
Inside the EU IP Enforcement Directive

Much is being made of the implementation in the European Union of the IP Enforcement Directive. But what will the directive change in practice?

Directive 2004/48/EC on the enforcement of IP rights took effect on May 20 2004 and is due to be implemented in the EU member states by April 29 2006. The object of the directive is to approximate legislative systems in the EU member states so as to ensure a high, equivalent and homogeneous level of protection in the internal market. As indicated in the European Commission's original proposal in 2003, the directive embodies best practice in relation to the enforcement of IP rights among the member states, with a number of the remedies based upon those already available in certain jurisdictions. For example, measures for preserving evidence, such as seizure orders under Article 7 and freezing orders under Article 9, have been based upon established remedies in the United Kingdom, and orders for the recall of goods from the channels of commerce under Article 10 have been based upon recall orders available under Dutch law.

The question is: is anything going to change in practice?

General effects

It is apparent that the enforcement of trademark rights (and IP rights in general) in Europe will not be completely revamped as a result of the directive's implementation. As seen above, the directive is based upon best practice among the member states, with a number of specific remedies being based on those already in existence. Therefore, a number of the changes will serve simply to modify existing remedies so that they comply with the requirements of the directive, and this is especially true of the changes made in the United Kingdom.

This does not mean that the directive is merely tinkering at the edges. A number of member states are to introduce important changes in such fundamental areas as evidence, interim remedies and damages (see "The directive's main provisions" page 14). Various member states will strengthen the measures that a trademark proprietor may take to obtain evidence of potential infringement and increase the range of interim remedies available, with the right to obtain such measures made possible on an *ex parte* basis. In relation

to damages, member states such as the Czech Republic, Denmark, France, Italy and Spain are to introduce further factors which may be taken into account in the assessment of damages, with the result that trademark proprietors may now recover more when an infringement has been proved. On the whole, it appears as though trademark proprietors' rights will be strengthened across the board: in the early stages of action it should be easier to gather evidence of infringements and obtain provisional measures, and, at the later stages, a wider variety of corrective measures will be available, including recall orders, and the levels of damages recoverable may well be higher.

Effects on practitioners

How will this affect trademark practitioners? Although the general principles of trademark enforcement may not have changed, practitioners in most member states will have to acquaint themselves with the new measures available and ensure that their clients take full advantage of them. For example, in certain jurisdictions, the novelty of obtaining injunctions and other interim measures on an *ex parte* basis may mean that trademark practitioners will need to adjust to making such applications more urgently, without giving notice to the other side.

Recall orders are also generally a new measure for most member states, with the precise scope and application of such orders unknown. There will therefore be a period of development in which practitioners will gain experience in requesting, obtaining and executing such orders, and learn in what circumstances the courts are likely to grant recall orders and what their precise scope will be. Further questions may arise as to the execution of recall orders and how they can be policed.

The changes in the calculation of damages are also likely to have an impact in practice, as trademark proprietors across Europe should now adduce evidence relating to profits made by infringers and also non-economic damage when requesting damages. A further issue for consideration is how non-economic damage suffered by a mark owner can best be proved to a court.

Finally, the introduction of representative actions may mean that practitioners may find themselves acting for a new class of client, possibly with different concerns and priorities from individual mark owners.

Further changes

Practitioners' hopes as to strengthened IP enforcement have also been raised by the prospect of a criminal enforcement directive.

Chapter III of the commission's original proposal for the

Representative actions (Article 4)

Article 4 of the directive gives representative bodies a right to bring infringement proceedings that will need to be introduced in certain member states, including Italy. In the United Kingdom, the draft implementing regulations originally included such a right, but this has been removed from the final version.

Evidence (Article 6) and measures for preserving evidence (Article 7)

A number of member states, including Germany, Hungary, Italy, the Netherlands and Spain, will be amending existing national provisions on evidence in order to bring them into line with Articles 6 and 7, in particular, extending the disclosure of information to cover banking, financial and commercial documents in certain circumstances, and allowing the seizure of infringing goods.

