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Enforcement of Intellectual Property Rights

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**Max Planck Institute for Intellectual Property,
Competition and Tax Law**



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Enforcement of Intellectual Property Rights

- **Introduction**
- **State of Affairs**
- **Background**
- **Justifications**
- **Sources of Danger**
- **Remedies**
- **Desiderata**
- **Conclusions**



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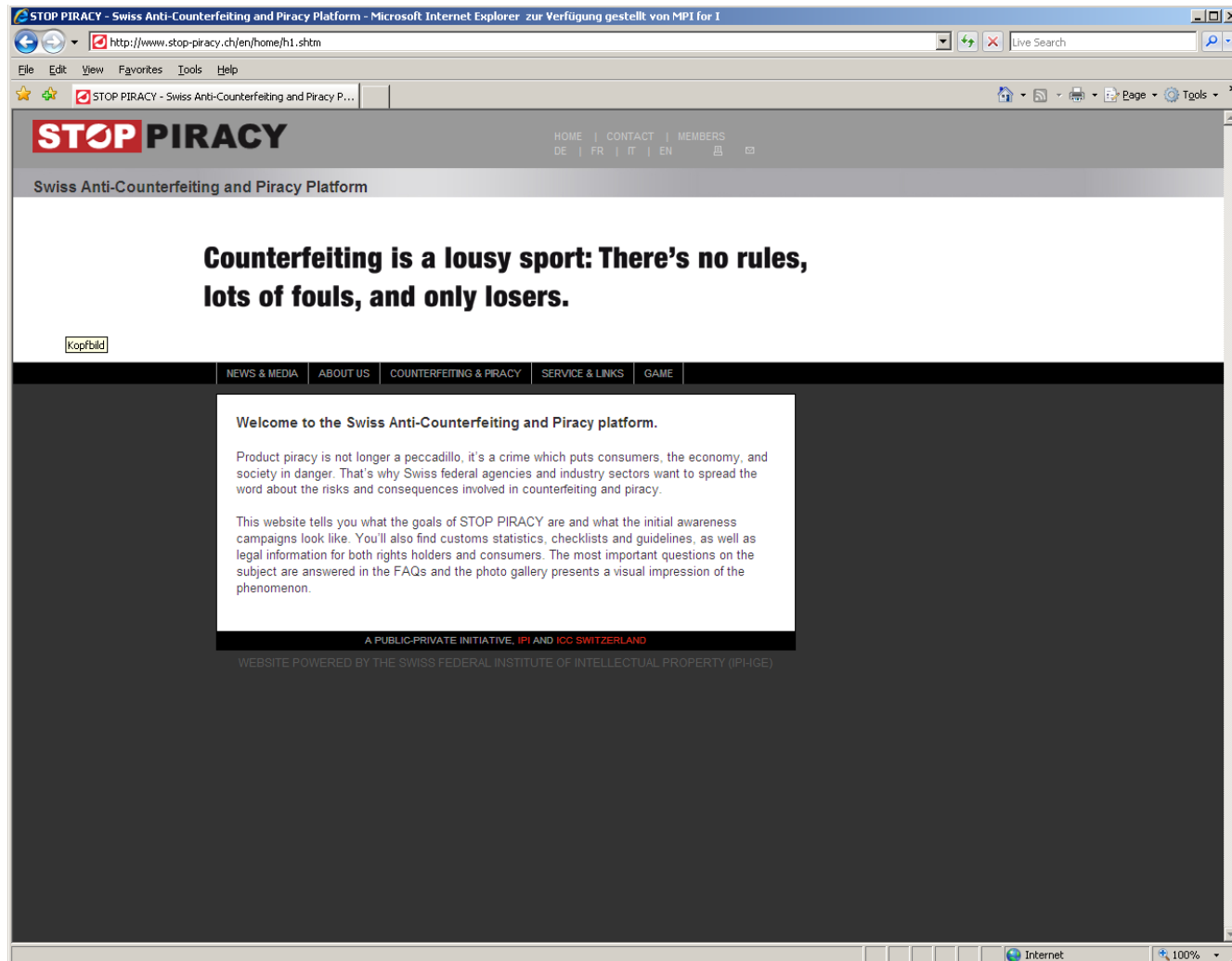
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Introduction



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Introduction



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Counterfeiting & Piracy

Whether fine art, hand-made items, cut above has, since time immemorial, phenomenon of counterfeiting and piracymeantime. Swiss businesses are in European and Asian markets. Besides film, pictures, medicines, foodstuffs, without permission, in particular wh consequences for business and soci

Financial damage

It is estimated that the Swiss economy suffers losses of 2 billion francs annually due to counterfeiting and piracy. Worldwide damages are estimated to be several hundred billions of francs annually. More important than pirated copies undermine the incentive in innovation—even in the countries v

Loss of jobs

Product piracy destroys jobs, primar According to a 1998 estimate by the (OECD), counterfeiting and piracy de number of counterfeited and illegally be assumed that many times this nu source country of valuable original pr jobs, and our standard of living are b property rights protect innovation and are a primary incentive for investment. Counterfeiting inhibits the creation of incentive structures for investment in areas of higher added-value and qualified, well-paid jobs in the countries where counterfeited products originate. The counterfeiting industry thus hinders the sustainable economic development of these countries.

