IPR Enforcement

Seminar on Intellectual Property
Twinning Project “Appui a l’Instance Nationale des Telecommunications

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The opinions expressed in this presentation are those of the author and can in no way be taken to reflect the opinion of the European Union Delegation in Tunis or any other Organisation mentioned.
Introduction

- The expansion of new technologies makes easy the infringement of Copyright and related rights. Thus, it is crucial for the efficiency of any Copyright protection system to make available for the right holders adequate remedies for enforcing their rights.

- Criminal and civil sanctions, administrative fines and border measures are the possible remedies. Judges and staff of competent enforcement authorities with suitable background and experience are necessary. The judicial system shall be fair and as expeditious as possible.
General obligation

The Article 3 of the Enforcement Directive contains provisions parallel to those in the TRIPS Agreement stating that the measures, procedures and remedies necessary to ensure enforcement shall:

• be fair and equitable
• not be unnecessarily complicated or costly
• not entail unreasonable time-limits or unwarranted delays
• be effective, proportionate and dissuasive
• be applied in such a manner as to avoid barriers to legitimate trade and to provide for safeguards against their abuse.
Persons entitled to apply for the application of the measures, procedures and remedies

- the holders of intellectual property rights;
- all other persons authorized to use those rights, in particular licensees;
- collective rights-management bodies, on condition that they are regularly recognized as having a right to represent right-holders, in so far as permitted by and in accordance with the provisions of the applicable law;
- and, finally, on the same conditions, also professional defense bodies.
Precautionary measures

• Experience has shown that speed is often of the essence in intellectual property cases. Immediate and quick actions are often necessary in order to avoid considerable harm to the right-holders interests. For instance, it is vital that the release of bootleg records or pirated video tapes, often of low quality, is stopped before thousands of them are released to the public. After that stage, effective remedies are hard to obtain and damages are not sufficient, because the losses will be difficult to calculate precisely.

• Interlocutory injunctions to:
  • prevent any imminent infringement of an intellectual property right; or
  • forbid on a provisional basis and in appropriate cases subject to a recurring penalty payment, the continuation of the alleged infringement, subject to the lodging of guarantees to ensure compensation of the right-holder;

• under the same conditions, interlocutory injunctions must also be available in respect of intermediaries whose services are used by a third party to infringe an intellectual property right; injunctions against intermediaries whose services are used by a third party to infringe a copyright or a related right are covered by Directive 2001/29/EC (Infosoc Directive).

• orders of seizure or delivery up
  • the precautionary seizure of the movable and immovable property of the alleged infringer, including also the blocking of bank accounts and other assets.
Evidence/Preservation of evidence

• Production of evidence in control of the opposing party.
• Communication of banking, financial or commercial documents under the control of the opposing party, subject to the protection of confidential information.
• Measures to preserve the evidence 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.
• Inaudita altera parte
Right of information

- Possibility to trace the origin and the distribution networks of the goods or services which infringe an intellectual property right.
- In the context of infringement proceedings, on basis of “justified and proportionate request of the claimant” the competent judicial authorities may order the infringer or any other person who, for commercial purposes, is involved in the infringement (including) the intermediaries to disclose the network of piracy.
- The type of information consists of names, addresses, quantities and prices
- Safeguards are prescribed for the defendant such as the respect of rules on use of information in civil/criminal proceedings, the protection of confidentiality of information or the processing of personal data and the prevention of self-incrimination.
Corrective measures

• Recall from the channels of commerce;
• Definitive removal from the channels of commerce; or
• Destruction
• Carried at the expenses of the infringer, unless particular reasons are invoked for not doing so
Final injunctions

• Possibility to issue an injunction against the infringer with the aim of prohibiting the continuation of the infringement.
• Where provided for by the national law, non-compliance with the injunction shall, where appropriate, be subject to recurring penalty payment, with a view to ensuring compliance.
• The injunction can be served on intermediary whose services are used by a third party to infringe an intellectual property right.
Article 13 implements within EU article 45 of the TRIPS Agreement.

Distinction if the infringer did (§1) or did not (§2) knowingly, or with reasonable ground to know, engage in infringing activity

Two methods of setting damages (13§1), alternatively but not cumulatively:
- negative economic consequences – lump sum

Damages

Intentional or negligent infringer (13§1) MANDATORY
- Setting damages

Acting in good faith (13§2) OPTIONAL
- Ordering

- Negative Economic Consequence OR Lump Sum
- Recovery of Profits OR Payment of (pre-established) damages
Setting Damages…
Article 13 § 1 (a)

The Judicial Authorities shall take into account:

- All appropriate aspects such as the **Negative Economic Consequences**
  - Lost profits the injured party has suffered
  - Unfair Profits made by the infringer

- Elements other than economic factors
  - Moral Prejudice
Negative Economic Consequences