Other national laws simply require minor amendments. France, for example, is to introduce measures granting a defendant a right to be heard in relation to the modification, revocation or confirmation of measures for preserving evidence under Article 7.

Right to information (Article 8)

The right to information is one of the provisions that will bring about the most change as a large number of member states (including Austria, Belgium, France, Germany, Italy, Poland, Spain and the United Kingdom) will need either to introduce this right wholly or to expand existing national laws to bring them into line with the scope of this right – for example, by extending the class of recipient to whom a request can be made to third parties whose services are being used for infringing activities, and by expanding the type of information recoverable to the further destination of the goods in question.

Provisional and precautionary measures (Article 9)

Significant changes are to be made in this area. Both France and the Netherlands are to allow rights holders to obtain interim injunctions on an *ex parte* basis, which has hitherto not been permitted.

In the United Kingdom, the list of interim orders in Rule 25.1 of the Civil Procedure Rules has been amended to include an order allowing the continuation of an alleged infringement subject to the infringer giving security for damages. Rule 25.2(3) has been changed so that when the court grants an interim remedy before a claim has been commenced, it is now compulsory for a court to give directions requiring a claim to be commenced. The courts have always in practice made such an order and so this change will have no practical effect.

Belgian law will require amendment to allow a defendant to be given compensation for any injury caused by provisional measures where they are revoked or lapse due to any act or omission by the applicant, or where it is found that there has been no infringement or threat of infringement.

A number of other member states are also to make changes in the area of provisional remedies. Hungary is to introduce a wider range of interim remedies, including interim injunctions against any third parties whose services are used to infringe IP rights; Italy is to introduce freezing injunctions and Italian law will now specify a period within which proceedings on the merits must be instituted following the grant of a provisional measure; and in Spain rights holders may now obtain *ex parte* orders for the description or seizure of infringing goods, or of the materials or instruments used in their manufacture or distribution.

Corrective measures (Articles 10 and 15)

In general, no significant changes will be needed to introduce the majority of the corrective measures provided for, although in some countries minor changes may be needed. For example, the Benelux Trademark Act currently provides that, where a counterfeiter acted in bad faith, a trademark owner may either request the delivery up

or destruction of all infringing goods and/or the tools used for the manufacturing of such goods. This bad-faith requirement is not in line with Article 10 of the directive, which does not contain such a prerequisite for the granting of these remedies.

However, recall orders appear to be a relatively novel remedy for many countries, with France, Hungary, Italy and Poland all set to introduce this remedy. The UK government is not planning expressly to introduce recall orders, even though respondents to a Patent Office consultation considered that legislative change would be necessary.

There is no guidance from the EU institutions on the intended scope of recall orders. However, as these are taken from Dutch law, the approach taken by the Dutch courts to recall orders may provide good guidance as to how recall orders are expected to be implemented in the various member states.

Publicity measures under Article 15 will also require change in a number of member states, such as the Czech Republic, Denmark, Poland and the United Kingdom, which are to allow the publication of judgments at the infringer's expense.

Damages (Article 13)

Various member states are to introduce changes in the area of damages in relation to: (i) the basis upon which damages are to be assessed, including the possibility of taking non-economic factors into account; and (ii) the distinction made between good-faith and bad-faith infringers.

In relation to the assessment of damages, a rights owner may now recover in the Czech Republic a lump sum on the basis of licence fees that the infringer would have had to pay the rights owner for exploitation of the trademark, whereas previously, rights owners were required to calculate and prove their monetary claims, which was, in many cases, impossible. Furthermore, the law in Denmark, France, Italy and Spain is to change to allow factors such as any profits made by the infringer, any moral prejudice to the rights owner and any investigation costs incurred by the rights owner to be taken into account when assessing damages.

