

A PAN-EUROPEAN NETWORK OF SPECIALIST LAW FIRMS

IT & IP Litigation in Europe: A Guide for Foreign Lawyers



**IP & IT Litigation in Europe:
A Legal Guide for Foreign Lawyers**

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THE PURPOSE OF THIS GUIDE

The purpose of this Guide is to provide information to foreign practitioners when their clients face a legal issue in the European Union in relation to intellectual property, information technology, data protection and innovation.

Whether the client is currently engaged in litigation or is contemplating this option, this Guide will help foreign practitioners to understand better how such litigation will take place.

Also, the Guide is of valuable help in assessing the chances of success by understanding better the material rules of law at stake, whether as a plaintiff or a defendant.

As far as possible, the authors have tried to make it comprehensible for any foreign lawyer, regardless of their country of origin. The reader will hopefully obtain useful insights on the basics and some more detailed analysis of the subjects addressed.

Additionally, the authors have included case law from the European Court of Justice where possible.

This Guide cannot deal in great depth with all subjects, nor can it cover every area encompassed by this broad field.

It is primarily written for lawyers, but it is also aimed at business owners and directors.

This Guide is the outcome of the Group's experience in helping clients and foreign practitioners deal with IT & IP litigation in Europe for over 20 years.

For more information concerning a real case, please contact the relevant associate/author by phone or email.

Caveat: *The contents of this Guide are not intended as a substitute for the advice of competent legal or other advisors in connection with any particular matter or issue and should not be used as such. While the authors have made every effort to be accurate neither the writers nor their law firms or anyone connected with them make any representation or warranty in this regard. Opinions, interpretations and predictions expressed herein are the author's s own.*

1. JUDICIAL AND POLITICAL BODIES OF THE EUROPEAN UNION

EU POLITICAL AUTHORITIES

LAW MAKING PROCESS

JUDICIAL SYSTEM

THE COURT OF JUSTICE OF THE EUROPEAN UNION

EU POLITICAL AUTHORITIES

The EU is unique. Half-way between a federation (such as Switzerland), a union (like the USA) and a federal country (e.g., Germany), it looks like nothing else. This could be seen as a weakness or as a strength in that the EU is constantly transforming itself.

The head of the EU, from a political point of view, is the European Council. This Council sets the EU's overall political direction but has no powers to pass laws. Led by its President, the Council comprises the national heads of state or government and the President of the Commission, who meet for several days at a time at least every 6 months.

The law-making process is shared between three main institutions:

- The European Parliament, which represents the EU's citizens and is directly elected by them.
- The Council of the European Union, which represents the governments of the individual member countries. The Presidency of the Council is shared by the member states on a rotating basis.
- The European Commission, which represents the interests of the Union as a whole.

Two other institutions play vital roles:

- The Court of Justice of the EU upholds the rule of European law.
- The Court of Auditors checks the financing of the EU's activities.

LAW MAKING PROCESS

There is often tension between the European Council and the Council of the European Union on one side, and the EU Parliament and the Commission on the other side. The two first are seen as state-centric bodies whose purpose is to ensure that national interests of each member states are preserved, while the two last are EU-centric and promote common interest.

As a result, the EU's standard decision-making procedure is known as "codecision". This means that the directly elected European Parliament must approve EU legislation together with the Council (the governments of the 27 EU countries).

Please see the chapter on "EU and national norms" for more details on the law-making process.

JUDICIAL SYSTEM

Both the EU and each member state have their own judicial system. However, there is a link between the two, as national courts may enforce a national law only if it is compliant with the EU regulation. In case of doubt, there is a system permitting a national judge to suspend a trial and ask the EU Court of Justice whether the national law is indeed compliant (see "Important milestones of a trial" for details in several European jurisdictions).

THE COURT OF JUSTICE OF THE EUROPEAN UNION

The Court of Justice of the European Union (hereafter referred to as the 'CJEU' or the 'Court') interprets EU law to make sure it is applied in the same way in all EU countries. It also settles legal disputes between

EU governments and EU institutions. Individuals, companies or organizations can also bring cases before the Court if they feel their rights have been infringed by an EU institution.

The CJEU is divided into 2 courts:

- (i) The Court of Justice which deals with requests for preliminary rulings from national courts, certain actions for annulment and appeals.
- (ii) The General Court which rules on actions for annulment brought by individuals, companies, and EU governments. In practice, this means that this court deals mainly with competition law, state aid, trade, agriculture, trade marks etc.

The CJEU has one judge per EU country.

The Court is helped by eleven ‘advocates-generals’ whose job is to present opinions on the cases brought before the Court. They must do so publicly and impartially.

a) *Requests for a preliminary ruling*

Such requests happen when national courts ask the CJEU to interpret a point of EU law.

The national courts in each EU country are responsible for ensuring that EU law is properly applied in that country. But there is a risk that courts in different countries might interpret EU law in different ways.

To prevent this risk, there is a ‘preliminary ruling procedure’; If a national court doubts the interpretation or validity of an EU law, it may and sometimes must ask the CJEU for advice. This preliminary ruling is the most common procedure in relation to the business sector (along with direct actions).

b) *Actions for failure to fulfil an obligation*

Such action (also called an infringement proceeding) is brought against EU governments for not applying EU law. The European Commission can start these proceedings if it believes that a member country is failing to fulfil its obligations under EU law. These proceedings may also be started by another EU country.

In either case, the Court investigates the allegations and gives its judgment. If the country is found to be at fault, it must correct this fault immediately. If the Court finds that the country has not followed its ruling, a fine can be issued.

c) *Actions for annulment*

Such action is started against EU laws thought to violate the EU treaties or fundamental rights.

If any EU country, the Council of the EU, the European Commission or (under certain conditions) the European Parliament believe that a particular EU law is illegal, the Court may be asked to annul this law. Actions for annulment can also be used by private individuals who want the Court to cancel a particular law because it directly and adversely affects them.

If the Court finds the law in question was not correctly adopted or is not correctly based on the Treaties, the law may be declared null and void.

d) *Actions for failure to act*

Such action is brought against EU institutions for failing to make decisions required of them.

The Treaty requires European Parliament, the European Council and the European Commission to make certain decisions under certain circumstances. If they fail to do so, member countries, other Community institutions and (under certain conditions) individuals or

companies can lodge a complaint with the Court so as to have this failure to act officially recorded.

e) *Direct actions*

Direct actions are brought by individuals, companies or organisations against EU decisions or actions. Any person or company who has suffered damage as a result of the action or inaction of the Community or its staff can bring an action seeking compensation before the General Court.

This is very common when a fine is applied against one or many companies in relation with competition law.

f) *How cases are heard*

A judge (so called the "judge-rapporteur") and advocate general are assigned to each case. Cases are processed through two stages:

- Written stage. First, all the parties involved submit a written statement to the judge responsible for the case. The judge then writes a summary of these statements and the case's legal background.
- Oral stage. This is the second stage and can take place in front of a panel of 3, 5 or 13 judges or before the whole court depending on the complexity of the case. The advocate general gives their opinion and this opinion is not binding on the Court (however, it is followed in most cases).

The Court judgments are majority decisions and are read out at public hearings. Hearings are frequently televised.

2. INTERACTION BETWEEN EU AND NATIONAL NORMS

EU LAW-MAKING PROCESS

NATIONAL LAW-MAKING PROCESS

EU NORMS

DIRECT EFFECT

PRECEDENCE OF EUROPEAN LAW

EU LAW-MAKING PROCESS

Before the European Commission (hereinafter referred to as the '*Commission*') proposes new initiatives, it assesses the potential economic, social and environmental consequences that they may have. It does this by preparing 'Impact assessments' which set out the advantages and disadvantages of possible policy options.

The Commission also consults interested parties such as non-governmental organisations, local authorities and representatives of industry and civil society. Groups of experts give advice on technical issues. In this way, the Commission ensures that legislative proposals correspond to the needs of those most concerned and avoids unnecessary red tape. Citizens, businesses and organisations can participate in the consultation procedure via the website public consultations.

National parliaments can formally express their reservations if they feel that it would be better to deal with an issue at a national level, rather than at an EU level.

The European Parliament and the European Council review proposals by the Commission and propose amendments if necessary. If the European Council and the European Parliament cannot agree upon

amendments, a second reading takes place. In the second reading, the European Parliament and European Council can again propose amendments. The European Parliament has the power to block the proposed legislation if it cannot agree with the European Council.

If the two institutions agree on amendments, the proposed legislation can be adopted. If they cannot agree, a conciliation committee tries to find a solution. Both the European Council and the European Parliament can block the legislative proposal at this final reading.

NATIONAL LAW-MAKING PROCESS

The national law-making process is largely a 'national thing' with very little harmonisation. However, respect for democracy is part of the EU legacy and all member states usually share common practice involving a Government, a Parliament and an independent judicial system.

Most – if not all – EU countries have a Constitution (or a fundamental law, or any other similar name) and each and every law must be compliant with the Constitution.

Another basic principle is the supremacy of EU law.. In case of conflict between an EU regulation and a national one, the EU norm shall prevail.

EU NORMS

a) *Treaties*

The European Union is based on the rule of law. This means that every action taken by the EU is founded on treaties that have been approved voluntarily and democratically by all EU member countries. For example, if a policy area is not cited in a treaty, the Commission cannot propose a law in that area.

A treaty is a binding agreement between EU member countries. It sets out EU objectives, rules for EU institutions, how decisions are made and the relationship between the EU and its member countries.

Treaties are amended to make the EU more efficient and transparent, to prepare for new member countries and to introduce new areas of cooperation – such as the single currency.

The main treaties are:

a) Founding Treaties (25 March 1957)

They are often called “Treaties of Rome”. The purpose was to set up the European Economic Community (EEC) and the European Atomic Energy Community (Euratom).

b) Treaty on European Union (7 February 1992)

Called the Maastricht Treaty, its purpose was to prepare for the European Monetary Union and introduce elements of a political union (such as citizenship, foreign and internal affairs policy). It develops new forms of cooperation between the EU governments.

c) Treaty of Nice (26 February 2001) and the Treaty of Amsterdam (2 October 1997)

Their purpose was to reform the institutions so that the EU could function efficiently with new member countries. They also made the decision-making process more transparent.

d) Treaty of Lisbon (13 December 2007)

This clarified which powers belong to the EU, to the member states and which are shared.

In 2004, the Treaty establishing a constitution for Europe, with aims similar to the Lisbon Treaty, was signed but never ratified.

Since the Treaty of Lisbon, the main treaties of the EU are (i) the Treaty on European Union and (ii) the Treaty on the Functioning of the European Union.

b) Regulations

A regulation is a binding legislative act that must be applied in its entirety across the EU.

It is very efficient since it does not need any national implementation. The Regulation is indeed directly applicable in all Member States. In other words, the EU regulation is like a national law.

c) Directives

A directive is a legislative act that sets out a goal that all EU countries must achieve. However, it is up to the individual countries to decide how.

A directive is an act addressed to Member States and must be transposed by them into their national laws. Contrary to a “regulation”, a directive needs a national implementation process and therefore the member state shall adopt a local law in line with the directive.

If a Member State fails to implement a directive (or if does so too late or badly), it will be sued by the Commission before the EU Court of Justice.

Unfortunately, this is far from being unusual: some member states are known for disobeying regarding the implementation process. The Court of Justice may impose penalties on Member States.

In addition, the direct effect theory is often of great use when a member has failed in its obligation to implement a directive (see below, p.23).

d) Decisions

A decision is directly applicable and binding on those to whom it is addressed (e.g., an EU country or an individual company). For example, when the Commission issued a decision to fine the software giant Microsoft for abusing its dominant market position, the decision applied to Microsoft only.

e) *Recommendations*

A recommendation is not binding. When the Commission issued a recommendation to financial-sector employees regarding structures that discouraged excessive risk taking, this did not have any legal consequences. A recommendation allows the institutions to make their views known and to suggest a line of action without imposing any legal obligation on those to whom it is addressed.

f) *Opinions*

An opinion is an instrument that allows the institutions to make a statement in a non-binding fashion, in other words without imposing any legal obligation on those to whom it is addressed. An opinion can be issued by the main EU institutions (i.e., Commission, Council, Parliament), the Committee of the Regions and the European Economic and the Social Committee. While laws are being made, the committees give opinions from their specific regional, economic and social viewpoint.

DIRECT EFFECT

The direct effect of European law is, along with the principle of precedence, a fundamental principle of European law. It was enshrined by the CJEU in the judgment of *Van Gend en Loos* of 5 February 1963. In this judgment, the Court states that European law not only engenders obligations for Member States, but also rights for individuals. Individuals may therefore take advantage of these rights and directly invoke European acts before national and European courts. However, it is not necessary for the Member State to adopt the European act concerned into its internal legal system.

There are two aspects to direct effect: a vertical aspect and a horizontal aspect.

- g) Vertical direct effect is of consequence in relations between individuals and the Member State. This means that individuals can invoke a European provision in relation to the Member State.

- h) Horizontal direct effect is relevant in relations between individuals. This means that an individual can invoke a European provision in relation to another person, i.e., an individual or a legal entity such as a company.

According to the type of act concerned, the CJEU has accepted either a full direct effect (i.e., a horizontal direct effect and a vertical direct effect) or a partial direct effect (confined to the vertical direct effect).

As far as primary legislation is concerned the CJEU established the principle of direct effect in the *Van Gend en Loos* judgment, but the obligations at stake must be precise, clear, unconditional and cannot call for additional measures, either national or European. (See also the *Becker* case, 19 January 1982, and the *Kaefer* case, 12 December 1990).

The principle of direct effect also relates to acts from secondary legislation. However, the application of direct effect depends on the type of act:

- The regulation: regulations always have direct effect (see the *Politi* case, 14 December 1971).
- The directive: the directive is an act addressed to Member States and must be transposed by them into their national laws. However, in certain cases the CJEU recognises the direct effect of directives in order to protect the rights of individuals. Therefore, the Court laid down in its case-law that a directive has direct effect when its provisions are unconditional and sufficiently clear and precise (Judgment of 4 December 1974, *Van Duyn*). However, it can only have direct vertical effect and it is only valid if the Member States have not transposed the directive by the deadline (Judgment of 5 April 1979, *Ratti*).

PRECEDENCE OF EUROPEAN LAW

According to the precedence principle, European law is superior to the national laws of Member States. The precedence principle applies to all European acts with a binding force. Therefore, Member States may not apply a national rule which contradicts European law.

The precedence principle guarantees the superiority of European law over national laws. It is a fundamental principle of European law.

As with the direct effect principle, it is not inscribed in the Treaties, but has been enshrined by the CJEU in the *Costa versus Enel* case of 15 July 1964. The Court later clarified that the precedence of European law is to be applied to all national acts, whether they were adopted before or after the European act in question.

The precedence of European law over national laws is absolute. Therefore, it applies to all European acts with a binding force, whether emanating from primary or secondary legislation.

In addition, all national acts are subject to this principle, irrespective of their nature (acts, regulations, decisions, ordinances, circulars, etc.) and irrespective of whether they are issued by the executive or legislative powers of a Member State. The judiciary is also subject to the precedence principle. Member State case-law should also respect EU case-law.

The CJEU has ruled that national constitutions should also be subject to the precedence principle. National judges must not apply the provisions of a constitution which contradict European law.

In its judgment of 19 June 1990 (*Factortame*), the CJEU indicated that national courts, as part of a preliminary ruling on the validity of a national law, must immediately suspend the application of this law until such time, as the CJEU gives its recommended solution, and the national court gives its ruling on the substance of the issue.

3. IN WHICH COUNTRY SHOULD YOU SUE / BE SUED?

LEGAL FRAMEWORK

BASIC PRINCIPLE

SPECIAL JURISDICTIONS

SPECIAL JURISDICTION IN MATTERS RELATING TO A CONTRACT

SPECIAL JURISDICTION IN MATTERS RELATING TO LIABILITY FOR WRONGFUL ACTS

SPECIAL JURISDICTION AS PER CONSUMERS

PROROGATION OF JURISDICTION

LIS PENDENS - RELATED ACTIONS

PROVISIONAL (INCLUDING PROTECTIVE) MEASURES

RECOGNITION AND ENFORCEMENT

LEGAL FRAMEWORK

Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matter (not in force anymore, hereinafter referred to as '*Brussels I Regulation*').

The Brussels I Regulation lays down rules governing the jurisdiction of courts and the recognition and enforcement of judgments in civil and commercial matters in European Union (EU) countries.

The Brussels I Regulation supersedes the Brussels Convention of 1968, which was applicable between the EU countries before the Brussels I Regulation entered into force. The Brussels I Regulation also lists several other conventions, treaties and agreements between EU countries that it supersedes.

On 21 April 2009, the Commission adopted a report on the application of the Brussels I Regulation. This report concluded that the operation of that Brussels I Regulation is satisfactory, but that it is desirable to improve the application of certain of its provisions, to facilitate the free circulation of judgments and to further enhance access to justice.

Previous text has thus been recast by Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (hereinafter referred to as '*Brussels Ia Regulation*').

The transition between the two texts is quite complex but, in summary, one should keep in mind that:

- The new Brussels Ia Regulation applies only to legal proceedings instituted, to authentic instruments formally drawn up or registered and to court settlements approved or concluded on or after 10 January 2015.
- The previous Brussels I Regulation continues to apply to judgments given in legal proceedings instituted, to authentic instruments formally drawn up or registered and to court settlements approved or concluded before 10 January 2015 which fall within the scope of that Regulation.

Please note that some specific rules apply for the UK, Ireland and Denmark.

Please also note that due to Brexit, the Brussels Ia Regulation applied to the UK during the UK-EU transition period but stopped applying to the UK on a reciprocal basis at the end of the transition period (11.00pm UK time on 31 December 2020), except as provided for in part three of the UK-EU withdrawal agreement in relation to ongoing proceedings.

At the end of the transition period, the Brussels Ia Regulation was converted into UK law as retained EU law, which was amended by UK legislation. The Civil Jurisdiction and Judgments (Amendment) (EU Exit) Regulations 2019 revoked the retained EU law version of the Brussels Ia Regulation, subject to transitional provisions which saved the

Brussels Ia Regulation in relation to proceedings commenced before the end of the transition period (as provided for by Article 67 of the UK-EU withdrawal agreement).

BASIC PRINCIPLE

The basic principle is that jurisdiction is to be exercised by the EU country in which the defendant is domiciled, regardless of their nationality. Domicile is determined in accordance with the domestic law of the EU country where the matter is brought before a court.

If a party is not domiciled in the EU country of the court that is considering the matter, the court is to apply the law of another EU country to determine whether the party is domiciled in said state.

In the case of legal persons such as companies or firms, domicile is determined by the country where they have their statutory seat, central administration or principal place of business. In the case of trusts, domicile is defined by the court that is considering the case by applying its own rules of private international law.

In the *Flightright* case (C-274/16), the Court has confirmed that the second indent of Article 5(1)(b) of Brussels I Regulation (equals to second indent of Article 7(1)(b) of Brussels Ia Regulation) must be interpreted as not applying to a defendant domiciled in a third State, such as the defendant in the main proceedings.

SPECIAL JURISDICTIONS

Apart from the basic principle on jurisdiction, in certain circumstances a defendant may be sued in the courts of another EU country. The regulation lists areas of jurisdiction where these circumstances apply: special or exclusive jurisdiction, as well as jurisdiction on matters relating to insurance, consumer contracts and individual contracts of employment. The reason for these exceptions is that: *"in addition to the defendant's domicile, there should be alternative grounds of*

jurisdiction based on a close link between the court and the action or in order to facilitate the sound administration of justice”¹.

In reality, special jurisdiction has been interpreted so widely by national Courts and by the European Court of Justice that it is considered as important as the basic principle (and potentially more important for matters related to intellectual property and online business).

SPECIAL JURISDICTION IN MATTERS RELATING TO A CONTRACT

Pursuant to Article 7 of the Brussel Ia Regulation, a person domiciled in a Member State may, in another Member State, be sued in matters relating to a contract, in the courts for the place of performance of the obligation in question.

For the purpose of this provision and unless otherwise agreed, the place of performance of the obligation in question shall be:

- in the case of the sale of goods, the place in a Member State where, under the contract, the goods were delivered or should have been delivered^{2 3}

¹ Recitals 16 of Brussel Ia Regulation.

² What happens when more than one good is to be delivered in more than one place? In such a case, the court having jurisdiction to hear all the claims based on the contract for the sale of goods is that for the principal place of delivery, which must be determined on the basis of economic criteria. In the absence of determining factors for establishing the principal place of delivery, the plaintiff may sue the defendant in the court for the place of delivery of its choice (*Color Drack* case, no. C-386/05).

³ In the *Electrosteel Europe* case (C-87/10), the Court has ruled that in the case of distance selling, the place where the goods were or should have been delivered pursuant to the contract must be determined on the basis of the provisions of that contract. In order to verify whether the place of delivery is determined ‘under the contract’, the national court seized must take account of all the relevant terms and clauses of that contract which are capable of clearly identifying that place, including terms and clauses which are generally recognized and applied through the usages of international trade or commerce, such as the Incoterms drawn up by the International Chamber of Commerce in the version published in 2000. If it is impossible to determine the place of delivery on that basis, without referring to the substantive law applicable to the contract, the place of delivery is the place where the physical transfer of the goods took place, as a result of which the purchaser

- in the case of the provision of services, the place in a Member State where, under the contract, the services were provided or should have been provided⁴.

In the *Falco*⁵ case the Court ruled that a contract in which an intellectual property right owner grants its contractual partner permission to use that right in return for remuneration is not a contract for the provision of services within the meaning of Article 7.

In the *Wood Floor*⁶ case, it has ruled that in cases where services are provided in several Member States, the court which has jurisdiction to hear and determine all the claims arising from the contract is the same court in whose jurisdiction the place of the main provision of services is situated. For a commercial agency contract, that place is the place of the main provision of services by the agent, as it appears from the provisions of the contract or, in the absence of such provisions, the actual performance of that contract or, where it cannot be established on that basis, the place where the agent is domiciled.

A person domiciled in a Member State may also be sued on a counter-claim arising from the same contract or facts on which the original claim was based, in the court in which the original claim is pending.

The *Saale Kareda*⁷ case is not IT-related, but it gave the Court the opportunity to clarify the meaning of “contract” and “provision of service”. It has ruled that:

- (i) Article 7(1) of Brussels Ia Regulation must be interpreted as meaning that a recourse claim between jointly and severally liable debtors under a credit agreement constitutes a ‘matter relating to a contract’, as referred to in that provision; (ii) the second indent of Article 7(1)(b) must be interpreted as meaning

obtained, or should have obtained, actual power of disposal over those goods at the final destination of the sales transaction.

⁴ A contract relating to the storage of goods, such as that at issue in the main proceedings, constitutes a contract for the ‘provision of services’ within the meaning of that provision (Krejci Lager case).

⁵ C-533/07 - Falco Privatstiftung and Rabitsch.

⁶ C-19/09 - Wood Floor Solutions Andreas Domberger.

⁷ C-249/16 - Saale Kareda v Stefan Benkö.

that a credit agreement between a credit institution and two jointly and severally liable debtors, must be classified as a 'contract for the provision of services' for the purposes of that provision.

(iii) the second indent of Article 7(1)(b) must be interpreted as meaning that, where a credit institution has granted a loan to two jointly and severally liable debtors, the 'place in a Member State where, under the contract, the services were provided or should have been provided', within the meaning of that provision, is, unless otherwise agreed, the place where that institution has its registered office and this also applies with a view to determining the territorial jurisdiction of the court called upon to hear and determine an action for recourse between those joint debtors.

SPECIAL JURISDICTION IN MATTERS RELATING TO LIABILITY FOR WRONGFUL ACTS

Pursuant to Article 7 of Brussel Ia Regulation, a person domiciled in a Member State may be sued in the courts of another Member State for matters relating to tort, delict or quasi-delict, in the courts of the place where the harmful event occurred or may occur.

An action for a negative declaration seeking to establish the absence of liability in tort, delict, or quasi-delict falls within the scope of that provision (*Folien Fischer*⁸ case).

In the *Zuid-Chemie*⁹ case, the Court has ruled that the phrase "place where the harmful event occurred" designates the place where the initial damage occurred as a result of the normal use of the product for its intended purpose. In the *Andreas Kainz*¹⁰ case it was additionally ruled that where a manufacturer faces a claim of liability for a defective product, the place of the event giving rise to the damage is the place where the product in question was manufactured.

⁸ C-133/11 - *Folien Fischer and Fofitec*.

⁹ C-189/08 - *Zuid-Chemie BV v Philippo's Mineralenfabriek NV/SA*.

¹⁰ C-45/13 - *Andreas Kainz v Pantherwerke AG*.

In the *Wintersteiger*¹¹ case, it ruled that an action relating to infringement of a registered trade mark in a Member State; an advertiser's use of a keyword identical to that trade mark, on either a search engine or website operating under a country-specific top-level domain of another Member State, may either be brought before the courts of the Member State in which the trade mark is registered or before the courts of the Member State where the advertiser is established.

It has also ruled that; in the event of an alleged infringement of copyright, protected by the Member State of the court seized, the latter has jurisdiction to hear an action to establish liability brought by the author of a work against a company established in another Member State. This is possible if the latter Member State reproduced that work on a material support, which is subsequently sold by companies established in a third Member State through an internet site also accessible and within the jurisdiction of the court seized. That court has jurisdiction only to determine the damage caused in the Member State within which it is situated (*Peter Pinckney* case¹²). The *Heyduk*¹³ case further confirmed that in the event of an allegation of infringement of copyright and rights related to copyright guaranteed by the Member State of the court seized, this court has jurisdiction, on the basis of the place where the damage occurred. The Court is eligible to hear an action for damages in respect of an infringement of those rights resulting from the placing of protected photographs online on a website accessible in its territorial jurisdiction.

The Court has decided, in the *Melzer*¹⁴ case, that it does not allow the courts of the place where a harmful event occurred, which is imputed to one of the presumed perpetrators of damage, who is not a party to the dispute, to take jurisdiction over another presumed perpetrator of that damage who has not acted within the jurisdiction of the court seized.

¹¹ C-523/10 - Wintersteiger AG v Products 4U Sondermaschinenbau GmbH.

¹² C-170/12 - Peter Pinckney v KDG Mediatech AG.

¹³ C-441/13 - Pez Hejduk v EnergieAgentur.NRW GmbH.

¹⁴ C-228/11 - Melzer v MF Global UK Ltd.

In the landmark *eDate* case (also called *Martinez* ¹⁵ case), the Court has ruled that, in the event of an alleged infringement of personality rights by means of content placed online on an internet website, the person who considers that his rights have been infringed has the option of bringing an action for liability, in respect of all the damage caused, either before the courts of the Member State in which the publisher of that content is established or before the courts of the Member State in which the centre of his interests is based. That person may also, instead of an action for liability in respect of all the damage caused, bring his action before the courts of each Member State in the territory of which content placed online is or has been accessible. Those courts have jurisdiction only in respect of the damage caused in the territory of the Member State of the court seized.

In the *Éva Nothartová*¹⁶ case, the Court has added that the Brussels I Regulation must be interpreted as applying, not exclusively, in a situation in which the court with jurisdiction to hear and determine a claim alleging infringement of the applicant's personality rights, on the ground that photographs were taken and videos recorded without his knowledge is seized by the defendant bringing a counterclaim for compensation on the ground that the applicant is liable in tort, delict or quasi-delict for, inter alia, restrictions on his intellectual creations, which are the subject of the original application, where, when examining the counterclaim, that court is required to assess the lawfulness of the actions on which the applicant bases its own claims.

The *Bolagsupplysningen*¹⁷ case gave the Court the opportunity to apply the *eDate* case to legal persons: a legal person claiming that its personality rights have been infringed by the publication of incorrect information concerning it on the internet and by a failure to remove comments relating to that person, can bring an action for rectification of that information, removal of those comments and compensation in respect of all the damage sustained before the courts of the Member State in which its centre of interests is located. When the relevant legal person carries out the main part of its activities in a different Member State from the one in which its registered office is located, that person

¹⁵ C-509/09 - *eDate Advertising and Others*.

¹⁶ Case C-306/17 – *Éva Nothartová v Sámson József Boldizsár*.

