



**Consultation on the Proposal for a
Directive of the
European Parliament and of the
Council on measures and
procedures to ensure the
enforcement of intellectual
property rights**



PATENT OFFICE

A DTI SERVICE

The Patent Office is the Executive Agency of the DTI responsible for the national framework of Intellectual Property rights, covering patents, designs, trade marks and copyright.

We manage an intellectual property system that encourages innovation and creativity, balances the needs of consumers and users, promotes strong and competitive markets and is the foundation of the knowledge-based economy.

The DTI drives our ambition of 'prosperity for all' by working to create the best environment for businesses to succeed in the UK. We help people and companies become more productive by promoting enterprise, innovation and creativity.

Consultation on the Proposal for a Directive of the European Parliament and of the Council on measures and procedures to ensure the enforcement of intellectual property rights (COM(2003) 46 final)

Purpose of the consultation

This consultation is being conducted to seek the views of the United Kingdom interests as part of our preparations for the discussion process taking place at the Council of Ministers in Brussels. A focus group¹ will also be established to assist with the consultation.

The consultation follows on from the information note² issued earlier this year and those interests that have already submitted position papers can indicate that these should be recorded as their response to the consultation with or without additional comments. Any quantification of the impact of the provisions (or revised provisions) in the proposal would be particularly useful.

The proposal can be viewed at:

http://europa.eu.int/eur-lex/en/com/pdf/2003/com2003_0046en01.pdf

¹ <http://www.patent.gov.uk/about/consultations/how.htm>

² <http://www.patent.gov.uk/about/consultations/written/econsult47.pdf>

Summary of issues

Our Explanatory Memorandum³ (March 2003) set out our initial views on the proposal. Discussions in the Council Working Group and comments received largely confirm our initial view that the proposal will need to be substantially amended before it can be adopted. We believe that following issues need to be resolved to arrive at a text that can generally supported:

- Whether or not the proposal should apply to more than counterfeiting and piracy and, if not, what falls within the scope of counterfeiting and piracy (we do not think the broad scope of the proposal is consistent with the legal base chosen);
- What provisions that are **not** required by the TRIPS (Trade Related Intellectual Property Rights) Agreement should be provided;
- How the legitimate concerns of both defendants and third parties are best dealt with;
- What provisions that do **not** currently exist in UK law should be provided and to what extent these would be inconsistent with the civil law as it applies to torts more generally.

We do not believe that this proposal should change the existing position on liability of intermediaries as set out in the Copyright Directive and the Electronic-commerce Directive. Nor do we think that this proposal should result in different protection for technical measures applied to copyright material from that set out in the Copyright Directive. We would be interested in views on this and what provision, if any, should be made for intermediaries and technical measures in this proposal in areas outside copyright and related rights.

More generally we need to improve the impact assessment⁴, and any comments that assist with this would be helpful.

³ http://www.parliament.uk/parliamentary_committees/european_scrutiny/the_european_scrutiny_system_in_the_house_of_commons.cfm

⁴ Please see Annex A

Background

Introduction

1. This proposal is part of a broad-based approach by the Commission to tackle counterfeiting and piracy. On 20 January 2003, the Commission also submitted a proposal for a Regulation (to replace existing Regulation 3295/94) laying down conditions for customs action against goods that rights holders or customs suspect of infringing Intellectual Property Rights (IPR). This Regulation⁵ (1383/2003) was adopted on 22 July 2003.

2. The proposed Directive covers infringement of all intellectual property rights (both copyright and industrial property, such as trade marks, patents and designs) deriving from Community and European law. It aims to build on Member States' international obligations and notably the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs).

UK Parliament

3. An Explanatory Memorandum⁶ (EM) was submitted in March 2003. The House of Commons European Scrutiny Committee considered the EM on 21 May 2003 and concluded as follows:

“6.15 We share the Minister’s concerns over this proposal. The provisions of Article 17 seem to us to impose an excessively prescriptive regime for the award of damages, and we do not think it appropriate for a Community instrument to seek to interfere with judicial discretion to award compensatory damages. We also agree that the provisions of Article 20 exceed the competence of the Community, and cannot properly be based on the EC Treaty.

6.16 In this regard, we found it particularly helpful to receive information on the attitude of other Member States, and we note that Germany shares the concerns over EC competence which the Minister has identified.

6.17 We consider that the provisions of Article 4 may also exceed the competence of the Community, in that they appear to leave Member States with little or no discretion, except to impose criminal penalties.

6.18 We shall hold the document under scrutiny, pending deposit of a revised text. We invite the Minister to consider, on that occasion, whether the provisions of Article 4 also exceed the competence of the Community.”