The UK implementing regulations also contain a provision setting out the general approach to the assessment of damages required by Article 13. A further change in the United Kingdom is that trademark (and patent) proprietors who have obtained their rights through certain registrable transactions, such as an assignment, may now claim damages for infringements occurring before the transaction has been registered, but may not now claim legal costs for this period.

The distinction between bad-faith and good-faith infringers is to be introduced in a number of member states, including France, Denmark and in the United Kingdom. This may have an impact upon practice as IP right holders and their practitioners may now, as a matter of course, send preliminary formal notices or cease and desist letters in order to establish that an infringer acted knowingly, in order to claim higher damages.

Legal costs (Article 14)

It is anticipated that rights owners will be able to recover greater costs under the proposed changes as the directive will allow the recovery of reasonable and proportional costs, which is not currently provided for in all member states, with the Netherlands and Belgium being two such examples.

Enforcement Directive was aimed at harmonizing national criminal penalties for IP infringement. This chapter was removed during the passage of the directive pending a review by the European Court of Justice (ECJ) of the inclusion of criminal sanction provisions in an internal market measure.

However, with ever-increasing levels of counterfeiting posing a growing problem, the commission, in July 2005, adopted proposals for a directive and a framework decision aimed to align national criminal law on IP right infringement and improve cooperation within the European Union in order to deal effectively with counterfeiting and piracy activities.

Scope of the directive

The proposed directive is intended to supplement the Enforcement Directive and therefore applies to the same rights. Under the proposals, member states would be required to treat all intentional infringements of IP rights on a commercial scale, as well as attempting, aiding and abetting, and inciting such infringements, as a criminal offence. The available penalties for such offences would be custodial sentences, fines and confiscation orders with the minimum level of sentences and fines set as follows:

- a maximum custodial sentence of at least four years' imprisonment when committed under the aegis of a criminal organization or where it carries a health or safety risk; and
- a maximum fine of at least €300,000 when carried out by a criminal organization or where it carries a health or safety risk, and a maximum fine of at least €100,000 for all other cases.

These levels would be without prejudice to the application of more serious sentences, particularly in the case of risk of death or infirmity.

A number of additional penalties, such as the closure of establishments and a ban on engaging in commercial activities, would also be available in appropriate cases.

The remainder of the draft proposals deals with increased cooperation between member states and jurisdiction issues.

Necessary changes

Since this proposal was made, the ECJ has clarified the European Union's competency to take action in criminal matters, and as a result the proposals will need to be redrafted to establish the correct legal basis. The substance of the proposed directive will not change, however, and thus we can already consider the potential effect of the provisions as contained in the current draft directive and framework decision.

Of course the draft proposals are at a very early stage in the legislative process, and it is too soon to tell which provisions will be adopted, if any. If the current provisions were to be adopted, however, it is arguable that amendments might be necessary across the European Union, with significant changes in the following fundamental areas:

- the definition of 'criminal infringement' (for example, in the United Kingdom, only certain acts of infringement constitute a criminal offence);
- the types of penalties available; and
- the levels of such penalties.

Nevertheless, although substantial change is likely to be required to the criminal law in certain countries, a number of the practitioners who contributed to this article, including Hungary and the Netherlands, indicated that no change would be needed to their criminal law to implement these proposals.

The next step

In conclusion, the Enforcement Directive will have an appreciable effect on the enforcement of IP rights (including trademarks) across Europe and will undoubtedly involve changes in practice across certain areas. Of course, implementation is still at a very early stage, and time alone will tell the full extent of these changes in practice.

It is certainly true that, prior to the directive, differences in civil procedures and available remedies gave rise to a certain degree of forum shopping in the context of international trademark disputes, particularly those involving Community trademarks. This harmonizing legislation is a further evolutionary step towards a more uniform European approach, albeit with some distinctive features remaining at national level.