1. Lost profits which the injured party has suffered

- Lost of profits are usually defined as **profits which would have been earned by the rightholder, in the absence of the infringement, or which would have been justifiably expected.**
- Lost of profits is **difficult to prove.** Sometimes is unclear if the price of the original product or the price of the pirated product should be taken into consideration. The courts often find it difficult to assess lost profits precisely and therefore the courts decide into an ex aequo et bono evaluation. Lost profits may also be determined by experts.
- As to the factors used to undertake the calculation of lost profits, it is often the net profit that is taken into consideration. The number of infringing products is multiplied by a price per product as determined by the court.
Negative Economic Consequences

2. Unfair profits made by the infringer

• Not so attractive measure as it seems...
• It is *rarely requested* by the right holders
• Infringer may sometimes make higher profits with the infringing products than the rightholders and it is difficult for them to prove that they would have earned the same profits as the infringers particularly where the infringers offer their products under conditions that significantly differ from those of the legal channels.
Negative Economic Consequences
3. Moral Prejudice

• These moral damages have **nothing to do** with the moral right.

• Prejudice on rightholder’s **image** or **reputation**
Setting Damages…
Article 13 § 1 (b)

The Judicial Authorities may in appropriate cases

Set the damages as a lump sum

**Basis:** at least the amount of royalties/fees which would have been due if the infringer had requested authorization to use the IPR in question. Usually in national laws this amount is higher in order to dissuade the action of the infringers and to cover the expenses for their identification and research.
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CJEU OTK v. SFP C-367/15

- On 25 January 2017, the Court of Justice of the European Union (CJEU) delivered its judgment in OTK v. SFP, concerning the issue of the Enforcement Directive (2004/48/EC) and “hypothetical royalties”. The case arose following a dispute between the Polish broadcaster Oławska Telewizja Kablowa (OTK), and Stowarzyszenie Filmowców Polskich (SFP), an organisation collectively managing copyright in Poland, in particular audiovisual works. As part of the proceedings, the Polish Supreme Court referred a question to the CJEU on whether Article 79(1)(3)(b) of Poland’s copyright law was compatible with EU law. Article 79(1)(3)(b) provides that a rightholder may request a copyright infringer to remedy the loss based on payment of a sum corresponding to two or three times the amount of the fee which would have been due had permission for use been given.
Thus, the Directive “must be interpreted” as not precluding national legislation allowing a rightholder to claim payment of a sum corresponding to twice the amount of a hypothetical royalty. The Court rejected the argument that compensation calculated on the basis of doubling the amount of the hypothetical royalty would not be “proportional to the loss actually suffered”, finding that such a characteristic “is inherent in any lump-sum compensation”. Moreover, the CJEU held that even though the Directive does not impose an obligation on member states to provide for “punitive” damages, this did not mean that the Directive prohibited introducing such measures.

Finally, the CJEU held it was “not evident” that the Polish provision at issue entailed an obligation to pay punitive damages. This was because “mere payment” of a hypothetical royalty is not capable of guaranteeing compensation in respect of all the loss actually suffered, given that it would not, in itself, ensure reimbursement of costs, compensation for possible moral prejudice, or payment of interest on the sums due. In this regard, the CJEU referred to OTK’s admission that payment of twice the amount of the hypothetical royalty is equivalent in practice to compensation of an amount remaining below what the holder would be able to claim on the basis of “general principles”. However, the CJEU did admit that “in exceptional cases, payment for a loss calculated on the basis of twice the amount of the hypothetical royalty will exceed the loss actually suffered so clearly and substantially that a claim could constitute an abuse of rights, prohibited by Article 3(2) of Directive 2004/48.
Alternative:
Appropriate remuneration for a fictitious license

☑ If there is not an agreed royalty rate or where it is difficult to determine precise rates, an estimated average royalty related to the specific type of business involved is used.

☑ **More attractive** as a measure because it mitigates the evidentiary difficulties involved by other means of evaluating damages.

☑ **Mainly used** in practice.
Implementation & Jurisprudence

- Greece
- Germany
- France
Greece Decision 1430/2010, Court of Appeal – Hotels

- Luxurious hotel with TV sets in the 154 rooms refusing to pay royalties to the CMO for 2003 and 2004
- Tariffs set by the CMO as €21,42 per room / per year
- It is a communication to the public of the broadcasting programs thus royalties must be paid
- The Court awarded the double of the normally payable remuneration for the form of exploitation, thus €21,42 x 154 rooms = €3.298,69 x 2 years = €6.597,36 x 2 (double of the normally paid remuneration) = €13.194,72 (with the legal interests).
Greece Decision 670/2007,
Supreme Court – National Orchestra

- Musicians participating in an orchestra, unauthorized recording, reproduction and broadcasting (although limited 12 minutes) of their performance
- Taking under consideration that the time of the broadcasting was limited (only 12 minutes), the double of the normally payable remuneration for this form of exploitation [€800 for the recording, €700 for the reproduction and €800 for the broadcasting (2.300 x 2 =€4.600)].
- Moral damages taking under consideration the extent of the culpability of the defendants who knew that remuneration should be paid to the musicians €1.400.
A sculpture was placed in the central square of a Municipality in 1970. In 2002 the author was informed that the Mayor of the city decided to replace the sculpture with a new one. He then communicated with the competent authorities of the city and informed them on the way the sculpture should be disassembled and stored, if it was to be removed and transported.