¹⁷ C-194/16 - *Bolagsupplysningen OÜ és Ingrid Ilsjan kontra Svensk Handel AB*.

may sue the alleged perpetrator of the injury in that other Member State by virtue of it being where the damage occurred. In addition, the Court ruled that a person who alleges that their personality rights have been infringed by the publication of incorrect information concerning them on the internet and by the failure to remove comments relating to them cannot bring an action for rectification of that information and removal of those comments before the courts of each Member State in which the information published on the internet is or was accessible.

In the *Football Dataco (Premier League*¹⁸ case), the Court has ruled that the sending by one person, by means of a web server located in Member State A, of data previously uploaded by that person from a database protected by the sui generis right under that directive to the computer of another person located in Member State B, at that person's request, for the purpose of storage in that computer's memory and display on its screen, constitutes an act of 're-utilization' of the data by the person sending it (see the chapter on databases). The Court has underlined that that act takes place, at least, in Member State B, where there is evidence from which it may be concluded that the act discloses an intention on the part of the person performing the act to target members of the public in Member State B, which is for the national court to assess.

The Court does not preclude the application of Article 5(3) of the Brussels I Regulation to an action for liability arising from the operation of an Internet site against a defendant who is probably a European Union citizen but whose whereabouts are unknown if the court that is seized of the case does not hold firm evidence to support the conclusion that the defendant is in fact domiciled outside the European Union (*G* case, C-292/10).

SPECIAL JURISDICTION AS PER CONSUMERS

A consumer may bring proceedings against the other party to a contract¹⁹ either in the courts of the Member State in which that party

¹⁸ C-604/10 - *Football Dataco Ltd and Others v Yahoo! UK Ltd and Others*.

¹⁹ The concept of 'other party to the contract' must be interpreted as meaning, in circumstances such as those at issue in the main proceedings, that it also covers the contracting partner of the operator with which the consumer concluded that

is domiciled or in the courts of the place where the consumer is domiciled.

Proceedings may be brought against a consumer by the other party to the contract *only* in the courts of the Member State in which the consumer is domiciled.

These provisions shall not affect the right to bring a counter-claim in the court in which the original claim is pending.

The provisions above may be departed from only by an agreement:

- which is entered into after the dispute has arisen; or
- which allows the consumer to bring proceedings in courts other than those normally competent; or
- which is entered into by the consumer and the other party to the contract, both of whom are at the time of conclusion of the contract domiciled or habitually resident in the same Member State, and which confers jurisdiction on the courts of that Member State, provided that such an agreement is not contrary to the law of that Member State.

PROROGATION OF JURISDICTION

If the parties, one or more of whom is domiciled in a Member State, have agreed that a court or the courts of a Member State are to have jurisdiction to settle any disputes which have arisen or which may arise in connection with a particular legal relationship, that court or those courts shall have jurisdiction. Such jurisdiction shall be exclusive unless the parties have agreed otherwise. Such an agreement conferring jurisdiction shall be either:

- a) in writing or evidenced in writing; or
- b) in a form which accords with practices which the parties have established between themselves; or

contract and which has its registered office in the Member State in which the consumer is domiciled (*TUI and lastminute* case, C-478/12).

- c) in international trade or commerce, in a form which accords with a usage of which the parties are or ought to have been aware and which in such trade or commerce is widely known to, and regularly observed by, parties to contracts of the type involved in the particular trade or commerce concerned.

Any communication by electronic means which provides a durable record of the agreement shall be equivalent to "writing". The provisions above may not be used to deprive a consumer from the protection he benefits from.

LIS PENDENS - RELATED ACTIONS

Where proceedings involving the same cause of action and between the same parties are brought in the courts of different Member States, any court other than the court first seized shall of its own motion stay its proceedings until such time as the jurisdiction of the court first seized is established.

Where the jurisdiction of the court first seized is established, any court other than the court first seized shall decline jurisdiction in favour of that court.

It must be underlined that this is solely applicable for proceedings involving (i) the same cause of action and (ii) between the same parties.

In addition, and as a general rule, where related actions are pending in the courts of different Member States, any court other than the court first seized may stay its proceedings.

It is the judge who assesses whether pending actions are 'related', but actions are deemed to be related where they are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings.

Where actions come within the exclusive jurisdiction of several courts, any court other than the court first seized shall decline jurisdiction in favour of that court.

PROVISIONAL (INCLUDING PROTECTIVE) MEASURES

Application may be made to the courts of a Member State for such provisional measures, including protective measures as may be available under the law of that State, even if, under the Brussels Ia Regulation, the courts of another Member State have jurisdiction as to the substance of the matter. This is an important issue in matters related to intellectual property where the law provides for some specific provisional measures (see the chapter on *IP enforcement*).

RECOGNITION AND ENFORCEMENT

A judgment given in an EU country is to be recognized in the other EU countries without any special procedure being required.

Judgment means any judgment given by a court or tribunal of an EU country, whatever the judgment may be called, including a decree, order, decision or writ of execution. Under no circumstances may a foreign judgment be reviewed as to its substance.

A judgment will not be recognized if:

- such recognition is manifestly contrary to public policy in the EU country in which recognition is sought.
- the defendant was not served with the document that instituted the proceedings in sufficient time and in such a way as to enable the defendant to arrange for their defence.
- it is irreconcilable with a judgment given in a dispute between the same parties in the EU country in which recognition is sought.
- it is irreconcilable with an earlier judgment given in another EU or non-EU country involving the same cause of action and the same parties.

A court in which recognition is sought of a judgment given in another EU country may stay the proceedings if an ordinary appeal against the judgment has been lodged.

A judgment is to be enforced in another EU country when, on the application of any interested party, it has been declared enforceable there. The parties may appeal against a decision on an application for a declaration of enforceability.

4. LEGAL PROTECTION OF AUTHOR RIGHT (COPYRIGHT)

LEGAL FRAMEWORK

COPYRIGHT VS. AUTHOR RIGHT

WHICH WORKS ARE PROTECTED UNDER AUTHOR RIGHT?

ORIGINALITY

FORMALITIES

WHO IS THE AUTHOR?

SCOPE OF PROTECTION

ECONOMIC RIGHTS

MORAL RIGHTS

EXCEPTIONS

WHAT ARE “RELATED RIGHTS”?

DURATION OF PROTECTION

COMPUTER AND DATABASE

LEGAL FRAMEWORK

a) *Directives*

Copyright is still mainly regulated by national laws. To this day, there is no global harmonization on the European level but a large number of specific texts, mainly²⁰:

²⁰ One should also have a look to the chapters related to computer programs, and databases.

- Council Directive 92/100/EEC of 19 November 1992 on rental right and lending right and on certain rights related to copyright in the field of intellectual property.
- Council Directive 93/83/EEC of 27 September 1993 on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission, aiming at facilitating the cross-border transmission of audiovisual programs, particularly broadcasting via satellite and retransmission by cable.
- Council Directive 93/98/EEC of 29 October 1993 harmonizing the term of protection of copyright and certain related rights.
- Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonization of certain aspects of copyright and related rights in the information society, which is set to adapt legislation on copyright and related rights to reflect technological developments.
- Directive 2001/84/EC of the European Parliament and of the Council of 27 September 2001 on the resale right for the benefit of the author of an original work of art, creating a standard level of protection within the single market.
- Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights.
- Directive 2006/115/EC of the European Parliament and of the Council of 12 December 2006 on rental right and lending right and on certain rights related to copyright in the field of intellectual property. It also provides for a harmonization of certain neighbouring rights including the right of fixation, reproduction, broadcasting and communication to the public and distribution.
- Directive 2011/77/EU of the European Parliament and of the Council of 27 September 2011 amending Directive 2006/116/EC on the term of protection of copyright and

certain related rights, which sets the term of protection for performers and sound recordings to 70 years in the EU.

- Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC (hereinafter the '*DSM Directive*').

The DSM Directive is an important milestone of the EU Copyright.

The main structure and principles of DSM Directive can be summarized as such:

- The first title contains general provisions which (i) specify the subject matter and the scope of the Directive and (ii) provide definitions that will need to be interpreted in a uniform manner in the Union.
- The second title concerns measures to adapt exceptions and limitations to the digital and cross-border environment. This title includes three articles which require Member States to provide for mandatory exceptions or a limitation allowing (i) text and data mining carried out by research organisations for the purposes of scientific research (Article 3); (ii) digital uses of works and other subject-matter for the sole purpose of illustration for teaching (Article 4); (iii) use of works and other subject matter in digital and cross-border teaching activities (Article 5) and (iv) cultural heritage institutions to make copies of works and other subject matter that are permanently in their collections to the extent necessary for their preservation (Article 6). Article 7 provides for common provisions to the title on exceptions and limitations.
- The third title concerns measures to improve licensing practices and ensure wider access to content. Article 8 requires Member States to put in place a legal mechanism to facilitate licensing agreements of out-of-commerce works and other subject matter by cultural heritage institutions. Article 9 guarantees the cross-border effect of such licensing agreements. Article 10 requires Member States to put in place

a stakeholder dialogue on issues relating to Articles 8 and 9. Article 12 contains measures to facilitate collective licensing. Given that the 2014/26/EU Directive does not establish rules on rightsholders who are not in a legal relationship with collective management organisations, the proper application of Article 8 requires the addition of EU rules on collective rights management, which is done by Article 12. Article 13 creates an obligation for Member States to put in place a negotiation mechanism to facilitate negotiations on the online exploitation of audiovisual works (VOD platforms are concerned). Furthermore, under this title, Article 14 sets certain rules for the use of works of visual art in the public domain.

- The fourth title concerns measures to achieve a well-functioning marketplace for copyright. Articles 15 and 16 (i) extend the rights provided for in Articles 2 and 3(2) of Directive 2001/29/EC to publishers of press publications for the digital use of their publications and (ii) provide for the option for Member States to provide all publishers with the possibility to claim a share in the compensation for uses made under an exception. Articles 17 and 18 create an obligation on information society service providers storing and giving access to large amounts of works and other subject-matter uploaded by their users to take appropriate and proportionate measures to ensure the functioning of agreements concluded with rightsholders and to prevent the availability on their services of content identified by rightsholders in cooperation with the service providers. Article 19 requires Member States to include transparency obligations to the benefit of authors and performers. Article 20 requires Member States to establish a contract adjustment mechanism, in support of the obligation provided for in Article 19. Article 21 requires Member States to set up a dispute resolution mechanism for issues arising from the application of Articles 19 and 20.
- The fifth title contains final provisions on amendments to other directives, the application in time, transitional provisions, the protection of personal data, the transposition, the review and the entry into force.

One of the most controversial provisions of the proposal is Article 17 which regulates the use of protected content by online content-sharing service providers. An online content-sharing service provider means a provider of an information society service of which the main or one of the main purposes is to store and give the public access to a large amount of copyright-protected works or other protected subject matter uploaded by its users, which it organises and promotes for profit-making purposes. This Article *expressis verbis* states that an online content-sharing service provider performs an act of communication to the public or an act of making available to the public for the purposes of the DSM Directive when it gives the public access to copyright-protected works or other protected subject matter uploaded by its users. An online content-sharing service provider shall therefore obtain an authorisation from the rightsholders, for instance by concluding a licensing agreement, in order to communicate to the public or make available to the public works or other subject matter. If no authorisation is granted, online content-sharing service providers shall be liable for unauthorised acts of communication to the public, including making available to the public, of copyright-protected works and other subject matter, unless the service providers demonstrate that they have:

- (a) made best efforts to obtain an authorisation.
- (b) made, in accordance with high industry standards of professional diligence, best efforts to ensure the unavailability of specific works and other subject matter for which the rightsholders have provided the service providers with the relevant and necessary information.
- (c) acted expeditiously, upon receiving a sufficiently substantiated notice from the rightsholders, to disable access to, or to remove from their websites, the notified works or other subject matter, and made best efforts to prevent their future uploads in accordance with point (b).

Accordingly, the online content-sharing service provider is now not only obliged to act with a high level of professional diligence to remove the infringing content and even prevent its future uploading, but also to do everything possible to obtain authorisation for use. If these three conditions are met, the service provider is exempted from liability.

The cooperation between online content-sharing service providers and rightsholders shall not result in the prevention of the availability of works or other subject matter uploaded by users, which do not infringe copyright and related rights, including where such works or other subject matter are covered by an exception or limitation. The DSM Directive ensures that users in each Member State are able to rely on any of the following existing exceptions or limitations when uploading and making available content generated by users on online content-sharing services:

- (a) quotation, criticism and review.
- (b) use for the purpose of caricature, parody or pastiche.

b) *EU Court of justice*

In intellectual property more than anywhere else, the EU Court of justice has worked tremendously to harmonize the way the notions are interpreted and applied throughout the EU. Despite the lack of a global harmonization, many core-principles are therefore largely shared throughout Europe (see here after for landmark cases).

COPYRIGHT VS. AUTHOR RIGHT

The lack of harmonization is partly caused by the coexistence of two different models within the European union:

- The copyright model. Mainly used in the common law EU-members²¹ (Ireland, etc.), it provides a protection which is set to ensure a financial reward to creators and enable them to remunerate the effort they put in their creative activities. This model is based on “skill and labour” and less on originality and moral rights of the authors over their creations.
- The author’s right model (continental Europe). It places the author at the centre of the protection system by granting him

²¹ Also, the UK, which is not the member of the EU anymore.

moral rights (paternity, integrity) over his work in addition to the traditional exclusive rights covering all commercial uses of the work. This model is based on a core-notion: originality.

Thanks to international texts, such as the Berne Convention, these models are converging, but there remain strong differences (not to speak about the cultural inheritance).

WHICH WORKS ARE PROTECTED UNDER AUTHOR RIGHT?

There is no general list of works/objects protected by author right.

However, specific elements are explicitly protected by author right, notably:

- a) Computer programs. According to Article 1 of the applicable Directive, “(...) *Member States shall protect computer programs, by copyright, as literary works within the meaning of the Berne Convention for the Protection of Literary and Artistic Works. (...)*”;
- b) Database. According to Article 3 of the applicable Directive: “*Databases which, by reason of the selection or arrangement of their contents, constitute the author's own intellectual creation shall be protected as such by copyright. No other criteria shall be applied to determine their eligibility for that protection*”.

Beside those examples, the meaning of literary and artistic works is unclear (as it is in the international conventions and treaties).

It typically refers to all artworks: photographs, written compositions, statues, architectural plans, models, paintings, but also movies, video games, etc.

As an example, in the *Painer*²² case, the CJEU has ruled that a portrait photograph can be protected by copyright if, which it is for the national

²² C-145/10 – Eva-Maria Painer v Standard VerlagsGmbH, Axel Springer AG, Süddeutsche Zeitung GmbH, Spiegel-Verlag Rudolf Augstein GmbH & Co KG, Verlag M. DuMont Schauberg Expedition der Kölnischen Zeitung GmbH & Co KG.

court to determine in each case, such photograph is an intellectual creation of the author reflecting his personality and expressing his free and creative choices in the production of that photograph. Since it has been determined that the portrait photograph in question is a work, its protection is not inferior to that enjoyed by any other work, including other photographic works.

Besides artistic works, the concept of literary and artistic works is nearly borderless (as shown by the two examples above where database and computer program are protected as literary and artistic works).

After a decade of cases brought before the Court of Justice, one may reasonably assume that any work/object can potentially be protected by author right if, and only if, it is considered as an original creation²³.

The definition of literary and artistic works is not detachable from the criteria of originality: any work is eligible as a 'protected work' if it is an intellectual creation of the author (i.e., it reflects his personality and expresses his free and creative choices).

As an addition in the *Brompton*²⁴ case the CJEU dealt with the question whether the copyright protection provided by Directive 2001/29/EC applies to a product whose shape is, at least in part, necessary to obtain a technical result. The concept of 'work' has two conditions. First, it entails an original subject matter which is the author's own intellectual creation and, second, it requires the expression of that creation.²⁵ The concept of 'work' that is the subject of Directive 2001/29/EC necessarily entails the existence of a subject matter that is identifiable with sufficient precision and objectivity. It follows that a

²³ See notably : *Infopaq vs. Danske DagbladesForening* (2009) ; *Softwarova vs. Svaz* (2010) ; *Premier League* (2011) ; *Painer vs. Standard, Axel Springer, Spiegel a.o.* (2011) ; *Football Dataco* (2012) ; *SAS Institute* (2012) ; *Usedsoft v. Oracle* (2012); *Flos vs. Semeraro* (2011).

²⁴ C-833/18 - SI, *Brompton Bicycle Ltd v Chedech/Get2Get*.

²⁵ See, to that effect, judgment of 12 September 2019, *Cofemel*, C-683/17, paragraphs 29 and 32 and the case-law cited.

subject matter satisfying the condition of originality may be eligible for copyright protection, even if its realisation has been dictated by technical considerations, provided that its being so dictated has not prevented the author from reflecting his personality in that subject matter, as an expression of free and creative choices.

ORIGINALITY

Originality is the core notion of author right: the work must exhibit creativity and originality, reflecting the author's imprint.

The idea expressed in the work does not need to be original. But the manner in which the idea is expressed must be original.

For example:

- Generally speaking, taking a picture of the sky is far from being original. The idea of such photograph is not original and if I take my autofocus camera and push on the appropriate button, it shall be difficult to pretend it is original.
- However, *a* picture of the sky, taken in *a* specific circumstance, by *a* specific person, who made *a* specific work, may be protected if it is original. This is exactly what the CJEU ruled in the *Painer* case (see page 48 above).

Until recently, originality was largely a national issue, but the Court of Justice of the EU has worked tremendously in several decisions, in order to affirm that:

- originality should be applied similarly to all types of works protected by copyright (computer programs, literary and artistic work, books, etc.); and
- it has a pan-European meaning (it must be an intellectual creation of the author reflecting his personality and expressing his free and creative choices).

In the *Brompton*²⁶ case the CJEU noted that the criterion of originality cannot be met by the components of a subject matter which are differentiated only by their technical function.

As an example, it has ruled in the *Dataco*²⁷ case that a 'database' is protected by the copyright laid down by the applicable directive provided that the selection or arrangement of the data contained amounts to an original expression of the creative freedom of its author, which is a matter for the national court to determine.

In the landmark 2009 *Infopaq*²⁸ case, the Court has confirmed that works such as computer programs, databases or photographs are protected by copyright only if they are original, in the sense that they are their author's own intellectual creation.

FORMALITIES

Unlike industrial property rights – such as patent or trade mark – the protection under author right is automatically granted by the mere creation of the original work. Once it is created and fixed (as long as it is not fixed, it remains an idea), it is protected by law.

WHO IS THE AUTHOR?

As a general rule, the copyright owner is the natural person who created the initial work.

Since author right is based on originality, the copyright owner is normally an individual. (Please note that taking into consideration the development of artificial intelligence, there is a growing debate on the necessity to change this traditional way of thinking.)

²⁶ C-833/18 - SI, *Brompton Bicycle Ltd v Chedech/Get2Get*.

²⁷ C-604/10 - *Football Dataco Ltd and Others v Yahoo! UK Ltd and Others*.

²⁸ C-5/08 – *Infopaq International A/S v Danske Dagblades Forening*

Exceptions to this principle exist and may vary from one country to another as it is not harmonized at the EU legislative level:

- If the work was created by an employee of a company during working hours, the company could be the owner of the copyright (however that does not merely mean that the creator of the work is the company, only the economic rights are transferred to the company, the original creator still owns the personal/moral rights).
- If the work is created by more than one person, all creators could be considered as co-authors, unless otherwise agreed.
- Where students have assigned copyright in their research or exercise works to a university or educational body, the copyright could then reside with this body.

Please pay attention to the fact that due to the lack of harmonization, the ownership must be verified by a local lawyer before any action. Notably, the important question of works created by employees may considerably vary depending on the country considered.

SCOPE OF PROTECTION

The author has both moral and economic rights on his work. The common law countries do not completely recognize moral rights, at least not as part of copyright protection.

The economic rights can be sold, inherited or assigned. It can also be divided, so that the rightsholder can assign it for a particular application or medium. Moral rights are, as a rule, not transferable nor assignable (however with exceptions depending on the country).

ECONOMIC RIGHTS

Economic rights allow the owners of the rights to get income from its exploitation. They own the exclusive right to authorize it, under different forms, and to set the size of the royalties – however respecting competition law rules as they are the owner of a monopoly.

The copyright's economic rights are embedded in the Directive 2001/29 which holds a list of the prerogatives:

- A right of reproduction, which includes the right to authorize or prohibit digital reproductions and temporary copying²⁹.
- A right of communication to the public, which provides that the protected work may be accessed by the public³⁰.
- A rental and lending right, which provides for exclusive rights to authorize or prohibit the rental and lending of the protected work.
- A right of distribution, which includes the right to authorize or prohibit the first sale or transfer of ownership in the EU territory³¹.

MORAL RIGHTS

Moral rights typically include:

- A right to paternity, which ensures that a work cannot be falsely attributed, but also allows the author to publish anonymously or under a pseudonym.
- A right to integrity, which guarantees the integrity of a work in such a way that the work cannot be modified or distorted without the author's permission.

²⁹ Important caselaw of the Court of Justice of the EU includes: SAS Institute (2012) ; ACI Adam (2014).

³⁰ Important caselaw of the Court of Justice of the EU includes: Svensson vs. Retriever (2014) ; TVCatchup (2013).

³¹ Important caselaw of the Court of Justice of the EU includes: UsedSoft vs Oracle (2012) ; Donner (2012).

- A right of controlling publication, to which the author is entitled to freely decide whether his work shall be released to the public or not, and when.

Moral rights cannot normally be transferred, as they are personal rights of the author (however, there are some specificities depending on the country at hand).

EXCEPTIONS

a) *In general*

Exceptions to author's right is not an easy issue, for the directive does not totally harmonize the situation within the EU: some exceptions are compulsory and shall apply throughout Europe, others are optional and may vary from one Member State to another.

The CJEU has underlined on several occasion the importance of the three-step-case when there is no specific exception to the right of the author or when the scope of such exception is unclear³².

This test was first established in relation to the exclusive right of reproduction under Article 9 (2) of the Berne Convention for the Protection of Literary and Artistic Works in 1967 (Article 9 : (...)) *"It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author"*). Since then, the test has been included in Article 13 of TRIPs (*"Members shall confine limitations and exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the rights holder."*)

³² Important caselaw of the Court of Justice of the EU includes: Amazon Austro-Mechana (2013) ; Infopaq (16 July 2009).

b) *Temporary technical reproduction*

This exception is compulsory: temporary acts of reproduction, which are transient or incidental and an integral and essential part of a technological process and whose sole purpose is to enable:

(a) a transmission in a network between third parties by an intermediary, or

(b) a lawful use of a work or other subject matter to be made, and which have no independent economic significance, shall be exempted from the reproduction right.

c) *Private copy*

The private copy exception is optional, although largely used by member states: Member States may provide for exceptions or limitations to the reproduction right in respect of reproductions on any medium made by a natural person for private use and for ends that are neither directly nor indirectly commercial, on condition that the rightsholders receive fair compensation which takes account of the application or non-application of technological measures referred to in Article 6 to the work or subject-matter concerned.

In the *Copydan*³³ case, the CJEU has ruled that this exception does not preclude national legislation which provides that fair compensation is to be paid, in respect of *multifunctional media* such as mobile telephone memory cards, irrespective of whether the main function of such media is to make such copies, provided that one of the functions of the media, be it merely an ancillary function, enables the operator to use them for that purpose. However, the question whether the function is a main or an ancillary one and the relative importance of the medium's capacity to make copies are liable to affect the amount of fair compensation payable. In so far as the prejudice to the rightsholders may be regarded as minimal, the making available of such a function need not give rise to an obligation to pay fair compensation.

³³ C-463/12 - *Copydan Båndkopi v Nokia Danmark A/S*.

The Court has ruled in addition that the Directive 2001/29/EC does not preclude national legislation which requires payment of the levy intended to finance fair compensation by producers and importers who sell mobile telephone memory cards to business customers and are aware that those cards will be sold on by those customers but do not know whether the final purchasers of the cards will be individuals or business customers, on condition that:

- The introduction of such a system is justified by practical difficulties.
- The persons responsible for payment are exempt from the levy if they can establish that they have supplied the mobile telephone memory cards to persons other than natural persons for purposes clearly unrelated to copying for private use, it being understood that the exemption cannot be restricted to the supply of business customers registered with the organisation responsible for administering the levy.
- The system provides for a right to reimbursement of that levy which is effective and does not make it excessively difficult to repay the levy and only the final purchaser of such a memory card may obtain reimbursement by submitting an appropriate application to that organisation.

d) *Fair compensation*

The “fair compensation” is widely used in the Directive 2001/29/EC: many exceptions are acceptable only if the rightsholder receives fair compensation.

According to one of its recitals, “[w]hen determining the form, detailed arrangements and possible level of such fair compensation, account should be taken of the particular circumstances of each case. When evaluating these circumstances, a valuable criterion would be the possible harm to the rightsholders resulting from the act in question. In cases where rightsholders have already received payment in some other form, for instance as part of a licence fee, no specific or separate payment may be due. The level of fair compensation should take full

account of the degree of use of technological protection measures referred to in this Directive. In certain situations where the prejudice to the rightsholders would be minimal, no obligation for payment may arise”.

According to the *Copydan* case (page 54), Directive 2001/29/EC precludes national legislation which provides for fair compensation, in accordance with the exception to the reproduction right, in respect of reproductions made using unlawful sources, namely from protected works which are made available to the public without the rightsholder’s consent.

The doctrine of fair compensation also appears in the DSM Directive where an author has transferred or licensed a right to a publisher, or the digital uses of their works or other subject matter under the exception or limitation provided for in the DSM Directive for illustration for teaching.

WHAT ARE “RELATED RIGHTS”?

Related rights are similar to author rights, but they do not protect the *author*.

This kind of rights protects those people who are involved in the performance of the work or in its communication to the public. When a famous music artist sings a text/music written by someone else, he is protected by related rights but not author rights (for he is not the author of the protected work – i.e., the music and text).

In the EU, the related rights are largely treated the same way as author rights. Holders of related rights in the EU enjoy the same economic rights granted to authors.

The DSM directive introduced a new “related right” applicable for press publication: *“Member States shall provide publishers of press publications established in a Member State with the rights provided for in Article 2 and Article 3(2) of Directive 2001/29/EC for the online use of their press publications by information society service providers.”*. Such right shall leave intact and shall in no way affect any rights provided for in Union law to authors and other rightsholders, in respect of the works

and other subject-matter incorporated in a press publication. Such rights may not be invoked against those authors and other rightsholders and, in particular, may not deprive them of their right to exploit their works and other subject-matter independently from the press publication in which they are incorporated. The rights provided for in Article 15(1) of the DSM Directive shall not apply (i) to private or non-commercial uses of press publications by individual users, (ii) to acts of hyperlinking and (iii) in respect of the use of individual words or very short extracts of a press publication.

DURATION OF PROTECTION

Copyright has a strict duration which in most cases follows the Berne Convention. As a general rule, copyright applies for the lifetime of the creator, plus 50 years. However, in the EU, copyright applies for 70 years after the author's death date.

COMPUTER AND DATABASE

Please read the specific chapter on computer and database.

5. LEGAL PROTECTION OF TRADE MARKS

LEGAL FRAMEWORK

WHAT IS A TRADE MARK?

REQUIREMENTS FOR TRADE MARK PROTECTION

REFUSAL OF PROTECTION

OPPOSITION

SCOPE OF PROTECTION

DURATION

REGISTERING A TRADE MARK IN THE EU

LEGAL FRAMEWORK

- Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark.
- Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks.
- National laws of transposition.

WHAT IS A TRADE MARK?

A trade mark is a sign used in trade to identify products or services as to indicate its origin from a specific business.

The trade mark right is an exclusive right enabling the proprietor to prohibit the use of identical or similar signs of other person or entities, if they do not have prior rights.

REQUIREMENTS FOR TRADE MARK PROTECTION

The requirements for trade mark protection are the same in all Member States and in the European Union trade mark system.

A trade mark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colours, the shape of goods or of the packaging of goods, or sounds, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings; and being represented on the register in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor.

a) *A sign*

The basic function of a trade mark is to indicate to the public from which company a good or service comes from (origin).

