The enforcement of IP rights in Europe is primarily governed by national laws which differ significantly across the different EU member states. Consider, for example, European patents. Despite the fact that they are granted under the European Patent Convention, infringement and enforcement of the national parts of granted European patents are handled by member states’ national courts, which apply domestic laws. This is also true with respect to Community trademarks and Community designs: although these rights are granted on the basis of EU regulations (which also contain directly applicable provisions on validity, infringement and sanctions), they are enforced before the national courts of the individual EU member states, which apply domestic procedural laws. As a result, a pan-European IP litigation typically comprises several parallel lawsuits in a number of member states – so, strictly speaking, there is no such thing as a European IP litigation.

Needless to say, pan-European litigation is time consuming and labour intensive, resulting in significant costs. As a result, plaintiffs sometimes consider establishing the jurisdiction and competence of a single court to rule on the infringement of both domestic IP rights and the parallel IP rights of other member states. Very few cases are true cross-border cases. The ‘bread and butter’ IP litigation is domestic, and the most recent decisions of the European Court of Justice dealing with cross-border issues (GAT v LuK and Roche v Primus) certainly do not encourage this type of litigation.

Harmonising enforcement of IP rights
In 2004 the European Union took a step towards harmonising the national laws of EU member states with regard to some crucial aspects of the enforcement of IP rights by adopting Directive 2004/48/EC. Although member states were required to bring the laws, regulations and administrative provisions necessary to comply with the directive into force by April 29 2006, only a few have done so up to now. This chapter discusses the importance of implementing harmonised enforcement laws and comments on some of the directive’s key provisions.

Importance of directive
Enforcement is primarily national
The enforcement of IP rights within the European Union is, for the most part, left to the national laws of the individual member states. In the past there have been major disparities with regard to the means of enforcing IP rights. Depending on what side of the fence a party stands, the national laws of one member state could be beneficial or detrimental in comparison to the laws of another member state. Needless to say, such disparities between the systems of the member states have made it impossible to ensure that IP rights enjoy the same level of protection throughout the European Union.

Making use of disparities
In practice, attempts have been made to make use of the disparities of national laws – take, for example, the crucial aspect of obtaining evidence to substantiate a claim on grounds of patent infringement. While in France a plaintiff can obtain evidence with the help of a saisie contrefaçon (an Anton Piller order), receiving crucial information to substantiate its claim, in Germany this practice is unknown, despite the tendency of German courts to assist plaintiffs in obtaining evidence in the wake of the Federal Supreme Court’s decision in Faxcard.

In a great number of cases an IP right is infringed in several member states, allowing the plaintiff to choose between several jurisdictions. In practice, this has led to the need to scrutinise on a case-by-case basis whether one can take advantage of the disparities of the national laws within the European Union.
Major disparities will always remain
The transposition of the directive into the national laws of member states will certainly lessen the disparities when it comes to the enforcement of IP rights under national laws. However, it must be borne in mind that some important differences will remain, including the following:

- According to Article 2(1) of the directive, any member state may implement legislation which is more favourable to IP rights holders than that provided for in the directive (it remains to be seen which EU member states will exceed the standards set by the directive).
- Legal costs play an important role when it comes to the enforcement of IP rights, and in practice the legal costs to be incurred by the parties to go to trial vary significantly between member states. The same is true with respect to reimbursement for legal costs by the successful party (despite the harmonisation aimed for by Article 14 of the directive).
- The general legal frameworks laid down by the different member states still show significant disparities – for example, whereas in some jurisdictions one may obtain a judgment of a court of first instance within months, in other jurisdictions it may take years before a judgment is handed down.
- IP infringement suits should be handled by specialised chambers of the courts, but even though any experienced practitioner may identify those courts within the member states that are widely regarded as having the capacity and education to understand even the most complex IP matters, there are others which are regarded as less suited to IP matters.
- The court’s definition of the scope of protection granted by an IP right is often decisive for the outcome of an infringement trial, since few cases are clear cut in any area of intellectual property. Therefore, plaintiffs will try to pick a court which is presumed to define the scope of protection of an IP right widely, whereas defendants will try to avoid such courts (irrespective of the fact that no counsel can ever predict with absolute certainty the outcome of a trial).

Therefore, although to some degree the directive harmonises national laws with respect to the enforcement of IP rights, important disparities will remain. In essence, this is due to the fact that the directive:

- covers only some enforcement issues;
- defines minimum requirements that may be exceeded by member states; and
- does not address all factors that affect the outcome of a trial.

Key provisions
Evidence
Section 2 of the directive deals with the means of preserving, obtaining and presenting evidence.

According to Article 6, member states must ensure that a plaintiff which has presented evidence that is reasonably available and sufficient to support its claims, and which has specified evidence which lies in the control of the defendant, may ask the court to order such evidence to be presented by the defendant. In all cases confidential information shall be protected. However, if the infringement is committed on a commercial scale, the defendant may be ordered to hand over banking, financial or commercial documents (subject to the protection of confidential information).