In 2002 the Mayor decides to replace the sculpture with a new one. The sculpture was destroyed.

The artist claimed for compensation and for moral damage.

The Court held only the claim for moral damages.

The indemnification was estimated at 40,000 euros considering the culpability of the municipal authorities, the artistic value of the sculpture, the nature of the work and the economic situation of the Municipality (as newly founded with no important income).
Germany Supreme Court’s Decisions
Appropriate remuneration for a fictitious license

• 26 March 2009, GRUR 2009 p.660
• “(..) the appropriateness of the license fee is not to be measured objectively and according to usual practice in the relevant industry but according to the license practice of the damaged right holder (..)”
Supreme Court’s Decisions
Appropriate remuneration for a fictitious license

• 2 October 2008, GRUR 2009, p. 407 (Whistling for a train Case)
  • The infringer could not rely on a past license agreement which had stipulated a license fee that was clearly below the objective value of the right of use.
  • In any case the license fee has to correspond to the objective value of the right of use.
Supreme Court’s Decisions
Actual profits of the infringer

14 May 2009, GRUR 2009, p. 856
(Tripp Trapp chair Case)
Supreme Court’s Decisions
Actual profits of the infringer

• “(..) all costs immediately due to the production and distribution of the infringing goods must be deducted from the overall profits, such as the costs for shipping of the infringing children’s chair (..)”

• the infringer has to render only those profits that are the result of the infringing act.

• The profits from the sale of the chair resulted also from the functionality and not only from the aesthetic impression.

• The right owner could claim the actual profits from each infringer in the distribution chain and the infringer may deduct from the damages the amounts already paid to his buyers.
Supreme Court’s Decisions
Actual profits of the infringer

• **25 March 2010, GRUR 2010, p. 969**
  The right owner could claim a percentage of the income from advertising placed in context with the broadcast of the infringing moving images, even if the advertising spots had already been booked before it was clear that the infringing images would be broadcast in this context.

• It was sufficient for the causal link between the infringement and the profits that the advertising client was ready to pay his fees for broadcasting in context with a certain type of broadcasts rather than in context with a particular broadcast.
An example of assessing compensatory royalties
First Instance Tribunal of Paris
18/12/2009 Ed. Seuil etc. v. Google

- Digitization and online dissemination of more than 250 abstracts of books published by 3 French Publishers without their permission
- Taking into account expert’s report
- Evaluating the “masse contrafaisante”
- Fixing a lump-sum of 300,000 euros as a reparation of the prejudice
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Legal costs

Reasonable and proportionate legal costs and other expenses incurred by the successful party shall, as a general rule, be borne by the unsuccessful part, unless equity does not allow this.
Criminal sanctions

- As regards criminal sanctions at EU level considerable differences laid down by national legislation in:
  - a) level of punishment
  - b) method of calculating fines

- Fines range from several thousand euro (Italy, Luxembourg) to nearly EUR 500,000 (Belgium) and to more than EUR 750,000 (for legal persons in France). Certain countries do not lay down a maximum fine, since the amount is calculated according to the income of the infringer (for example, the Nordic countries, Austria and Germany).

- The prison sentences range from several days to 10 years (Greece, United Kingdom).

- At least in Cases of willful trademark counterfeiting or copyright piracy on a commercial scale
- Remedies should include:
  - Imprisonment and/or monetary fines sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity
  - Seizure, forfeiture and destruction of the infringing goods and of any materials and implements the predominant use of which has been in the commission of the offence.
- May be provided for other IPRs
Criminal sanctions of copyright in Greece.
Art. 66 (1)

- L. 2121/1993 introduces a criminal law system by virtue of which criminal proceedings can be applied against all acts which constitute copyright/related rights infringement. The penalties provided are very severe.
- Any person who, in contravention of the provisions of this law or of the provisions of lawfully ratified multilateral international conventions on the protection of copyright, unlawfully makes a fixation of a work or of copies, reproduces them directly or indirectly, temporarily or permanently in any form, in whole or in part, translates, adapts, alters or transforms them, or distributes them to the public by sale or other means, or possesses with the intent of distributing them, rents, performs in public, broadcasts by radio or television or any other means, communicates to the public works or copies by any means, imports copies of a work illegally produced abroad without the consent of the author and, in general, exploits works, reproductions or copies being the object of copyright or acts against the moral right of the author to decide freely on the publication and the presentation of his work to the public without additions or deletions, shall be liable to imprisonment of no less than a year and to a fine from 2,900-15,000 Euro.
Observations

• There are no criminal sanctions against the infringement of public lending right.

