

Corrective Measures in Civil Proceedings

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Categories of Remedies

- Civil Remedies
- Criminal Remedies
- Administrative Remedies

Civil Remedies

- Most widespread remedies
- Directly linked to IPR as a private right
- Inspired by art 46 TRIPs

Directive 2004/48

art 10 – 14

- Section 5
 - Corrective measures (Art 10)
 - Injunctions (Art 11)
 - Alternative measures (Art 12)
- Section 6
 - Damages (Art 13)
 - Legal costs (Art 14)



Cheese!



Different Cheese

OLD AMSTERDAM[®]

versus

OUD AMSTERDAM

Use

- Used on a large board in his marketplace
- Used on the packaging of the individual cheeses
- Defendant sells to consumers on the market as well as – as a wholesaler - to professional dealers

Options

- Art 9: ‘provisional and precautionary measures’:
 - interlocutory injunction: stop infringement

Interlocutory (art 9)

- Requirements:
 - Claimant is rightholder
 - Defendant infringes your right
 - photo of def. at his marketplace + declaration
 - Ticket indicating the trademark
 - Print website
 - Urgent need
 - A new infringement is imminent.

Seizure?

- Commercial scale (art 9(2))
- precautionary seizure of all cheeses (Art 9(2))
- appropriate measures with regards to:
 - Infringing goods
 - materials and implements principally used in the creation or manufacture of infringing goods

Ex parte seizure?

- Ex parte request (surprise) (art 9(4))
- Defendant: review on short notice (the right to be heard)
 - NL: date can already set in the decision;
 - Normally > week
 - Decision given (depending case) max 14 days

Ex parte injunction?

- Very urgent, cannot wait for interlocutory decision
- in particular where any delay would cause irreparable harm to the rightholder
- Defendant: review on short notice (the right to be heard)
 - NL: date can already set in the decision;
 - Normally > week
 - Decision given (depending case) max 14 days

What next?

- Procedure on the merits
 - TRIPs: 20 working days/31 calendar days (if no term is given)
 - NL: 3 to 6 month
- Negative outcome:
 - art 9(7): appropriate compensation for any injury caused by seizure

What can I claim?

- Interlocutory / on the merits
- Injunction (art 11) – subject to recurring penalty payment
 - NL: payment to plaintiff
 - Germany, UK, Slovak Republic: to the court
 - criminal sanctions
- Amount per infringement/day/often maximized

What else can I claim?

- Recall (art 10(a))
 - From consumers ??
 - From professional parties



Only demanding to send back?

- Effect recall is limited if it is no more than informing the buyers and giving them the possibility to return the litigious goods.
- Suggestion:
 - Prescribe the exact wording of the recall letter
 - order to offer to indemnify the buyer (at least buying price and transport costs)
 - Indicate in the recall letter that using/selling is infringement

Control of Recall

- Lists of all professional buyers (names, addresses, quantity sold) – to control the full and correct execution of the order (art (8)
 - Problem: confidentiality – list of clients of competitor ...
list to be given to Chartered accountant/Notary public, who may execute control
- Publication of the recall in trade magazines

Publication of judicial decisions art 15

- at the expense of the infringer,
- appropriate measures for the dissemination of the information concerning the decision, including
 - displaying the decision
 - and publishing it in full or in part.
- other additional publicity measures
- which are appropriate to the particular circumstances,
- including prominent advertising (board in marker place?)

What to do with all that cheese?

- Goal is: definitive removal
- Destruction – preferred method
 - recycling
 - burning
 - shredding
 - crushing
 - burying in landfill
 - donation for humanitarian relief
- Only in cases on the merits, not summary proceedings/interlocutory proceedings

Who has to pay for that?

- at the expense of the infringer (art 10(2))
- take into account:
 - Proportionality between the seriousness of the infringement and the remedies ordered
 - the interests of third parties

Which costs he will bear?

- Which costs? Costs of measures Art. 10(1) – but:
 - Costs of storage of the goods? Insurance?
 - Costs of experts?
- all costs borne before the decision being rendered paid by right holder, but, but reimbursement can be claimed

Definitive removal and “secondary use” of the goods

- Nothing in the text of Dir. 2004/48 – no harmonized framework and conditions.
 - Yes in various Member States (EE, DK, DE, SU, HU, IT, PT, RO, ES, SE, UK), with limits (dependant on the IPR at stake; principle of proportionality).
 - No in other MS (BE, FR, GR, LT, NL, SL).

Who will pay the lawyers fees?

- Legal costs and other expenses
Art 14:
- Reasonable and proportionate legal costs and other expenses
- Borne by the unsuccessful party
- Win/lose partially – paid partly
- Very high costs

Harmonization?

- 10-50% in Denmark,
- 'only a small percentage' in Greece,
- 30% in Italy,
- 10-30% in Luxembourg,
- 50% in Cyprus,
- 66%- 100% in Romania,
- 'very low' in Spain,
- about 75% in Sweden,
- 50-70% in Austria,
- 80% in Ireland
- the possibility of a 100% reimbursement was reported for Lithuania, Hungary, Slovakia and Austria for simple cases.

My damages?

- Directive art 13
- Only from infringer who knowingly, or with reasonable grounds to know
- damages appropriate to the actual prejudice suffered
 - Conditions differ significantly
 - Client does not sell on markets
 - Price difference – how much would he have sold?

Damages (13(1)a)

- Negative economic consequences
 - infringing activities undermine the value of legal sales
 - profits which would have been earned by the rightholder, in the absence of the infringement
 - Detrimental to goodwill (bad quality)

Damages

- Extensive infringing activities often make the branded goods lose their 'exclusivity' which leads to a decline in consumer demand, damage to goodwill etc..
- Other than economic factors, such as the moral prejudice (13(1)a)
- low
- difficult to prove

Give me his profits!

art 13(2)

- Profits unlawfully made by infringer
- profits made with or as a result of the infringing products (causal link).
- Unclear what may be deducted (i.e. overhead costs?)
- Once or as alternative

Lump sum damages art 13(1)b)

- Alternatively to a)
- Lump sum
- Based on license fee
- Choice actual prejudice/license fee

Damages

- assessing damages is often complicated
- No harmonization on calculation
- Situation has not changed after entry into force of the Directive
- not yet an established case law EU-wide

Damages

- In practice not often requested:
 - Costs relatively high
 - length of judicial proceedings
- Client prefers:
 - quick provisional measures/injunctions
 - Return of costs