The graphical representation requirement of a trade mark no longer applies when submitting a trade mark application. This means that signs can be represented in any appropriate form using generally available technology, as long as the representation is clear, precise, self-contained, easily accessible, intelligible, durable and objective. The result is a 'what you see is what you get' system, which aspires to make the trade mark entries on the trade mark register clearer, more accessible and easier to search for.

It is thus possible to register for the following examples (further types exist, such as pattern mark or position mark, but the below listed are the most common):

- A word mark: letters, numbers.
- A figurative mark: pictures, graphics, logo.

- A combined mark: with both words and pictures.
- A 3D mark: representation of a three-dimensional shape, such as the actual product or its packaging.
- A colour mark (single or combination): a reproduction of the colour and an indication of that colour by a reference to a generally recognised colour code or in case of a colour combination, it shows the systematic arrangement of the colour combination in a uniform and predetermined manner and an indication of those colours by a reference to a generally recognised colour code.
- A sound mark: by submitting an audio file reproducing the sound or by an accurate representation of the sound in musical notation.
- A motion mark: A video file showing the movement or change of position, or a series of still sequential images showing the movement, which may be numbered. Where still images are used, they may be numbered or accompanied by a description explaining the sequence.
- A multimedia mark: an audio-visual file containing the combination of the image and the sound.
- A hologram mark: a video file or a graphic or photographic reproduction containing the views which are necessary to sufficiently identify the holographic effect in its entirety.

b) *Distinctive*

Given the indication function of a trade mark, the sign must be distinctive. This distinctiveness is assessed on a case-by-case basis.

Descriptive slogans or names, or a sign that can be used to describe one characteristic of the product/service won't be, in principle, distinctive enough.

In the *Juan Moreno Marín*³⁴ case, the CJEU has ruled that a sign referring to the characteristic of a product or service which is that such a product or service can be found in abundance in a single place with a high degree of value, is unlikely to have characteristics the use of which as a trade mark would constitute a ground for invalidity within the meaning of that provision.

In the landmark *Kit Kat*³⁵ case, the CJEU held that in relation to the issue of acquired distinctive character as a consequence of use, the applicant must show that the distinctive character has been acquired through use in those parts of the EU where the mark does not have an inherent distinctive character. Furthermore, the CJEU stated that in those cases where a trade mark lacks inherent distinctive character throughout the EU, evidence must also be adduced which shows that the distinctive character has been acquired as a consequence of use throughout the EU, and not only in a specific or predominant part of the EU. Accordingly, the party which bears the burden of proof in relation to acquired distinctive character cannot successfully rely on evidence which omits parts of the EU, even if this part would only concern one Member State. Eventually, CJEU stated that there is no provision in the Community Trade mark Regulation which governs what proof is required in order to show a mark's acquisition of distinctive character and consequently, such proof may be relevant for some Member States and, in some cases, throughout the EU.

c) *Lawfulness*

Certain forms of signs are prohibited, for example:

- if contrary to law and order, or to the morals.
- flags and other State (or international) emblems.
- signs misleading the public, for instance on the nature, the quality or the geographical origin of the goods/services.

³⁴ C-139/16 - Juan Moreno Marín, María Almudena Benavente Cárdbaba, Rodrigo Moreno Benavente v Abadía RetuertaSA.

³⁵ C-215/14 - Société des Produits Nestlé SA v Cadbury UK Ltd

The different trade mark registries are usually accessible on the internet, which allows the applicants to check the availability beforehand.

One should be noted that a trade mark shall be liable to be declared invalid where the application for registration of the trade mark was made in bad faith by the applicant. This absolute ground for invalidity applies where it is apparent from relevant and consistent indicia that the proprietor of a trade mark has filed the application for registration of that mark not with the aim of engaging fairly in competition but with the intention of undermining the interests of third parties in a manner inconsistent with honest practices, or with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, in particular the essential function of indicating origin³⁶.

REFUSAL OF PROTECTION

A trade mark is excluded from protection for absolute grounds if it is:

- Descriptive, that is to say that the brand itself describes the nature, destination or origin of the goods and services.
- Misleading, that is to say, in view of the trade mark, the consumer expects that the products have quality, provenance or special features, but in reality they cannot exist for the product.
- Banal or without any distinctiveness, that is to say that the trade mark does not have any distinctive feature.
- Illegal, this means that the sign is contrary to public order, morality and is banned from use.
- Functional, this means signs which consist exclusively of (i) the shape, or another characteristic, which results from the nature of the goods themselves; (ii) the shape, or another

³⁶ Judgment of 12 September 2019, Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO, C-104/18 P, paragraph 46.

characteristic, of goods which is necessary to obtain a technical result; (iii) the shape, or another characteristic, which gives substantial value to the goods.

During the application process, the trade mark office will examine these requirements.

OPPOSITION

A sign can also be excluded from protection for relative grounds if it is similar or identical to a mark previously registered for similar or identical goods or services. In the EU trade mark system and in most (not all) other trade mark systems, relative grounds must be claimed by the proprietors of prior rights by means of an opposition. Such opposition can be filed within three months (in many countries) after a trade mark has been published.

The Trade Mark Office (such as the EUIPO) will decide on the opposition after both parties, the applicant and the opponent, have submitted evidence and arguments.

Currently, one in five applications are opposed by the owners of trade marks that are already on the market. The applicant can minimize the risk of opposition by searching for potential conflicts before they apply (conduct a trade mark clearance search prior to filing the application).

In the *Peek & Cloppenburg*³⁷ case, the Court has ruled that Directive 2008/95/EC, read in conjunction with Article 34(2) of the European Union trade mark Regulation, must be interpreted as precluding an interpretation of national legislation according to which the invalidity or revocation of an earlier national mark, the seniority of which is claimed for an EU mark, may be established *a posteriori* only if the conditions for that invalidity or that revocation were met, not only on the date on which that earlier national mark was surrendered or the date on which it lapsed, but also on the date on which the judicial decision making that finding is taken.

³⁷ C-325/13 P und C-326/13 P – Peek & Cloppenburg KG v OHIM

SCOPE OF PROTECTION

a) *Rights of the owner*

The owner of a registered trade mark is in most countries able to prevent 3 types of infringements, occurring in the course of trade

- The use of an identical sign for identical goods/services.
- The use of an identical or similar sign for identical or similar goods/services if there is a likelihood of confusion for the consumer.
- The use of an identical or similar sign for not similar goods/services when the trade mark is well-known on the given territory, if unjustified profit is taken from the trade mark or its reputation.

To obtain a sanction for such behaviour and protect the brand in its distinctive feature, the trade mark holder can file an action for infringement which, according to the country will be a judicial or administrative action.

Claims of national unfair competition law often go hand in hand with trade mark infringements.

Case law includes:

- The *Daimler*³⁸ case: The Court has ruled that a third party, who is named in an advertisement on a website, which contains a sign identical or similar to a trade mark in such a way as to give the impression that there is a commercial relationship between him and the proprietor of the trade mark, does not make use of that sign that may be prohibited by that proprietor under that provision, where that advertisement has not been placed by that third party or on his behalf or, if that advertisement has been placed by that third party or on his

³⁸ C-179/15 - Daimler AG v Együd Garage Gépjárműjavító és Értékesítő Kft.

behalf with the consent of the proprietor, where that third party has expressly requested the operator of that website, from whom the third party ordered the advertisement, to remove the advertisement or the reference to the mark contained therein.

- The *Schweppes*³⁹ case: the Court has ruled that Article 7(1) of Directive 2008/95/EC, read in the light of Article 36 TFEU, must be interpreted as precluding the proprietor of a national trade mark from opposing the import of identical goods bearing the same mark originating in another Member State in which that mark, which initially belonged to that proprietor, is now owned by a third party which has acquired the rights thereto by assignment, when, following that assignment: the proprietor, either acting alone or maintaining its coordinated trade mark strategy with that third party, has actively and deliberately continued to promote the appearance or image of a single global trade mark, thereby generating or increasing confusion on the part of the public concerned as to the commercial origin of goods bearing that mark; or there exist economic links between the proprietor and that third party, inasmuch as they coordinate their commercial policies or reach an agreement in order to exercise joint control over the use of the trade mark, so that it is possible for them to determine, directly or indirectly, the goods to which the trade mark is affixed and to control the quality of those goods.

In the *FCI*⁴⁰ case the CJEU made it clear that a trade mark owner may infringe other trade mark owner's rights by stating the exclusive right of the proprietor of an EU trade mark to prohibit all third parties from using, in the course of trade, signs identical with or similar to its trade mark extends to a third-party proprietor of a later registered EU trade mark, without the need for that latter mark to have been declared invalid beforehand.

³⁹ C-291/16 - Schweppes SA v Red Paralela SL, Red Paralela BCN SL

⁴⁰ C-561/11 - Fédération Cynologique Internationale v Federación Canina Internacional de Perros de Pura Raza

The relation between parallel importation and trade mark is still uncertain. Relevant case law includes:

- The *Junek Europ-Vertrieb*⁴¹: the Court has ruled that the proprietor of a mark cannot oppose the further commercialisation, by a parallel importer, of a medical device in its original internal and external packaging where an additional label, such as that at issue in the case in the main proceedings, has been added by the importer, which, by its content, function, size, presentation and placement, does not give rise to a risk to the guarantee of origin of the medical device bearing the mark.
- The *Ferring Lægemedler*⁴² case: the Court has ruled that that a trade mark proprietor may object to the continued marketing of a medicinal product by a parallel importer, where that importer has repackaged that medicinal product in a new, outer packaging and reaffixed the trade mark, where, first, the medicinal product at issue can be marketed in the importing State party to the EEA Agreement, of 2 May 1992, in the same packaging as that in which it is marketed in the exporting State party to the EEA Agreement and, second, the importer has not demonstrated that the imported product can only be marketed in a limited part of the importing State's market, and those are matters which it is for the referring court to determine.
- The *Mitsubishi Shoji Kaisha*⁴³ case: the Court has ruled that the proprietor of a mark is entitled to oppose a third party, without its consent, removing all the signs identical to that mark and affixing other signs on products placed in the customs warehouse, as in the main proceedings, with a view to importing them or trading them in the European Economic Area (EEA) where they have never yet been marketed.

⁴¹ C-642/16 - Junek Europ-Vertrieb GmbH v Lohmann & Rauscher International GmbH & Co. KG.

⁴² C-297/15 - Ferring Lægemedler A/S, acting on behalf of Ferring BV v Orifarm A/S

⁴³ C-129/17 - Mitsubishi Shoji Kaisha Ltd, Mitsubishi Caterpillar Forklift Europe BV v Duma Forklifts NV, G.S. International BVBA,

- The *Procter & Gamble*⁴⁴ case: In such case the Polish courts allowed the destruction of the seized goods, but later, the Polish Supreme Court decided to ask the CJEU whether the destruction measure should only include pirated goods or also genuine goods from the grey market. The CJEU decided that the owner of an EU trade mark can ask for the destruction of goods which were manufactured by the trade mark holder or licensee, but sold in the EEA without consent. This means that original goods whose “only flaw” is that they are not exhausted under Article 15 EUTMR (or the equivalent national provision) may be ordered to be destroyed, but – at the same time – this is not a “must” in every infringement situation.

As far as spare parts are concerned, one should refer to the *Ford Motor Company*⁴⁵ where the CJEU has ruled that regulation must be interpreted as not allowing, by way of derogation from the provisions of EU Trade mark Directive and EU Trade mark Regulation, a manufacturer of replacement parts and accessories for motor vehicles, such as wheel covers, to affix to its products a sign identical to a trade mark registered for such products inter alia by a producer of motor vehicles, without obtaining the latter’s consent, on the ground that the use thus made of that trade mark is the only way of repairing the vehicle concerned, restoring to that complex product its original appearance.

b) *Territoriality and specialty*

Two main principles have to be considered about trade mark protection:

- The principle of territoriality. Trade mark protection may only be enforced in the territory for which the registration was obtained. A Spanish registration does not allow an infringement action in China or the United States.

⁴⁴ C-355/21 - Perfumesco.pl sp. z o.o. sp.k., v Procter & Gamble International Operations SA.

⁴⁵ C-500/14 - Ford Motor Company v Wheeltrims srl.

- The principle of specialty. The registration of the trade mark does, in the absence of prior rights, confer a monopoly in respect of the products or services listed in the registration towards identical or similar products provided that there is a likelihood of confusion is given.

c) *Extended protection for well-known trade marks*

There is an exception of these two basic principles: the well-known or marks having a high reputation.

Article 6bis of the Convention of Paris (1967) provides that *“in determining whether a trade mark is well-known, Members shall take account of the knowledge of the trade mark in the relevant sector of the public, including in the Member concerned which has been obtained as a result of the promotion of the trade mark.”*

This enhanced protection is primarily intended to prevent companies from taking unfair advantages of the reputation of a famous mark or harm its reputation or image.

Assessing whether a trade mark is well-known is not easy. The CJEU held in the *General Motors*⁴⁶ case the degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it. Thus, in order to enjoy protection extending to non-similar products or services, a registered trade mark must be known by a significant part of the public concerned by the products or services which it covers. In the *General Motors* case the CJEU stated with regard to the Benelux territory: it is sufficient for the registered trade mark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.

⁴⁶ C-375/97 - General Motors Corporation and Yplon SA.

d) *Use requirement*

After a 5 years grace period, in which in many countries the trade mark must not be used, the trade marks must be used for the registered goods or services to avoid being challenged by third parties and to enforce the rights based on the registration. Accordingly, after this grace period, the trade mark owner can only successfully enforce his trade mark if it is in use. If it is then not in use, any other party can also file a cancellation action for non-use.

The CJEU ruled in *Maxxus*⁴⁷ case that the burden of proof that a trade mark has been put to “genuine use” rests on the proprietor of the mark, not on the applicant for revocation. The CJEU said the Trade Marks Directive must be interpreted *“as precluding a procedural rule of a Member State which, in proceedings concerning an application for revocation of a trade mark for non-use, requires the applicant to carry out market research concerning the possible use of that mark by its proprietor and to make in that regard, to the extent possible, substantiated submissions in support of its application.”*

DURATION

The duration of trade mark protection varies from country to country, but in most of them, it lasts 10 years. This protection, however, can be renewed indefinitely upon payment of a renewal fee.

REGISTERING A TRADE MARK IN THE EU

Trade mark law in Europe comprises both European Union (EU) legislation as well as the national laws of the 27 Member States of the Union on the protection of marks (or, for Belgium, the Netherlands and Luxemburg, the Benelux Convention).

The Regulation (EU) 2017/1001 allows for registration of European Union trade marks offering EU-wide protection. The trade marks are administered by the European Intellectual Property Office (EUIPO), in Alicante, Spain.

⁴⁷ Case C-183/21 *Maxxus Group GmbH & Co. KG v Globus Holding GmbH & Co. KG*

The community trade mark covers the 27 EU members. This trade mark takes effect in the entire territory of the European Union.

a) *Registration application to EUIPO*

A trade mark can be registered for a person or a legal entity.

You can file directly with EUIPO or via a national office that will communicate the application to EUIPO. The application must include:

- Identification of the applicant
- Sign to be applied
- Payment
- The list of products or services for which the mark is registered
- The list of classes for the products or services.

b) *Examination of the application for registration*

The EUIPO will examine the admissibility of the application and its formal regularity. It will further examine whether the mark is distinctive, not misleading and licit. However, there are no searches for prior rights.

Then the EUIPO will publish the application for registration to allow third parties to intervene in the proceedings. Third parties may render observations concerning the conditions of validity and file an opposition within 3 months.

Only after conclusion of the opposition proceedings the trade mark will be registered and with this become effective retrospectively from the application date (or the priority date).

c) *Advantages and disadvantages*

The major advantage of the EU trade mark is that one registration process results in trade mark protection in 27 countries.

Another advantage is that it is not necessary to prove use of the trade mark in each of the countries of the European Union. Indeed, the use in a significant part of the European Union can be regarded as sufficient.

Its main drawback is that one prior right in any of the 27 member states is sufficient for its holder to object to the registration of the mark. However, if a national trade mark owner opposes the EU trade mark application, the applicant for an EU trade mark may request the conversion of his EU trade mark application into a national trade mark application.

That is why many applicants perform a search for prior rights in the member states of the EU before applying for an EU trade mark.

6. LEGAL PROTECTION OF COMPUTER PROGRAMS

LEGAL FRAMEWORK

PROTECTION VIA COPYRIGHT

WHICH ELEMENTS ARE PROTECTED?

THE TERMS OF PROTECTION

WHO IS THE AUTHOR?

EMPLOYEES

RIGHTS AS A RIGHTSHOLDER

EXCEPTIONS RELATING TO INTEROPERABILITY

TECHNICAL MEASURES OF PROTECTION

COMPETITION LAW

USED SOFTWARE

LEGAL FRAMEWORK

- Directive 2009/24/EC of the European Parliament and of the Council of 23 April 2009 on the legal protection of computer programs (this directive repeals Directive 91/250/EEC on the same subject).
- National laws of transposition.

PROTECTION VIA COPYRIGHT

Prior to the directive, the legal protection of computer programs varied greatly throughout the Member States in both the terms and condition of it.

It has therefore been decided that the EU's legal framework on the protection of computer programs can in the first instance be limited to establishing that Member States should accord protection to computer programs under copyright law as literary works and further, to establish who and what should be protected, the exclusive rights on which protected persons should be able to rely in order to authorize or prohibit certain acts and for how long the protection should apply.

Article 1 of the 2009/24/EC Directive (hereafter the '*Software Directive*') provides accordingly that "*Member States shall protect computer programs, by copyright, as literary works within the meaning of the Berne Convention for the Protection of Literary and Artistic Works*".

WHICH ELEMENTS ARE PROTECTED?

Protection shall apply to the expression in any form of a computer program.

The term "computer program" includes programs in any form, including those which are incorporated into hardware. This term also includes preparatory design work leading to the development of a computer program provided that the nature of the preparatory work is such that a computer program can result from it at a later stage.

For the avoidance of doubt, it has to be made clear that only the expression of a computer program is protected and that ideas and principles which underlie any element of a program, including those which underlie its interfaces, are not protected by copyright under Software Directive. In accordance with this principle of copyright, to the extent that logic, algorithms and programming languages comprise ideas and principles, those ideas and principles are not protected under Software Directive. In accordance with the legislation and case-law of the Member States and the international copyright conventions, the expression of those ideas and principles is to be protected by copyright.

In the SAS⁴⁸ case, the CJEU has ruled that neither the functionality of a computer program nor the programming language and the format of

⁴⁸ C-406/10 - SAS Institute Inc. v World Programming Ltd.

data files used in a computer program in order to exploit certain of its functions constitute a form of expression of that program and, as such, are not protected by copyright in computer programs for the purposes of that directive.

THE TERMS OF PROTECTION

When it is decided that the work should be considered as a literary or artistic piece, therefore protected under the Berne Convention, the question of originality will arise. A computer program shall be protected if it is original in the sense that it is the author's own intellectual creation. No other criteria shall be applied to determine its eligibility for protection.

In respect of the criteria to be applied in determining whether or not a computer program is an original work, no tests as to the qualitative or aesthetic merits of the program should be applied.

WHO IS THE AUTHOR?

The author of a computer program shall be the natural person or group of natural persons who has created the program or, where the legislation of the Member State permits, the legal person designated as the rightsholder by that legislation.

It is perfectly possible to find different situations, according to the Member States concerned. Certain states will limit authorship to individuals considering that they can only demonstrate originality, where others will prove more flexible in relation to positions of legal persons.

Depending on national legislation, it will therefore organise by contract the transfer of rights to the corporation. This is a typical pattern, especially when a company uses independent programmers. Care should be taken to include in all contracts with suppliers, an assignment clause in favour of the client company. In this case, although not author, the company would be rightsholder.

EMPLOYEES

Where a computer program is created by an employee in the execution of his duties or following the instructions given by his employer, the employer exclusively shall be entitled to exercise all economic rights in the program so created, unless otherwise provided by contract.

It constitutes an important innovation putting an end to the confusion between Member States, in order to guarantee to software companies that the persons they employ will not be able to prevent the exploitation of the software.

However, the definition of an 'employee' may vary between Member States; for example: is a physical person developing software under a sole-proprietary company he created for tax purposes, still an employee? The answer may have very important implications, in a case bankruptcy for example.

As an example, the Belgium Supreme court has ruled on June 3rd, 2010, that the transfer of economic rights to the employer in relation to the computer program developed by its employees, is an exception to the normal regime and should therefore be interpreted restrictively.

RIGHTS AS A RIGHTSHOLDER

The exclusive rights of the rightsholder shall include the right to do or to authorise:

- a) The permanent or temporary reproduction of a computer program by any means and in any form, in part or in whole; in so far as loading, displaying, running, transmission or storage of the computer program necessitate such reproduction, such acts shall be subject to authorisation by the rightsholder.
- b) The translation, adaptation, arrangement and any other alteration of a computer program and the reproduction of the results thereof, without prejudice to the rights of the person who alters the program.
- c) Any form of distribution to the public, including the rental, of the original computer program or of copies thereof.

EXCEPTIONS RELATING TO THE USE OF SOFTWARE

In the absence of specific contractual provisions, the acts referred to in points (a) and (b) above shall not require authorisation by the rightsholder where they are necessary for the use of the computer program by the lawful acquirer in accordance with its intended purpose, including for error correction.

Also, the making of a back-up copy by a person having a right to use the computer program may not be prevented by contract in so far as it is necessary for that use. Eventually, the person having a right to use a copy of a computer program shall be entitled, without the authorisation of the rightsholder, to observe, study or test the functioning of the program in order to determine the ideas and principles which underlie any element of the program if he does so while performing any of the acts of loading, displaying, running, transmitting or storing the program which he is entitled to do. In the *SAS*⁴⁹ case, this has been interpreted as meaning that a person who has obtained a copy of a computer program under a licence is entitled, without the authorisation of the owner of the copyright, to observe, study or test the functioning of that program so as to determine the ideas and principles which underlie any element of the program, in the case where that person carries out acts covered by that licence and acts of loading and running necessary for the use of the computer program, and on condition that that person does not infringe the exclusive rights of the owner of the copyright in that program.

In the *Top System*⁵⁰ case the CJEU stated that the lawful acquirer of a computer program is also entitled to decompile all or part of that program in order to correct errors affecting its operation, including where the correction consists in disabling a function that is affecting the proper operation of the application of which that program forms a part. Such lawful acquirer is not required to satisfy the requirements laid down in Article 6 of the Software Directive. However, that acquirer is entitled to carry out such a decompilation only to the extent necessary to effect that correction and in compliance, where

⁴⁹ C-406/10 - SAS Institute Inc. v World Programming Ltd.

⁵⁰ C-13/20 - Top System SA v Belgian State.

appropriate, with the conditions laid down in the contract with the holder of the copyright in that program.

It has to be underlined that such exception is limited to the “lawful acquirer”. This means that the acts of loading and running necessary for the use of a copy of a program which has been lawfully acquired, and the act of correction of its errors, may not be prohibited by contract. In the absence of specific contractual provisions, including when a copy of the program has been sold, any other act necessary for the use of the copy of a program may be performed in accordance with its intended purpose by a lawful acquirer of that copy.

EXCEPTIONS RELATING TO INTEROPERABILITY

The authorisation of the rightsholder shall not be required where reproduction of the code and translation of its form within the meaning of points (a) and (b) of Article 4(1) are indispensable to obtain the information necessary to achieve the interoperability of an independently created computer program with other programs, provided that the following conditions are met:

- (a) Those acts are performed by the licensee or by another person having a right to use a copy of a program, or on their behalf by a person authorised to do so.
- (b) The information necessary to achieve interoperability has not previously been readily available to the persons referred to in point (a).
- (c) Those acts are confined to the parts of the original program which are necessary in order to achieve interoperability.

Recital 10 of the Software Directive provides more details on the definition of interoperability. It says that the function of a computer program is to communicate and work together with other components of a computer system and with users and, for this purpose, a logical and, where appropriate, physical interconnection and interaction is required to permit all elements of software and hardware to work with other software and hardware and with users in all the ways in which they are intended to function. The parts of the program which provide

for such interconnection and interaction between elements of software and hardware are generally known as "interfaces". This functional interconnection and interaction is generally known as "interoperability". Such interoperability can be defined as the ability to exchange information and mutually to use the information which has been exchanged.

The exception related to interoperability should however be interpreted restrictively.

This is supported notably by a Recital 15 of the Software Directive providing that *"circumstances may exist when such a reproduction of the code and translation of its form are indispensable to obtain the necessary information to achieve the interoperability of an independently created program with other programs. It has therefore to be considered that, in these limited circumstances only, performance of the acts of reproduction and translation by or on behalf of a person having a right to use a copy of the program is legitimate and compatible with fair practice and must therefore be deemed not to require the authorisation of the rightsholder."*

An objective of this exception is to make it possible to connect all components of a computer system, including those of different manufacturers, so that they can work together. Such an exception to the author's exclusive rights may not be used in a way which prejudices the legitimate interests of the rightsholder or which conflicts with a normal exploitation of the program."

In accordance with this Recital, the Software Directive provides that in accordance with the provisions of the Berne Convention for the protection of Literary and Artistic Works, the provisions related to interoperability may not be interpreted in such a way as to allow its application to be used in a manner which unreasonably prejudices the rightsholders' legitimate interests or conflicts with a normal exploitation of the computer program.

TECHNICAL MEASURES OF PROTECTION

Software is regularly protected against illegal use by technical measures of protection, built into the software itself or in a separate

device. It became necessary to give specific legal status to these measures, but without going so far as to question the exceptions granted to the legitimate user.

That is why the directive states that, while ensuring a correct balance between the rights of the rightsholder and those of the user, Member States shall however provide, in accordance with their national legislation, appropriate remedies against a person committing any of the following acts:

- (a) Any act of putting into circulation a copy of a computer program knowing, or having reason to believe, that it is an infringing copy.
- (b) The possession, for commercial purposes, of a copy of a computer program knowing, or having reason to believe, that it is an infringing copy.
- (c) Any act of putting into circulation, or the possession for commercial purposes of, any means the sole intended purpose of which is to facilitate the unauthorised removal or circumvention of any technical device which may have been applied to protect a computer program.

More information on this subject is to be found in the *Nintendo*⁵¹ case. Although this case relied on the Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society, a video game is to a large extent a type of computer program (as underlined by the advocate general). In that case, the CJEU has ruled the concept of an ‘effective technological measure’, for the purposes of the 2001/29 directive, is capable of covering technological measures comprising, principally, equipping not only the housing system containing the protected work, such as the videogame, with a recognition device in order to protect it against acts not authorised by the holder of any copyright, but also portable equipment or consoles intended to ensure access to those games and their use.

⁵¹ C-355/12 - Nintendo Co. Ltd, Nintendo of America Inc., Nintendo of Europe GmbH v PC Box Srl, 9Net Srl.

COMPETITION LAW

The provisions of the Software Directive are without prejudice to the application of the competition rules under Articles 81 and 82 of the European Union Treaty if a dominant supplier refuses to make information available which is necessary for interoperability as defined in the Software Directive.

USED SOFTWARE

According to the Software Directive, the first sale in the Community of a copy of a program by the rightsholder or with his consent shall exhaust the distribution right within the Community of that copy, with the exception of the right to control further rental of the program or a copy thereof. The objective of the principle of the exhaustion of the right of distribution of works protected by copyright is, in order to avoid partitioning of markets, to limit restrictions of the distribution of those works to what is necessary to safeguard the specific subject matter of the intellectual property concerned⁵².

In a landmark case, the CJEU has ruled that this must be interpreted as meaning that the right of distribution of a copy of a computer program is exhausted if the copyright holder who has authorised, even free of charge, the downloading of that copy from the internet onto a data carrier has also conferred, in return for payment of a fee intended to enable him to obtain a remuneration corresponding to the economic value of the copy of the work of which he is the proprietor, a right to use that copy for an unlimited period.

In other words, the exhaustion of the distribution right concerns both tangible and intangible copies of a computer program, and hence also copies of programs which, on the occasion of their first sale, have been downloaded from the internet onto the first acquirer's computer.