• From moral right prerogatives, only the right of divulgation and the right of integrity are punished.
Criminal Sanctions of related rights. Article 66 (2) L.2121/1993 Performers

- A) Without the permission of the performers:
  - a) fixes their performance,
  - b) directly or indirectly, temporarily or permanently reproduces by any means and form, in whole or in part, the fixation of their performance
  - c) distributes to the public the fixation of their performance or possesses them with the purpose of distribution,
  - d) rents the fixation of their performance,
  - e) broadcasts by radio and television by any means, the live performance, unless such broadcasting is rebroadcasting of a legitimate broadcasting,
  - f) communicates to the public the live performance made by any means, except radio and television broadcasting,
  - g) makes available to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them, the fixation of their performance.
Criminal Sanctions of related rights.
Article 66 (2) L.2121/1993 Phonogram producers

• B) Without the permission of phonogram producers (producers of sound recordings):
  • a) directly or indirectly, temporarily or permanently reproduces by any means and form, in whole or in part, their phonograms,
  • b) distributes to the public the above recordings, or possesses them with the purpose of distribution,
  • c) rents the said recordings,
  • d) makes available to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them, their phonograms,
  • e) imports the said recordings produced abroad without their consent.
Criminal Sanctions of related rights.
Article 66 (2) L.2121/1993 Producers of audiovisual works

- C) Without the permission of producers of audiovisual works (producers of visual or sound and visual recordings)
- a) directly or indirectly, temporarily or permanently reproduces by any means and form, in whole or in part, the original and the copies of their films,
- b) distributes to the public the above recordings, including the copies thereof, or possesses them with the purpose of distribution,
- c) rents the said recordings,
- d) makes available to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them, the original and the copies of their films
- e) imports the said recordings produced abroad without their consent
- f) broadcasts by radio or television by any means including satellite transmission and cable retransmission, as well as the communication to the public
Criminal Sanctions of related rights.
Article 66 (2) L.2121/1993 Broadcasters

- D) Without the permission of radio and television organizations:
  - a) rebroadcasts their broadcasts by any means,
  - b) presents their broadcasts to the public in places accessible to the public against payment of an entrance fee,
  - c) fixes their broadcasts on sound or sound and visual recordings, regardless of whether the broadcasts are transmitted by wire or by the air, including by cable or satellite
  - d) directly or indirectly, temporarily or permanently reproduces by any means and form, in whole or in part, the fixation of their broadcasts,
  - e) distributes to the public the recordings containing the fixation or their broadcasts,
  - f) rents the recordings containing the fixation of their broadcasts,
  - g) makes available to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them, the fixation of their broadcasts.
Criminal sanctions for private copying levies Art. 66 (4)

• Any person who did not pay the remuneration provided for by Article 18, paragraph (3) hereof to a collecting society is punished with the sanction of paragraph (1), (2) and (3).
• The same sentence is imposed on the debtor who, after the issuance of the decision of the one-member first instance court, does not submit the declaration under the provisions of article 18, par. 6, of this law.
For producers of audiovisual works, broadcasting by radio or television by any means including satellite transmission and cable retransmission, as well as the communication to the public is punished.

**BUT**

For phonogram producers, when sound recordings are used for a radio or television broadcast by any means, such as wireless waves, satellite or cable, or for communication to the public, the user shall pay a single and equitable remuneration to the performers whose performances are carried on the recordings and to the producers of the recordings. This remuneration shall be payable only to collecting societies. The non-payment of such remuneration is not punished.

**ALSO**

The right on previous unpublished works of Article 51A of L.2121/1993 is not punished.
Criminal sanctions for circumvention of technological measures, distribution without banderoles etc.

Art. 66 (5)

• The sanctions specified in paragraph (1), above, shall be applicable likewise to any person who:
  • a) uses or distributes, or possesses with the intent to distribute, any system or means whose sole purpose is to facilitate the unpermitted removal or neutralization of a technical system used to protect a computer program;
  • b) manufactures or imports or distributes, or possesses with intent to distribute, equipment and other materials utilizable for the reproduction of a work which do not conform to the specifications determined pursuant to Article 59 of this Law;
  • c) manufactures or imports or distributes, or possesses with intent to distribute, objects which can thwart the efficacy of the above-mentioned specifications, or engages in an act which can have that result;
  • d) reproduces or uses a work without utilizing the equipment or without applying the systems specified pursuant to Article 60 of this Law;
  • e) distributes, or possesses with intent to distribute, a phonogram or film without the special mark or control label specified pursuant to Article 61 of this Law
Criminal sanctions against infringement of Copyright and sui generis right of databases

• Any person who proceeds to authorized temporary or permanent reproduction of the database, translation, adaptation, arrangement and any other alteration of the database, distribution to the public of the database or of copies thereof, communication, display or performance of the database to the public, is punished by imprisonment of at least one (1) year and a fine of 3.000 to 15.000 euro.

