A person is silhouetted against a bright, hazy sunset sky, standing on the edge of a dark, rocky cliff. The background shows a vast, open landscape with rolling hills or mountains under a soft, golden light. The overall mood is contemplative and serene.

# **Case-law Developments and Specific Issues in the Enforcement of IPRs in the European Union**

Richard van Oerle

# Overview

- Promusicae
- LSG/Tele2
- Bonnier Audio
- Scarlet/Sabam
- AltusHost

# Directive 2004/48

## Art 8(1) Right of information

- the competent judicial authorities may order
- **information on the origin and distribution networks**
- provided by the infringer
- and/or any other person who:
  - (...) or
  - (d) was indicated by the person referred to in point (a), (b) or (c) **as being involved in the production, manufacture or distribution of the goods or the provision of the services.**

# Promusicae

**ECJ (Grand Chamber) 29 January 2008 (C-275/06)**

interpretation of Directives/Charter:

- 2000/31/EC Directive on electronic commerce;
- 2001/29/EC Harmonization of certain aspects of copyright and related rights in the information society;
- 2004/48/EC Enforcement of intellectual property;
- 2002/58/EC Directive on privacy and electronic communications.
- 95/46/EC Protection of individuals with regard to the processing of personal data and on the free movement of such data;
- Charter of Fundamental Rights of the European Union proclaimed in Nice on 7 December 2000 (OJ 2000 C 364, p. 1, 'the Charter').

# Promusicae

## Case:

- Promusicae: organisation of producers
- Asked for Telefónica (ISP) to be ordered to disclose the identities and physical addresses of certain persons

whom it provided with internet access services, whose IP address and date and time of connection were known. Those persons used the KaZaA file exchange program (peer-to-peer or P2P) and provided access in shared file of personal computers to phonograms in which the members of Promusicae held the exploitation rights.

# Promusicae

- Interpretation of 2002/58/EC Directive on privacy and electronic communications:
  54. Directive 2002/58 does not preclude an obligation to disclose personal data
  55. However, Article 15(1) is not compelling the Member States

# Promusicae

## Interpretation of Directive 2004/48

### 58. Article 8(1) of Directive 2004/48:

- The competent judicial authorities **may order** that information be provided.
- However, it does **not** follow from those provisions, which must be read in conjunction with those of paragraph 3(e) of that article, that they **require** the Member States to lay down, in order to ensure effective protection of copyright, an obligation to communicate personal data in the context of civil proceedings.

# Promusicae

Fundamental rights

reference to the Charter:

- Article 17 (protection of the right to property including intellectual property) and
- Article 47 (the right to an effective remedy)

# Promusicae

Another fundamental right!

- the right that guarantees protection of personal data and hence of private life.
- Reference to 2002/58 Directive on privacy and electronic communications and via that to Articles 7 and 8 of the Charter.
- Article 7 = Article 8 of the Rome Convention (1950) (guarantees the right to respect for private life) and
- Article 8 of the Charter: proclaims the right to protection of personal Data **(64)**.

# Promusicae

- Need to reconcile the requirements of the protection of different fundamental rights, namely the right to respect for private life on the one hand and the rights to protection of property and to an effective remedy on the other (65).

# Promusicae

- an interpretation which allows a **fair balance** to be struck between the **various fundamental rights**
- **the authorities and courts** must not only interpret their national law in a manner **consistent** with those directives but
- also not in **conflict** with those **fundamental rights** or with the other general principles of Community law, such as the principle of proportionality (68).

# Promusicae

## Summary

- Directive 2004/48: no obligation to communicate personal data
- various fundamental rights involved
- a fair balance between the various fundamental rights
- interpretation:
  - national law in a manner consistent with those directives
  - no conflict fundamental rights or other general principles of Community law (such as the principle of proportionality).

# ECJ 19 Februari 2009 (C-577/07) LSG/Tele 2

- LSG is a collecting society.
- Tele2 is an Internet access provider.
- Austrian Copyright: in case of infringement intermediaries are **obliged** to provide names, etc

## LSG/Tele 2

### Order

- “The reply to that question can be clearly inferred from the case-law of the Court.” (25) ...
- Does Dir 2004/48 + Dir 2002/58 precludes Member States from imposing an obligation to disclose to private third parties personal data relating to Internet traffic in order to enable them to bring civil proceedings for copyright infringements.

