level of protection of intellectual property rights across the European Union in order to combat piracy and counterfeiting. Special attention should be drawn to the fact that the primary aim of the act was not to combat any infringement of these rights but it was planned to refer only to infringements carried out for commercial purposes or causing significant harm to the right holder. Finally, according to Art. 2 Sec. 1 of the Directive it applies to any infringement of intellectual property rights. In the preamble to the Directive there is an extensive discussion of the necessity to ensure that the substantive law on intellectual property is applied effectively in the Community, as the means of enforcing intellectual property rights are of paramount importance for the success of the internal market.

This significant change of mind of the European legislator was criticized on several occasions by prominent academics.[8] As a consequence of this change, it was necessary to take into account in the harmonization process the rule of proportionality of the provided measures basing on Art. 3 (2) of the Enforcement Directive and recital No. 17 of the preamble which calls for taking due account of the specific characteristics of the infringing case, including the specific features of each intellectual property right and, where appropriate, the intentional or

6 In Polish: http://www.mkidn.gov.pl/cps/rde/xbcr/mkid/enforcement_sprawozdanie_przyjete_przez_KERM.pdf (hereinafter the "Report").

7 Proposal of 30 January 2003, Doc. COM (2003) 46 final.

8 W. R. Cornish, J. Drexl, R. Hilty, A. Kur, *Procedures and Remedies for Enforcing IPRs: the European Commission's Proposed Directive*, 2003 EIPR 447.

unintentional character of the infringement, treating these provisions as the last hope. In my opinion the Polish legislator did not make good use of this option which transpires from the discussion of individual solutions below.

The subject-matter of the Directive, seemingly limited to the area of intellectual property, in fact significantly encroaches on the territory of the general civil law and civil procedure. To achieve the outlined aims of the Directive the intervention into national legal orders with regard to civil liability was necessary. It is even said that the Directive constitutes the first step to *de facto* harmonization of civil law in European Union as it strongly relates to liability issues.[9] We may even say that intellectual property law is in the vanguard of the unification of private law in Europe. The main objection that can be raised is that the new Community rules of liability and procedure which relate to the very narrow group of goods are to be included in the national universal regulations, having a long tradition.[10] The conclusions from this method of harmonization are far from optimistic.

III. Particular measures of liability

1. Payment of damages

In Art. 13 of the Enforcement Directive the European legislator made a risky attempt to regulate the uniform minimal standards of the compensation of damages. Doing so he opened Pandora's box. As a result, certain general questions should have been answered: What is the function of compensating damages in European continental law? Is it compensation or prevention? Do we tolerate punitive damages? What do we mean by it? May the payment of damages go beyond the restitution? The provisions of Art. 13 (1 a) of the Directive seem to confirm the general rules of civil liability (with an exception of including infringer's profits – see below III. 2). More problematic is the interpretation and implementation of Art. 13 (1 b) of the Enforcement Directive which alternatively provides for setting the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorization to use the intellectual property right in ques-

9 M. Leistner, *Die „Trojanischen Pferde" der Kommission. Einige Überlegungen zur Entwicklung des allgemeinen Gemeinschaftsprivatrechts vor dem Hintergrund der Harmonisierung des Lauterkeitsrechts und des Rechts des Geistigen Eigentums*, in: *Festschrift für G. Schricker zum 70. Geburtstag*, p. 101 (Munich 2005).

10 W. R. Cornish, J. Drexl, R. Hilty, A. Kur (*supra* note 8), p. 448.