⁵ http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/1059|0|RAPID&lg=en&display

⁶ http://www.parliament.uk/parliamentary_committees/european_scrutiny/the_european_scrutiny_system_in_the_house_of_commons.cfm

4. The House of Lords European Scrutiny Sub-Committee E (Law and Institutions) examined the proposal and EM on 11th June 2003, and commented as follows:
- Does the proposal pass the subsidiarity test, given the Commission justify it on broad Single Market grounds;
 - Share our concerns that the Commission does not have the competence to harmonise criminal law as a first pillar measure as set out in Article 20;
 - Welcome a detailed assessment of the compatibility of Articles 7-9 (evidence and the right of information) with domestic law and the challenges they pose for human rights;
 - Agree that Article 17 would have considerable and undesirable impact on judicial discretion in awarding and calculating damages in this country. Would be grateful for a detailed assessment of what is being proposed with domestic law and human rights;
 - Emphasise the need for extensive consultation, particularly with patent judges;
 - Would like to see a specific impact assessment for the UK.

European Parliament

5. The Rapporteur (Janelly Fourtou) published a Working Document (PE 329.425)⁷ on 23 April 2003, and draft report⁸ on 17 September 2003. The Legal Affairs Committee is due to have its first discussion on this document on 1 October with the hope that the Council of Ministers will adopt the proposal after the Parliament's first reading.

6. A Draft Opinion⁹ (PE 322.013) was published by Luis Berenguer Fuster for the Committee on Industry, External Trade, Research and Energy on 23 May 2003. The Draft Opinion recommends 18 amendments to the proposal, a number address the scope of the Proposal (should concentrate on counterfeiting and piracy).

7. The Legal Affairs Committee has also considered the question of the legal bases for requiring the Member States to establish penal sanctions to protect Community law (Rapporteur - Ioannis Koukiadis). The final report¹⁰ (PE 329.428/fin) was tabled on 22 May 2003 and a vote in a Plenary Session is awaited.

Council Working Group

8. The Council Working Group has met several times to discuss the Proposal and has completed its first full reading of the Articles. However the comments thus far suggest that substantial changes will be needed to be the proposal before it can be accepted.

⁷ <http://www.europarl.eu.int/meetdocs/committees/juri/20030521/495099en.pdf>

⁸ [http://www2.europarl.eu.int/registre/commissions/juri/projet_rapport/2003/332534/JURI_PR\(2003\)332534_EN.doc](http://www2.europarl.eu.int/registre/commissions/juri/projet_rapport/2003/332534/JURI_PR(2003)332534_EN.doc)

⁹ <http://www.europarl.eu.int/meetdocs/committees/itre/20030610/497744EN.pdf>

¹⁰ <http://www.icampus.ucl.ac.be/conrad/BEDE0001/document/EBED762003/A5-180.pdf>

Comments from the Interests

9. An information notice was issued in March 2003, and as a result, more than 50 organisations and individuals have registered an interest in the Proposal and many have supplied comments. A wide variety of views have been expressed in the comments with many suggesting significant changes.

Timetable

This consultation is open until 12 January 2004, but we would welcome comments as soon as possible as the opinions expressed will be taken into account when presenting the United Kingdom's submissions to the Council of Ministers.

During the consultation an open meeting will be held to promote discussion of the issues. The meeting will be held in our London Office (Harmsworth House, 13-15 Bouverie Street, London EC4Y 8DP) on Monday, 3 November at 11.00 am. If you wish to attend this meeting please register your interest (we can accommodate around 50 people at such a meeting). A report of this meeting will be posted on our website before the end of the consultation.

Responding to the consultation

We have adhered to the Government's Code of Practice on Public consultations¹¹ in preparing this paper.

You may also request a Braille or large print version of this document. We would appreciate any comments or observations you may have; you can send them to us by e-mail or by writing to:

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Concept House
Cardiff Road
Newport
South Wales
NP10 8QQ

Email: jeff.watson@patent.gov.uk

Fax: +44 (0)1633 814922

¹¹ Please refer to Annex B

In the interests of Open Government, **we would like to make public all responses to the consultation.** (Please note that any responses to the information note have not been made available to the public). However, if you wish your contribution (or part of it) to this consultation to remain confidential, please ensure that it is marked accordingly.