## LSG/Tele 2

The reply to that question can be clearly inferred from the case-law of the Court. (25)

- Referring to the Promusica- decision 29 January 2008 (C-275/06) (par 54-55).
- Directive 2002/58 does **not preclude** the Member States from imposing an obligation to disclose personal data in the context of civil proceedings, **nor does it oblige** them to impose such an obligation. (27)

## LSG/Tele 2

- Freedom which Member States retain to give priority to the right to privacy or to the right to property is **qualified** by a number of requirements.
- **fair balance**
- between the **various fundamental rights**
- when **applying**
- the authorities and courts
- interpret their national law
  - in a manner **consistent with those directives**, but must also
  - make sure **no conflict** with fundamental rights or with other general principles of Community law (proportionality) (Promusicae, paragraph 70).

## LSG/Tele 2

Conclusion:

- Directive 2002/58 **does not preclude from imposing an obligation**
- **nor** does it **oblige them to impose** such an obligation.
- Directive 2004/48: **a fair balance** between fundamental rights
- an interpretation that does not conflict with fundamental rights or with the other general principles of Community law, such as the principle of proportionality

# ECJ 19 April 2012 (case C-461/10) Bonnier Audio

interpretation of:

- Articles 3 to 5 and 11 of Directive 2006/24/EC
- Article 8 of Directive 2004/48

# Bonnier Audio

- publishing companies v. ISP
- Infringement: public distribution, by means of an FTP ('file transfer protocol') server which allows file sharing and data transfer between computers connected to the internet (26).
- Defense: the injunction sought (based on 2004/48) is contrary to Directive 2006/24 (29).

# Bonnier Audio

- The applicants: publishing companies (audio books) (25)
- They claim infringement by sharing and data transfer between computers connected to the internet.
- Defense: the injunction sought (based on 2004/48) is contrary to Directive 2006/24 (29).

# 2006/24

- Does Directive 2006/24 preclude the application of a national provision based on Article 8 of 2004/48 to be ordered to give information on the subscriber to whom the internet service provider provided an IP address which was allegedly used in the infringement
- Not within the material scope of Directive 2006/24 (data to be provided only to the competent national authorities in specific cases)

# Bonnier Audio

- The national court: a fair balance, as required by Promusicae.
- Reference to Promusicae (par 68) and LSG (par 28).
- Denmark has decided to **make use of the possibility** available to it **to lay down an obligation** to communicate personal data to private persons in civil proceedings (49)

# Bonnier Audio

- National requirements:
  - **clear evidence** of an infringement
  - information **facilitating the investigation** into an infringement
  - that the reasons for the measure **outweigh** the nuisance or other harm which the measure may entail or for some other conflicting interest (58).

# Bonnier Audio

- national court: weigh the conflicting interests involved, on the basis of the facts of each case and taking due account of the requirements of the principle of proportionality (59).
- “In those circumstances, such legislation must be regarded as likely, in principle, to ensure a fair balance between the protection of intellectual property rights enjoyed by copyright holders and the protection of personal data enjoyed by internet subscribers or users” (60).

# Bonnier Adv-Gen Jääskinen

- use of databases that exist for purposes other than those defined by the legislature.
- ...Therefore, copyright holders must not be favoured, by allowing them to make use of personal data which have been legally collected or retained **for purposes not germane to the protection of their rights**. The collection and use of said data for such purposes in compliance with EU law concerning the protection of personal data would require the prior adoption of detailed provisions by the national legislature, in accordance with Article 15 of Directive 2002/58. (62)

# ECJ 24 Nov 2011 (C-70/10) Scarlet/SABAM

interpretation of Directives:

- 2000/31/EC Directive on electronic commerce;
- 2001/29/EC Harmonization of certain aspects of copyright and related rights in the information society;
- 95/46/EC Protection of individuals with regard to the processing of personal data and on the free movement of such data;
- 2002/58/EC Directive on privacy and electronic communications.
- 2004/48/EC Enforcement of intellectual property; art 2(3)b + 3

# Scarlet/SABAM

Claim: an injunction imposed on an ISP to introduce a system for filtering:

- all electronic communications passing via its services, in particular those involving the use of peer-to-peer software;
- which applies indiscriminately to all its customers;
- as a preventive measure;
- exclusively at its expense; and
- for an unlimited period

Q: Does 2004/48 preclude such injunction? (29)

# Scarlet/SABAM

- 2001/29 (11) and 2004/48: holders of intellectual property rights may apply for an injunction against intermediaries, such as ISPs, whose services are being used by a third party to infringe their rights. (Art 11 of 2004/48) (30)

# Scarlet/SABAM

- national courts must allow to order those intermediaries to take measures aimed not only at bringing to an end infringements already committed (...), but **also at preventing further infringements** (see, to that effect, Case C-324/09 L'Oréal paragraph 131) (31).