According to Article 7.1, member states shall ensure that, even before a lawsuit is initiated, a party which has presented reasonably available evidence to support its infringement claim may request provisional measures to preserve relevant evidence in respect of the alleged infringement. Such measures may include the detailed description or physical seizure of the infringing goods, and may even include seizure of the material used in the production of these goods. Such provisional measures to preserve relevant evidence may even be taken without the other party being heard (i.e., ex parte), in particular where any delay could cause irreparable harm to the IP rights holder or where there is a risk of evidence being destroyed. According to Article 7.3, member states shall ensure that the provisional measures to preserve evidence are revoked if the applicant does not Institute proceedings leading to a decision on the merits of the case within a reasonable period. If the measures to preserve evidence are revoked, or where it is subsequently decided that there has been no infringement of an IP right, the defendant may apply for compensation for the injury caused by the measures to preserve evidence.

Given that evidence is a key element to establish IP rights infringement, in this respect the harmonisation of national laws by the directive is to be welcomed.

Right of information as regards origin and distribution networks
According to Article 8, member states shall also ensure that, in certain circumstances, the courts may order the defendant to disclose the origin and distribution networks of the infringing goods or services. This information
comprises the names and addresses of the manufacturers, distributors and suppliers of the goods or services and the intended wholesalers and retailers, as well as information on the quantities manufactured, delivered, received or ordered and the price obtained.

The claim may be directed against not only the infringer found in possession of the infringing goods, but also third parties identified by the infringer as being involved in the manufacture or distribution of the infringing goods. This is a key change implemented by the directive.

**Intercalary injunctions**

According to Article 9, the courts of all member states must be able to issue interlocutory injunctions to:

- prevent an imminent infringement;
- stop the continuation of an alleged infringement; or
- make such continuation subject to the provision of guarantees by the respondent (this is intended to ensure the compensation of the rights holder).

Such interlocutory injunctions may also require the respondent to pay a recurring penalty for the continued violation of an IP right.

Injunctions may be issued if the applicant can provide reasonably available evidence to show, with a sufficient degree of certainty, that its rights are about to be infringed. They may be issued ex parte. As is true with respect to the provisional measures for preserving evidence under Article 7, the respondent may request a review of the interlocutory injunction and the applicant must begin proceedings leading to a decision on the merits of the case within a reasonable period. If the provisional measures are revoked or it is found that there was no infringement or threat of infringement, the applicant must compensate the respondent for any injury caused by such measures.

Article 9 not only provides that interlocutory injunctions may be issued, but also puts member states under an obligation to ensure that the seizure or delivery up of goods suspected of infringing an IP right is ordered. Moreover, if the infringement is committed on a commercial scale, member states shall ensure that property of the alleged infringer is seized if the applicant can show that the recovery of damages is at risk at a later stage. To that end, the blocking of the alleged infringer’s bank accounts and the delivery up of bank, financial or commercial documents may be ordered.

However, the impact of Article 9 is rather insignificant since the 15 ‘old’ member states already provide for the possibility to claim provisional measures, including ex parte injunctions. In practice, there exist significant differences across member states with respect to how frequently interlocutory injunctions are issued by the courts, but this will not be altered by the directive.

**Corrective measures**

According to Article 10, member states shall ensure that appropriate measures may be taken with regard to goods that have been found by the courts to be infringing. Such measures include recall or definitive removal of such goods from channels of commerce or destruction. These measures shall be carried out at the expense of the infringer. When considering a request for corrective measures, the court needs to balance the seriousness of the infringement and the remedies ordered with the interests of third parties. Article 10 is mainly focused on combating piracy and counterfeiting since the severe measures mentioned therein are rather disproportionate in cases of ordinary trademark or patent infringement.

**Reimbursement of legal costs**

Article 14 provides that, as a general rule, reasonable and proportionate legal costs and other expenses shall be borne by the losing party.

**Publication of judicial decisions**

According to Article 15, member states’ courts shall be empowered to order measures for dissemination of the information concerning the decision. In most cases, this will result in an order to display and publish the decision.

**Summary**

Assuming that EU member states implement the directive into national laws, it will bring about the harmonisation of certain enforcement aspects of IP litigation, notably with respect to:

- obtaining and preserving evidence;
- the right to be informed of the origin and distribution networks of infringing goods; and
- the acknowledgement of provisional, precautionary and corrective measures.

However, to date only certain member states have implemented the Directive.

Whether the implementation of the directive changes the IP enforcement situation within a particular member state depends primarily on whether its current IP legislation already meets the requirements of the directive. Take, for example, the measures for preserving evidence laid down in Article 7 of the directive. This
establishes a measure similar to the French saisie contrefaçon, so little will change within French IP litigation, whereas in other countries this article will bring about a significant change. Consequently, whereas IP owners in a particular member state may hail the transposition of the directive as strengthening their position, IP owners in other member states may not even notice a significant change. Implementation of the directive is unlikely to revolutionise IP litigation, at least not in the 15 ‘old’ member states; nor does it require a complete rethink of companies’ IP portfolio policies.

Ultimately, the directive sets minimum requirements regarding a few selective enforcement issues. It remains to be seen whether other issues in IP litigation will turn out to be more crucial than those harmonised by the directive, which will leave pan-European litigation full of significant differences even after it has been implemented by all member states.