Moreover, the Court has ruled that in the event of the resale of a user licence entailing the resale of a copy of a computer program downloaded from the copyright holder's website, that licence having

⁵² See, to that effect, Case C-200/96 *Metronome Musik* [1998] ECR I-1953, paragraph 14; Case C-61/97 *FDV* [1998] ECR I-5171, paragraph 13; and *Football Association Premier League and Others*, paragraph 106.

originally been granted by that rightsholder to the first acquirer for an unlimited period in return for payment of a fee intended to enable the rightsholder to obtain a remuneration corresponding to the economic value of that copy of his work, the second acquirer of the licence, as well as any subsequent acquirer of it, will be able to rely on the exhaustion of the distribution right, and hence be regarded as lawful acquirers of a copy of a computer program and benefit from the right of reproduction provided for in that provision.

7. LEGAL PROTECTION OF DATABASES

LEGAL FRAMEWORK

DOUBLE PROTECTION

WHAT IS A DATABASE?

PROTECTION VIA COPYRIGHT

PROTECTION VIA THE SUI GENERIS RIGHT

GENERAL EXCEPTIONS TO THE RIGHT OF THE AUTHOR

GENERAL EXCEPTIONS TO THE SUI GENERIS RIGHT

NATIONAL EXCEPTIONS TO THE RIGHTS OF THE AUTHOR

NATIONAL EXCEPTIONS TO THE SUI GENERIS RIGHT

DATABASE NOT PROTECTED BY COPYRIGHT OR THE SUI GENERIS RIGHT

LEGAL FRAMEWORK

- Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases;
- National laws transposing the directive.

DOUBLE PROTECTION

Before the 96/9/EC directive (hereafter the '*Database Directive*'), national disparities were numerous. At most, one could see a general trend, under the influence of the case-law, to apply copyright to some elements of databases. This approach has been confirmed in the Database Directive : "*copyright remains an appropriate form of exclusive right for authors who have created databases*".

Nevertheless, in the absence of a harmonized system of unfair-competition legislation or of case-law, it has been decided that other

measures are required in addition to prevent the unauthorized extraction and/or re-utilization of the contents of a database.

However, the situation of the producer remains without effective solution. The making of databases requires the investment of considerable human, technical and financial resources while such databases can be copied or accessed at a fraction of the cost needed to design them independently. Such unauthorized extraction and/or re-utilization of the contents of a database constitute acts which can have serious economic and technical consequences.

WHAT IS A DATABASE?

For the purpose of the Database Directive, 'database' shall mean a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means.

Collections, sometimes called 'compilations', of works, data or other materials which are arranged, stored and accessed by means which include electronic, electromagnetic or electro-optical processes or analogous processes, are included in this definition.

In the *Freistaat Bayern*⁵³ case, the Court has ruled that geographical information extracted from a topographic map by a third party so that that information may be used to produce and market another map retains, following its extraction, sufficient informative value to be classified as 'independent materials' of a 'database' within the meaning of that provision.

Protection is extended to cover non-electronic databases.

However, the protection shall not apply to computer programs used in the making or operation of databases accessible by electronic means. Computer programs are indeed protected by a separate specific legal framework.

⁵³ C-490/14. - Freistaat Bayern v Verlag Esterbauer GmbH

In the *Fixture Marketing*⁵⁴ case, the CJEU has ruled that the term 'database' refers to any collection of works, data or other materials, separable from one another without the value of their contents being affected, including a method or system of some sort for the retrieval of each of its constituent materials.

PROTECTION VIA COPYRIGHT

Databases which, by reason of the selection or arrangement of their contents, constitute the author's own intellectual creation shall be protected as such by copyright. No other criteria shall be applied to determine their eligibility for that protection.

The copyright protection of databases shall not extend to their contents and shall be without prejudice to any rights subsisting in those contents themselves.

The author of a database shall be the natural person or group of natural persons who created the base or, where the legislation of the Member States so permits, the legal person designated as the rightsholder by that legislation. In terms of ownership there is an important similarity with the legal regime applicable to computer programs. This is not surprising since both have the same legal basis: copyright. The structure is similar but not identical. Notably, there is nothing in the Database Directive concerning the situation of employees. The general scheme which will apply, hence the importance of drawing up contracts.

In respect of the expression of the database, which is protectable by copyright, the author of a database shall have the exclusive right to carry out or to authorize:

- a) temporary or permanent reproduction by any means and in any form, in whole or in part.
- b) translation, adaptation, arrangement and any other alteration.

⁵⁴ C-444/02 - *Fixtures Marketing Ltd v Organismos prognostikon agonon podosfairou AE (OPAP)*.

- c) any form of distribution to the public of the database or of copies thereof. The first sale in the Community of a copy of the database by the rightsholder or with his consent shall exhaust the right to control resale of that copy within the Community.
- d) any communication, display or performance to the public.
- e) any reproduction, distribution, communication, display or performance to the public of the results of the acts referred to in (b).

In the *Football Dataco*⁵⁵ case, the CJEU has ruled that a database is protected by the copyright provided that the selection or arrangement of the data which it contains amounts to an original expression of the creative freedom of its author, which is a matter for the national court to determine.

As a consequence:

- the intellectual effort and skill of creating that data are not relevant in order to assess the eligibility of that database for protection by that right.
- it is irrelevant, for that purpose, whether or not the selection or arrangement of that data includes the addition of important significance to that data.
- the significant labour and skill required for setting up that database cannot as such justify such a protection if they do not express any originality in the selection or arrangement of the data which that database contains.

⁵⁵ C-604/10 – Football Dataco Ltd v Yahoo! UK Ltd.

PROTECTION VIA THE SUI GENERIS RIGHT

a) *Main principle*

The sui generis right is the complement set by the Database Directive to protect the producer of the database. Copyright is indeed not always efficient: how could protection be sought via copyright in a situation in which a database containing data that are not protected by copyright (a telephone directory for example), is copied?

Under the sui generis right, the directive provides that *“Member States shall provide for a right for the maker of a database which shows that there has been qualitatively and/or quantitatively a substantial investment in either the obtaining, verification or presentation of the contents to prevent extraction and/or re-utilization of the whole or of a substantial part, evaluated qualitatively and/or quantitatively, of the contents of that database”*.

b) *The substantial investment*

The sui generis right is only assigned if the producer can prove a substantial investment. This requirement gave rise to several decisions from the Court of Justice of the European Union:

- In the *Fixture Marketing*⁵⁶ cases, the Court has ruled that the expression ‘investment in ... the obtaining ... of the contents’ of a database must be understood to refer to the resources used to seek out existing independent materials and collect them in the database. It does not cover the resources used for the creation of materials which make up the contents of a database. The court has repeated the same sentence in the *British Horseracing Board* case.

⁵⁶ C-444/02 - Fixtures Marketing Ltd v Organismos prognostikon agonon podosfairou AE (OPAP) and C-338/02 - Fixtures Marketing Ltd v Svenska Spel AB.

- In the *British Horseracing Board*⁵⁷ case, the Court has ruled that the expression ‘investment in ... the ... verification ... of the contents’ of a database must be understood to refer to the resources used, with a view to ensuring the reliability of the information contained in that database, to monitor the accuracy of the materials collected when the database was created and during its operation. The resources used for verification during the stage of creation of materials which are subsequently collected in a database do not fall within that definition.
- With regards to the public sector, the Court has ruled in the *Compass-Datenbank*⁵⁸ case that the activity of a public authority consisting in the storing, in a database, of data which undertakings are obliged to report on the basis of statutory obligations, in permitting interested persons to search for that data and/or in providing them with print-outs thereof, does not constitute an economic activity, and that public authority is not, therefore, to be regarded, in the course of that activity, as an undertaking, within the meaning of Article 102 TFEU. The fact that those searches and/or that provision of print-outs are carried out in consideration for remuneration provided for by law and not determined, directly or indirectly, by the entity concerned, is not such as to alter the legal classification of that activity.

c) *The rights of the producer*

Once the substantial investment condition is met, the producer has the right to oppose to the extraction and the re-utilization of the content of the database:

⁵⁷ C-203/02 - The British Horseracing Board Ltd and Others v William Hill Organization Ltd.

⁵⁸ C-138/11 – Compass-Datenbank GmbH v Republik Österreich.

- a) 'Extraction' means the permanent or temporary transfer of all or a substantial part of the contents of a database to another medium by any means or in any form⁵⁹.
- b) 'Re-utilization' means any form of making available to the public all or a substantial part of the contents of a database by the distribution of copies, by renting, by on-line or other forms of transmission. The first sale of a copy of a database within the Community by the rightsholder or with his consent shall exhaust the right to control resale of that copy within the Community.

In the *British Horseracing Board*⁶⁰ case, the Court has ruled that the terms 'extraction' and 're-utilisation' must be interpreted as referring

⁵⁹ Please note that in the *Direct Marketing* case, the Court has ruled that the transfer of material from a protected database to another database following an on-screen consultation of the first database and an individual assessment of the material contained in that first database is capable of constituting an 'extraction', to the extent that – which it is for the referring court to ascertain – that operation amounts to the transfer of a substantial part, evaluated qualitatively or quantitatively, of the contents of the protected database, or to transfers of insubstantial parts which, by their repeated or systematic nature, would have resulted in the reconstruction of a substantial part of those contents.

In addition, in the *Apis* case, the Court has ruled that the delimitation of the concepts of "permanent transfer" and "temporary transfer" is based on the criterion of the length of time during which materials extracted from a protected database are stored in a medium other than that database. The time at which there is an extraction, from a protected database, accessible electronically, is when the materials which are the subject of the act of transfer are stored in a medium other than that database. The concept of extraction is independent of the objective pursued by the perpetrator of the act at issue, of any modifications he may make to the contents of the materials thus transferred, and of any differences in the structural organisation of the databases concerned. The fact that the physical and technical characteristics present in the contents of a protected database made by a particular person also appear in the contents of a database made by another person may be interpreted as evidence of extraction, unless that coincidence can be explained by factors other than a transfer between the two databases concerned. The fact that materials obtained by the maker of a database from sources not accessible to the public also appear in a database made by another person is not sufficient in itself to prove the existence of such extraction but can constitute circumstantial evidence thereof.

⁶⁰ C-203/02 - *The British Horseracing Board Ltd and Others v William Hill Organization Ltd*.

to any unauthorised act of appropriation and distribution to the public of the whole or a part of the contents of a database. Those terms do not imply direct access to the database concerned. The fact that the contents of a database were made accessible to the public by its maker or with his consent does not affect the right of the maker to prevent acts of extraction and/or re-utilisation of the whole or a substantial part of the contents of a database.

In addition, the Court has ruled that:

- The expression ‘substantial part, evaluated ... quantitatively, of the contents of [a] database’ refers to the volume of data extracted from the database and/or re-utilised and must be assessed in relation to the total volume of the contents of the database.
- The expression ‘substantial part, evaluated qualitatively ... of the contents of [a] database’ refers to the scale of the investment in the obtaining, verification or presentation of the contents of the subject of the act of extraction and/or re-utilisation, regardless of whether that subject represents a quantitatively substantial part of the general contents of the protected database.

In the second *Football Dataco*⁶¹ case, the Court has ruled that the sending by one person, by means of a web server located in Member State A, of data previously uploaded by that person from a database protected by the sui generis right under that directive to the computer of another person located in Member State B, at that person’s request, for the purpose of storage in that computer’s memory and display on its screen, constitutes an act of ‘re-utilisation’ of the data by the person sending it. That act takes place, at least, in Member State B, where there is evidence from which it may be concluded that the act discloses an intention on the part of the person performing the act to target members of the public in Member State B, which is for the national court to assess.

⁶¹ C-173/11 - *Football Dataco Ltd and Others v Sportradar GmbH and Sportradar AG*

With regards to search engines and more specifically to meta search engines, the Court has ruled in the *Innoweb*⁶² case that an operator who makes available on the Internet a dedicated meta search engine re-utilises the whole or a substantial part of the contents of a database, where that dedicated meta engine:

- Provides the end user with a search form which essentially offers the same range of functionality as the search form on the database site.
- ‘Translates’ queries from end users into the search engine for the database site ‘in real time’, so that all the information on that database is searched through.
- Presents the results to the end user using the format of its website, grouping duplications together into a single block item but in an order that reflects criteria comparable to those used by the search engine of the database site concerned for presenting results.

In further relation to search engines, the CJEU ruled in *CV-Online*⁶³ case that an Internet search engine specialising in searching the contents of databases, which copies and indexes the whole or a substantial part of a database freely accessible on the Internet and then allows its users to search that database on its own website according to criteria relevant to its content, is ‘extracting’ and ‘re-utilising’ that content within the meaning of that provision, which may be prohibited by the maker of such a database where those acts adversely affect its investment in the obtaining, verification or presentation of that content, namely that they constitute a risk to the possibility of redeeming that investment through the normal operation of the database in question, which it is for the referring court to verify.

In the *Apis-Hristovich*⁶⁴ case, the Court has ruled that where there is a body of materials composed of separate modules, the volume of the materials allegedly extracted and/or re-utilised from one of those

⁶² C-202/12 – Innoweb BV v Wegener ICT Media BV and Wegener Mediaventions BV.

⁶³ C-762/19 - ‘CV-Online Latvia’ SIA v ‘Melons’ SIA.

⁶⁴ C-545/07 - Apis-Hristovich EOOD v Lakorda AD.

modules must, in order to assess whether there has been extraction and/or re-utilisation of a substantial part, evaluated quantitatively, of the contents of a database within the meaning of that article, be compared with the total contents of that module, if the latter constitutes, in itself, a database which fulfils the conditions for protection by the sui generis right. Otherwise, and in so far as the body of materials constitutes a database protected by that right, the comparison must be made between the volume of the materials allegedly extracted and/or re-utilised from the various modules of that database and its total contents. It has also ruled that the fact that the materials allegedly extracted and/or re-utilised from a database protected by the sui generis right were obtained by the maker of that database from sources not accessible to the public may, according to the amount of human, technical and/or financial resources deployed by the maker to collect the materials at issue from those sources, affect the classification of those materials as a substantial part, evaluated qualitatively, of the contents of the database concerned, within the meaning of Article 7 of the Database Directive. Eventually, the Court has ruled that the fact that part of the materials contained in a database are official and accessible to the public does not relieve the national court of an obligation, in assessing whether there has been extraction and/or re-utilisation of a substantial part of the contents of that database, to verify whether the materials allegedly extracted and/or re-utilised from that database constitute a substantial part, evaluated quantitatively, of its contents or, as the case may be, whether they constitute a substantial part, evaluated qualitatively, of the database inasmuch as they represent, in terms of the obtaining, verification and presentation thereof, a substantial human, technical or financial investment.

The Court has also ruled, in the *Directmedia Publishing*⁶⁵ case, that the transfer of material from a protected database to another database following an on-screen consultation of the first database and an individual assessment of the material contained in that first database is capable of constituting an ‘extraction’, to the extent that – which it is for the referring court to ascertain – that operation amounts to the transfer of a substantial part, evaluated qualitatively or quantitatively,

⁶⁵ C-304/07 – Directmedia Publishing GmbH v Albert-Ludwigs-Universität Freiburg.

of the contents of the protected database, or to transfers of insubstantial parts which, by their repeated or systematic nature, would have resulted in the reconstruction of a substantial part of those contents.

The sui generis right shall run from the completion date of the database's making . It shall expire fifteen years from the first of January of the year following the date of completion. Any substantial change to the contents of a database, evaluated qualitatively or quantitatively, including any substantial change resulting from the accumulation of successive additions, deletions or alterations, which would result in the database being considered to be a substantial new investment, evaluated qualitatively or quantitatively, shall qualify the database resulting from that investment for its own term of protection.

It should be stressed that the sui generis right applies to databases whose makers or rightsholders are nationals of a Member State or who have their habitual residence in the territory of the Community. It also applies to companies and firms formed in accordance with the law of a Member State and having their registered office, central administration or principal place of business within the Community; however, where such a company or firm has only its registered office in the territory of the Community, its operations must be genuinely linked on an ongoing basis with the economy of a Member State.

d) Evidence

In the *Apis-Hristovich*⁶⁶ case, the Court has ruled that the delimitation of the concepts of 'permanent transfer' and 'temporary transfer' in Article 7 of the Database Directive is based on the criterion of the length of time during which materials extracted from a protected database are stored in a medium other than that database. The time at which there is an extraction, within the meaning of Article 7, from a protected database, accessible electronically, is when the materials which are the subject of the act of transfer are stored in a medium other than that database. The concept of extraction is independent of the objective pursued by the perpetrator of the act at issue, of any

⁶⁶ C-545/07 - *Apis-Hristovich EOOD v Lakorda AD*.

modifications he may make to the contents of the materials thus transferred, and of any differences in the structural organisation of the databases concerned.

The fact that the physical and technical characteristics present in the contents of a protected database made by a particular person also appear in the contents of a database made by another person may be interpreted as evidence of extraction within the meaning of Article 7 of the Database Directive, unless that coincidence can be explained by factors other than a transfer between the two databases concerned. The fact that materials obtained by the maker of a database from sources not accessible to the public also appear in a database made by another person is not sufficient in itself to prove the existence of such extraction but can constitute circumstantial evidence thereof.

The nature of the computer program used to manage two electronic databases is not a factor in assessing the existence of extraction within the meaning of Article 7 of the Database Directive.

GENERAL EXCEPTIONS TO THE RIGHT OF THE AUTHOR

The performance by the lawful user of a database or of a copy thereof of any of the acts listed here above which is necessary for the purposes of access to the contents of the databases and normal use of the contents by the lawful user shall not require the authorization of the author of the database. Where the lawful user is authorized to use only part of the database, this provision shall apply only to that part. Any contractual provision to the contrary is null and void.

GENERAL EXCEPTIONS TO THE SUI GENERIS RIGHT

The maker of a database which is made available to the public in whatever manner may not prevent a lawful user of the database from extracting and/or re-utilizing insubstantial parts of its contents, evaluated qualitatively and/or quantitatively, for any purposes whatsoever. Where the lawful user is authorized to extract and/or re-utilize only part of the database, this paragraph shall apply only to that part. Any contractual provision to the contrary is null and void.

However, the repeated and systematic extraction and/or re-utilization of insubstantial parts of the contents of the database implying acts which conflict with a normal exploitation of that database or which unreasonably prejudice the legitimate interests of the maker of the database are not permitted. In the *British Horseracing Board*⁶⁷ case, the Court has ruled that this refers to unauthorised acts of extraction or re-utilisation the cumulative effect of which is to reconstitute and/or make available to the public, without the authorisation of the maker of the database, the whole or a substantial part of the contents of that database and thereby seriously prejudice the investment by the maker.

In addition, the lawful user of a database which is made available to the public in whatever manner:

- may not perform acts which conflict with normal exploitation of the database or unreasonably prejudice the legitimate interests of the maker of the database.
- may not cause prejudice to the holder of a copyright or related right in respect of the works or subject matter contained in the database.

EXCEPTIONS BY THE DSM DIRECTIVE

The DSM Directive introduces new exceptions which are applicable to databases as well. The legal uncertainty concerning text and data mining should be addressed by providing for a mandatory exception for universities and other research organisations, as well as for cultural heritage institutions, to the exclusive right of reproduction and to the right to prevent extraction from a database.

According to the DSM Directive ‘text and data mining’ means any automated analytical technique aimed at analysing text and data in digital form in order to generate information which includes but is not limited to patterns, trends and correlations. Article 3(1) of the DSM Directive regulates that Member States shall provide for an exception to the rights provided for in Article 5(a) and Article 7(1) of Database

⁶⁷ C-203/02 - The British Horseracing Board Ltd and Others v William Hill Organization Ltd.

Directive, Article 2 of Directive 2001/29/EC, and Article 15(1) of the DSM Directive for reproductions and extractions made by research organisations and cultural heritage institutions in order to carry out, for the purposes of scientific research, text and data mining of works or other subject matter to which they have lawful access.

Furthermore, the DSM Directive adds that Member States provide for an exception or limitation to the above said rights for reproductions and extractions of lawfully accessible works and other subject matter for the purposes of text and data mining. Reproductions and extractions may be retained for as long as is necessary for the purposes of text and data mining. This exception or limitation applies on condition that the use of works and other subject matter has not been expressly reserved by their rightsholders in an appropriate manner, such as machine-readable means in the case of content made publicly available online.

NATIONAL EXCEPTIONS TO THE RIGHTS OF THE AUTHOR

As already mentioned, before harmonization, national practices were extremely varied. As a result, the Database Directive is a compromise allowing states, under some conditions, to keep special schemes whose importance is explained by national considerations. This is why the Database Directive allows Member States to limit the prerogatives of the author in the following situations:

- a) In the case of reproduction for private purposes of a non-electronic database.
- b) Where there is use for the sole purpose of illustration for teaching or scientific research, as long as the source is indicated and to the extent justified by the non-commercial purpose to be achieved.
- c) Where there is use for the purposes of public security or for the purposes of an administrative or judicial procedure.
- d) Where other exceptions to copyright which are traditionally authorized under national law are involved, without prejudice to points (a), (b) and (c).

In relation to these four exceptions, it is therefore necessary to refer to national law, to see if an exception was actually introduced and if so under which terms and conditions it was introduced.

NATIONAL EXCEPTIONS TO THE SUI GENERIS RIGHT

As with copyright, the compromise allows states some flexibility. Member States may stipulate that lawful users of a database which is made available to the public in whatever manner may extract or re-utilize a substantial part of its contents without the authorization of its maker:

- a) in the case of extraction for private purposes of the contents of a non-electronic database.
- b) in the case of extraction for the purposes of illustration for teaching or scientific research, as long as the source is indicated and to the extent justified by the non-commercial purpose to be achieved.
- c) in the case of extraction and/or re-utilization for the purposes of public security or an administrative or judicial procedure.

DATABASE WHICH ARE NOT PROTECTED BY COPYRIGHT OR THE SUI GENERIS RIGHT

In the landmark *Ryanair*⁶⁸ case, the Court has ruled that the Database Directive must be interpreted as meaning that it is not applicable to a database which is not protected either by copyright or by the sui generis right under that directive, so that Articles 6(1), 8 and 15 of that directive do not preclude the author of such a database from laying down contractual limitations on its use by third parties, without prejudice to the applicable national law.

⁶⁸ C-30/14 – Ryanair Ltd v PR Aviation BV.

8. LEGAL PROTECTION OF PATENTS

LEGAL FRAMEWORK

WHAT IS A PATENT?

NATIONAL PATENTS, EUROPEAN PATENTS AND EUROPEAN PATENTS WITH UNITARY EFFECT

EXCEPTIONS FROM PATENTIBILITY

THE TERMS OF THE PROTECTION

RIGHTS GRANTED BY A PATENT

CLAIMS IN CASE OF INFRINGEMENT

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SCOPE OF THE PATENT

EXCEPTION OF PRIOR USE

WHAT IS THE DIFFERENCE BETWEEN A PATENT AND A UTILITY MODEL?

THE UNITARY PATENT AND THE UNIFIED PATENT COURT

LEGAL FRAMEWORK

a) *International Law*

Paris Convention for the Protection of Industrial Property.

World intellectual Property Organization (WIPO).

Patent Corporation Treaty (PCT).

Patent Law Treaty (PLT).

International Patent Classification (IPC).

Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)-Agreement.

b) *European Law*

European Patent Convention (EPC):

- a) Implementing Regulations to the Convention on the Grant of European Patents.
- b) Protocol on Jurisdiction and the Recognition of Decisions in respect of the Right to the Grant of a European Patent (Protocol on Recognition).
- c) Protocol on Privileges and Immunities of the European Patent Organization (Protocol on Privileges and Immunities).
- d) Protocol on the Centralization of the European Patent System and on its Introduction (Protocol on Centralization).

Regulation (EU) n° 1257/2012 of the European Parliament and of the Council, of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection

WHAT IS A PATENT?

A patent is a right granted by the authorities in exchange for the disclosure of a new and inventive technology to the public.

Patents are generally granted for inventions in all technical fields provided that they are new, not obvious from the state of the art to a person skilled in the art and are susceptible of industrial application.

NATIONAL PATENTS, EUROPEAN PATENTS AND EUROPEAN PATENTS WITH UNITARY EFFECT

Patents are generally granted nationally, and accordingly are subject to the legal regulations of the respective country. The European patent has its own procedural rules for the granting of a patent, but, in turn, leads to national patent rights.

There is no difference between a European patent valid in a country and a national patent after the examination. In the case of a national patent application the examination will be performed by the national patent office, in the case of a European patent application the examination will be performed by the European Patent Office (hereafter the 'EPO').

The European Patent with unitary effect will be a patent granted by the EPO under the provisions of the European Patent Convention, to which unitary effect is given for the territory of the 24 participating states (all member states of the European Union except Poland, Spain and Croatia) after it is granted, at the patentee's request. The unitary patent is a legal title that will provide uniform protection across all participating countries on a one-stop-shop basis, providing huge cost advantages and reducing administrative burdens. The Unified Patent Court will offer a single, specialised patent jurisdiction. As the United Kingdom withdrew from the European Union on 31 January 2020 the UK is no longer a participating Member State.

EXCEPTIONS FROM PATENTABILITY

The following subject matters, as such, are usually not regarded as inventions:

- Discoveries as well as scientific theories and mathematical methods.
- The human body at the various stages of its formation and development.
- The mere discovery of one element of the human body, including the sequence or partial sequence of a gene.
- Aesthetic creations.
- Plans, rules and methods for mental acts, for games or for business activities as well as programs for computers.
- The presentation of information.

Patents shall not be granted on methods for cloning human beings; methods for modifying the germ line and genetic identity of human beings; the use of human embryos; the production and exploitation of hybrid species evolving from germ cells, totipotent cells or cell nuclei of human beings and animals; methods for modifying the genetic identity of animals which are used to cause these animals suffering without any substantial medical benefit to Man or animal, and also animals produced by such methods.

Methods intended for the surgical or therapeutical treatment of the human or animal body and diagnostic methods carried out at the human or animal body shall also be unpatentable, except for products, substances or compositions to be applied in any of these methods, which can be subject of patent protection. Patents further shall not be granted for plant varieties or animal races as well as for substantially biological methods for breeding plants or animals.

The concept of plant variety is defined by Article 5 of Regulation (EC) No 2100/94 on Community plant variety rights. A method for breeding plants or animals is essentially biological if it consists entirely of natural phenomena such as crossing or selection. Inventions which concern plants or animals shall be patentable if the technical feasibility of the invention is technically not limited to a particular plant or animal variety. The exclusion of patentability of substantially biological methods for breeding plants or animals, shall not affect the patentability of inventions, the subject matter of which is a microbiological or other technical method or a product obtained by means of such a method, wherein a microbiological method means any method using microbiological material, or performed upon or resulting in microbiological material.

THE TERMS OF PROTECTION

In Europe, patents are granted for a maximum period of 20 years from the filing date of the patent application.

For pharmaceuticals or pesticides, the term of protection can be extended by a Supplementary Protection Certificate. The background of this is that pharmaceuticals and pesticides must go through a long state marketing authorization procedure before they can be marketed,

and only then can be placed on the market. Thus, the term of the patent already begins before the rightsholder can bring his invention on the market. In order to compensate for this, the Supplementary Protection Certificate gives the possibility to gain back up to five years of the lost time of the protection period through a supplementary property right: this gives the simultaneous holder of a patent and a Supplementary Protection Certificate the possibility of a protection period of maximum 15 years from the initial approval (in the EU). For pharmaceuticals for children there is additionally the possibility of a paediatric extension of 6 months.

RIGHTS GRANTED BY A PATENT

A patent grants an exclusion right to the patent holder; thus, it allows him to prohibit other persons from using the invention. The patent holder can inter alia prohibit others from manufacturing the object of invention industrially, putting it into circulation, supplying, using or introducing, or possessing for these purposes.

If the patent has been granted for a process, its effect shall also cover any products directly produced by this process.

European patent law also confers the patent owner the right to prevent all third parties from supplying, or offering to supply, a person other than a party entitled to exploit the patented invention, with means relating to an essential element of that invention, for putting it into effect therein, when the third party knows, or it has been obvious in the circumstances, that these means are suitable and intended for putting that invention into effect. This prohibition of indirect patent infringement shall not apply when the means are staple commercial products, except when the third parties induce the person supplied to commit prohibited acts.

CLAIMS IN CASE OF INFRINGEMENT

In case of breach, the holder of rights may demand, in particular, the cessation of the infringing use, the removal of infringing goods or tools, reasonable compensation or in the case of negligence, damages, each

including financial statements, publication of the judgment and information about the origin and distribution channel.