• Any person who proceeds to extraction and/or re-utilization of the whole or of a substantial part of the contents of the database without the authorization of the author thereof, is punished by imprisonment of at least one (1) year and a fine of 3.000 to 15.000 euro (article 12 of Directive 96/9).
Aggravating circumstances
Art. 66 (3)

• Great financial gain
• Great damage caused
  – The sanction shall be imprisonment of no less than two (2) years and a fine of from 6,000 to 30,000 Euro.
• Commitment of the acts by profession or at a commercial scale
• Dangerousness of the infringer
  – The sanction shall be imprisonment of up to ten (10) years and a fine of from 15,000 to 60,000 Euro, together with the withdrawal of the trading license of the undertaking which has served as the vehicle for the act.

• The act shall be likewise deemed to have been perpetrated by way of standard practice if the guilty party has on a previous occasion been convicted of a contravention pursuant to the provisions of the Article or for a violation of the preceding copyright legislation and sentenced to a non-redeemable period of imprisonment.

• Any infringement of copyright and related rights in the form of felony is tried by the competent Three-member Court of Appeal for Felonies.
Mitigating circumstances
Art. 66 (7)

- Where mitigating circumstances exist, the fine imposed shall not be less than half of the minimum fine imposable as per the case under this Law.

- This principle has been confirmed by the decision 1797/2001 of the Hellenic Supreme Court that also clarified that if the Court, recognising mitigating circumstances, sentence the suspect to imprisonment is not obliged to impose additionally half of the minimum fine imposable as per the case under this Law.
Relation between criminal sanctions and administrative fines

- When the object of the infringement refers to computer software, the culpable character of the action, as described in paragraph 1 of article 65A and under the prerequisites provided there, is raised under the condition that the infringer proceeds in the unreserved payment of the administrative fee and the infringement concerns a quantity of up to 50 programs.

- When the object of infringement concerns recordings of sound in which a work protected by copyright law has been recorded, the unreserved payment of an administrative fee according to the stipulation of par.2 of article 65A and under the prerequisites provided there, the culpable character of the action is raised under the condition that the infringement concerns a quantity of up to five hundred (500) illegal sound recording carriers.

- The payment of the administrative fee and the raising of the culpable character of the action, do not relieve the infringers from the duty of buying off the copyright and related rights or from the duty of compensating and paying the rest expenses to the holders of these rights, according to the provisions of the relevant laws.

- In case of recidivism during the same financial year the administrative fee provided for by article 65A doubles.
Skills and expertise to identify criminal offences in the area of Copyright

- Knowledge building for judiciary
  - Trainings
  - Case law
  - Best practices
- Tools for instance IPR Common database of law enforcement authorities, IP Manuals
- Platform for coordination of investigations and prosecution
Challenges

• Scene crime – internet

• In many cases, electronic evidence is stored outside the investigating country (e.g., foreign ISPs, email providers, or servers)

• Law enforcement needs to act quickly to preserve this evidence

• Standards for storing electronic data vary widely from country to country (and even within countries)

• Hard to figure out who can help you

• Link to other financial crimes
Links to other offences

- Tax evasion
- Money laundering
- Unfair competition
- Organized crime
Preliminary investigation

• Start: Complaint/ Ex officio investigation. Copyright and related rights’ infringements in Greece are prosecuted *ex officio*.

• Establish the right (right holder, validity, lack of authorisation) and the type of infringement.

• Gathering information on the infringer, his activity e.g. identify the type of software that could be used taking into consideration the profile of the activity; checking in the databases available.
Preliminary investigative step

• Check in the field
• Check with owners - databases about license for use
• Test-Buys, Surveillance
• Wiretapping, Data-Surveillance to
• Establish Criminal Intent a.o.
Criminal Investigation and Prosecution

- Performed by: **Police under the supervision of the prosecutor/ Prosecutor himself**

- Legal tools:
  - Preservation of evidence
  - Technical surveillance for serious crimes/committed through an IT system or the punishment provided by the law is higher then 5 years:
    - interception of any communications
    - access to a computer system
    - video/ audio surveillance
    - localization and tracking by technical means
    - obtaining the data on financial transactions
  - **Authorized: by the judge**

- **The secrecy of communications cannot be lifted for Copyright infringement nor for computer fraud in Greece since these crimes are not listed in the relevant law 2225/1994.**

- For urgent situations 48h by the Prosecutor
Forcible seizure of objects and forced lifting

- Lifting objects (ex. HDD, CD, DVD, data storage sticks) which contain:
  - computer data
  - traffic related information or
  - user related information
- from the person or ISP in possession of the data in order to make copies, which may serve as evidence
- The lifting shall be disposed by the criminal prosecution body or by the court
- If not voluntarily made available to the judiciary body in order to make copies, the prosecutor or the court shall dispose forced lifting.
Criminal investigation

- Security/safety measures:
  - Seizure of goods and documents
  - Seizure of bank accounts
- Only prosecutor or judge
- Purpose: confiscation, cover the damages, guarantee the execution of fine
Good practices in EU on asset recovery

• Asset recovery is a very recent field of international activity in countering different crimes.