Further copies of this paper

Further copies of this document may be obtained from:

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E-mail: fraser.daviss@patent.gov.uk
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Fax: +44(0)1633 814922

IMPACT ASSESSMENT

The European Commission included an impact assessment form with its Proposal¹² (COM(2003) 46), but this is not specific to UK interests and as part of the consultation report we will include an impact assessment. We would welcome comments that help us compile this assessment. To assist with this, where possible comments should address the following points:

- *Options* - should address particular provisions in the Proposal including assessment of options that might improve the benefits or reduce the compliance costs;
- *Business sectors affected* - by identifying those affected including the number and size distribution of the firms in each sector;
- *Assumptions* - identify any assumptions made;
- *Benefits* - these should be quantified and include social and environmental benefits;
- *Costs* - these should be quantified against particular activities/changes and any uncertainty/methods of estimation indicated. It would be useful to identify costs for a typical business;
- *Small Firms* - the impact on small firms is particularly important;
- *Competition* - whether the provisions improve or reduce competition.

¹² http://europa.eu.int/eur-lex/en/com/pdf/2003/com2003_0046en01.pdf

Code of practice on written consultations

The Cabinet Office has issued a code of practice on written consultations. The following criteria are recommended:

1. Timing of consultation should be built into the planning process for a policy (including legislation) or service from the start, so that it has the best prospect of improving the proposals concerned, and so that sufficient time is left for it at each stage.
2. It should be clear who is being consulted, about what questions, in what timescale and for what purpose.
3. A consultation document should be as simple as possible. It should include a summary, in two pages at most, of the main questions it seeks views on. It should make it as easy as possible for readers to respond, make contact or complain.
4. Documents should be made widely available, with the fullest use of electronic means (though not to the exclusion of others), and effectively drawn to the attention of all interested groups and individuals.
5. Sufficient time should be allowed for considered responses from all groups with an interest. Twelve weeks should be the standard minimum period for a consultation.
6. Responses should be carefully considered and open-mindedly analysed, and the results made widely available, with an account of the views expressed, and the reasons for decisions finally taken.
7. Departments should monitor and evaluate consultations, designating a consultation coordinator who will ensure that lessons are disseminated.

Comments on the handling of the consultation

You may pass any comments or complaints about how this consultation process has been handled to:

Kath Gibbs
Consultation Co-ordinator
The Patent Office
Concept House
Cardiff Road
Newport
South Wales NP10 8QQ

Tel: 01633 813775
Fax: 01633 814509
E-mail: kath.gibbs@patent.gov.uk

List of consultees

The following is a list of organisations to whom a copy of this consultation and RIA has been sent. The list does not contain information on individuals to whom the consultation has been sent.

ACID
ACP
ACPO
AFMA
Agricultural Engineers Association
AIM
AIM (European Brands Association)
AIM Limited
All Voice
Alliance against Counterfeiting and Piracy
Allvoice
ALPSP
Alternative Investigations Management Limited
Amazon.com
American Chamber of Commerce to the European Union
American Film Marketing Association Europe
Amersham
Anti-Counterfeiting Group
APCO UK
Arander Irvine & Zietman
Ashurst Morris Crisp
ASLIB
Association for Information Management, The
Association of British Insurers
Association of Chief Police Officers
Association of Independent Music Ltd
Association of Learned and Professional Society Publishers, The
Association of the British Pharmaceutical Industry
Association of United Recording Artists
AURA
AURIL
Authors Licensing and Collecting Society
Babcock International Ltd
Baker & McKenzie
BAPLA
Bar Council
BARD
BBC
BCC
Berwin Leighton

BHA
Bharat Electronics Ltd
BHB
BIMA
BioIndustry Association
Biotechnology and BSRC
BIPA
BLWA
BMR
Boulton Wade Tennant
BPLC
BRC
British Art Market Federation, The
British Association of Picture Libraries & Agencies, The
British Association of Record Dealers
British Association Representing Breeders
British Brands Group, The
British Chambers of Commerce
British Computer Society
British Copyright Council
British Generics Manufacturers Association Ltd
British Horseracing Board
British Hospitality Association
British Interactive Multimedia Association Ltd
British Internet Publishers Alliance
British Library
British Motorcyclists Federation, The
British Music Rights
British Pharmaceutical Group Ltd
British Phonographic Industry
British Phonographic Industry Limited, The
British Photographers Liaison Committee
British Potato Council
British Poultry & Meat Federation
British Retail Consortium
British Society of Plant Breeders Limited, The
British Telecommunications plc
British Video Association, The
British Web Design and Marketing Association
Broadcasting Entertainment Cinematograph & Theatre Union
Business Application Software Developers Association
Business in the Community
Business Software Alliance
Cable & Wireless
Campaign for Digital Rights
Cardiff Law School
Cassidy & Associates International
Channel 5 Broadcasting