The cessation, but also the preserving of evidence (“house search under civil law”) or the ability to pay (“freezing of assets”) can be enforced through a preliminary injunction. An intentional patent infringement may also be a criminal offence and punishable by imprisonment.

EMPLOYEES INVENTIONS

Employees also may be entitled to the grant of a patent for any inventions made by them during their employment.

Depending on the national legislation, it may be necessary to conclude a contract for transfer of rights to the corporation.

Care should be taken to include in all contracts with suppliers, an assignment clause in favour of the client company. In this case, although not inventor, the company would – in the limits provided by European cartel law - be the rightsholder.

SCOPE OF THE PATENT

Patents have to be interpreted under consideration of the protocol for the interpretation of Article 69 EPC considering not only the patent claims and the wording but also their sense, the description and the drawings of the patent.

According to court practice, the literal infringement not only falls under the scope of a patent but also the equivalent use of a patented invention. Different rules on equivalent infringement have established across Europe. In Germany and Austria for example, equivalent use occurs if a person skilled in the art, at the priority date, equipped with general technical knowledge and, considering the state of the art, takes the exchanged features without inventive effort as a method of functioning the same way as the claimed patent.

The UK instead asks the three so called Catnic questions, a variant does not infringe a claim unless:

- a) it would have no material effect on the way the invention works.
- b) the lack of material effect would have been obvious to one skilled in the art at the date of publication.
- c) it would be apparent to the skilled reader that the patentee could not have intended the particular claim language to exclude such a known, minor variant having no material effect.

It is no surprise that the European case law is not perfectly homogeneous especially when it comes to equivalent infringement.

EXCEPTION OF PRIOR USE

Depending on the respective national legislation, a patent eventually does not enter into effect against any person who, already at the time of filing of the application, used the invention or took measures necessary for such use in good faith (prior user). The right of prior use is not yet perfectly harmonized in Europe.

WHAT IS THE DIFFERENCE BETWEEN A PATENT AND A UTILITY MODEL?

Some countries do not only grant patents but also utility models. Like patents, utility models are means to protect inventions. In countries where utility model protection is available, it is generally intended for the protection of minor or incremental innovations, frequently for mechanical or electrical devices. The requirements for utility models are similar to those for patents:

- Novelty (for which, however, in case of utility models the inventor or his legal successor may enjoy a period of grace).
- Inventive step.
- Industrial applicability is required in both cases.

One major difference between patents and utility models is the form of the granting procedure. While the process of obtaining a patent will

often involve extended examination before the patent is, with respect to utility models, only a formal examination of conformity with the law is carried out. Utility models provide fast and low-cost protection for technical inventions since they are usually granted without substantive examination. For this reason, they are more accessible to individual innovators or small and medium-sized enterprises (SMEs) than patents, to which they are similar in their principle. In some countries, utility models may be referred to as 'petty patents' or 'innovation patents'.

The term of a utility model is shorter than the term of a patent.

THE UNITARY PATENT AND THE UNIFIED PATENT COURT

The Unitary Patent (UP), will permit, with a single application to obtain a uniform patent protection valid in 24 European Contracting Member States, which are part of this system as of this day. In short it will work the same way as a European trade mark which permits to obtain, by a single application, a trade mark that is valid in the Member States of the EU. After the Unitary Patent is granted, there will be no need to validate it in each country, as it is the case with the classical European Patent. In addition, it will be possible to validate the same patent in the ten Contracting States of the European Patent Organisation that are not EU Member States.

According to the EC Commission, *“the Unitary Patent will make the existing European system simpler and less expensive for inventors. It will end complex validation requirements and drastically limit expensive translation requirements in participating countries. Consequently, it is expected to stimulate research, development and investment in innovation, helping to boost growth in the EU”*. An agreement on the 24th of June 2015 has set a renewal fee level equal to the sum of national renewal fees in four countries (Germany, France, the United Kingdom and the Netherlands). Thus, inventors protecting their innovations with the Unitary Patent will pay less than €5,000 in renewal fees, over 10 years (which is the average lifetime of a European patent) for a territory that covers 24 EU countries, instead of the current level of around €30,000, which has discouraged many companies from patenting in Europe.

The Unitary Patent is part of the so-called 'patent package', a legislative initiative consisting of two regulations and an international agreement that lay the ground for the creation of unitary patent protection in the EU. The package consists of:

- a Regulation creating a European patent with unitary effect ('unitary patent').
- a Regulation establishing a language regime applicable to the unitary patent.
- an Agreement between EU countries to set up a single and specialized patent jurisdiction (the 'Unified Patent Court' or the 'UPC').

The Unitary Patent will only enter into force, once the Agreement on a Unified Patent Court, signed on the 19th of February 2013, will enter into force. With regard to the UPC Agreement, only Germany needs to deposit its instrument of ratification for the unitary patent system to start operating (3 months later), but this will not take place before operational preparations are sufficiently advanced under the provisional application period of the UPC Agreement. Following Austria's ratification of the Protocol on the Provisional Application of the UPC Agreement, the related provisional application period started on the 19th of January 2022.

The most recent UPC news is that the start of the sunrise period has been postponed for two months, meaning that it will start on the 1st of March 2023, followed by the entry into force of the UPC Agreement on the 1st of June 2023. The background of the extension is, as can be read on the UPC website, that more time is envisaged to be needed for future users to prepare for the strong authentication which will be required to access the Case Management System (CMS) and to sign documents.

The new system is expected therefore to start operating on the 1st of June 2023, initially covering 17 EU countries.

All litigations related to the Unitary Patent will be of the sole and exclusive competence of a Unified Patent Court (UPC), which comprises a Court of First Instance, a Court of Appeal and a Registry.

The Court of First Instance will have a central division as well as local and regional divisions. The central division will have its seat in Paris, with a section in Munich. A local division can be set up in a Contracting Member State upon its request, in accordance with the Statute of the Court.

The cases before the central division shall be distributed according to specific patent classifications (Munich: Mechanical engineering, lighting, heating, weapons and blasting; Paris: Industrial techniques, transportations, textiles, paper, physics and electricity, but Paris will take the content that would have gone to the London seat in the interim, until the third seat is confirmed; the third seat will be possibly in Milan: Human necessities, chemistry and metallurgy).

The Court of Appeal, located in Luxembourg, will have a multinational composition of five judges, comprising three legally qualified judges who are nationals of different Contracting Member States and two technically qualified judges, with qualifications and experience in the field of technology concerned.

The Unitary Patent Court should lead to a unified caselaw resulting in:

- increased predictability and the avoidance of parallel litigation.
- judgements (injunctions, damages) with effect in 25 Member States of the EU.
- speedier procedures than in many of the individual Member States.

The language of proceedings will be the official language or one of the official languages of the Contracting Member State hosting the local division or the official language(s) designated by the Contracting Member States sharing a regional division. The language of proceedings in the central division will be the language in which the patent was granted (language of the patent). However, there are exceptions.

Lawyers authorised to practice before a court of a Contracting Member State and European Patent Attorney qualified to practice before the European Patent Office who have appropriate qualifications such as a European Patent Litigation Certificate will be authorized to litigate before the UPC. The rules on representation are the same as apply under the EPC. Patent proprietors who have their residence or principal place of business in an EPC contracting state may act on their own behalf in proceedings before the EPO with respect to the Unitary Patent.

Regarding classical European Patents which have not lapsed when the Agreement on a Unified Patent Court will enter into force, or whose application is still pending at this date, they may, upon certain conditions, benefit from the Unitary Patent system. A transitional period, of seven years which may be prolonged up to a further seven years, will be applicable to these European patents. During the transitional period, actions for infringement or for revocation concerning classical European patents issued for a product protected by such a patent may still be brought before national courts unless an action has already been brought before the UPC.

9. IP ENFORCEMENT

LEGAL FRAMEWORK

PURPOSE OF THE DIRECTIVE

SCOPE

MAIN PRINCIPLES

WHO MAY REQUEST A MEASURE?

EVIDENCE

RIGHT OF INFORMATION

PROVISIONAL AND PRECAUTIONARY MEASURES

INTERNET INTERMEDIARIES

CORRECTIVE MEASURES

BALANCE WITH OTHER RIGHTS

LEGAL FRAMEWORK

- Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights (hereafter the '*Enforcement Directive*');
- National laws of transposition.
- At the international level, all Member States, as well as the Community itself, as regards matters within its competence, are bound by the Agreement on trade-related aspects of intellectual property (the TRIPS Agreement), as part of the multilateral negotiations of the Uruguay Round, approved by

Council Decision 94/800/EC(3) and concluded in the framework of the World Trade Organization⁶⁹.

- There are also international conventions to which all Member States are parties and which also contain provisions on the means of enforcing intellectual property rights. These include, in particular, the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, and the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations.

The EC Commission has started a public consultation process and it is probable that a new Enforcement Directive will be adopted in a near future.

PURPOSE OF THE DIRECTIVE

The Enforcement Directive requires all Member States to apply effective, dissuasive and proportionate remedies and penalties against those engaged in counterfeiting and piracy, thereby creating a level playing field for rightsholders in the EU. It means that all Member States will have a similar set of measures, procedures and remedies available for rightsholders to defend their intellectual property rights if they are infringed (be they copyright or related rights, trade marks, patents, designs, etc.).

SCOPE

The Enforcement Directive concerns the measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights (including industrial property rights).

In April 2005, the EC Commission published a statement saying that at least the following intellectual property rights are covered by the scope

⁶⁹ The TRIPS Agreement contains, in particular, provisions on the means of enforcing intellectual property rights, which are common standards applicable at international level and implemented in all Member States.

of the Enforcement Directive: copyright, rights related to copyright, sui generis rights of a database maker, rights of the creator of the topographies of a semiconductor product, trade mark rights, design rights, patent rights, including rights derived from supplementary protection certificates, geographical indications, utility model rights, plant variety rights, trade names, in so far as these are protected as exclusive property rights in the national law concerned.

MAIN PRINCIPLES

Pursuant to the Enforcement Directive, Member States shall provide for the measures, procedures and remedies necessary to ensure the enforcement of the intellectual property rights. Those measures, procedures and remedies shall be fair and equitable and shall not be unnecessarily complicated, costly, or entail unreasonable time-limits or unwarranted delays.

Those measures, procedures and remedies shall also be effective, proportionate and dissuasive and shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

The Enforcement Directive establishes an objective to be attained by the States, without laying down the measures and exact procedures. There is a concern in so far as the practice could vary greatly from one state to the other even if a form of convergence is observed in practice. This means that it is of the utmost importance to have recourse to a lawyer of the state concerned by the procedure.

WHO MAY REQUEST A MEASURE?

At least the following persons are entitled to seek application of the measures, procedures and remedies referred to in the directive:

- a) the holders of intellectual property rights, in accordance with the provisions of the applicable law.
- b) all other persons authorized to use those rights, in particular licensees, in so far as permitted by and in accordance with the provisions of the applicable law.

- c) intellectual property collective rights-management bodies which are regularly recognized as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the provisions of the applicable law.
- d) professional defence bodies which are regularly recognized as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the provisions of the applicable law.

For the purposes of applying the measures, the author of a literary or artistic work, in the absence of proof to the contrary, to be regarded as such, and consequently to be entitled to institute infringement proceedings, it shall be sufficient for his/her name to appear on the work in the usual manner.

EVIDENCE

Pursuant to the Enforcement Directive, on application by a party which has presented reasonably available evidence sufficient to support its claims, and has, in substantiating those claims, specified evidence which lies in the control of the opposing party, the competent judicial authorities may order that such evidence be presented by the opposing party, subject to the protection of confidential information.

Under the same conditions, in the case of an infringement committed on a commercial scale, it is possible to request documents such as the communication of banking, financial or commercial documents under the control of the opposing party, subject to the protection of confidential information.

The above applies when there is a dispute between parties. It only solves part of the issue since a complainant is often reluctant to take legal action because he is suspicious of a third party but does not have relevant evidence. Without evidence, it is indeed impossible to take judicial action.

Most important is the element of surprise. If the opposing side becomes aware of the forthcoming introduction of legal proceedings,

they will take every measure to ensure that all traces of evidence are eradicated.

It is for this reason that the Enforcement Directive requires member states to provide rightsholders with the possibility of collecting evidence before the introduction of legal action: *“Even before the commencement of proceedings on the merits of the case, the competent judicial authorities may, on application by a party who has presented reasonably available evidence to support his/her claims that his/her intellectual property right has been infringed or is about to be infringed, order prompt and effective provisional measures to preserve relevant evidence in respect of the alleged infringement, subject to the protection of confidential information. Such measures may include the detailed description, with or without the taking of samples, or the physical seizure of the infringing goods, and, in appropriate cases, the materials and implements used in the production and/or distribution of these goods and the documents relating thereto”*.

Those measures shall be taken, if necessary, without the other party having been heard, in particular where any delay is likely to cause irreparable harm to the rightsholder or where there is a demonstrable risk of evidence being destroyed. However, in such case, the parties affected shall be given notice, without delay after the execution of the measures at the latest. A review, including a right to be heard, shall take place upon request of the parties affected with a view to deciding, within a reasonable period after the notification of the measures, whether the measures shall be modified, revoked or confirmed.

One of the major concerns of the authorities in creating the possibility of preliminary unilateral actions, was the fear of seeing a party divert this proceeding from its purpose in order to spy on or put pressure on a competitor. It is for this reason that it demands that the person who has obtained a preliminary unilateral measure should make a final decision within an allotted timescale: either she/he presents a judicial action on the merits, or she/he loses forever the right of using the information she/he has gathered thanks to the unilateral measure.

RIGHT OF INFORMATION

In addition, on request of the claimant, the competent judicial authorities may order that information on the origin and distribution networks of the goods or services which infringe an intellectual property right be provided by the infringer and/or any other person who:

- a) was found in possession of the infringing goods on a commercial scale.
- b) was found to be using the infringing services on a commercial scale.
- c) was found to be providing on a commercial scale service used in infringing activities.
- d) was indicated by the person referred to in point (a), (b) or (c) as being involved in the production, manufacture or distribution of the goods or the provision of the services.

This action is really effective since it provides specific information, notably: the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers.

PROVISIONAL AND PRECAUTIONARY MEASURES

Under certain condition, it is possible for a rightsholder to request against the alleged infringer an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right, or to forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by national law, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the rightsholder.

In the case of an infringement committed on a commercial scale, it is sometimes possible to order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of his/her bank accounts and other assets. To that end, the competent

authorities may order the communication of bank, financial or commercial documents, or appropriate access to the relevant information⁷⁰.

INTERNET INTERMEDIARIES

An interlocutory injunction may also be issued, under the same conditions, against an intermediary whose services are being used by a third party to infringe an intellectual property right. This is of the utmost importance on the Internet⁷¹.

In the *Bonnier*⁷² case, CJEU has ruled that the EU applicable legislation must be interpreted as not precluding the application of national legislation which, in order to identify an internet subscriber or user, permits an internet service provider in civil proceedings to be ordered to give a copyrightsholder or its representative information on the subscriber to whom the internet service provider provided an IP address which was allegedly used in an infringement⁷³.

In 2009 already, the Court ruled in the *LSG and Tele2*⁷⁴ case, that nothing precludes Member States from imposing an obligation to disclose to private third parties, personal data relating to Internet traffic in order to enable them to bring civil proceedings for copyright infringements. Community law nevertheless requires Member States to

⁷⁰ The injured party must notably demonstrate circumstances likely to endanger the recovery of damages.

⁷¹ Note : 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.

⁷² C-461/10 - Bonnier Audio AB and Others v Perfect Communication Sweden AB.

⁷³ The Court declares, in addition, that Directives 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications) and 2004/48, must be interpreted as not precluding national legislation such as that at issue in the main proceedings insofar as that legislation enables the national court seized of an application for an order for disclosure of personal data, made by a person who is entitled to act, to weigh the conflicting interests involved, on the basis of the facts of each case and taking due account of the requirements of the principle of proportionality.

⁷⁴ C-557/07 - LSG-Gesellschaft zur Wahrnehmung von Leistungsschutzrechten GmbH v Tele2 Telecommunication GmbH.

ensure that they rely on an interpretation of those directives which allows a fair balance to be struck between the various fundamental rights involved.

This is congruent with the *Promusicae*⁷⁵ case where the Court has ruled that Member States are not required to lay down an obligation to communicate personal data in order to ensure effective protection of copyright in the context of civil proceedings (they may, but they do not have to). However, if they do so, Member States must allow this fair balance. Further, when implementing the measures transposing those directives, the authorities and courts of the Member States must not only interpret their national law in a manner consistent with those directives but also make sure that they do not rely on an interpretation of them which would be in conflict with those fundamental rights or with the other general principles of Community law, such as the principle of proportionality.

The Court has added, in the *L'Oréal*⁷⁶ case, that the Enforcement Directive must be interpreted as requiring the Member States to ensure that the national courts are able to order the operator of an online marketplace to take measures which contribute, not only to bringing to an end infringements of those rights by users of that marketplace, but also to preventing further infringements of that kind. Those injunctions must be effective, proportionate and must not create barriers to legitimate trade.

However, the Court set clear limits in the *Sabam and Scarlet*⁷⁷ case, ruling that applicable Directives read together and construed in the light of the requirements stemming from the protection of the applicable fundamental rights, must be interpreted as precluding a national court from issuing an injunction against a hosting service provider which requires it to install a system for filtering:

- information which is stored on its servers by its service users;

⁷⁵ C-275/06 - Productores de Música de España (Promusicae) v Telefónica de España SAU.

⁷⁶ C-324/09 – L'Oréal SA and Others v eBay International AG and Others.

⁷⁷ C-70/10 - Scarlet Extended SA v Société belge des auteurs, compositeurs et éditeurs SCRL (SABAM).

- which applies indiscriminately to all of those users;
- as a preventative measure;
- exclusively at its expense; and
- for an unlimited period,

which is capable of identifying electronic files containing musical, cinematographic or audio-visual work in respect of which the applicant for the injunction claims to hold intellectual property rights, with a view to preventing those works from being made available to the public in breach of copyright.

CORRECTIVE MEASURES

As regards goods that have been found to be infringing an intellectual property right the rightsholder may notably request following measures:

- a) recall from the channels of commerce.
- b) permanent removal from the channels of commerce.
- c) destruction.

As a general rule, the judicial authorities may issue an injunction against the infringer that aims at prohibiting the continuation of the infringement and, where provided for by national law, non-compliance with an injunction shall, where appropriate, be subject to a recurring penalty payment, with a view to ensuring compliance.

In some Member States, the law provides that the judge may order pecuniary compensation to be paid to the injured party instead of applying the measures provided for here above if that person acted unintentionally and without negligence, if execution of the measures in question would cause him/her disproportionate harm and if pecuniary compensation to the injured party appears reasonably satisfactory.

Needless to say, the injured party may claim damages.

When the judicial authorities set the damages:

- a) they shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the rightsholder by the infringement.
- b) as an alternative to (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorization to use the intellectual property right in question.

However, punitive damages are unknown in most European countries. Damages must be appropriate in order to cover the actual prejudice suffered by the injured party as a result of the infringement (the whole prejudice, but nothing more than the actual prejudice).

BALANCE WITH OTHER RIGHTS

In the *Coty Germany*⁷⁸ case, the CJEU was asked whether the Enforcement Directive must be interpreted as precluding a provision which, in a situation such as that at issue in the main proceedings, allows a banking institution to invoke banking secrecy in order to refuse to provide information concerning the name and address of an account holder.

The Court has underlined the importance of the balance to be made: Article 8(1)(c) of the Enforcement Directive and Article 8(3)(e) thereof, read together, require that various rights be complied with, first, the right to information and, second, the right to protection of personal data must be complied with. In that regard, it must be borne in mind, in the first place, that, according to the case-law of the Court, EU law requires that, when transposing directives, the Member States take care to rely on an interpretation of them which allows a fair balance to be struck between the various fundamental rights protected by the EU

⁷⁸ C-580/13 – *Coty Germany GmbH v Stadtsparkasse Magdeburg*.

legal order. Subsequently, when implementing the measures transposing those directives, the authorities and courts of the Member States must not only interpret their national law in a manner consistent with those directives but also make sure that they do not rely on an interpretation of them which would be in conflict with those fundamental rights or with the other general principles of EU law.

As a result, the Court held that the Enforcement Directive must be interpreted as precluding a national provision, such as that at issue in the main proceedings, which allows, in an unlimited and unconditional manner, a banking institution to invoke banking secrecy in order to refuse to provide, pursuant to Article 8(1)(c) of that directive, information concerning the name and address of an account holder. Article 8(3)(e) of the Enforcement Directive must be interpreted as precluding a national provision, such as that at issue in the main proceedings, which allows, in an unlimited and unconditional manner, a banking institution to invoke banking secrecy in order to refuse to provide, pursuant to Article 8(1)(c) of that directive, information concerning the name and address of an account holder⁷⁹.

⁷⁹ C-580/13 – Coty Germany GmbH v Stadtsparkasse Magdeburg.

10. LEGAL PROTECTION OF PERSONAL DATA: THE GDPR

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SIGNIFICANT DISCRETION TO THE MEMBER STATES

THE RECITALS

THE GENERAL PROVISIONS

THE PRINCIPLES RELATING TO THE DATA PROCESSING

THE RIGHTS OF THE DATA SUBJECT

THE CONTROLLER AND THE PROCESSOR

THE TRANSFER OF DATA TO THIRD COUNTRIES

THE COOPERATION AND CONSISTENCY

THE REMEDIES, LIABILITY AND PENALTIES

SPECIFIC SITUATIONS OF DATA PROCESSING

THE DELEGATED ACTS

THE FINAL PROVISIONS

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The IT IP LAW GROUP EUROPE has developed a unique tool.

On www.gdpr-expert.com, for each provision of the GDPR, we'll show you:

- the corresponding provision in the former Data Protection Directive (not effective since 2018).
- the corresponding provision in the country you have selected.
- an analysis of the "Existing position".
- an analysis of the "Future position".

- an analysis of "Potential issues".
- the relevant case law.
- the relevant recommendations issued by regulatory bodies.

Also, for each provision, you may display/hide :

- the first and second proposals of EU Regulation.
- the relevant recital(s).

In addition, you will find below a concise - but nevertheless full - text allowing for not only an abbreviated vision of the draft text but also a focus on its basic directions.

LEGAL FRAMEWORK

In the last two decades significant changes and developments in technology and globalisation brought new challenges for data protection requiring a strong and unified data protection framework in the European Union. As a response, on 27 April 2016, the Regulation (EU) 2016/679 (hereinafter the '*GDPR*' or the '*Regulation*') was adopted by the EU replacing the 1995 Data Protection Directive ('*Directive*'). The GDPR applies from 25 May 2018 and is directly applicable in all EU member states. The Regulation aims to harmonize data protection laws across Europe, to protect and empower all EU citizens' data privacy and to reshape the way organizations across the region approach data privacy. All organizations handling the personal data of individuals residing in the European Union are required to comply with the new rules – regardless of where they are based. In addition, since its introduction, the Regulation became a gold standard for data protection, its principles followed by data protection regimes outside the EU.

The enforcement of the GDPR by supervisory authorities had a slow start with much smaller fines than anticipated by professionals and the media hype, however, the last 2-3 years have proved that even the biggest global market players may be subject to scrutiny. Amazon,

Meta (Facebook), Google have been hit with significant fines amounting to even several hundred million of euros.

DISCRETION TO THE MEMBER STATES

Although the Regulation has unified rules applicable in the various Member States, there are several exceptions open to the Member States with respect to the common principles.

For example, Article 6 § 2 allows the Member States to adapt the provisions of the Regulation in order to ensure the conformity of legitimized treatments by the need of a legal provision or public interest. Article 8, § 1 allows the Member States to envisage an age below 16 years - but not below 13 years - allowing the children to give consent for processing without parental authorization. Article 9, relating to sensitive data, widely allows national legislators to determine the exceptions permitted to the principle of prohibition of processing, and the Member States have the power to maintain or to introduce more specific provisions, including limitations, with regard to genetic, biometric, or health-related data (see Article 9, § 4). Differences between the Member States can occur with respect to the data processing related to convictions or criminal offenses or security measures as far as the conditions of data processing are determined in the national legislation (terms of public authority controls or specific legislative authorization (Article 10, etc.).

THE RECITALS

The Regulation begins with a very long list of recitals as part of its preamble providing explanations to the principles of the legislation and practical examples of applying its provisions.

For example, recitals 42 and 47 concerning Article 6 (Lawfulness of Data Processing) provide clarification on the free nature of the consent and the consideration of the legitimate interests of the person responsible for the processing in their opposition to the rights and freedoms of the person concerned, respectively.

As a rule, these recitals do not have a normative value by themselves: the inter-institutional agreement of 22 December 1998 on the common

guidelines related to the quality of drafting of Community legislation, in its section 10, indicates that “the recitals are intended to motivate concisely the essential provisions of the instrument without reproducing or paraphrasing the wording. They do not contain any normative provisions or political exhortations”. However, it should be noted that there are vague normative attempts shown by the fact that some formulate an additional content to that provided by the provisions that it is supposed to comment (see for instance recital 91 which clarifies that the impact analysis is not mandatory if the data processing in question is protected by the professional secret, like the processing of personal data of patients or clients by an individual doctor, a health professional, a hospital or a lawyer).

THE GENERAL PROVISIONS (CHAPTER I)

The general provisions include the Regulation scope and objectives (Article 1), and the material scope (Article 2).

According to the territorial scope (Article 3) of the Regulation, as soon as the processing activities are related to the supply of goods or services to individuals located in the territory of the Union or connected with the observation of human behaviour, as long as these behaviours happen within the Union, the controller and/or the processor will be subject to compliance with the Regulation. Resulting from this approach, all global providers are required to comply with the GDPR, as well as those smaller entities providing services to the territory of the EU.

It should be noted that the criterion of the establishment location covers henceforth both the controller and the processor.

Article 4 sets out the definitions.

THE PRINCIPLES RELATING TO THE PROCESSING (CHAPTER II)

Article 5 of the Regulation contains the principles relating to the personal data processing as follows:

- the principles of lawfulness, fairness and transparency of the data processing (Article 5, § 1, a).

- the principle of purpose limitation with specifications to additional data processing for archiving in the public interest (Article 5, § 1, b).
- the principle of data minimization is accepted whereby only the personal data which appear necessary for achieving the purpose can be processed (Article 5 § 1, c).
- the principle of accuracy (Article 5, § 1, d).
- the principle of storage limitation with specifications to retaining data for archiving in the public interest (Article 5, § 1, e).
- the obligation for integrity and confidentiality of processing (Article 5, § 1, f), requiring the controller to ensure appropriate security and confidentiality.

Article 6 contains the processing legality-related assumptions that become classics: consent of the subject, performance of a contract, compliance with a legal obligation, protection of the vital interests of the person concerned or of another person, the implementation of a task in the public interest or related to the implementation of a task in the public interest and finally the balance of rights, legitimate interests and freedoms of the controller or of a third party on one hand, and of the persons concerned on the other.

The new purposes that are incompatible with those initially pursued are prohibited, except in special cases for the purposes of archiving in the public interest, historical and scientific research and statistics (in this regard, see Article 5, § 1, b). Despite an intense debate in this regard, the only opening to the evolution of the purposes is the acceptance in the event of compatibility only, except at consent of the person concerned or where a specific legal text allows this, given the conditions of Article 23, § 1 (Article 6, § 4).

On the basis of the definition contained in Article 4, 11), Article 7 of the Regulation defines various consent-related rules: burden of proof, level of accuracy thereof in a written text of a more general coverage, generalized right of withdrawal, appreciation of the consent if it is a condition to the performance of the contract.

Article 8 introduces a rule of specific protection of children's consent - a non-defined concept - in the case of offer of a service by the information society: as a rule, their parents are those who have to give consent to the processing.

The sensitive data processing is covered by two specific provisions (Section 9 and Section 10).

The material scope is not quite different from that of the Directive (see however the inclusion of genetic and biometric data). The exceptions are however extended to processing needed for reasons of public interest in the public health area (see Article 9, § 2, i) as well as to processing needed for archiving purposes in the public interest or for historical, statistical or scientific purposes in the conditions set out in Article 89 and on a legal basis of the Union or the Member State (Article 9, § 2, j).