However, it appears as though full implementation of the directive is going to be somewhat delayed as, at the time of writing, it is estimated that around half of the member states are set to miss the April 29 deadline for implementation, despite indications from a number of states that significant legislative changes are not necessary. The commission has indicated that it will take a strict line on this and will start to take legislative proceedings once the deadline has passed.

The adoption of a directive on criminal measures for enforcing IP rights, if it goes ahead, is likely to require more legislative changes in the United Kingdom than the Enforcement Directive has.

However, these proposals are still at a very early stage and any discussion on national implementation is merely speculative. The Enforcement Directive had an unusually short journey from its proposal through to its final adoption, but this does not mean that a criminal enforcement directive would enjoy such an easy passage, especially as it remains to be seen how sensitive member states might be to EU intervention in the field of criminal law. [WTR](#)

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The IP Enforcement Directive: practitioners' perspectives

Practitioners from 22 EU countries highlight the main changes brought by the directive to their national trademark law – and what they expect from future EU or national IP legislation.

Austria

The directive will prompt the amendment of only two provisions. The first, on the right of information, will make it possible to order the communication of bank, financial or commercial documents, or gain access to the relevant information. The second, on provisional measures, should make it easier to obtain an interlocutory injunction concerning financial claims such as damages than is the case under the current Austrian Enforcement Law.

Angela Hefferman, Sattler & Schanda Rechtsanwälte, Vienna

Belgium

The directive will introduce the possibility to recoup legal costs and other expenses. What would really make a difference to IP enforcement, though, is the creation of specialized IP courts and the introduction of detailed and objective framework rules with regards to pecuniary security deposits for seizures of infringing goods.

Nicolas Clarembeaux and Ruth Vermeire, Altius, Brussels

Cyprus

No important changes will be effected by the directive's implementation. What is needed, however, is a directive providing simplified provisions to obtain information on the suppliers, producers and manufacturers of counterfeit goods to enable faster and more efficient confrontation of infringers, other than resellers. Court orders are currently the only option, but they are costly and time-consuming (the Cyprus customs authorities do not disclose such information under Regulation 1383/2003 without a court order).

Tonia Antoniou, Michael Kyprianou & Associates, Nicosia

Czech Republic

The directive will make it possible to award damages as a lump sum of royalties. Further IP regulations or directives should give more practical guidance as to the exercise of IP rights – for instance by giving more direction on the governing rules of economic competition in respect of IP rights.

Magdalena Hrdličková, DLA Weiss-Tessbach Rechtsanwälte GmbH Organizační složka, Prague

Denmark

The directive's implementation in Denmark will give the possibility to IP rights owners to obtain better compensation based on the infringer's profit. What I would like to see, however, is even higher compensation and/or punishments to deter counterfeiters.

Christian Levin Nielsen, Zacco Denmark AS, Copenhagen

Estonia

The possibility to request the courts to order the seizure or delivery up of the goods suspected of infringing an IP right so as to prevent their entry into, or movement within, the channels of commerce is one of the most important changes brought in by the directive. This will help prevent irreversible harm from happening before a final court decision is issued, which can take years.

Mari Toomsoo, Käosaar & Co, Tartu

France

While provisional and precautionary measures already exist in French law, the directive's implementation is expected to make access to them easier. What I would like to see is a single, central EU jurisdiction competent to decide on trademark infringement cases wherever they occur in the European Union.

Gérard-Gabriel Lamoureux, Cabinet Hirsch & Associés, Paris

Germany

Court orders that can force an infringer to disclose evidence which is in the infringer's possession only will probably be the most significant change introduced by the directive in German law. The one thing I would have wanted the directive to provide is a right of inspection of an infringer's premises without prior notice, under supervision of an official person such as a notary public or a court bailiff. Article 7 points in that direction, but it is as yet uncertain how this provision will be implemented into German law and how that will be interpreted by the courts. A fairly uniform approach to measures of securing evidence across the European Union would be most welcome too.