• It involves an efficient and effective criminal justice system, sound preventive polices and transparent financial regulations.
Panorama of case-law on criminal sanctions against copyright and related rights infringement in Greece (1)

- **Supreme Court 1496/2000.** Conviction for pirated home video cassettes and covers.
- **Court of Appeal of Larissa 629/2002.** Reproduction of books by photocopying
- **Supreme Court 1352/2003.** Penal liability of the organiser of a concert, if there are songs performed without authorisation of the author or the CMO.
- **Supreme Court 907/2003.** Infringement of the right of communication to the public by use of a radio connected to audio system in a shop.
Panorama of case-law on criminal sanctions against copyright and related rights infringement in Greece (2)

- **Supreme Court 1951/2002.** Possession of pirated CDs with the intention of distribution
- **Supreme Court 1899/2004.** Conviction of Street-seller of pirated CDs.
- **Supreme Court 1973/2005.** Conviction for selling CD-recorders containing games and films
- **Court of Appeal Athens 3128/2003 and Supreme Court 1500/2006.** Illegal Reproduction of Computer programmes for Architects
Panorama of case-law on criminal sanctions against copyright and related rights infringement in Greece (3)

- **Court of Minors Athens 205/2001.** Sanction of reprimanding for a minor who at the house of his family was using a computer and recording machines for reproducing pirated CDs and was selling them to students of his school.
- **Court of Rodopi 26/2008.** Conviction for photocopying of a scientific book.
- **Court of Lefkada 12/2004.** For establishing copyright infringement under Art. 66 (1) it is necessary to refer to the works exploited without authorization, the titles of songs and the recording companies, even as a sample.
- **Court of Thessaloniki 12128/2003.** Conviction of a person who was found in possession of pirated CDs in his car with the intention to sell them.
Conclusions

• Copyright and related rights are protected by genuinely deterrent criminal sanctions in Greece

• Civil protection is the basis for criminal enforcement

• Good laws are clear laws.

• Debate: Criminal sanctions in Greece are very severe. Thus criminal judge reluctant to impose such severe penalties.
Overview of EU Regulation 608/2013 on IP border enforcement

Clarify objectives and scope

Since the border measures do not aim to apply to goods in free circulation, the Regulation explicitly mentions that the Regulation will not apply to goods in free circulation under the end-use regime.

Exclusions from the scope (art. 59 par. 3, 4 and 5).

Increase legal certainty

The new legislation facilitates the seizure of goods in transit even where there is no suggestion that the goods might be destined for the EU (art. 59 par. 6)
Clear delineation of the subject matter is a major achievement of the new Regulation.

Set out the conditions and procedures for action by the customs authorities who suspect that goods under their supervision infringe IPR. Art. 59 par. 1.

Make sure that Customs legislation is not construed as containing any substantive provisions influencing the determination of IPR infringements (art. 59 par. 1 and par. 7).

This Regulation solely contains procedural rules for customs authorities. Accordingly, this Regulation does not set out any criteria for ascertaining the existence of an infringement of an intellectual property right. (Recital 10).

Unlike Regulation 1383/2003, no chapter in the new Regulation containing “provisions applicable to goods found to infringe IPR”. Except in cases where one of the simplified procedures set forth can be applied, it will be up to the courts to determine whether such goods will be allowed to enter or leave the EU customs territory, or whether they must be forfeited to the exchequer, destroyed, or disposed of outside commercial channels.
The Regulation is **widening the scope of border measures system to include IPR which hitherto did not form part of it.** According to Article 2 par. 1 Customs checks should be extended to goods suspected of infringing:

- **a) trade names** (in so far as they are protected as exclusive property rights under national law),
- **b) topographies of semiconductor products,**
- **c) utility models.**
Next to the moulds and matrices, which were already part of Regulation 1383/2003, the Regulation also aims to empower Customs to take action against:

- Devices, products or components which circumvent any technology, device or component that, in the normal course of its operation, prevents or restricts acts in respect of works which are not authorized by the right holder of any copyright or related right and which infringe an IPR under the law of that MS.

This is yet another welcome development.