It should be noted that the Member States may maintain or introduce more specific provisions, including restrictions regarding genetic, biometric or health-related data (Article 9 § 4).

The processing of data relating to convictions for criminal offenses or security measures is only permitted as long as it is performed under the control of the public authority or is authorized by the Union law or by national law (Article 10).

Finally, Article 11 of the Regulation introduces a specific provision concerning the processing which do not require (more) identification of the persons concerned. The controller is not required to process other identification enabling information and normally will not respond positively to the rights of these people (access, erasure, restriction to processing, etc.).

THE RIGHTS OF THE DATA SUBJECTS (CHAPTER III)

Article 12 requires the controller to provide procedures and mechanisms for the data subjects to exercise their rights. A general principle of transparency is proclaimed: any information to the public or to the data subject should be easily accessible and easy to understand in a concise and transparent form, and formulated in clear

and simple terms - in particular for any information addressed specifically to a child.

The provision sets out the information modalities (written or otherwise). The maximum time limits for response are set according to the rights in question. The principle of free exercise of rights is widespread.

The information duty in the case of collecting from a data subject is still extended to the additional information (the legitimate interest that justifies the processing, data transfers to third countries, the right to claim in front of the control authority, etc.). Additional information may need to be disclosed if needed for fair and transparent processing (the period of data storage, or at least the elements enabling their determination, the existence of all the rights recognized to a data subject, the existence of automated decision-making including profiling and meaningful information about the logic involved the envisaged consequences of such processing for the data subject, etc.) (Article 13).

A similar disclosure scheme is organized by Article 14 in cases of collection from a third party. Exceptions are then provided (the data subject already has the information, if proven to be impossible or would require disproportionate efforts, etc.).

The right of access envisaged by Article 15 is not actually innovative. The data subject shall have the right to obtain confirmation as to whether or not personal data concerning him or her are being processed, and, where that is the case, access to the personal data. Specific information must be given pursuant to the right of access. If so requested, the data subject is entitled to be issued a copy of the data.

The right to rectification of inaccurate data is provided for under Article 16. The right to erasure, or as widely known, the right to be forgotten was first established by the European Court of Justice in 2014 declaring that individuals may request search engines, like Google, to delist results for search requests related to a person's name. The GDPR adopted the concept under Article 17.

The right to restriction enables processing only in a limited manner in cases when the lawfulness of the processing is doubtful or even when a

data subject needs the data after the controller no longer wishes to process it (Article 18.).

Article 19 sets up a notification obligation of the data controller that requires them to communicate to each data recipient any rectification, erasure or restriction of processing on the basis of Article 16, Article 17 (1) and Article 18 of the Regulation. The controller, however, can avoid this obligation if they prove that such communications is impossible or involves disproportionate effort.

The right to data portability is the most innovative right of the Regulation (Article 20) appearing as an improved right to access, which is associated with a requirement for interoperability and withdrawal. The purpose of the right is to take back the data that was communicated to the claimant and to (cause to) transmit them from an automated processing system to another. The exercise of this right is conditioned by the fact that it must necessarily come to automated processing legitimized by the consent of the data subject - either with respect to any sensible data or the need for performance of a contract concluded between the data subject and the controller.

The general right to object (Article 21) exercised for reasons relating to the situation of the data subject, is only open in the case of processing legitimation based on the necessity of executing a task of public interest (Article 6 § 1, e) or on the basis of legitimate interest overriding the controller or a third party, including the profiling done on these bases (Article 6 § 1, f). The Regulation also provides that the data subject may object at any time the processing of their personal data for marketing purposes, including profiling done for this purpose (Article 19 § 2).

The right to not being subjected to an automated decision-making is provided for in Article 22. This is the decision exclusively resulting from automated processing that produces legal effects concerning or significantly affecting the data subject. It specifically includes profiling. However, this provision extends the possible exceptions to the prohibition. The prohibition is reinforced for decisions based on sensitive data processing in the meaning of Article 9 § 1 of the Regulation which are still prohibited unless the subject data has given their explicit consent under Article 9 § 2 a) or if the processing is

necessary for reasons of significant public interest within the meaning of Article 9 § 2, g) (Article 22 § 4).

Finally, Article 23 states that the Member States may maintain or introduce statutory restrictions to the data subject rights under sections 12 to 22 and Article 34 relating to the notification to the data subject about a breach of personal data and the principles set out in Article 5, provided that those restrictions comply with the essence of the fundamental rights and freedoms and is a necessary and proportionate measure in a democratic society to safeguard certain interests that are listed restrictively.

THE CONTROLLER AND THE PROCESSOR (CHAPTER IV)

Chapter IV contains provisions that relate to the qualification of the data controller and the processor, their status and internal organization and their reciprocal duties, as well as provisions that provide the general and special duties with regard to the implementation of the protection measures provided by the Regulation that are vested in the mentioned controllers and processors.

a) *Status, qualifications and reciprocal duties*

Article 26 of the Regulation defines the specific duties to joint controllers who must sign an arrangement between them to determine their respective responsibilities for compliance with the obligations under this Regulation and notify the arrangement contents to the data subjects affected.

Article 28 concerns the specific regime of processors. The article extends the previous duties of controllers and processors while organizing a separate plan for the processors with respect to the duties of security set out in Article 32 and seq. The principle remains that of a specific contractual organization between the controller and the processor. The content of the written arrangement - including in electronic format - i.e., the obligations of the processor are very extended. The Regulation organises the question of processing entrusted to third parties: i.e.- secondary processors by the direct processor of the processing controller, very common cases in practice.

Article 29 of the Regulation now states that any person acting under the authority of the controller or of the processor, who has access to personal data, shall not process those data except on instructions of the single controller (regardless the provision of Article 32 § 4, which includes the processor), unless otherwise specified by the law of the Union or of a Member State.

b) *Duties of the processing controller*

The first general duty of the controller is a "general principle of responsibility" (Article 24). The article confirms the special responsibility of the controller in the implementation of the appropriate technical and organizational measures to perform the processing in accordance with the Regulation. To determine this responsibility, account must be taken of the nature, the scope, the context and the purpose of processing as well as the likelihood and the severity of risks with respect to the rights and freedoms of natural persons. The burden of proof of such implementation then rests on the shoulders of the controller.

Two specific duties result therefrom and try to give it a more specific content.

According to paragraph 1 of Article 25, the principle of data protection by design (the design protection) requires the controller to take measures and appropriate technical and organizational procedures - in both the processing design and implementation - to be in compliance with the Regulation, taking into account the relevant risks. Among these measures, paragraph 1 mentions the minimization (see Article 5, § 1, c) and the pseudonymization (see Article 4, 5).

The second paragraph of Article 25 addresses the principle of data protection by default (default protection). The provision requires the controller to adopt measures to limit by default the personal data processing to what is strictly necessary, with regard to the amount of data processed, their accessibility and the period of their storage.

Article 33 of the Regulation generalizes the duty of notification of data breaches to the control authority by specifying them. Any data breach must be subject to a notification by the controller, unless the personal

data breach is unlikely to result in a risk to the rights and freedoms of natural persons. The processor shall notify the controller without undue delay after becoming aware of a personal data breach. The provision also addresses the minimum content of the notification and the deadlines, part of which can be delayed.

Article 34 requires the controller to notify the data subject only when the personal data breach is likely to result in a high risk to the rights and freedoms of natural persons in a manner similar to those intended for the supervisory authority. Article 34 § 3 provides, however for various exceptions to the notification to the data subjects.

Article 35 states that where a type of processing, in particular using new technologies, is likely to result in a high risk to the rights and freedoms of natural persons, the controller shall carry out an assessment of the impact of the envisaged processing operations on the protection of personal data to assess, in particular, the origin, the nature, the scope, the context and the severity of that risk. The provision specifies the assumptions requiring or not such an analysis as well as its content.

The controller must consult the supervisory authority before the implementation of the processing only, and according to the specified terms, when the impact assessment conducted by the controller in application of Article 35 indicates that the processing would result in a high risk in the absence of appropriate measures taken by the controller in order to mitigate the risk (Article 36).

c) *Common duties of the controllers and the processors*

In the case of application of Article 3, § 2, Article 27 of the Regulation requires the controllers and the processors who are not established in the Union to appoint a representative, when the Regulation applies to their processing activities.

In Article 30 of the Regulation, the EU legislature has decided to replace the duty of notification to the supervisory authority by an obligation to the controllers and the processors to maintain a record of processing activities under their responsibility. Thus, both the controllers and the processors (and, if applicable, their representatives) will have to keep

records for all categories of processing activities under their responsibility, that is, for each processing that they implement. These records will be made available to supervisory authorities at request.

Article 31 of the Regulation establishes a specific duty to the controllers and the processors - as well as to their representative, as appropriate, to cooperate at the request of the supervisory authorities, in the performance of their tasks.

Article 32 of the Regulation includes the duty of security. The main purpose of this duty is the implementation of appropriate technical and organizational measures by the controller and the processor to ensure a level of security that is appropriate to the risk. However, these are largely exemplified by the text itself.

Article 37 of the Regulation specifies three cases in which the designation of a data protection officer is mandatory within the organization of the processing controller and processor:

- when the processing is carried out by a public authority or body, except for courts acting in their judicial capacity; (Article 37, paragraph 1, a).
- when the core activities of the controller or the processor consist of processing operations which, by virtue of their nature, their scope and/or their purposes, require regular and systematic monitoring of data subjects on a large scale (Article 37, paragraph 1, b).
- when the core activities of the controller or the processor consist of processing on a large scale of special categories of data pursuant to Article 9 of the Regulation (Article 37, paragraph 1, c).

The controller, the processor or associations or other bodies representing categories of controllers or processors may or, where appropriate, must designate a delegate for the data protection if the EU law or the law of a Member State so requires (Article 37, § 4).

Article 38 imposes - under the title of function ('position') of the data protection officer - to the controller or to the processor a series of

obligations to allow the latter to assume the tasks provided for in Article 39 (associate them timely to all questions relating to the data protection, ensure their independence, bind them by an obligation of secrecy or confidentiality).

The data protection officer receives several minimum tasks described in Article 39: to inform and advise (1); a control task (2); to act as a point of contact with the supervisory authority (3).

Article 40 organizes the system of codes of conduct developed by the bodies representing categories of controllers and processors. They are intended to clarify the terms of application of the Regulation provisions. These codes will be submitted to the supervisory authority, which is competent pursuant to Article 55, before submitting them to the European Data Protection Board if they concern the processing implemented in several Member States (Article 40, § 5 and 7).

Article 41 authorizes, on the conditions therein specified, an independent body to monitor the compliance with a code of conduct approved referred to article 40 without prejudice to the tasks and powers of the competent supervisory authority. A specific approval procedure is envisaged.

Article 42 of the Regulation - supplemented by Article 43 - implements a mechanism of certification of controllers and processors required to comply with the protection rules. The certification can be issued only by a specially authorized body in accordance with Article 43 or, where applicable, by the competent supervisory authority, or by the data protection board brought to intervene with, in this case, recognition by a potential European label.

THE TRANSFER OF DATA TO THIRD COUNTRIES (CHAPTER V)

As a main principle, the Regulation prohibits the transfer of data to third countries, territories, or international organizations which do not ensure an adequate level of protection. Chapter V, however, also sets out the cases and the conditions in which such transfers are still allowed.

Pursuant to Article 44 of the Regulation, transfers to third countries or international organizations can only be effected if the controllers and the processors falling under the scope of the Regulation comply with the rules provided for in Chapter V.

An adequacy decision by the Commission, is the only way to find if the third country, the territory, one or several areas identified in that third country or international organization in question ensures an adequate level of protection, in application and according to the terms of the Article 45 of the Regulation. The Commission may also revoke, modify or suspend a decision on adequacy if the third country, territory or international organization no longer provides an adequate level of protection. The Commission's adequacy decisions regarding the US have been challenged by data protection advocacy groups since 2013 resulting in the infamous *Schrems I*⁸⁰ and *Schrems II*⁸¹ decisions by the CJEU, each cancelling the Safe Harbour and Privacy Shield mechanisms previously set up for transatlantic data transfers between the US and the EU. *Schrems I* and *Schrems II* signify the hardships of finding the balance between economic interests, globalization, the reality of the digital economy and the right to privacy. At the moment, a third adequacy decision is being drawn up by the two parties aiming to establish a new transatlantic data transfer mechanism finally complying with the GDPR principles.

In the absence of a Commission decision finding an adequate level of protection, Article 46 of the Regulation provides that the transfer can only be done by the controller or the processor if the controller or processor has provided appropriate safeguards. The national supervisory authorities will be able to intervene in a formalized procedure if the conventional safeguards cannot be implemented for reasons specific to the controller or the processor.

Article 47 of the Regulation addresses the consecration of the system of binding rules to businesses, which can be adopted by groups of companies facing intra-group transfers outside the Union. These binding business rules must meet several conditions defined by Article

⁸⁰ C-362/14 – Maximillian Schrems v Data Protection Commissioner.

⁸¹ C-311/18 - Data Protection Commissioner v Facebook Ireland Limited and Maximillian Schrems.

47, § 1 and 2, be approved by the competent supervisory authority and contain a range of information listed in that provision.

It should be noted that the final version of the Regulation introduces a new Article 48 under the terms of which, judgment of a court or tribunal and any decision of an administrative authority of a third country requiring a controller or processor to transfer or disclose personal data, may only be recognized or enforceable in any manner if based on an international agreement, such as a mutual legal assistance treaty, in force between the requesting third country and the Union or a Member State.

The Regulation provides, in its Article 49, specific exemptions in the absence of a decision on adequacy by the Commission (explicit consent, transfer necessary for the performance of a contract between the data subject and the controller, etc.). The essential element of Article 49 is the introduction of a derogation based on the need for the transfer for the purpose of compelling legitimate interests pursued by the controller or the processor (Article 49, § 1, in fine).

Finally, in relation to the third countries and the international organizations, Article 50 requires the Commission and the supervisory authorities to take certain measures in order to facilitate the application of the data protection principles.

Concerning the supervisory authority (Chapter VI). The strengthening of the powers and tasks of the supervisory authorities is clearly one of the strong elements of the revision of the data protection scheme implemented by the Regulation.

The Regulation, in its Article 51, requires the Member States to set up one or several independent supervisory authorities responsible for the monitoring of the application of the Regulation. The purpose of their intervention is clear: on the one hand, to protect the fundamental rights and freedoms of the people during the processing of their personal data and, on the other hand, to facilitate the free movement of data within the Union. They shall also contribute to ensure the uniform application of the Regulation within the Union. To this end, they must cooperate with each other and with the Commission, in accordance with the mechanisms provided for in Chapter VII.

Article 52 is intended to clarify the conditions guaranteeing the independence of the supervisory authorities, in accordance with the case law of the CJEU.⁸²

Article 53 sets out the general rules of the status applicable to the members of the supervisory authority, in accordance with the case law of the CJEU.⁸³

Article 54 allows the Member States to provide by law the conditions of establishment of the supervisory authorities. Each Member State shall set the terms of appointment of the members of the supervisory authorities.

As to the competences of the supervisory authorities, Article 55 reminds that each authority is competent, on the territory of the Member State in which it falls, to accomplish the tasks and to exercise the powers vested in them and excludes the jurisdiction of another authority known as 'lead supervisory authority' (see Article 56) in some cases, mainly when the processing is carried out by public authorities.

In the case of cross-border processing (see the definition in Article 4, 23), Article 56 of the Regulation defines the 'lead' supervisory authority (known as the 'lead' control authority) for the processing activities of the controller in the Union on the basis of the principal establishment of the controller or of its unique establishment. The purpose is to have a single supervisory authority competent to monitor the activities of the controller or the processor carried out throughout the Union and to take the relevant decisions.

Article 57 defines the tasks assigned to the supervisory authorities. These tasks are of different types: tasks of surveillance, investigation and control, tasks of information and advice, for mutual assistance, management of complaints, etc.

Article 58 provides quite precisely three types of powers, which the Member States must, by law, grant to their national supervisory authority: investigative powers, power to take corrective action and powers of authorization and advice.

⁸² C-518/07 - European Commission v Federal Republic of Germany.

⁸³ C-518/07 - European Commission v Federal Republic of Germany.

Finally, Article 59 sets out a duty for each supervisory authority to issue and publish an annual report of their activities.

THE COOPERATION AND CONSISTENCY (CHAPTER VII)

Article 60 of the Regulation impose to the 'lead' supervisory authority the obligation to cooperate with the other supervisory authorities concerned with a view to reach a consensus in cases of potential debate on the designation of the competent supervisory authorities. A procedure - quite complex - is envisaged by this provision intended to achieve a balance that will be (too) subtle between the joint competencies of the different authorities.

Article 61, on its part, sets explicit and consistent rules on the mandatory mutual assistance between the national supervisory authorities and foresees the consequences in case of refusal to comply with the request by another supervisory authority.

Article 62 establishes the principle that the authorities may, when necessary, conduct joint operations of various nature, such as joint investigations or joint repressive measures, under conditions defined by them.

Since the tasks and the competencies of the supervisory authorities increase, and the margin of manoeuvring given to the Member States in the implementation of the Regulation is still quite large, the risk of divergent interpretations of the protection rules or of incompatible decisions inevitably increases. This is why, Article 64 introduces the principle of control of consistency imposing to the supervisory authorities to cooperate with each other and, where appropriate, with the Commission through the mechanisms implemented by Article 64 to Article 67 in order to ensure the overall consistency of the application of the Regulations across the EU.

These mechanisms include:

- Requesting the opinion of the European Data Protection Board on some draft decisions of national authorities before adopting them (Article 64).

- Requesting a binding decision of the European Board in case of disputes between national authorities (Article 65).
- Allow an authority, in some cases, to adopt provisional measures under an urgency procedure (Article 66 § 1) or even definitive measures after having requested the urgent opinion of the European Board (Art. 66 § 2).

Article 67 of Regulation also grants implementing powers to the Board to set the terms of the exchange of information electronically between the national and/or European supervisory authorities.

The European Data Protection Board intended to replace the former Group 29 which plays a major role in this system of consistency control. Therefore, it is not surprising to see the Regulation to devote many provisions to the Board (Articles 68 to 76). In the last four years the Board has revised previous guidance by Group 29. On the one part the Board kept those that are still relevant under the GDPR, and on the other part, has been busy while issuing its own opinions and guidance.

Article 68 provides for the establishment and composition of a European Data Protection Board, which has a legal personality and is represented by its Chair. Article 69 stipulates its independence.

The many assignments of the Board are set in Article 70 of the Regulation: ensuring a monitoring mechanism to advise the Commission, issuing guidelines and recommendations, etc. Article 71 requires the Board to report annually on its activities and Article 72 sets out the terms of its decision-making (quorum, etc.). Article 73 prescribes the rules for the appointment and the status of the Chair of the Board. Article 74 defines specifically the tasks assigned to the Board.

Article 75 states that the Board secretariat is provided by the European Data Protection Supervisor and defines its tasks. In general, the secretariat should provide analytical, administrative and logistical support to the Board. Article 76 expressly states that discussions of the Board shall be confidential where the Board deems it necessary, as provided for in its rules of procedure.

THE REMEDIES, LIABILITY AND PENALTIES (CHAPTER VIII)

This is probably one of the chapters that have the greatest implications on the enforcement of the GDPR. Compared to the regime set up by the Directive, it actually strengthens considerably the means of protection of the data subjects and the penalties applicable to the controllers and the processors.

Article 77 of the Regulation vests in any data subject the right to lodge a complaint with a supervising authority, if the data subject considers that the processing of personal data relating to him or her infringes the European rules.

The right to a judicial remedy against a decision by a supervisory authority is stipulated in Article 78 as an essential element of the protection of individuals with regard to the processing of personal data.

Article 79 gives the people affected by processing, a genuine right to an effective judicial remedy against the controller or the processor in case of infringement of their rights resulting from the processing of their data in violation of the Regulation. A specific procedural regulation (suspension or junction) is provided for in Article 81 in cases of referrals to courts in the different states.

Article 80 specifies and supplements the possibility for representation by an association already provided for by the Directive.

Article 82 of the Regulation confirms by specifying the principle of compensation for the material or immaterial damage suffered by any person as a result of an infringement of this Regulation (§ 1). The compensation may be received from the 'controller' or the 'processor'. In its second paragraph, the provision also specifies the generating facts and exclusions of liabilities for the controller and the processor. The article also provides for joint liability between the controllers but also between the controller and the processor involved in the processing.

Pursuant to Article 83 of the Regulation, the supervisory authorities receive the competence to impose administrative fines for most violations of the Regulation. This provision provides many criteria to

consider in determining the amount of the fine. The provision also specifies two types of ranges (up to EUR 10 million or 2% of total annual turnover / up to EUR 20 million or up to 4% of annual turnover) specific to certain violations covered by the provision. Mostly due to the momentous fines possible under the Regulation, data protection has become part of the compliance management even for small enterprises, and the media hype generated around the Regulation raised significant awareness around the topic.

As to the other penalties, Article 84 indicates that the Member States shall determine the regime and take all necessary steps to ensure their implementation.

SPECIFIC SITUATIONS OF DATA PROCESSING (CHAPTER IX)

This chapter contains some regimes specific to particular categories of processing. In reality, most of the time, the Regulation leaves it to the Member States to determine the content of the rules.

Article 85 of the Regulation provides that the Member States shall by law reconcile the right to the protection of personal data pursuant to this Regulation with the right to freedom of expression and information.

Article 86 on its part stipulates that the personal data in official documents held by a public authority or a public body or a private body for the performance of a task carried out in the public interest may be disclosed by the authority or body in order to reconcile public access to official documents with the right to the protection of personal data.

Article 87 allows the Member States to set specific conditions for the processing of a national identification number or of any other identifier of general application. The Member States may further determine the specific conditions for the processing of a national identification number or any other identifier of general application, provided that the rights and freedoms of the data subject pursuant to this Regulation are safeguarded.

Article 88 of the Regulation also lets the states to decide on any adjustments of data protection in the employment relationship. More

precise rules for the protection of rights and freedoms may in fact be provided by the Member States, either by law or through collective agreements.

Article 89 of the Regulation provides for specific exceptions to certain rules contained in the Regulation for scientific, statistical or historical purposes. It also extends the scope by adding the purpose of archiving in the public interest.

Article 90 authorizes the Member States to adopt special rules to protect professional secrecy or other equivalent secrecy obligations under the exercise of investigative powers of the supervisory authorities.

Article 91 allows churches and religious associations or communities to continue to apply the rules on data protection in force at the date of entry into force of Regulation, provided that these rules are brought into line with the provisions of the Regulation.

THE DELEGATED ACTS (CHAPTER X)

Article 92 defines the conditions for the exercise of Commission power to adopt delegated acts (to specify certain criteria or requirements, for example), in implementation of certain provisions of the Regulation.

Other provisions require the Commission to take enforcement action that must comply with the procedures set out in Article 93 of the Regulation.

THE FINAL PROVISIONS (CHAPTER XI)

Article 94 abrogates the Directive from the moment when the Regulation becomes applicable, or 2 years after the 20th day following its publication in the Official Journal of the European Union and addresses the question of the acts under its cover once adopted.

Article 95 clarifies the link with Directive 2002/58/EC of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector.

Article 96 specifies that the international agreements involving the transfer of personal data to third countries or international organizations which were concluded by Member States prior to 24 May 2016, and which comply with Directive 95/46/EC, shall remain in force until amended, replaced or revoked.

Article 97 of the Regulation renews the task of evaluation and revision by the Commission to submit assessment reports to the Parliament and the Council at regular intervals (4 years). The Commission is also granted, by Article 98, the power to submit legislative amendments to any other legal instruments under the EU law on data protection.

Article 99 specifies that this Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. The Regulation was published on 4 May 2016 in the Official Journal of the European Union and will therefore enter into force on 25 May 2016.

The Regulation is applicable since the two years following its entry into force, i.e., from 25 May 2018.

11. IMPORTANT MILESTONES OF A TRIAL IN EU COUNTRIES

LEGAL FRAMEWORK

MAIN PRINCIPLES

LEGAL FRAMEWORK

The judicial process is one of those matters which has been only harmonised a little within the European Union. Each country is relatively free to set the rules for procedures conducted before its national courts. However, states must act in accordance with the general principles, issuing, in particular, from the European Convention on Human Rights.

MAIN PRINCIPLES

However, there are trends that can be observed:

1. In civil and commercial matters, each party must notify the other, in principle at the beginning of the proceedings, regarding the pieces of evidence on which the legal action is based. The risk of a last-minute surprise or of a hidden item, discovered during the hearing, is relatively low.
2. Most proceedings require the preparation of a written position. Even when the law allows itself to be limited to oral considerations, it is recommended at most times to file, in addition, written evidence.
3. In most countries, judges do not like pieces of evidence written in a foreign language. If there are correspondence or contracts to be produced in court, they must be translated into the

language of the proceedings. Otherwise, one risks seeing the piece of evidence altogether excluded from the proceedings in court. On the other hand, most of the time, a simple translation is admitted (it is not necessary to use a sworn translator).

4. There is a significant difference between substantive proceedings and injunction proceedings. Substantive proceedings are basically intended to definitively decide the dispute (subject to a party making an appeal). In injunction proceedings, the judge does not decide the dispute but has the power, under certain conditions, to order a provisional situation. Injunction proceedings are increasingly common, especially in cases related to IP and innovation.
5. In some matters (often intellectual property), there may be special proceedings that seek to resolve the dispute definitively, but give rise to judgment as rapidly as injunction proceedings. This is one of the first things to check, because if this is the case, there is no time to lose!
6. The adversarial principle is the basic guideline; unilateral (or *ex parte*) measures are the exception. Unilateral measures are those taken at the request of a party, without the judge hearing the other party. They are generally reserved for cases in which the judge recognises that the element of surprise or urgency is necessary. Sometimes, it is extreme urgency that justifies the assumption but it is relatively rare (it must be demonstrated that the urgency is such that it is necessary to derogate from the fundamental principle of adversarial proceedings in court).
7. There is a very important dispute concerning the question of whether the judge is territorially competent. Indeed, the EU is a fairly small area with plenty of intra-Community trade, and it happens very often that a dispute involves several countries. This is even more true when the internet comes into play. The first thing to do is to identify the country in which the proceedings will be introduced (in defence, one will check also the means of challenging the jurisdiction of the court, if

necessary). The issue is regulated by European legislation, but that legislation is very complex.

8. Once a judgment is rendered in a civil or commercial matter, its execution within the European Union is greatly facilitated by the adoption of a number of texts that provide for virtually automatic recognition of decisions in the European Union.

AUSTRIA

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF THE TRIAL

FIRST INSTANCE PROCEDURE

JUDGMENTS AND FURTHER APPEALS

REVISION (SUPREME COURT)

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT OF JUSTICE

COSTS AND FEES

PRELIMINARY INJUNCTION PROCEEDINGS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

The quality – however, lately not always the speed – of justice provided by the Austrian courts, especially those competent for Intellectual Property (IP), is very high. Austria provides an excellent venue for IP litigation by providing efficient and reliable courts with comparatively low litigation costs. Also, it is not without good reason that Austrian courts are the ones referring – especially in relation to the size of Austria – the most IP-, Information Technology (IT)- and unfair competition matters to the ECJ for guidance. Especially due to the relatively fast proceedings on preliminary injunctions up to the Austrian Supreme Court, the Austrian Supreme Court has in many cases issued the first worldwide decisions by a supreme court related to “new” issues in the field of IP and IT, e.g. non-registered community designs,⁸⁴

⁸⁴ Austrian Supreme Court on 13.02.2007, 4Ob246/06i.

domain names,⁸⁵ keyword advertising,⁸⁶ landmark cases regarding the GDPR etc. So, in general, Austrian courts perform well in handling IP (infringement) cases.

Like in most European countries many areas of Austrian substantive and procedural law have been harmonized through various EC Directives, also or even especially in the field of IP and related matters. In general, the Austrian legislator is – especially in the field of IP-laws – implementing the EU law with high accuracy. In this context it is worth mentioning that the organization of the courts and most areas of civil procedure are still fully subject to national legislation – in Austria falling into the competence of the Federal State (*Bundesstaat*) and not into the competence of each State of the Federal State (*Bundesländer*).

