March 31, 2011

Internal Market and Services DG,
Unit D.3 - Enforcement of Intellectual Property Rights
European Commission SPA2
B-1049 Brussels
Belgium

Dear Sir or Madam:

Intellectual Property Owners Association (IPO) [1] is an international trade association representing companies and individuals in all industries and fields of technology who own or are interested in intellectual property rights. Many of our 230 corporate members file patents in Europe. Many have subsidiary organizations located in Europe and some are headquartered in Europe.

IPO welcomed Directive 2004/48/EC on the enforcement of intellectual property rights ("the Directive"), and its subsequent implementation into national law. We are writing to respond to the European Commission's request for feedback on its Report on the Application of the Directive. We believe that the EU and its Member States should find effective means of enforcing intellectual property rights to promote innovation and creativity and agree with many elements of the assessment of the implementation and impact of Directive on the enforcement of intellectual property rights.

Scope

IPO agrees with the European Commission that the scope of Intellectual Property ("IP") covered by the Directive should be clarified. We suggest that the scope of IP should coincide with what is covered by the Paris Convention, as well as the TRIPS Agreement, to ensure consistency between these important international agreements and the EU legislation. Harmonization could be achieved by amending the second sentence of Article 1 of the Directive as follows:

> *"For the purposes of this Directive, the term 'intellectual property rights' includes:*
> - *all categories of intellectual property rights that are the subject of the Agreement on Trade-Related Aspects of Intellectual Property Rights;*
> - *all categories of industrial property that are the subject of the Paris Convention for the Protection of Industrial Property, including trade secrets;*
> - *the sui generis right of a database maker;*
> - *rights derived from supplementary protection certificates;*
> - *plant variety rights;*

[1] EU Register of interest representatives No. 75569863714-64

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- *trade names, in so far as these are protected as exclusive property rights in the national law concerned; and*
- *the protection offered by the WIPO Copyright Treaty to effective technological measures and electronic rights management information."*

Preserving evidence

With regard to Article 7(1) of the directive, several Member States interpret the word "may" in the following sentence as though the availability of any measure at all is optional:

> "*Such measures may include the detailed description, with or without the taking of samples, or the physical seizure of the infringing goods, and, in appropriate cases, the materials and implements used in the production and/or distribution of these goods and the documents relating thereto*."

These options should be available to a right holder in all states, but the type of measure should be dependent upon the judgment of the competent judicial authorities, who must ensure that these measures are appropriate, taking into account both the interests of the IP owner as well as the alleged infringer who may be innocent of any wrong-doing. It is in the interest of IP owners to be able to rely on the measures to gather and preserve evidence in as many Member States as possible. IPO welcomes efforts by the Commission to promote further harmonization in this area. We urge the Commission to ensure that valuable options are not made unavailable by a misinterpretation of the Directive. If necessary, in an amended Directive wording such as "Member States shall ensure that the competent judicial authorities may order" should be used.

Corrective measures

The Commission staff paper notes that at least in some Member States the proper use of the subject provisions on “recall” and “definitive removal from the channels of commerce" as defined in Article 10 are not well understood. The European Observatory on Counterfeiting and Piracy should join forces to exchange experiences and information and to share best practices on enforcement. IPO encourages the Commission to look into ways to ensure that Member States enforce permanent injunctions fully, removing infringing products even from the shelves of the retailers. IPO seeks clarification in the definition of “channels of commerce” so as to exclude consumers.

Permanent injunctions/cross-border injunctions

IPO agrees with the Commission that – in practice – cross-border injunctions for Community Trade Marks and Designs are generally not granted. As soon as the CJEU has given its decision in C-235/09 (DHL Express (France) v. Chronopost), IPO welcomes efforts by the Commission to reinforce pan-European injunctions for Community Trade Marks and Community Designs, in order to increase efficiency of litigation throughout Europe and consequently reduce the cost for the IP owner to exercise his rights.

Privilege

Under Article 8, the Directive has introduced several relatively extensive discovery obligations, which we strongly urge be weighed against provisions on professional privilege. In common law countries, the balance between discovery obligations and professional privilege is ingrained in legal practice. However, given the European civil law system, the Directive creates obligations to provide information without provisions protecting privilege.

Due to the international nature of IP litigation and the different regimes that exist in different countries with respect to Client Attorney Privilege, there is a need to introduce and harmonize the Client Attorney Privilege throughout the European Union. The European Patent Convention as amended in 2000 (and ratified in 2008) contains some provisions on privilege, as do some national laws. However, there is not yet a general provision at the EU level that covers all the above-mentioned IP rights and all IP attorneys. Obviously, communications exchanged with people working under the responsibility of an IP attorney (e. g., trainee IP attorneys, support staff, and prior art searchers) should be covered by the privilege for the IP attorney. The notion "IP attorney" should not be limited to those working in private practice, which can be achieved by generally referring to any person entitled to act as representative under Article 134 EPC etc.

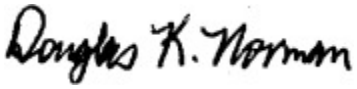
To provide legal consistency throughout the EU, IPO suggests introducing the following new Article to be included in the Directive:

> ***Attorney-client privilege***
> *1. Where professional advice is or has at any time been sought from an IP attorney by any party on a matter relevant to intellectual property rights, any confidential communications between the IP attorney and the party or any other person shall be permanently privileged from disclosure, unless such privilege is expressly waived by the party.*
> *2. Any documents, materials, or information including work product produced in connection with communications referred to in paragraph 1 shall be likewise privileged.*
> *3. The term 'IP attorney' referred to in paragraph 1 includes any person entitled to act as a representative under*
> *(i) Article 134 of the European Patent Convention; or*
> *(ii) Article 93 of the Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark; or*
> *(iii) Article 78 of the Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs; or*
> *(iv) the law of a non-EU jurisdiction on professional representation with regard to intellectual property rights.*

4. Confidential communications exchanged with people working under the responsibility of an IP attorney are likewise privileged.
5. This Directive does not prejudice provisions on confidentiality and privilege in the European Patent Convention.

This provision would enable industry in Europe to invoke privilege in U.S. courts for communications exchanged with their European IP attorneys and their clients. U.S. courts have shown willingness to extend the privilege to non-US practitioners if said non-U.S. practitioner enjoys attorney-client privilege in his home country. This would be a major benefit for industry in general but especially for European industry.

Sincerely,



Douglas K. Norman
President