Over the last few decades, customs authorities have proved to be very effective in using the regulation to prevent the movement of pirated copies of video-games or audio-visual recordings shipped in physical form.
In addition to broadening the scope of the EU border measures system to integrate IPR which were excluded from Regulation 1383/2003, the ambit of the new Regulation is widened by including infringements—which had hitherto also been excluded—of rights covered by the previous Regulation.

Basically, with the exception of the specific case of goods contained in personal luggage, the Regulation aims to grant powers to Customs to take action, with regard to the mentioned IPR, against all type of infringements contemplated by the EU’s and MS’ substantive legislation.

This represents a significant improvement. Indeed, as far as trade mark infringements are concerned, Regulation 1383/2003 only applied to “counterfeit goods”, defined narrowly in Art. 2 par. 1 (a) (i). This means that Customs were allowed to intervene only when suspected goods bore a sign which was identical or quasi-identical to the right-holder’s trade mark, and only where the trademark had been registered for the same type of goods.

As regards copyright and design infringements, not all types of copyright or design infringements were caught by Regulation 1383/2003 either.
The competence of customs authorities to detain, or suspend the release of, goods which they are suspect of infringing an IPR, before having been notified of a decision granting an application with respect to those is maintained. However, this possibility that was already limited under Regulation 1383/2003, will no longer be available at all for perishable goods under the new Regulation. This is regrettable, as counterfeit perishable goods can have severe effect on consumer’s health.

Before detaining, or suspending the release of, the goods, the customs authorities are now explicitly allowed to communicate images of the goods “as appropriate” to any person entitled to submit an application concerning the alleged IPR infringement.
The Regulation specifies the type of information that must be included in applications for action, in order to enable Customs to recognize more readily goods that may infringe an IPR. Use of the standardized application adopted by the Commission is always mandatory.

While the communication of some information under Regulation 1383/2003 was only “optional”, the new Regulation no longer distinguishes between “optional” and “mandatory” information, and provides a detailed list of data which must be submitted to Customs.

When Customs consider that the application does not contain all the information required, they will request the applicant to supply the missing information within 10 working days of dispatch of the notification. If the applicant fails to provide the missing information within that period, Customs will have no choice but to reject the application.

The new regime is at the same time more stringent and more flexible than under Regulation 1383/2003. Indeed, on the one hand, the latter did not oblige Customs to reject applications which did not contain the required information. On the other hand, in such scenario, the existing regulation did not enable the applicant to remedy the situation by providing additional information; the only option available was either to appeal against the decision of Customs not to process the application, or re-submit the application duly completed.
Application for action by customs authorities
-Submission and processing of applications-

In a nutshell, the applicant will be required to provide any information relevant to the customs authorities’ analysis and assessment of the risk of infringement.

Applications following an *ex officio* action may, however, be less detailed than “applications a priori”; however, where goods have been detained, or their release suspended, prior to the admission of an application, the application will be granted only in relation to these specific goods, if it does not contain all the information required for applications a priori. This is because in such cases, Customs will generally not be able to make a proper risk analysis with a view to apprehending future consignments.
Several IPR may be covered by one single application.

The applications must be filed with the customs departments designated by the MS as being competent to receive and process them.

There will still be no obligation on the MS to permit the filing of applications for action through computerized systems. However, where such systems are available, applications will now have to be submitted using electronic data-processing techniques. This is, again, progress compared to the regime of Regulation 1383/2003, which only provides that the MS in which electronic data interchange systems exist, had to encourage right-holders to lodge applications electronically.

As was already the case under Regulation 1383/2003, the processing of applications for action under the new regime will be free of charge.
Application for action by customs authorities
-Amending the decision with regard to IPRs-

The competent customs department that adopted the decision granting the application may, at the request of the holder of that decision, modify the list of (i.e. add or remove) IPRs in that decision.

Neither regulation 1383/2003 nor Regulation 1891/2004 dealt with this issue. However, the “Manual for lodging of applications for customs action” released by the Commission considered that it was not possible to include new IPRs in a pending application. Instead, a new application had to be filed covering the new IPRs. Alternatively, a new application covering all IPRs could also be filed.
Inspection and sampling of goods whose release has been suspended or which have been detained

The declarant or the holder of the goods *must* be given the opportunity to inspect them.

Customs *may* also provide samples to the right-holder at the latter’s request, “strictly for the purposes of analysis and to facilitate the subsequent procedure”. Although the wording is obscure in this regard, it seems that such a possibility only exists “in relation to counterfeit and pirated goods”.