Peter J A Munzinger, Bardehle Pagenberg Dost Altenburg Geissler, Munich

Greece

The directive should help ensure a stringent control on counterfeiting – to which Greece is particularly vulnerable – by introducing new customs measures. A more significant change, however, would be the more expedited resolution of trademark infringement matters in national courts, possibly by instituting specialized IP courts – although this issue may be better addressed by national laws.

Eleni Lappa, Dr Helen Papaconstantinou, John Filias & Associates, Athens

Hungary

The directive widens the scope of IP protection by introducing, among other things, the possibility for mark owners to request the delivery up, withdrawal from the market or destruction of the equipment and materials used to perpetrate the infringement, or the products related to the infringement.

Gabriella Sasvári, SBG & K Patent and Law Office, Budapest

Ireland

The implementation of Article 8 should prove of great assistance for mark owners trying to eradicate networks of infringement of their goods or services because that provision ensures that, in the context of infringement proceedings, a court may order that information on the origin and distribution networks of the goods or services which infringe IP rights be provided by the infringer or any other person who is either in possession of, or using the infringing goods or services, or who is providing, on a commercial scale, services used in infringing activities.

Giving mark owners 20 working days or 31 calendar days to instigate proceedings on the merits of a case, together with the provision for the owner to provide security for costs, may encourage Irish courts to allow *ex parte* seizures more often where cease and desist letters may not be sufficient. (Obtaining civil *ex parte* orders to seize goods of a potential infringer has proven difficult in the past.) It remains to be seen, however, how the Irish legislature will transpose the directive – a bill will probably not be presented to Parliament until the end of 2006.

Hazel Larkin, P McGovern & Co Solicitors, Dublin

Finland

The main amendments to Finnish IP law will stem from implementation of Article 8 on the right of information – which will make it an obligation for witnesses in trials to reveal information about the distribution chain of counterfeits – and Article 15 on publication of judicial decisions. Even though the directive's provisions form an integral part of an anti-counterfeiting arsenal, the directive should have dealt exclusively with counterfeiting and piracy – not civil actions between legitimate commercial enterprises. Some provisions, in particular Articles 8 and 15, may be too stringent if applied to civil trademark disputes – for instance, Article 8 might force a defendant to reveal trade secrets unnecessarily.

Paula Sailas, Berggren Oy Ab, Helsinki

Italy

The application of the new procedural measures set out in Article 8 of the directive will be the most important change to Italian law. This introduces a right of information that appears to be quite new to the Italian system, and which allows for the acquisition of information not only from the opponent, but also from any third parties, as to the origin, the distribution networks and any other market indications on the goods at issue. What we would like to see happening in Italy, however, is a clear strengthening of the sanctions in place for contempt of court in relation both to non-compliance with court orders during IP proceedings and non-compliance with final decisions of the court. The current provisions are too weak and – on a practical level – do not always allow parties to enforce their rights even when the court has made a finding in their favour.

Julia Holden and Laura Orlando, Trevisan & Cuonzo Avvocati, Milan

Lithuania

The implementation of the directive will allow significant improvements to the enforcement of IP rights in Lithuania, even though Lithuanian legislation provides protection tools that are not included in the directive. That said, it is disappointing that the opportunity offered by Article 12 of the directive to set alternative measures in national law was not taken.

Otilija Klimaitiene, AAA Baltic Service Company, Vilnius

Netherlands

While the bill implementing the directive is still going through Parliament, the most important change it will bring seems to be the introduction of the possibility to collect evidence of an infringement *ex parte*. This will enable mark owners to obtain, even before the commencement of proceedings on the merits, prompt and effective provisional measures to preserve relevant evidence in respect of an alleged infringement, without the other party having been heard. In the future, the harmonization of disclosure procedures in the member states would be welcome.

