

To the European Commission
Internal Market and Services DG,
Unit D.3 - Enforcement of Intellectual Property Rights
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RESPONSE TO CONSULTATION ON THE COMMISSION REPORT ON THE ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

This response concerning the Consultation on the Commission Report on the enforcement of intellectual property rights is submitted on behalf of the Finnish Association for the Protection of Industrial Property Rights (Suomen teollisoikeudellinen yhdistys r.y., Finska föreningen för industriellt rättsskydd r.f, hereinafter “STY”).

1. BACKGROUND INFORMATION ABOUT STY

- *The Finnish Association for the Protection of Industrial Property Rights (in Finnish Suomen Teollisoikeudellinen Yhdistys ry, “STY”, in Swedish Finska föreningen för industriellt rättsskydd r.f.), is an association for professionals working in the field of industrial property. STY was founded in the 1930s and currently has over 400 members.*
- STY follows, participates in and promotes the development of intellectual property legislation and the consistent application of said legislation and organizes seminars, conferences and other events dealing with intellectual property rights.

2. GENERAL

STY welcomes the opportunity to respond to the consultation on the Commission Report on the enforcement of intellectual property rights and on the findings reflected in the report on the application of the Directive 2004/48/EC on the enforcement of intellectual property rights (hereinafter the “Directive”).

STY continues to support the Commission’s focus on protecting intellectual property rights and on ensuring that the objectives of the Directive are realized also in practice.

However, STY is mindful of that fact that the Directive has been implemented in national law by several Member States of the European Union only recently, i.e., long after the implementation period foreseen in the Directive. Experience gained so far from the application of the Directive, taking also into account the fact that IPR infringement proceedings are often quite lengthy, is therefore rather limited, at least in some Member States. As a result, STY considers that it may be too early to draw

definitive conclusions about the need to update the Directive. STY feels that a better understanding of the functioning of various measures provided for in the Directive and their impact is still needed. At this stage, eventual changes to the Directive should only concern such topics with regard to which there is demonstrable evidence of malfunction.

From the perspective of STY that kind of evidence of a malfunction is not in view. In addition to this general view, STY will in the following also comment upon two specific issues raised in the Commission Report.

3. SCOPE OF APPLICATION OF THE DIRECTIVE

Under Article 2 of the Directive, the measures and remedies provided for by the Directive apply to any infringement of the intellectual property rights as provided for by Community law and by the national law of the European Union Member State concerned. However, the Directive contains no further definition of the intellectual property rights it covers.

In Statement 2005/295/EC the European Commission published a list of the intellectual property rights which the Commission considers to be covered by the Directive at the minimum. Uncertainties still remain as to which rights protected under national law are covered. As mentioned in the Commission Staff Working Document SEC(2010)1589, uncertainties have arisen as to whether, for example, domain names, trade secrets and acts of unfair business practices are covered by the Directive. Recital 13 of the Directive is of relevance noting that Member States may choose to apply the provisions of the Directive to "*acts involving unfair competition, including parasitic copies or similar activities*."

The Commission's consultation documents suggest that it might be beneficial to clarify the scope of the Directive by, for example, introducing a list of intellectual property rights it covers in the body of the Directive itself. STY recognizes that this solution might also entail widening the scope of the Directive. However, STY does not consider that it would be justified.

The absence of substantive harmonization both at the European Union level and at an international level of laws relating to unfair competition and domain names does not support the idea of widening the scope of the Directive. The harmonized remedies as provided for in the Directive may not be compatible with the approach taken in substantive law at national level. Although the Directive also now covers rights, which have not been harmonized in the EU, STY considers that there is sufficient harmonization with regard to traditional intellectual property rights through international conventions. This is not the case with domain names and arguably not to the same extent with the unfair competition law. STY is therefore hesitant about widening the scope of the Directive to new, non-harmonized areas of law.

It is also to be noted that intellectual property rights are property rights whereas, for example, national unfair competition laws typically concern claims of different

nature. Extending the Directive's scope fully to cover such non-harmonized areas of law, which systematically differ from intellectual property law, may risk upsetting the balance of substantive interests inbuilt in national law. As a result, widening the scope might be conducive of building up public skepticisms towards the Directive and the remedies provided therein.

The experience gained so far from the Directive does not seem to suggest that the scope of the Directive would need to be limited, either.

4. DAMAGES

From the point of view of Finnish legal tradition the sole aim of awarding damages is to place the right holder in the same situation as he would have been in, had there not been an infringement. The aim of awarding damages is not to function as a deterrent.

STY considers that Article 13 of the Directive - as such - fulfils the above-mentioned aim of awarding damages. Therefore STY is hesitant about the need to clarify Article 13 of the Directive.

In any circumstance STY is of the opinion that in the possible review of Article 13 of the Directive no obligation to punitive damages should be introduced.

STY appreciates the opportunity to submit comments to the Consultation and remains at your disposal to further discuss any of the topics touched upon.

In Helsinki, 31 March 2011

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