As is already the case under Regulation 1383/2003, the new Regulation specifies that “any analysis of those samples shall be carried out under the sole responsibility of the holder of the decision granting the application”, and that, where the circumstances allow, “the samples shall be returned on completion of the technical analysis and before the goods are released or their detention is ended”. Failure to return the samples may cause Customs to suspend their actions until the expiry of the validity period of the decision granting the application, and/or to refuse to extend that decision.
Inspection and sampling of goods whose release has been suspended or which have been detained

Upon request and if known, Customs must provide the right-holder with the names and addresses of the consignee, the consignor, the declarant, or the holder of the goods, and the origin and provenance of the goods. The Regulation no longer specifies, as is the case under Regulation 1383/2003, that the provision of such information must be “in accordance with national provisions on the protection of personal data, commercial and industrial secrecy and professional and administrative confidentiality”. This provision has indeed become obsolete since the judgment of the CJEU in the Adidas case.

On request by the right-holder, Customs must also provide him with information on the customs procedure under which the goods have been placed, and on their destination. This new provision is extremely helpful, since this data is relevant to the determination of the infringement. In several MS, right-holders were facing great difficulties under Regulation 1383/2003 in trying to obtain (correct) information from Customs regarding the customs regime of goods, which is in many cases relevant to the infringement proceedings.

A welcome development of the Regulation concerns the clarification of what constitutes “permitted use” by the right-holders of the above information. The right-holder is only to use the above information to initiate proceedings to determine whether an IPR has been infringed, or to seek compensation from the infringer or other persons where goods are destroyed in accordance with one of the simplified procedures laid down in the Regulation. Failure of the right-holder to comply with this rule may cause Customs either to suspend the decision granting an application in the MS where the information was provided or unduly used until the expiry of the period of validity of that decision, and/or refuse to extend the period.
Simplified procedure for destruction

MS will no longer have the option of choosing a simplified procedure which would discard the “implied consent” doctrine. Yet, it seems that Customs will have discretion when deciding whether or not to apply this doctrine in practice. Indeed, the Regulation states that where the declarant or holder of the goods fails to object to their destruction in due time, Customs “may” deem that he has agreed to their destruction.

Samples must be taken of counterfeit or pirated goods prior to destruction. Such samples will be helpful whenever the implied-consent doctrine has been applied, and the declarant or holder of the goods (or any third party) subsequently claims compensation as a result of their destruction. No longer requirement for such samples to be kept by customs. Hence, it would seem that the suggestion made by some stakeholders, that the new regulation should allow right-holders to retain samples of goods detained by Customs (eg for training purposes) on condition that they are definitively removed from commercial channels, has to some extent be taken into consideration.
Storage, destruction and costs

The Regulation stipulates, however, that the customs authorities “may” allow such goods to be moved under customs supervision between different places within the customs territory of the Union with a view to their destruction under customs control. Although this provision might, at a first sight, seem trivial, it constitutes a significant innovation of the new regime. Indeed, under Regulation 1383/2003, it has sometimes proved difficult in some MS to secure the destruction of certain types of counterfeit goods, which needed to be destroyed using special equipment in order to comply with specific environmental rules. When such equipment was not available in the country where the goods were intercepted, destruction could only be achieved after the consignment had been transported to another MS. However, Customs often opposed such moving of the goods due to Article 16 of the Regulation, which prohibited any entry or movement of the goods into the customs territory of the Union.
With the same aim of encouraging environmentally-friendly destruction processes in mind, the Regulation defines “destruction” broadly. Goods which have been abandoned for destruction can either be physically destroyed, recycled, or disposed of outside commercial channels, in such a way as to preclude injury to the right-holder”.

While Regulation 1383/2003 clearly distinguishes between ‘destruction” and “disposal of the goods outside commercial channels”, destruction is the only available option under the simplified procedure. Moreover, heated discussions have taken place as to whether or not Regulation 1383/2003 allows the “recycling’ of counterfeit goods. The practices in the MS varied in this regard.
Recovery of costs

Regulation 1383/2003 gave rise to heated debates on whether or not it precluded right-holders from seeking compensation from third parties, including infringers, for demurrage, storage, and destruction costs.

The new Regulation clarifies the situation by stating that the right-holder is liable to reimburse all costs incurred by Customs, without, however, denying right-holders the option of taking legal action to recover such costs from the primary liable party—be it infringer, or other persons that might be considered liable according to the legislation of the MS where goods were found.

The Regulation also specifies that costs and damages incurred by persons other than customs administrations as a result of customs action, where the goods are detained on the basis of a claim of a third party based on IPR, should be governed by the specific legislation in each particular case (Recital 24).

There is little doubt that the issue of liability will continue to give rise to discussions under the new Regulation. Since right-holders are victims of counterfeiting and piracy, it is indeed hard to understand why they should remain liable to support the costs of storage or destruction of such goods.
Public consultation for evaluation and modernisation of enforcement directive by EC

Right holders, the judiciary and legal profession and citizens called for an adjustment of the rules for setting damages.

Respondents do not only seek more legal clarity on the calculation of damages but also a fairer allocation.
Thank you
Thank you for your attention

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