Puts consumers at risk

Counterfeited goods are often of inferior quality. Depending on the product, they can also endanger consumer safety and health, in particular with:

- Medicines (drugs and products)
- Mechanical and computer-steered replacement parts (e.g., automobile accessories)
- Food items and luxury items
- Toys (for example, which have above-average amounts of chemicals)
- Perfumes, cosmetics, and bodycare products (can lead to skin irritations)

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State of Affairs

■ TRIPS (WTO, 1994)

Part III – Enforcement of Intellectual Property Rights

- Section 1: general obligations (Art. 41)
- Section 2: civil and administrative procedures and remedies (Art 42-49)
- Section 3: provisional measures (Art 50)
- Section 4: special requirements related to border measures (Art 51-60)
- Section 5: criminal procedures (Art 61)



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State of Affairs

■ TRIPS (WTO, 1994)

■ EU

- Council Regulation (EC) No. 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights (former No. 3295/94)
- Commission Regulation (EC) No. 1891/2004 of 21 October 2004 laying down provisions for the implementation of Council Regulation (EC) No. 1383/2003 ...
- Directive 2004/48/EC of the European Parliament and the Council of 29 April 2004 on the enforcement of intellectual property rights
- Amended proposal of the Commission for a Directive of the European Parliament and the Council on criminal measures aimed at ensuring the enforcement of intellectual property rights (26 April 2006, COM(2006) 168 final)



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State of Affairs

- TRIPS (WTO, 1994)
- EU
- “TRIPS plus”
- FTAs
- EPAs
- ACTA



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Background

- Strengthening IP protection



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Background

- Strengthening IP protection – over-protection?
 - Patent law
 - Full patent protection
 - Biological substances
 - Computer implemented inventions
 - Drugs and developing countries



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■ Strengthening IP protection – over-protection?

● Patent law

- Full patent protection
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● Copyright law

- Internet
- TPMs
- Entertainment
- Scientific research



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- Trademark law



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- Enforcing IP protection



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- Enforcing IP protection – backlash?



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- Enforcing IP protection – backlash?

- Extending IP protection



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- Enforcing IP protection – backlash?

- Extending IP protection – backlash?



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Justification

- Legal certainty = matter of credibility
- Positive effects of IP protection = adequate enforceability
- Enforcement = measure to avoid “market failure” ...
 - Impossibility to cover cost/make a profit
 - Frustration of original inventor/creator/producer
 - Reluctance to further investments
 - Impediment for new innovations and creations

→ Existing measures are not (in all cases) strong enough
- But not all cases do indeed lead to “market failure”



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Sources of Danger

- Enforcement tools – dangerous weapons?
 - Civil remedies = potential economic threat
 - Criminal remedies = potential personal threat
- Tendency of enforcement tools to intimidate third parties
- Effect = extension of IP protection beyond intended limits
 - Technical activity does not fall within the scope of protection of a patent right
 - Used sign does not produce likelihood of confusion with protected trademark
 - Inspiration from copyright-protected work is not adaptation but free use of (unprotected) idea
 - ...



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Remedies

- Similar to IP protection: “one size cannot fit all”
 - Unequal IP law areas
 - Different market situations
 - Different market players
 - ...

- Impacts of enforcement measures depend on whether
 - IP law fulfils rationales of legal protection
 - IP law is misused to restrain competition
 - Enforcement measures = “leveraging of misuse”



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Desiderata

- “Decriminalisation”, when
 - IP protection does not avoid “market failure” (over-protection?)
 - Third parties try to “test” scope of protection
 - IP protection tends to develop anticompetitive effects
- Strengthen enforcement for truly detrimental IP infringement
 - Inclusion of economic considerations in civil law suits
 - Introduction of sanctions of public law (administrative fines)
 - Adequate litigation tools (e.g. EPLA ↔ EU power play)
- Distinguish IP protection – consumer protection
 - Counterfeiting technical devices → public law (safety)
 - Counterfeiting drugs, food → public law (health)
 - Counterfeiting luxury goods → misleading considerations



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Thank you...



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