Paul Reeskamp, Allen & Overy LLP, Amsterdam

Poland

The draft implementation bill is still going through a consultation phase at the Patent Office, but in our opinion, the most important change will be the possibility to obtain a pretrial order to secure evidence, without having to prove that failure to obtain the order would make impossible the further enforcement of trademark rights. The draft bill also gives mark owners more flexible possibilities to claim damages and compensation by basing such claims on royalty estimates. However, it is a shame that the directive did not cover criminal enforcement.

Slawomira Piotrowska and Tomasz Mielke, PatPol, Warsaw

Slovakia

The introduction of provisional measures, which shall enable a better protection of trademarks as they substantially broaden mark owners' rights, will be most appreciated. However, what is still

needed in Slovakia is the creation of specialized IP courts.

Eva Skottke, DLA Weiss-Tessbach, Bratislava

Slovenia

The directive's main effect on Slovenian IP law is the introduction of more relaxed conditions to obtain preliminary injunctions. What I would like to see happen, though, is the effective enforcement of orders for infringers to submit documents relating to the extent of the infringement (eg, invoices) – at the moment, infringers can almost without any sanction ignore such orders.

Gregor Macek, ITEM doo, Ljubljana

Spain

The main changes brought by the directive are the means provided for preserving evidence, the right of information, the possibility to obtain the destruction of materials and implements used in the creation or manufacturing of infringing goods and alternative measures (such as compensation) rather than corrective measures. What we would like to see are suitable punishments for infringers of well-known marks in the cases where the infringement is a secondary activity. Spanish courts tend to order punishments that are meaningless in comparison to the damage caused (eg, dilution).

Leticia Lloret, Grau, Baylos & Angulo, Madrid

Sweden

The single most important change to IP enforcement in Sweden will be the introduction of interlocutory injunctions intended to prevent any imminent infringement.

The single most important change I would like to see in the future would be the possibility to keep classified any *ex parte* application for, and court decision as to, an infringement investigation, until the investigation has been completed. Today, an application, as well as the court's decision, is a matter of public record that can be accessed by anyone.

Simon Henderson, Gulliksson Advocates Ltd, Stockholm

United Kingdom

English law already complies with most of the requirements under the directive as IP right holders are afforded a relatively high level of protection and have several remedies available to them. The most interesting change will be that delivery up or destruction of infringing articles will be at the defendant's cost, unless ordered otherwise.

Although the European Commission has stated that it will investigate the possibility of providing measures for criminal sanctions in the future, the failure to include these from the outset is a missed opportunity. The stumbling block is the problem of differentiating between organized criminal operations that infringe on a large scale and more mundane infringement by individuals at the photocopier. Coming to an agreement between member states will be no easy task, but until there is a uniform standard across the European Union, those that infringe on a mass basis will continue to shop for the jurisdictions with the most favourable regime.

Vincent O'Grady, Ashurst, London

Portugal

Two very important aspects of IP enforcement should be modified by the directive's implementation in Portugal: first, fast judicial measures by which judges will at last consider IP rights as exclusive. Second, a new approach to compensation – counterfeiters will not profit from their activities as all profits will be granted to the IP owners. This is what we, the Portuguese IP lawyers, desperately want. It remains to be seen how this will be implemented by the legislature. I would have liked for the directive, and indeed any future EU statutes, to be directly applicable in member states. The implementation in Portugal of the previous IP-related directive created new problems and confusion.

Manuel Lopes Rocha, Ferreira Pinto & Associados, Lisbon

The IP enforcement directive: the brand owner's perspective

With IP crime prevalent in all EU member states, Lucy Nichols of Nokia comments on the potential impact of the IP Enforcement Directive on brand owners' escalating war against counterfeit products in the European Union.

Counterfeiting activities are prevalent in all member states, but they have been allowed to increase exponentially in those member states with the weakest national legislation and where enforcement mechanisms have not been effectively applied.

The IP Enforcement Directive (2004/48/EC) is one of the initiatives adopted by the European Commission to address this problem of inconsistency and complements the amendments previously made to the existing customs regulations that successfully extended the competence of EU customs authorities.