MAIN PRINCIPLES

First of all, it is worth mentioning that the Austria procedural laws have tight rules relating to jurisdiction and therefore e.g., the issue of forum shopping does not pose major problems in Austria. Exclusive jurisdiction in IP (infringement) matters (except copyright matter) lies with the Commercial Court of Vienna (*Handelsgericht Wien*) in the first instance, in the second instance with the Higher Regional Court of Vienna (*Oberlandesgericht Wien*) and in the third and last instance with the Austrian Supreme Court (*Oberster Gerichtshof*). The conduct of criminal IP matters is under the exclusive jurisdiction of the Vienna Regional Court for Criminal Matters (*Landesgericht für Strafsachen Wien*) in the first instance and then with the above courts in the second and third instance. In IT matters no special competence is stipulated by law, so generally the court of the defendant is competent, if there is no contractual clause on the competent courts.

The language in IP-proceedings is exclusively German⁸⁷. Generally, all documents filed have to be in German or at least translated into the German language⁸⁸. In case of parties, witnesses etc., not being able to give their statements in German, the court generally makes use of

⁸⁵ Austrian Supreme Court on 24. 2. 1998, 4 Ob 36/98t.

⁸⁶ Austrian Supreme Court on 19.12.2005, 4 Ob 194/05s.

⁸⁷ Austrian Supreme Court on 22.2.2007, 3 Ob 253/06m.

⁸⁸ Austrian Supreme Court on 9.8.2006, 4 Ob 138/06g.

certified translators. There is no choice of language in Austria proceedings.

According to the rules of the Austrian Civil Procedure Code ("*ZPO*"), which are applicable (also) in IP (infringement) proceedings before the courts, all parties have to be represented by an attorney at law authorised to practice in Austria. It is worth mentioning that Austrian attorneys at law can represent their clients all over Austria and also in all instances, so up until the Austria Supreme Court.

All IP rights in Austria grants exclusive rights. In the context of those exclusive rights in general the following claims are admissible:

- a) In case of an infringement irrespective of any fault civil claims regarding
 - cease and desist (permanent injunction),
 - removal (if not interfering with third party rights),
 - publication of the judgment,
 - appropriate compensation,
 - rendering of accounts,
 - receiving information on provenance/ channel of distribution of the goods.
- b) In case of infringement with fault: damages and surrender of profits.
- c) Irrespective of default in case of an infringement and also in respect of threatening infringement of IP rights, preliminary injunctions especially for cease and desist, can be filed. It is worth mentioning that such injunctions may have the effect of a recall-order as the obliged party has to stop the infringement with immediate effect to the best of his/her possibilities, meaning to take the products off the market which are infringing and are under (legal) control of the infringer.
- d) Action for a declaration of non-infringement.

- e) Action for a declaration of invalidity of (registered) IP rights.
- f) In case of intentional IP right infringements, the initiation of criminal actions.
- g) Applications for customs action pursuant to the Austrian law on counterfeiting (border measures).

IMPORTANT MILESTONES OF THE TRIAL

1. Although it is not mandatory under Austrian law, – except in copyright matters regarding intermediaries (e.g., Internet providers) – enforcement cases are commonly initiated by a warning letter requesting what is provided to the rightsholder by law⁸⁹. Giving notice of the potential claim before the issuance of proceedings is recommended also with regard to the award of costs, especially if the defendant admits liability and does not dispute the claim (Sec 45 ZPO).

2. Civil (IP) proceedings in the merits are initiated by a brief of action lodged by the plaintiff. Such brief is served upon the defendant by the court per recommended mail, who – within a period of four weeks – is ordered to file a reply with the court.

Before, at the same time with or even after the action the plaintiff can also file for a preliminary injunction for cease and desist and also for seizure of the infringing goods and collecting of evidence (“civil house search”). The defendant has to disagree to such application for an injunction as otherwise the injunction is granted. Generally, the courts grant to the defendant a time period of 8 to 14 days to file a brief to disagree. After hearing the parties, the court usually issues a decision on the application for a preliminary injunction, within some weeks.

3. In the main proceeding an oral hearing is set by the judge if the defendant has filed a reply to the action in due time. Generally, such hearing takes place some weeks after the reply was filed. The first hearing is usually used to try to settle the matter. If this is not possible the judge can immediately start the taking of evidence but generally

⁸⁹ Unjustified warning letters may lead to (counter) actions based on the Austrian Unfair Competition Act and to cost reimbursement claims based on Austrian tort law.

the judge sets a new date. The hearings are extended until the judge is of the opinion that all necessary evidence has been taken – then the proceeding is closed without further statements of the parties etc.

4. Generally judgments have to be issued within four weeks after the closure of the proceeding. However, in practice the time period is usually longer.

Calendar:

- Action (application for preliminary injunction) filed with the Commercial Court (of Vienna) by Claimant.
- Action (application) is served to the Defendant by the court.
- Defendant has to file reply within four weeks (has to disagree with the application of a preliminary injunction generally within 8 to 14 days).
- Court sets a date for an oral hearing.
- Parties can file a “preparatory brief” until one week before the hearing.
- First hearing is generally used to try to settle the matter and to speak about the further “program” of the proceedings, meaning, if court experts are needed etc.
- Hearings take place until the judge is of the opinion that all necessary evidence has been taken.
- Judge closes the proceedings and can issue an oral decision (in practice very uncommon) or can declare that the judgment will be made in writing.
- Judgment has to be issued by the judge within four weeks but generally, it takes longer.

FIRST INSTANCE PROCEDURE

IP litigation in Austria is characterised by a centralised court which handles civil IP disputes (both preliminary and main proceedings; however, except copyright matters), namely the Commercial Court of Vienna (*Handelsgericht Wien*): Patent (infringement) matters are handled by a senate of three judges, one of them being a “technical lay judge”, namely a patent attorney. For the most part all other IP matters are handled by a single judge. Criminal litigation is handled exclusively by the Vienna Regional Court for Criminal Matters (*Landesgericht für Strafsachen Wien*).

Civil (IP) proceedings are initiated by a brief of action lodged by the plaintiff. Such brief is served upon the defendant, who – within a period of four weeks – is ordered to file a reply with the court. If no reply is filed by the defendant, the plaintiff can request a default judgment. If a reply is filed, the judge sets a date for a first hearing. The parties can file another brief until one week before this hearing; further briefs can only be filed if ordered or if accepted in advance by the court.

Pursuant to the Austrian Civil Procedural Act in the first hearing the judge shall discuss the possibility of a settlement. However, if the parties declare that a settlement is not possible the judge can immediately take evidence by reviewing filed or presented documents, including private experts’ opinions, and other evidence, by interrogating the parties and/or the witnesses. It is worth mentioning that the Austrian procedural law does not provide for a formalistic cross-interrogation, but the parties respectively their attorneys at law have the right to ask questions, generally after the judge has asked his / her questions. If considered necessary by the judge, court experts can be appointed by the court.

In the main proceedings, the plaintiff must prove high probability (not just on a balance of probability basis) of the infringement. In other words; the court has to be convinced that with a “legal certainty” the infringement took place. Upon completion of the process of taking evidence the judge closes the proceedings and should render a judgment in writing within four weeks – in practice it takes longer.

JUDGMENTS AND FURTHER APPEALS

Within four weeks after the judgment was served to the parties by the Court, the decision can be appealed before the Higher Regional Court of Vienna (*Oberlandesgericht*). The appeal postpones any effect of the judgment. The other party can file a reply to the appeal within four weeks after the service of the appeal by the court.

In preliminary proceedings the decision on the application of a preliminary injunction can be appealed before the Higher Regional Court within two weeks. A granted preliminary injunction is generally not affected by such appeal. The other party can file a reply to the appeal within two weeks after the service of the appeal by the court.

Whereas the first instance considers both the facts and the law completely, the Higher Regional Court, in generally, only considers whether the first instance has evaluated the facts and the law correctly. Accordingly, new facts can generally not be submitted in the appeal proceedings.

The Higher Regional Court always decides in a senate of three judges. In patent matter the senate includes a “technical lay judge”, namely a patent attorney.

REVISION (SUPREME COURT)

Only if important questions of law are present, can an appeal be filed against the decision of the Higher Regional Court to the Austrian Supreme Court. In any case the appeal has to be filed within four weeks after the decision was served. Generally, the other party can file a reply to the appeal within four weeks after the service of the appeal by the court.

In preliminary proceedings the decision of the second instance can generally in all IP matters be appeal before the Austrian Supreme Court within two weeks after the decision was served. Generally, the other party can file a reply to the appeal within two weeks after the service of the appeal by the court.

The Austrian Supreme Court decides in senates. In patent matters the senate can decide to include “technical lay judges”, namely patent attorneys.

In practice, only a small percentage of the cases reach the Austrian Supreme Court, but in IP matters the percentage seems to be much higher than in other fields of law.

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT OF JUSTICE

As mentioned above, the Austrian judges are not at all hesitant to ask preliminary ruling questions to the European Court of Justice (ECJ). The highest instance is even obliged to ask the ECJ if questions of European law remain unclear. As long as the ECJ handles the matter the Austrian proceeding is stayed.

COSTS AND FEES

Generally, infringement proceedings are expensive. This is in principle also true for Austria. Rightsholders typically must invest substantial sums to (i) detect an infringement and identify the infringer; (ii) gather evidence of the infringement; (iii) secure seizure, storage and ultimately destruction of the infringing goods and (iv) finally, to litigate a civil infringement action. Although IP litigation in Austria leads to comparatively low litigation costs, the costs depend on various factors.

First of all, with respect to the legal costs under Austrian procedural law, a distinction must be made between (a) court fees (“*Gerichtsgebühren*”), (b) attorneys’ fees (“*Rechtsanwaltsgebühren*”) and (c) cash expenditure (“*Barauslagen*”) including costs for interpreters, the translation of documents, travel expenses for witnesses or experts’ costs.

The amounts required to pursue even the smallest infringers often run well over €10,000. Recovery of costs is therefore a crucial point in the enforcement of IP rights for every rightsholder. At a rough estimate, 50 – 70 % of the actual legal costs expended by the rightsholder are typically recovered in successful Austrian civil IP cases. In simple cases it might even be possible to obtain 100% reimbursement of the legal

costs based on the “loser pays principle”, meaning that the losing party not only bears its own costs but is also obliged to reimburse all procedural costs incurred by its prevailing opponent, however, based on Legal Tariff.

Lawyers' fees and fees of technical counsel (patent attorneys) are refundable (“loser pays principle”), if they accrued for appropriate legal measures, however, “only” according to the Code of Lawyer's Tariff: Depending on the agreement with the lawyer and on the complexity of the case, the actual lawyer's fees might therefore exceed the refundable costs pursuant to the Code of Lawyer's Tariff. The general freedom to agree on a certain fee arrangement is substantially restricted as *inter alia* conditional fees (*pacte de quota litis*) are prohibited under Austrian laws.

PRELIMINARY INJUNCTION PROCEEDINGS

In all IP fields, one finds injunctive procedures in Austria, which permit, without the necessity of any urgency, to obtain within a few weeks cease and desist orders. In Austria requests for preliminary injunctions in civil proceedings are often filed together with the full claim; however, a separate filing is admissible, even after the full claim was filed.

It is worth mentioning that the “urgency issue in preliminary proceedings”, e.g., existing under German law, meaning that the application for a preliminary injunction has to be filed within the shortest possible time after the rightsholder has become aware of the infringement, does not exist under Austrian laws. Under Austrian law, time limits are treated as a matter of substantive law and the fact that a claim has become time barred is not addressed by court on its own motion, but has to be brought forward by the defendant. The limitation period for IP infringements is generally three years, which begins to run on the day on which the rightsholder obtains positive knowledge of both the infringement and the infringing party.

In the majority of cases, the application for an injunction will be served on the defendant (based on Article 6 ECHR), but the court may also grant *ex parte* injunctions if it can be established by the claimant that giving notice may defeat the purpose of the application. The court will

form its view about the likely outcome of the definitive proceeding on the question of infringement and render its decision accordingly within a few weeks on the basis of the briefs by the parties and sometimes on the hearing of witnesses by the judge (however, not in a formal court hearing).

Other than the main proceedings the preliminary proceedings are a “summary proceeding”, meaning that no full proof but merely *prima facie* evidence is needed. On the other hand, this *prima facie* evidence has to be presented to the court in the given short time frame. When applying for a preliminary injunction the validity of registered IP rights has to be evidenced (except based on EUTMs). However, the validity of registered IP rights is a rebuttable presumption in preliminary proceedings and may be contested by the defendant. Such contest however has to be substantiated. It is then the rights owner’s obligation to furnish *prima facie* evidence regarding the validity of the IP right.

The court may tie the issuance of a preliminary injunction to the provision of a security bond.

If the preliminary injunction is – at the end of the day – considered to have been issued without substance, the defendant has the right to request full compensation by the injunction-requesting party.

As preliminary and definitive injunctions are in Austrian practice the most common and therefore most important claims in IP matters, it is worth briefly showing how such injunctions are enforced: A petition can be filed with the court of enforcement (*Exekutionsgericht*) in respect of each act of non-compliance following the enforceability of the claim, i.e., in case of a preliminary injunction immediately after its service. The petition has to be served by the enforcing party also immediately to the obliged party. Based on the petition and the alleged infringement the court can impose a fine up to €100,000. For each further act of non-compliance with an injunction a further petition can be filed and a new fine can be imposed. Although the petition must include a concrete and conclusive allegation of the act of non-compliance it is not required to file any evidence of the non-compliance. However, the obliged party may initiate a (separate) proceeding in which the enforcing party is obliged to evidence the

infringement. Preliminary and definitive injunctions are not effective against third parties, especially against suppliers or customers of the infringing party, as those third parties have not been party of the proceedings. The question if those third parties can be sued by the IP rightsholder has to be evaluated based on the general requirements.

CRIMINAL PROCEEDINGS

An intentional infringement of IP rights is a penal crime in Austria, that can be generally sanctioned with monetary fines and, for commercial crimes, can even lead up to imprisonment.

The conduct of criminal IP matters is under the exclusive jurisdiction of the Vienna Regional Court for Criminal Matters (*Landesgericht für Strafsachen Wien*) in first instance.

What makes criminal proceedings particularly attractive in Austria is the fact that the rightsholder, not the public prosecutor, can prosecute infringers himself. As the personal interest of the rightsholder in defending his rights outweighs the public interest in prosecuting counterfeiters, the legislator decided that only the rightsholder should have competence for filing an indictment. Even if this is an additional burden for rightsholders, it gives them much more control over the proceeding: They can decide whether to initiate proceedings, file applications (e.g. for house searches or destruction of counterfeit goods) or terminate the proceeding, which would not be the case in criminal proceedings initiated *ex-officio*.

[last updated: 28 August 2022]

BELGIUM

LEGAL FRAMEWORK

MAIN PRINCIPLES

THE APPEAL

CASSATION (NATIONAL SUPREME COURT)

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT

LAWYERS' FEES

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

The judicial process is one of those matters which has been only harmonised a little within the European Union. Each country is relatively free to set the rules for procedures conducted before its national courts. However, states must act in accordance with the general principles issuing, in particular, from the European Convention on Human Rights.

MAIN PRINCIPLES

a) *The introduction of the case*

Generally, the case will be introduced via a writ to which a text is attached in which the plaintiff presents their case file. This text, usually written by the plaintiff's lawyer must contain sufficient information to enable the defendant to understand why a lawsuit is being filed.

In France, it is common to attach the exhibits in the file directly to this document. In Belgium, the exhibits will be transmitted between lawyers, later on.

If the defendant is outside the EU, there are deadlines to allow them to take cognizance of the existence of a trial and organise themselves, taking the distance into account. To counter this, it is not uncommon that the plaintiff attempts to obtain parallel emergency measures (see-above), which multiplies the number of simultaneously administered legal proceedings.

b) *Pleadings and pre-trial*

The purpose of the pre-trial procedure is to allow the parties to draw up their pleadings. This is a text in which they each explain why they believe themselves to be justified. The findings conclude with a summary of what the party is asking the court to grant them.

In principle, it is the defendant who initially produces a submission. The applicant responds. The defendant may further respond, and so on. Respect for the rights of the defence means that the defendant has in principle the last word.

Whenever pleadings are exchanged, they must be accompanied by the exhibits (contracts, letters, documents, etc.) referred to therein, unless these exhibits have been previously submitted.

In France, the pre-trial procedure is frequently assigned to a judge who takes care of this matter only. This has the advantage of flexibility, because the deadlines can be changed as and when required by the investigation and, if a problem arises, the judge decides on it immediately. Once the case is ready, it is sent to a different judge who will decide the dispute.

In Belgium, the pre-trial is more automatic. Deadlines are set early in the process and it is extremely difficult to change them later. This has the advantage of predictability, but the rigidity of the system is sometimes excessive.

c) *Public hearing*

Once the case is ready, the lawyers will be heard at the hearing. They propound their arguments orally. In civil and commercial matters, arguments rarely extend over several hearings. The purpose of the hearing(s) is to summarise the case and not to pass to full review as it would be done in an international arbitration or a criminal matter.

d) *Judgment*

After the hearing, the lawyers will receive the judgment, often by post or electronic transmission. This may take a few days to weeks, depending on the number of cases to be treated, their complexity and the potential urgency.

THE APPEAL

Most of the time, an appeal can be made. The appeal is a new proceeding. The procedure follows the same principles as those outlined above. Despite rumours, it has never been demonstrated that having won or lost in the first proceedings has any impact on the chances of success at appeal.

CASSATION (NATIONAL SUPREME COURT)

The appeal in cassation is relatively rare. The cassation court is not concerned with the facts and does not say who is right or wrong. It will only verify that the procedure has been followed, and that the judge has applied the law correctly. It is therefore not a matter of re-hearing the case, contrary to what occurs on appeal.

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT

In disputes involving technology, IP and/or innovation, the rules are very often derived from a European directive or regulation.

When a judge in a national court has doubts as to the exact scope of a European directive or regulation or if the judge questions the compatibility of national legislation with the European statute from which it is derived, the judge has opportunity to ask a question to the Court of Justice of the European Union.

There is only one Court of Justice for the whole of the European Union, located in the Grand Duchy of Luxembourg. It is the sole authority to interpret a directive or European regulation. In principle, all lawyers are admitted to plead before the CJEU; however, it is recommended to hire someone with some experience of this specific procedure.

In its considerations, the Court will not decide the dispute submitted to it. It will only inform the judge in the national court on the exact scope or meaning of the Directive or the European law in question, and tell the judge whether national law is compatible with the European statute.

It will then be for the judge in the national court which has asked the question to settle the dispute, in strict interpretation of what has been laid down by the European Court.

LAWYERS' FEES

At the end of the proceedings, the judge has the opportunity of imposing all or part of the defence costs of the winning party on the unsuccessful party.

In France, the scope of the judge is relatively wide. Most of the time, the judge can take into account all the elements that are submitted to determine the amount that he/she considers appropriate. Of course, the fact that one of the parties is foreign can be taken into account because it creates an additional cost of defence, translation, etc.

In Belgium, the scope of the judge is limited. A base amount is provided for in law and the judge may only increase or decrease this to some extent to take into account the specificities of the case. The basic amount is determined according to what is at stake.

In both countries, it is rare that this system makes it possible to cover all lawyers' fees.

CRIMINAL PROCEEDINGS

Criminal proceedings operate under different rules. Without going into the details of these specific proceedings, we can report the following main themes:

- In most cases, once a complaint is filed, the plaintiff loses control over it, so much so that it is often impossible to stop the complaint even if an agreement is reached with the other party (it is some sort of “fire and forget” missile).
- On the level of evidence, the complainant has not much to do. Once the criminal authorities are notified of a complaint, they will organise the investigation and take the necessary measures. This has a significant advantage in terms of costs. On the other hand, this shows once again the loss of control of the complainant in relation to their complaint.
- The investigation is conducted by authorities who are neutral in principle. They will instruct on uptake and completion. The prosecutor and the investigating judge do not judge, they investigate.
- Once the investigation is complete, they pass the case to another judge who will make a judgment after having heard the parties at a public hearing.
- The investigation is secret in principle. Depending on the circumstances, this secrecy may even be opposed by the parties that are involved. Whether you are suspect or complainant, it is often difficult to know in which direction the investigation is moving. Moreover, regular leaks in the press are to be deplored. In sensitive cases, this means that one must be always ready to respond in terms of communication.
- When a case involves both a criminal investigation and civil or commercial proceedings, it is the criminal investigation which

takes precedence. Civil or commercial proceedings will normally be suspended while the criminal investigation is ongoing.

As a result of the workload of the investigators and also the frequency of cases that involve several countries, it is not uncommon for criminal proceedings to last for several years.

[last updated: 31 December 2022]

BOSNIA AND HERZEGOVINA

LEGAL FRAMEWORK

Bosnia and Herzegovina is a complex country which consists of three political entities: Federation of Bosnia and Herzegovina, Republic of Srpska and Brcko District. As a consequence, civil procedure in Bosnia and Herzegovina is governed by the Law on Civil Procedure of the Federation of Bosnia and Herzegovina⁹⁰, the Law on Civil Procedure of the Republic of Srpska⁹¹, and the Law on Civil Procedure of Brcko District⁹², whereas criminal procedure is governed by the Law on Criminal Procedure of Bosnia and Herzegovina⁹³, the Law on Criminal Procedure of the Federation of Bosnia and Herzegovina⁹⁴, the Law on Criminal Procedure of the Republic of Srpska⁹⁵ and the Law on Criminal Procedure of Brcko District⁹⁶. The organization and competence of the courts are governed by the Laws on Civil Procedure, as well as the Laws on Criminal Procedure. Bosnia and Herzegovina is not yet a member of the European Union, and therefore, the EU laws and regulations are not applicable in this jurisdiction.

⁹⁰ Official Gazette of the Federation of Bosnia and Herzegovina, Nos. 53/2003, 73/2005, 19/2006 and 98/2015.

⁹¹ Official Gazette of the Republic of Srpska, Nos. 58/2003, 85/2003, 74/2005, 63/2007 and 105/2008.

⁹² Official Gazette of Brcko District, Nos. 5/2000, 1/2001, 6/2002, 11/2005 and 20/2006.

⁹³ Official Gazette of Bosnia and Herzegovina, Nos. 3/03, 32/03, 36/03, 26/04, 63/04, 13/05, 48/05, 46/06, 76/06, 29/07, 32/07, 53/07, 76/07, 15/08, 58/08, 12/09, 16/09, 93/09 and 72/13.

⁹⁴ Official Gazette of the Federation of Bosnia and Herzegovina, Nos. 35/03, 37/03, 56/03, 78/04, 28/05, 55/06, 27/07, 53/07, 09/09, 12/10, 08/13 and 59/14.

⁹⁵ Official Gazette of the Republic of Srpska, No. 53/12.

⁹⁶ Official Gazette of Brcko District, Nos. 48/04, 6/05, 14/07, 19/07, 21/07, 2/08, 17/09, 9/13 and 27/14.

MAIN PRINCIPLES

The main principles of civil procedure can be summarized as follows:

- a) Civil Law procedure is governed by the Law on Civil Procedure that differs for each entity. Likewise, each entity has its own system of courts. In the Federation of Bosnia and Herzegovina, IP related cases are handled in the first instance by the Municipal Courts and by the Cantonal Courts in the second instance. In the Republic of Srpska, IP related cases are handled in the first instance by the District Commercial Courts and by the Higher Commercial Courts in the second instance. In Brcko District, IP related cases are handled in the first instance by the Basic Court and by the Court of Appeal in the second instance. The Supreme Court of the Federation of Bosnia and Herzegovina handles extraordinary legal remedies against the decisions of all courts from its territorial jurisdictions, while the Supreme Court of the Republic of Srpska handles extraordinary legal remedies against the decisions of all courts from its own jurisdiction.
- b) Bosnian courts are not legally bound by previous judgments. Nevertheless, the Supreme Court and the second instance courts publish their decisions to provide guidance for lower courts. These courts tend to harmonize the administration of justice within the Bosnian judiciary system, mainly by means of rendering uniformity of decisions. However, since the legal system is split between three entities, in practice, this is sometimes rather difficult to achieve.
- c) Sending a cease-and-desist letter (hereafter: C&D Letter) is not an obligatory step before commencing a civil action, but it is certainly recommendable. Sending such a letter would show an effort of the rightsholder to open a dialogue and its dedication to resolve the dispute amicably. Moreover, it is not a rare situation (especially in IP infringement cases) that the adverse party is willing to comply with the demands from the C&D Letter in order to avoid expensive and time-consuming litigation which would likely lead to an unfavourable outcome.

- d) The official languages of the proceedings are Serbian, Bosnian and Croatian. In the event that a party does not speak any of the three official languages or where the documents and evidences are presented in languages different from the official languages, the assistance of the Court appointed translators is obligatory.

IMPORTANT MILESTONES OF A TRIAL

a) *First instance procedure and judgement*

The trial must be initiated before the competent courts of first instance. A case is initially introduced when the plaintiff submits the written complaint to the competent court. The parties may be represented *pro se* or by an Attorney at Law (there are also several additional exceptions related to representation that are not in the scope of this article).

As soon as the complaint is received, the Court will perform a formal examination of the same, in which the Court checks whether all obligatory requirements are fulfilled. If the complaint contains some formal deficiencies, the Court will allow correction thereof, within a certain deadline.

Thirty days upon receiving the complaint, the Court will deliver the same to the defendant for a response which the defendant must submit within 30 days.

Afterwards, the Court will schedule a preliminary hearing which is an obligatory step of the proceedings. At the preliminary hearing, both parties are invited to state all the necessary facts, to propose evidence and to state an opinion about the allegations of the adverse party. The law is rather strict about presenting evidence after the preliminary hearing is concluded, and late presentation of the same will be allowed only when exceptional reasons exist (e.g., the party was not aware of the existence of evidence at the time the preliminary hearing was held). Upon the conclusion of the preliminary hearing, the Court will schedule the main hearing (i.e., trial).

The main hearing represents the main stage of the proceedings in which the merits of the dispute are discussed. Although intended to be held as one hearing, in practice it is commonly divided into several hearings. At the main hearing, all evidence accepted by the Court in the preliminary hearing will be presented. Additionally, the parties will present their arguments in order to enable the Court to make a conclusion as the basis for the decision.

Regarding the evidence, various types are admissible (witness testimony, expert opinion etc.), but in most cases, the evidence is presented to the Court in the form of written documents. Unless the law provides otherwise, the burden of proof lies with the party which claims the existence of facts necessary for the establishing and/or enforcing of certain rights.

When the Court considers that the legal matter has been thoroughly discussed and clarified, so that the decision can be rendered, it will close the main hearing. Upon the closure of the main hearing, the Court will render the judgement. Besides deciding on the merits of the case, the Court will also decide on the costs of the proceedings.

b) *The Appeal*

First instance judgements can always be appealed by submitting the written appeal within 15 or 30 days (depending on the entity) following the date of delivery of the written judgment. As a general rule, new evidence and new facts may be presented only if the party submitting the appeal becomes aware of such facts or evidence after the conclusion of the main hearing in the first instance proceedings. The judgment may be appealed in respect of both procedural and substantive omissions in the first instance proceedings.

c) *Revision (Supreme Court)*

A request for revision can be filed with the Supreme Court within 15 or 30 days (depending on the entity) after the decision has been delivered to the party. The revision can be filed due to both procedural and substantive omissions in the proceedings. However, the list of

particular omissions which might be a basis for revision is narrower than the reasons for appeal.

There are no specific rules for revision for IP related disputes, so the general principles apply.

In the revision proceedings, the party must be represented by an Attorney at Law, or if the party is a natural person who has passed the bar exam, he or she can represent himself or herself. An employee of a legal entity who has passed the bar exam can also represent that entity in revision proceedings.

PROCEDURAL COSTS

The costs of the proceedings are, in principle, imposed on the losing party by the Court. However, the Court can waive all or part of the costs, if the party has no resources or its financial situation cannot endure such costs (upon the party's request). In situations where the party has partially succeeded in the proceedings, the Court will decide the percentage of the costs that each party will bear.

The official fees are determined in accordance with the Law on Court Fees (each political entity has its own Law). The fees in each particular case will depend on the value of the legal matter they are related to. Moreover, the costs differ for civil and criminal proceedings.