# Scarlet/SABAM

- the rules for the operation of the injunctions for which the Member States must provide under Article 8(3) of Directive 2001/29 and the third sentence of Article 11 of Directive 2004/48, such as those relating to the conditions to be met and to the procedure to be followed, are a matter for national law (see, mutatis mutandis , L'Oréal and Others , paragraph 135) (32).

# Scarlet/SABAM

- That being so, those national rules, and likewise their application by the national courts, **must observe the limitations** arising from Directives 2001/29 and 2004/48 and from the sources of law to which those directives refer (see, to that effect, L'Oréal and Others, paragraph 138) (33).

# Scarlet/SABAM

- In that regard, the Court has already ruled that that prohibition applies in particular to national measures which would require an intermediary provider, such as an ISP, to actively monitor all the data of each of its customers in order to prevent any future infringement of intellectual-property rights.

Furthermore, such a general monitoring obligation would be incompatible with Article 3 of Directive 2004/48, which states that **the measures** referred to by the directive **must be fair and proportionate and must not be excessively costly** (36).

(see also Case C-324/09 L'Oréal and Others, paragraph 131-139).

# Scarlet/SABAM

- Court refers to par 62 to 68 of *Promusicae*:
  - the protection of the fundamental right to property, which includes the rights linked to intellectual property, must be balanced against the protection of other fundamental rights.
- In the present case, the injunction requires:
  - installation of contested filtering system
  - monitoring all the electronic communications made through the network
  - that monitoring has no limitation in time,
  - is directed at all future infringements and
  - is intended to protect existing and future works

# Scarlet/SABAM

- is serious infringement of freedom of ISP to conduct its business (require that ISP to install a complicated, costly, permanent computer system at its own expense)
- is contrary to the conditions laid down in art 3(1) of Dir 2004/48, which requires that measures to ensure the respect of intellectual-property rights should not be unnecessarily complicated or costly.
- not a fair balance between protection of IPR and freedom to conduct business. (49)  
(and also infringes the fundamental rights of ISP's customers (protection of personal data and freedom to receive or impart information: art 8 and 11 Charter, etc... ) (50-52).

# District court The Hague

## 21 August 2012



11 trademark owners v IPS

- Court in The Hague competent
- IPS = 'intermediary'
- Subsidiarity
- Proportionality
- Costs: IPS has to pay € 35.000,- legal fees.

A week later ...

The screenshot shows the HQ Replica.co website interface. At the top, there is a navigation bar with links for Home, New Items, Discounts, Blog, Articles, FAQ, and Contact Us. A search bar is located in the center of the navigation bar. On the right side of the navigation bar, there is a 'My Shopping Cart' section showing 0 items for a total of \$0.

Below the navigation bar, there is a 'Popular Watches' section featuring four watch models:

- Omega - Speedmaster 1957 DM -38: price \$219
- Omega - Seamaster Quaratus of Solace DM -14: price \$208
- Rolex - Oyster Perpetual RX: price \$149
- Omega - Seamaster 267 Edition DM -57: price \$208

Below the popular watches, there is a 'Watch catalogue' section with a list of brands including A. Lange & Sohne, Alain Silberstein, Baume & Mercier, Bell & Ross, Blancpain, Breitling, Bvlgari, Cartier, Chopard, Chronoflight, Calcedo, Eberhard, Fendi, Grand-Premieux, Glashütte, Graham, Hamdorf, Harry Winston, Hublot, IWC, and Jacob.

In the center of the page, there is a promotional text: 'Replica watches are timepieces of high quality and functionality available at the fraction of the cost. Our on-line catalogue features replica watches of the most prestigious and successful watch brands of today.'