Major flaw

The directive's expected impact on the most egregious form of trademark infringement – that of counterfeiting – will obviously depend upon the ensuing member state legislation. Perhaps the major flaw in the directive is the amount of discretion left to the member states and judicial authorities, which could lead to continued disparities in enforcement standards.

However, the overall objective of the directive is to provide a framework for enforcement procedures that are “fair, not unnecessarily complicated, slow or costly and should not create barriers to ‘legitimate trade’”.

If successful, the directive will address the substantial differences in member states' legislation by taking on the 'best practice' measures that have proven the most effective in selected member countries.

Exceeding TRIPs requirements

By implementing the directive, the European Union not only brings itself into line with a number of international conventions, but also adopts additional measures on a number of enforcement issues.

For example, the directive goes further than the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) on the more serious types of trademark infringement. Because of these extra steps, the directive is expected to have a positive, if not immediate, impact on a majority of trademark enforcement efforts.

For mark owners, the most welcomed 'TRIPs plus' elements are as follows:

- **The power for authorities to seize documentary evidence related to the suspected infringement (as well as the suspect goods themselves).** Brand owners have successfully used this tool with varying degrees of success in their enforcement efforts in France, Germany, Ireland and Spain. The seizure of documentary evidence plays a particularly important role in the ability to determine the scope of the infringement and the ability to identify the key players behind the counterfeiting activity.

The parties involved in counterfeiting activity are not historically forthcoming in producing useful information on the origins of the counterfeit product. In the past, brand owners have been left with little useful information and the enforcement action at issue becomes a one-off exercise.

Counterfeiting activity often includes other types of fraudulent behaviour closely associated with the import and export of counterfeit goods. Without the ability to seize documentary evidence, authorities are left in the dark as to the full extent of the illegal activity.

The authorities' ability to seize documentary evidence directly related to the counterfeiting activity gives both law enforcement bodies and brand owners an important tool to prevent further counterfeiting activity and thus make their enforcement actions worthwhile.

- **The right to information.** Trademark owners have also benefited in the past from existing national legislation that provided for judicial authorities to disclose information on the origins of products and the relevant distribution networks. While such disclosures have, to some degree or another, been available in Belgium, Denmark, Germany, Luxembourg, the Netherlands and the United Kingdom, the directive will hopefully ensure that every member state provides for such disclosures.

As previously noted, the more information made available to the brand owner and the authorities in connection with the counterfeit activity, the more likely the activity can more effectively curtailed, if not completely eliminated.

While opponents of the directive fear that it will encourage the far-reaching discovery tools that are available to litigants in the United States, it is highly unlikely that it will come close to the notorious 'fishing expeditions' that have become the norm in US actions.

- **The availability to seize bank accounts and other assets and profits to ensure payment of damages,** which has not been widely available in the European Union.
- **The provision allowing for the recall of infringing goods at the offender's expense.** This element, which serves the interests of the consumer as well as the brand owner, will ensure that consumers do not unwittingly purchase a counterfeit product once the activity has become known and identified in the distribution channel. It also correctly places the economic burden on the responsible party. While the success of any recall will depend upon the specific circumstances of the case, this is certainly a step in the right direction
- **The payment of legal costs.** As the amount of counterfeit activity increases, so do the enormous costs associated with fighting the illegal activity. Brand owners will never be able to recoup the total costs expended, but any contribution will help offset the enormous financial burden enforcement programmes have on their budgets.

Many brand owners are guided by the adage that “an IP right is not worth having unless it can be enforced” and have high hopes that the directive will accomplish the majority of its underlying goals. Nokia expects to take advantage of the directive in combating counterfeiting in the European Union. It also expects additional legislation to be enacted that will further demonstrate the European Union's resolve to reduce the negative impact of counterfeit products on consumers, brand owners and the overall economies of member states. [WTR](#)

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