Channel Four Television
Chartered Institute for Library and Information Professional
Chartered Institute of Library and Information Professionals in Scotland
Chartered Institute of Library and Information Professionals in Wales
Chartered Society of Designers
Chemical Industries Association
Christian Copyright Licensing International (Europe)
CIMMYT
Cinema Exhibitors Association
Cinema Exhibitors, The
CIPA
Commercial Radio Companies Association
ComPact Collections Limited
Compassion in World Farming
Conde Ltd
Confederation of British Industry
Confederation of Information Communication Industries
Consumers Association
Convention of Scottish Local Authorities
Copyright Licensing Agency, The
Copyright Promotions Licensing Group
Court Service, The
Crafts Council
Cranfield University
Crop Protection Association
Crown Office Scotland
Crown Prosecution Service
Cruikshank & Fairweather
DEFRA
Department of Trade and Industry, The
Design & Artists Copyright Society
Digital Content Forum
Directors & Producers Rights Society, The
EC Laws Committee - LES Britain & Ireland
Educational Copyright Users Forum, The
Educational Software Publishers Association
EMI Music
Equity
Eureka Manufacturing Co. Ltd
European Bureau of Library, Information and Documentation Associations
European Generics Association
European Grouping of Societies of Authors and Composers
European Informatics Market
European Leisure Software Publishers Association
Farmers' World Network
Federation Against Copyright Theft
Federation of Small Businesses
Federation of the Electronics Industry

Film Distributors Association Ltd
Filmbank Distributors
Forum of Private Business
Forum of Private Business in Scotland
Foundation for Information Policy Research
Frank B Dehn
Freshfields
Gallafent & Co
General Consumer Council for Northern Ireland
Gill Jennings & Every
Global Village Limited
Greenpeace
Harbottle & Lewis
HMSO
IFPI
Incorporated Society of British Advertisers
Incorporated Society of Musicians
Information and Communications Industry Association
Institute of Directors
Institute of Practitioners in Advertising
Intellect
Intellectual Property Institute
International Chambers of Commerce
International Communications Round Table
International Federation of Intellectual Property Lawyers
International Federation of the Phonographic Industry
International Trademark Association
International Visual Communication Association
Internet Service Providers Association (UK)
Inventorslink Inc
IP Justice
ITMA
Joint Action Group on Organised Crime
Law Society of England & Wales, The
Law Society of Northern Ireland, The
Law Society of Scotland, The
Law Society, The
Legal Affairs Committee, The
Library and Archive Copyright Alliance
Linklaters & Paines
LinuxUser Magazine
Local Authorities Coordinators of Regulatory Services
Local Government Association
Lovells
Macrovision
Magister Ltd
Marketforce Communications
Marks & Clerk

Meat & Livestock Commission
Mechanical-Copyright Protection Society
Medical Research Council Technology
Mewburn Ellis
Microsoft Ltd
Ministry of Defence
Motion Picture Association
Motorcycle Action Group
Museums Copyright Group
Music Choice Europe
Music Publishers Association
Music Users Council of Europe
Musicians Union
NASPM
National Archives, The
National Consumer Council
National Council for Voluntary Organisations
National Criminal Intelligence Service
National Federation of Women's Institutes
National Hi-Tech Crime Unit
Newspaper Licensing Agency
Newspaper Publishers Association Limited, The
Newspaper Society
Northern Ireland Council for Voluntary Action.
Norton Rose
NTL
Olswang
Ordnance Survey
Periodical Publishers Association
Pfizer Limited
Pilkington Technology Centre
Preventative Medicines Tech Inc.
Processors & Growers Research Organisation
Producers Alliance for Cinema & Television
Publishers Association
Publishers Licensing Society
REACT
RWS Group
Scotch Whisky Association
Scottish Consumer Council
Scottish Council for Voluntary Organisations.
SCRIPT
Sianel Pedwar Cymru (S4C)
SIBLE University of Sheffield
Simkins Partnership, The
Simmons & Simmons
SMMT
Society of College, National and University Libraries

Society of Numismatic Artists & Designers
Spoken Word Publishing Association
State Patent Bureau of the Republic of Lithuania
Telecommunications UK Fraud Forum
Tesco
THUS plc
TMPDF
Trade Marks, Patents and Designs Federation
Trading Standards Institute
UK Media Monitoring Association
UKASTA (Scottish Council)
UKASTA Ltd
University of Alicante
University of Cambridge
University of London Queen Mary & Westfield College
University of Oxford
University of Strathclyde
US Internet Trademark Association
Vereenigde
Video Performance Limited
Visteon Global Technologies
V-lex Ltd
Welsh Consumer Council
Welsh Local Government Association
Writers Guild of Great Britain
Yahoo!