On the right side, there is a 'Winter Bestsellers' section featuring three watch models:

- Hublot - Big Bang Collection 110: price \$229
- Omega - Speedmaster 1957 DM -38: price \$219
- Tag Heuer - Carrera Calibre 16 DM -38

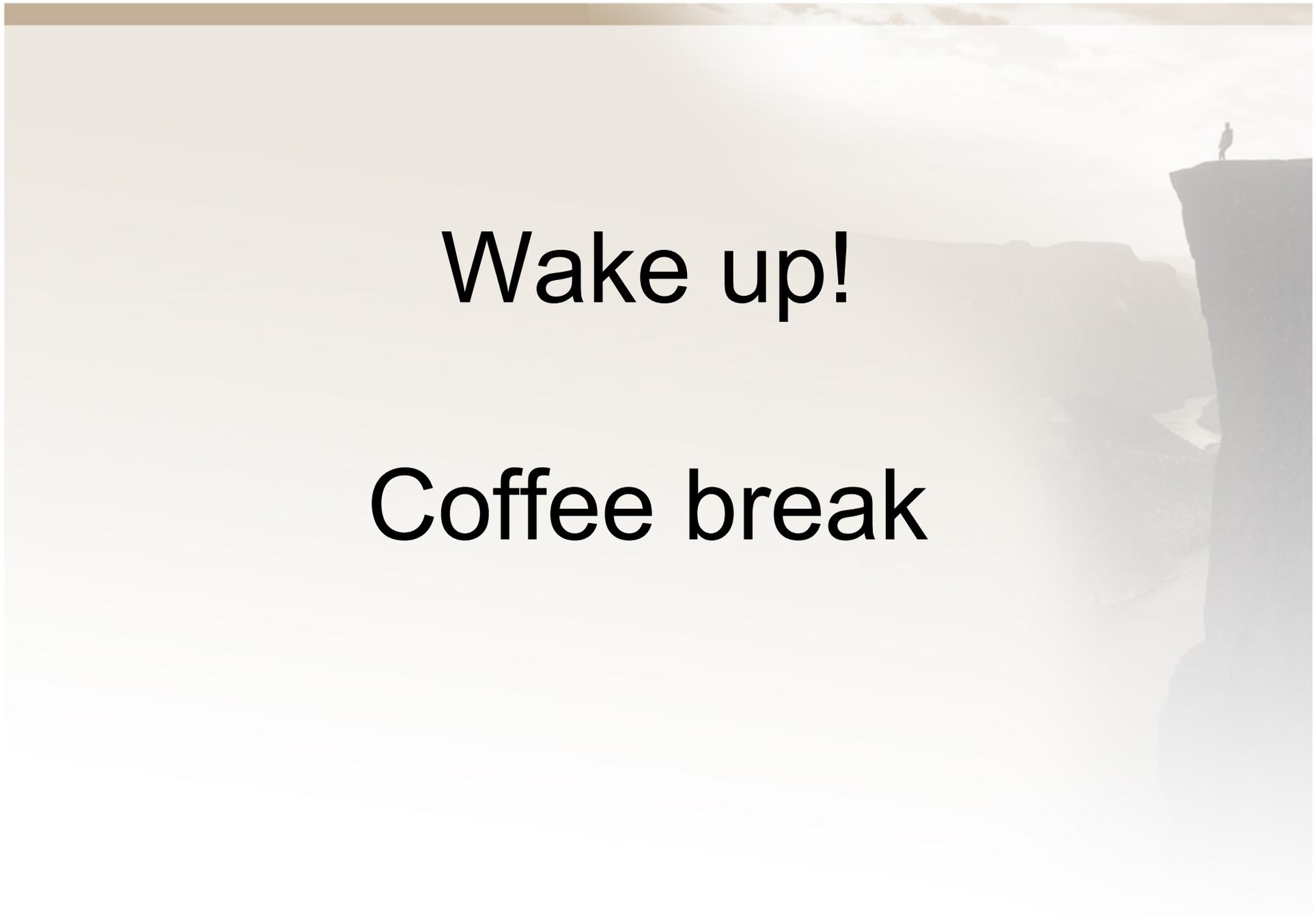
At the bottom of the page, there is a 'Watch finder' tool with filters for Brand, Bracelet material, and Bracelet color. The 'Brand' filter includes options like Rolex, Breitling, IWC, Panerai, Cartier, Tag Heuer, Patek Philippe, and Omega. The 'Bracelet material' filter includes options like Leather, Stainless steel, Rubber, Textile, With diamonds, and Plastic.

There are also promotional banners for 'Holiday SALE' and 'NEW BEEFILING'.

# Questions?

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A person is standing on the edge of a dark, rocky cliff. The background is a bright, hazy sunset or sunrise over a body of water, with a soft glow of light. The overall scene is serene and contemplative.

Wake up!

Coffee break