Attorney fees can vary depending on the complexity of the case, its length, the number of activities undertaken and other particulars of each case. It is therefore recommendable to consult with the attorney on all potential costs of the proceedings before initiating the same.

PRELIMINARY INJUNCTION PROCEEDINGS

In cases of urgency, an interested party can seek a preliminary injunction (hereafter: PI), in order to provide provisional, but immediate legal protection. The request can be submitted to the competent Court during the proceedings, but also before the proceedings are initiated - under the condition that the complaint will be filed within a certain deadline from the date on which the decision granting the PI was rendered.

In general, preliminary injunctions are governed by the Laws on Civil Procedure, but specific rules related to IP rights are promulgated by their individual, related laws (e.g., Law on Patents, Law on Trade Marks, etc.). The content of the PI can vary according to the type of right at issue.

The specific character of each IP right notwithstanding, we can underline the following as the most common PI remedies in the Bosnian legal system: 1) seizure or removal from the market of the infringing products; 2) seizure of the means (equipment, tools) used in the creation of the infringing products; 3) prohibition of continuation of the infringing actions.

The party that seeks issuance of the PI bears the burden of proof that the infringement did occur, and it must justify the issuance of the same.

If an appeal is filed against the decision granting the PI, the same does not stay the enforcement of the PI.

In exceptional circumstances, the court will allow the issuance of an *ex parte* PI.

CRIMINAL PROCEEDINGS

Bosnia and Herzegovina and each other political entity have their own Laws on Criminal Procedure. The common characteristics of these procedures are the following:

The general rules for the territorial and material competence of the courts are applicable for criminal proceedings. The competence of each particular court depends on the nature of the criminal act and prescribed penalty for the same.

Criminal proceedings commence with the investigation. The investigating authorities (i.e., police) conduct the investigation upon the order of the prosecutor and under his or her supervision. In most cases, the injured party has no control over the criminal proceedings, but there are certain mechanisms that enable a more active role in the case. The injured party cannot assume the prosecutor's place in any

circumstance, but the prosecutor's decision to withdraw from the case can be appealed by the injured party.

If the evidence collected during the investigation confirms the guilt of the defendant beyond a reasonable doubt, the prosecutor files an indictment and represents the charge before the competent court.

The court may proceed only upon an indictment and is restricted by its contents: the court may only establish the criminal liability of the person against whom the accusatory instrument was filed and may only consider acts contained in the instrument. For that reason, the prosecutor is entitled to amend the indictment and the legal qualification of the criminal charges throughout the proceedings.

[last updated: 31 December 2022]

CZECH REPUBLIC

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF THE TRIAL

THE PRELIMINARY RULING QUESTION BEFORE THE EU COURT OF JUSTICE

COSTS AND FEES

PRELIMINARY INJUNCTION PROCEEDINGS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

Czech law, which forms part of continental European legal culture, is founded on written law and includes acts and other legislative instruments, promulgated international treaties ratified by the Czech Parliament, and rulings of the Constitutional Court annulling all or part of a legislative provision. Legislation derived from acts – government regulations, legislative provisions of ministries and other central and local government authorities, delegated decrees of regional and municipal authorities. Such provisions must be issued on the basis and within the limits of an act, within the scope of lawful authority.

With regards to European law, the EU principle of the supremacy of Community law applies just as it does with the other Member States. Under this principle, European legislation takes precedence when there is a conflict between European law and the national law of a Member State (acts, decrees etc.). This applies equally where there is a conflict between national law and primary Community legislation (the Treaties) and between national law and secondary Community legislation (regulations, directives etc.). Under the prevailing interpretation of the law, not even the supreme national legal instruments are exempt - European law even

takes precedence over the constitutions and constitutional acts of Member States.

The judicial system in the Czech Republic consists of the Constitutional Court of the Czech Republic and the 'ordinary' court system.

The ordinary court system consists of the Supreme Court (*Nejvyšší soud*), the Supreme Administrative Court (*Nejvyšší správní soud*), high courts (*vrchní soudy*), regional courts (*krajské soudy*) and district courts (*okresní soudy*).

MAIN PRINCIPLES

In the Czech Republic the ordinary court system consists of four organisational branches:

- a. the district courts; the area courts (*obvodní soudy*) in the capital Prague and the Municipal Court in Brno have the same status as the district courts.
- b. the regional courts in Brno, České Budějovice, Hradec Králové, Ostrava, Plzeň, Prague, Ústí nad Labem and the Municipal Court in Prague.
- c. the high courts in Prague and Olomouc.
- d. the Supreme Court and the Supreme Administrative Court in Brno.

The Czech Republic has a two-instance system, which is a determining factor in the hierarchical organization of the system of remedies. From this point of view, the hierarchical relationship between the courts, based on the level of that branch within the judicial system, has three tiers.

The third tier consists of the Supreme Court and the Supreme Administrative Court in Brno.

Supreme Court of the Czech Republic

As the supreme judicial authority in matters relating to the jurisdiction of the courts in civil and criminal proceedings, the Supreme Court of the Czech Republic ensures the consistency and legality of decisions by

- a. ruling on *extraordinary appeals* in cases laid down by the Acts concerning court proceedings.

- b. ruling on other cases laid down by specific legislation or by an international treaty ratified by Parliament which is binding on the Czech Republic and has been promulgated.

Supreme Administrative Court of the Czech Republic

As the supreme judicial authority in matters relating to the jurisdiction of the courts in the administrative judiciary, the Supreme Administrative Court ensures the consistency and legality of decisions by ruling on *applications for review (kasační stížnost)* in cases laid down by the Act and by ruling on other cases laid down by this or a specific Act.

a. Jurisdiction in civil cases

District courts, regional courts, high courts and the Supreme Court of the Czech Republic are responsible for judging civil cases.

Courts of first instance

District courts hear and judge disputes and other legal cases arising from civil, employment, family and commercial relationships when no other court has material jurisdiction over them under the law. Other matters that are not of a private nature (e.g., on the appointment and dismissal of arbitrators, on the annulment of an arbitration award, etc.) are to be heard and judged by the district courts in civil proceedings where the law so provides.

Cases that fall within the jurisdiction of a district court are usually ruled upon by a *judge sitting alone*. Where the law so determines, employment matters are heard by a chamber consisting of a judge and two lay judges.

Regional courts act as courts of first instance in cases and disputes referred to in Sections 9(2) and 9a of the Act. No. 99/1963 Coll. the Code of Civil Procedure, as amended (hereafter referred to as “**Code of Civil Procedure**”).

Proceedings before a regional court, as a court of first instance, are heard and ruled upon by a single judge; a chamber consisting of a president of chamber and two judges hears and rules on proceedings at first instance where the law so provides. The decision of the senate at the regional court

is possible in proceedings, which are defined in the Act No. 221/2006 Coll., on the Enforcement of Industrial Property Rights, as amended (hereafter referred to as “**Act No. 221/2006**”). In these cases, the Municipal Court in Prague decides in specialized chambers consisting of a president and two judges.

The Supreme Court rules at first instance on the basis of Section 51 of Act No 91/2012 on Private International Law, as amended. In those circumstances, the Supreme Court recognizes the final rulings of foreign courts.

The Supreme Court sits as a chamber or a Grand Chamber.

Second instance

Where district courts hear the case at first instance, a regional court is the court of appeal (second instance court).

Where regional courts hear the case at first instance, the high courts act as the courts of appeal.

The high court sits as a chamber consisting of a president of chamber and two judges unless there are separate legal provisions to the contrary.

Enforcement of Industrial Property rights

The possibilities of defence against infringement of industrial property rights are set out in Act No. 221/2006.

The entitled person may request from a third party, in accordance with the provisions of Section 3 of Act No. 221/2006, information on the origin and distribution networks of the goods and services which infringe its IP rights. Another possibility is to send a pre-litigation reminder, in which the authorized person calls on the infringer to stop the infringing activity often under threat of litigation. In practice, pre-litigation reminders are of considerable importance, as the prospect of litigation is a compelling enough for many infringers to stop infringing IP rights.

The Act No. 221/2006 allows those whose right has been infringed to seek, by means of an action before a court, that the infringer refrain from the act of infringing the IP rights and at the same time eliminate the possible consequences that have arisen as a result of the threat or infringement, in particular by withdrawing the products from the market, permanently

removing or destroying the products, or withdrawing, permanently removing or destroying the materials, tools and equipment intended or used exclusively or predominantly in the infringing or threatening activities.

The person shall then be entitled to damages against the infringer, to the payment of unjust enrichment and, if the interference has caused non-pecuniary damage, to reasonable compensation. The law provides for a minimum amount of these sums, namely twice the license fee that would otherwise have been customary for obtaining a license to use the right at the time of the unlawful interference. The only way to reduce this amount is where the infringer did not know and could not have known that his conduct in any way infringed the right of the beneficiary. In this case, the amount will not be double the royalty (license fee), but only the standard royalty.

b. *Jurisdiction in administrative cases*

The role of the judiciary in administrative matters is to protect the individual rights of natural and legal persons under public law. This role is fulfilled by administrative courts. These are specialized chambers *within the system of regional courts* that act as courts of first instance.

Administrative courts are composed of the president of the regional court, vice-presidents and judges. Individual cases are heard by a chamber composed of three judges.

Administrative courts handle cases concerning the appeals against the Industrial Property Office of the Czech Republic decisions, granting rights such as trade marks or patents from the point of view of their validity. Given the nature of this publication, this area will not be addressed any further.

c. *General information*

In the IP litigations a client can be represented by an advocate, by a legal counsel or by a patent attorney, there is no additional requirement to obtain professional qualifications specifically for IP matters.

The obligation to be represented by an attorney arises:

- a. in extraordinary appeals proceedings.
- b. in proceedings on applications for review (*kasační stížnost*).

A patent attorney may represent you both in administrative proceedings before the Industrial Property Office, and subsequently in the administrative justice system, and before the court in civil court proceedings in disputes arising from intellectual property law according to Section 9 para 2 letter g) of the Code of Civil Procedure. This always applies only within the scope of the provided for in Section 1(2) of Act No 417/2004 Coll. on Patent Attorneys as amended.

The duration of the trial depends on many factors and therefore could not be accurately estimated.

The average length of civil proceedings in district courts in 2021 was 281 days.

The average length of administrative proceedings in regional courts in 2021 was 525 days.

IMPORTANT MILESTONES OF A TRIAL

a) *First instance procedure*

Proceedings before the civil courts concerning intellectual property rights will be conducted as *adversarial* (dispute) *proceedings*.

Dispute proceedings are initiated by a lawsuit. The proceedings are commenced on the date on which the court having local and subject-matter jurisdiction receives the lawsuit, even if the lawsuit has defects or deficiencies. Failure to remedy the defects would then mean that the lawsuit is dismissed or the proceedings as such are discontinued.

Dispute proceedings are in principle proceedings with a hearing the case itself, during which evidence is taken and the parties are heard; the law allows dispute proceedings without a hearing if 2 conditions are met simultaneously:

- a. a dispute may be decided on the basis of documentary evidence presented which sufficiently establishes the case; and

- b. the parties agree to the decision of the case without a hearing or have waived it.

The hearing is the culmination of the proceedings, its essential part; the president of the chamber has to prepare the hearing so that the case can be decided, as a rule, in a single hearing. The parties, witnesses and other necessary persons must be summoned, the judge must thoroughly acquaint himself with the case, think about what evidence will have to be taken, etc.

The court will invite the defendant to make written submissions on the matter (the application) and submit documentary evidence. The plaintiff may respond again to the defendant's statement (reply), and the defendant may respond again. All these submissions are not compulsory, but the court may always impose them on the parties.

In preparation for the hearing, the court shall take other appropriate measures: e.g., appointing a representative for the parties, ordering preliminary injunction (if proposed) etc.

It is the duty of the court, before the hearing is ordered, to concentrate all the necessary evidence for the hearing so that all the necessary evidence can already be used in the course of the hearing and so that the principle that the court should decide the case as far as possible in a single hearing is fulfilled; the court should take care to secure the necessary expert evidence by appointing an expert to prepare it (there is no need to wait for the hearing to be ordered) and to obtain the statements of persons other than those relevant to the proceedings and the decision.

In senate cases, the end of the hearing is followed by a deliberation of the senate and a recess in single-judge cases. As a rule, the judgment shall be pronounced immediately after the end of the hearing preceding the judgment; if this is not possible due to the complexity of the case, the court shall adjourn the hearing for a maximum of 10 working days to pronounce the judgment.

b) *Judgment and further appeals*

There are two basic forms of judicial decision:

Judgment

A judgment is a more solemn form of decision, pronounced "in the name of the Republic" and always in public - even if the hearing itself was not public. When pronouncing the judgment, the president of the chamber will state the verdict, together with the reasons for the judgment and instructions on appeal and the possibility of enforcement.

The judgment shall, as a general rule, decide the merits of the case (exceptions for certain types of uncontested proceedings); the court of appeal shall give its judgment if it confirms or modifies the judgment, otherwise it shall give its decision by order. The court of appeal shall give judgment if it dismisses an appeal against a judgment of the court of appeal or if it annuls a judgment of the court of appeal; otherwise, it shall give a resolution.

Resolution

A resolution shall be used in all cases where no other form of decision is provided for by law. The requirements of a resolution are less strict than those of a judgment. The differences between a judgment and a resolution are the form, the particulars and the requirement of public announcement, which is only imposed on a judgment.

Appeal

According to Czech law, an appeal is the only proper remedy and can be used to challenge both a judgment and a resolution; it is the most frequently used option for reviewing a court decision. The possibility to lodge an appeal is linked to the fulfilment of the conditions for the admissibility of an appeal - which are linked to the contested decision (objective) and the conditions linked to the subject filing the appeal (subjective).

The time limit for lodging an appeal is **15 days** from the date of service of the decision (whether it is a judgment or a resolution); the date of service is not included in the time limit; it is sufficient to lodge the appeal by post on the last day of the time limit (it is a procedural time limit). The party must have been duly informed by the court of the possibility to appeal; if the party is not informed at all or not duly informed, the time limit for appeal is **3 months** from the date of service of the decision.

The appeal is to be addressed by the party to the court whose decision it is challenging; an appeal is also timely if it is lodged within the time limit directly with the competent court of appeal or on the record with a non-competent district court.

The time-limit for appeal may be waived if the party has an excusable reason for missing the time-limit and applies for a waiver **within 15 days** of the disappearance of the obstacle which prevented him from lodging the appeal within the time-limit.

The lodging of the appeal shall be accompanied by payment of a court fee in the amount laid down by the Act No. 549/1991 Coll. on Court Fees, as amended (hereafter referred to as “**Act on Court Fees**”), the amount of the fee being the same as that payable by the court of first instance. If the court fee is not paid, the appeal proceedings are dismissed and the judgment at first instance becomes final.

c) *Extraordinary remedies*

An extraordinary remedy differs from an ordinary appeal in that it can challenge a decision that has *already become final*, whereas an appeal is directed against a decision that has not yet become final.

Extraordinary appeal

Extraordinary appeals may be brought against final decisions of the court of appeal where the law so permits. A party may lodge an extraordinary appeal with the court which ruled at first instance **within 2 months** of the date of service of the court of appeal’s decision.

The grounds of extraordinary appeal can only be the following: *the decision of the court of appeal is based on an error of law*. In addition to the general particulars, the extraordinary appeal must state which decision it is directed against, to what extent and on what grounds the decision is challenged, which evidence, if any, should be adduced to prove the grounds of appeal and what the appellant seeks to establish (the grounds of extraordinary appeal).

Unless otherwise stated, an extraordinary appeal is admissible against any decision of the court of appeal which terminates the appeal proceedings (e.g., an appeal is inadmissible in cases concerning monetary compensation not exceeding CZK 50,000, unless the case concerns

relations arising from consumer contracts and employment relations), if the contested decision depends on the resolution of a question of substantive or procedural law, the resolution of which is:

- a. the court of appeal departed from the established decision-making practice of the Supreme Court; or,
- b. which has not yet been resolved in the case-law of the Supreme Court; or
- c. is decided differently by the Supreme Court; or,
- d. if the question of law decided by the Supreme Court is to be determined differently.

Before deciding on the extraordinary appeal, the Supreme Court may, even without a motion, postpone:

- a. the enforceability of the contested decision if the appellant would be seriously prejudiced by the immediate enforcement or execution of the decision; or
- b. the legal validity of the contested decision if the appellant is seriously threatened in his rights and if the legal position of a person other than the appellant is not affected by the postponement.

The Supreme Court shall, as a rule, decide on the appeal without a hearing.

Action for a retrial

By an action for a retrial, a party to the original civil proceedings may challenge a final decision on the merits, except for decisions on marriage or partnership and except for decisions on costs (of legal proceedings), if new facts, decisions or evidence come to light which may lead to a more favourable decision.

The subjective time limit for bringing an action is **3 months** from the moment when the participant learned of the reasons for the renewal (retrial). The objective time limit is **3 years**. The court of first instance decides on the granting of renewal), which may grant suspensory effect to the contested decision.

Action for a miscarriage of justice

An action for a miscarriage of justice is one of the extraordinary remedies in civil court proceedings, which can be used to overturn a final decision of

the court of first instance or even the court of appeal. It can be used where the previous proceedings were for some reason vitiated by a miscarriage of justice (lack of procedural requirements or other defects).

An action for miscarriage of justice may be brought within **3 months** of service of the contested decision.

THE PRELIMINARY RULING BEFORE THE EU COURT OF JUSTICE

The preliminary ruling procedure is governed by Article 267 of the Treaty on the Functioning of the European Union (TFEU):

Article 267

The Court of Justice of the European Union shall have jurisdiction to give preliminary rulings concerning:

- a) the interpretation of the Treaties.*
- b) the validity and interpretation of acts of the institutions, bodies, offices or agencies of the Union.*

Where such a question is raised before any court or tribunal of a Member State, that court or tribunal may, if it considers that a decision on the question is necessary to enable it to give judgment, request the Court to give a ruling thereon.

Where any such question is raised in a case pending before a court or tribunal of a Member State against whose decisions there is no judicial remedy under national law, that court or tribunal shall bring the matter before the Court.

If such a question is raised in a case pending before a court or tribunal of a Member State with regard to a person in custody, the Court of Justice of the European Union shall act with the minimum of delay.

The main objective of the procedure is to ensure uniform interpretation and application of EU law. The preliminary ruling procedure is initiated on the application of a court of a Member State. The Court does not rule on the merits of the case, but only on the interpretation of the provision of EU law in question. The third paragraph of Article 267 TFEU, which requires the Supreme Court, as the court of last instance, to refer the matter to the

Court of Justice in cases where the interpretation of EU law is unclear, except where:

- a. the interpretation has been given in previous case-law of the CJEU (the so-called *acte éclairé* doctrine).
- b. the interpretation of the provision at issue is unambiguous on the basis of a comparison of terminology and language versions of the text in different Member States (*acte clair* doctrine).
- c. the question of EU law is not relevant to the resolution of the dispute.

(Cf. judgment C-283/81 CILFIT).

The lower courts have an **unconditional obligation** to refer a question to the CJEU for a preliminary ruling when they question the validity of an EU act or when they depart from the settled case law of the CJEU.

COSTS AND FEES

Compensation for the costs of litigation is governed by the principle of success in the case, i.e. the right to compensation of costs will be awarded to the party who was fully successful in the case (i.e., to what extent the court upheld the claim in the final decision on the merits). However, success in the case can also be said to be the case of the defendant if the action was dismissed in its entirety; for the assessment of success in the case, the decisive factor is the state of affairs after any amendment of the action (partial withdrawal of the action).

A plaintiff who has been successful in a case in which he has sought to enforce an obligation arising from a statute, a legal relationship or a breach of law is entitled to compensation for the costs of the proceedings against the defendant in the event of success in the case only if he has sent a pre-litigation reminder to the defendant at the address for service or, where appropriate, at the last known address, within a period of **at least 7 days** before the lawsuit was filed.

Where the success and failure are approximately equal on both sides of the proceedings, the court will not normally award any costs to either party.

Where success and failure are not approximately equal, the court shall apportion the compensation: it shall not award compensation to the party who has failed more than the other party; it shall award compensation to the party who has prevailed more than the other party to the extent of the proportion of his victory reduced by the proportion of his failure. The court may, even in the event of partial success, decide that neither party shall be entitled to compensation.

The obligation to reimburse the costs of the litigation and statutory legal fees suffered by the other party lies on the party that loses the case. When it comes to IP cases, these costs might be considerably low.

Fees

In matters of intellectual property rights, the Municipal Court in Prague is the competent court of the first instance in terms of subject matter and location, and the plaintiff shall pay a court fee of **CZK 2,000** for filing the action in accordance with Act on Court Fees.

PRELIMINARY INJUNCTION PROCEEDINGS

In the event that it is necessary to provisionally adjust the circumstances of the parties or if there is risk of jeopardizing the enforcement of the court decision it is possible to file a motion for a preliminary injunction. It is a way to prevent infringement of intellectual property rights until a court decision is made. In intellectual property rights cases, an order that a party should not handle certain things or rights, or do something, refrain from something or tolerate something.

In the case of a fee of an application for a preliminary injunction, it is lower than the court fee for filing an action, namely it is **CZK 1,000** (according to Act on Court Fees). The wording of the application for preliminary injunction must be very specific otherwise the court may reject the application for vagueness.

Another obligation on the part of the applicant, which is connected with the application for a preliminary injunction, is to lodge a financial security to ensure compensation for any damage or other harm that may arise from the proposed preliminary injunction. The amount of the financial security required by law is **CZK 10,000**, except in cases concerning relations between entrepreneurs arising out of business activities, for which a

financial security of **CZK 50,000** is required (this shall be applicable for most IP cases). However, it should be emphasized that the president of the chamber is entitled to increase that amount if he finds it insufficient to ensure compensation for the damage or other harm which may result from the proposed preliminary injunction.

The president of the chamber shall decide on the application for preliminary injunction without undue delay. Unless there is a risk of delay, the law shall provide for a period of **7 days** for the court's decision. If the president of the chamber orders the proposed preliminary injunction, he shall at the same time order the applicant to file a lawsuit with the court to initiate proceedings within a period to be fixed by him.

CRIMINAL PROCEEDINGS

Criminal proceedings in the Czech Republic are completely different from civil proceedings. The main difference is that the parties do not have control over the proceedings and these proceedings are governed by law enforcement officials acting *ex officio*.

Criminal offenses against industrial rights and against copyright are then regulated in Sections 268 to 271 of Act No. 40/2009 Coll. the Criminal Code, as amended. Specifically, these offenses are:

- a. Trade mark and other trade mark infringement.
- b. Violation of protected industrial property rights.
- c. Infringement of copyright, related rights and database rights.
- d. Counterfeiting and imitation of fine art works.

In principle, the most important person in criminal proceedings is the public prosecutor, who, among other things, decides whether or not a charge/indictment will be pressed/filed in a given case.

[last updated: 3 December 2021]

BULGARIA

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF THE TRIAL

THE PRELIMINARY RULING QUESTION BEFORE THE EU COURT OF JUSTICE

COSTS AND FEES

PRELIMINARY INJUNCTION PROCEEDINGS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

The national IP legislation is overall harmonized and aligned with the European law, reproducing a number of requirements of the relevant EU directives and regulations, and is consistent with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs).

The key legal acts in the IP field are the following:

- Copyright and Neighbouring Rights Acts from 1993
- Patents and Registration of Utility Models Act from 1993
- Marks and Geographical Indications Act from 2019
- Industrial Design Act from 1999
- Topology of Integrated Circuits Act from 1999
- Penal Code from 1968
- Civil Procedure Code from 2008

- Administrative Procedure Code from 2006

The Bulgarian court system, however, suffers from the absence of specialized IP courts and although the claims for establishment and cessation of an infringement of IP rights are considered in accordance with the procedure for conducting summary proceedings, it normally takes a while until a rightsholder obtains an enforceable decision within proceedings on the merits.

MAIN PRINCIPLES

The main principles underlying any civil procedure in Bulgaria could be summarised as follows:

1. Civil proceedings are regulated by the Civil Procedure Code (CPC) which provides for a three-instance court procedure.
2. Sofia City Court, functioning as a district court, is the first instance court in civil cases related to infringement of IP rights in a one-judge panel, except for the disputes under the Copyright and Neighbouring Rights Act (CNRA) which are considered by all district courts in the country. The appellate courts (5 in total) have second instance competence under appeals against decisions and rulings of the district courts within their venue rendered in their capacity of first instance courts. The appellate court sits in a panel of three judges, unless otherwise provided for by law. The third and final instance is the Supreme Court of Cassation (SCC). Very limited number of cases is admitted for cassation review though. The SCC is seated in Sofia and its jurisdiction covers the entire territory of the Republic of Bulgaria. The SCC sits in panels of three judges, unless otherwise provided for by law.
3. The language of the proceedings is Bulgarian. Any evidence submitted has to be either in Bulgarian or translated into Bulgarian by a certified interpreter.
4. Any party may request to participate to a hearing by videoconference when it is unable to appear directly before the court. Evidence may be taken by videoconference at the request of a party or, in case of hearing of an expert, on the court's own motion. Examination

of a witness and explanations of a party by videoconference are admissible when the respective witness/ party are unable to appear before the court and are outside the judicial district of the district court, the seat of which coincides with the seat of the court before which the respective case is held. A hearing of an expert by videoconference is admissible where, due to work commitments or other objective circumstances, the expert is unable to appear before the court and is located outside the judicial district of the district court the seat of which coincides with the seat of the court before which the respective case is held.

In general, the following claims are admissible in the context of the exclusive IP rights:

- claim for establishment of an infringement;
- claim for cessation of an infringement;
- claim for compensation of damages;
- claim for seizure and destruction of goods subject of infringement, as well as of the tools used for commitment of the infringement;
- claim for delivery of the goods subject of the infringement;
- claim for payment of the expenses related to the storage and destruction of the goods subject of the infringement;
- announcement of the court decision in two daily newspapers and on a TV channel with a national coverage.

Invalidity of registered IP rights (trade marks, designs, patents, utility models, etc.) may be claimed within administrative proceedings where the Bulgarian Patent Office is the first instance. Its decision on the merits may be subject to court revision before the specialised administrative courts in Bulgaria: Sofia City Administrative Court as a second instance and the Supreme Administrative Court as a third and final instance.

Another type of proceedings for sanctioning IP rights infringers are the administrative proceedings. While copyright infringements are investigated and sanctioned by the Ministry of Culture, administrative infringements related to registered IP rights fall within the competence of the Bulgarian Patent Office. In either case, the final act of the competent administrative authority is subject to two-instance court appeal, where the competent courts are the corresponding regional court as a first instance and administrative court as a second instance based on the rules and procedures of administrative sanctioning. Sofia Regional Court and Sofia City Administrative Court.

There are also criminal proceedings in case of IP crimes and in this case the procedure is initiated by the public prosecutor office. The competent criminal courts are the regional courts, the appellate courts and the final instance – the SCC.

Enforcing IP rights at the border is an efficient way to quickly and adequately provide legal protection to the right-holder and the procedure in Bulgaria has been fully harmonized with the EU regulations in the field of customs enforcement of IP rights.

IMPORTANT MILESTONES OF THE TRIAL

a) *First instance procedure*

First instance proceedings commence by bringing the claim before the court in writing. The claimant sets out all the facts and presents all the written evidence the claim is based on in the statement of claim. If the claim is admissible, the judge sends a copy of it and its attachments to the defendant with instructions on the possibilities and necessities for submitting a reply to the claim, along with instructions on the mandatory contents of the reply as well as on the consequences if such is not submitted. The court schedules the hearing of the case by subpoenaing the parties wherein evidence is collected. The court may also provide the parties with its draft of the report on the case, as well as refer them to mediation or to another procedure for amicable resolution of the dispute.

The purpose of the open court session (open hearing) may be defined as collecting evidence under the case and conducting the oral pleadings of the parties. Normally, external experts are appointed within IP infringement procedures in order to support the court in replying to specific IP questions which the court is not competent to assess during the proceedings. The oral pleadings start only if all the evidence sought by the parties and admitted by the court is collected and the case has been completed. The court announces its decision with the motives within a one-month term following the session in which the consideration of the case has been completed.

The claims for establishment and cessation of an infringement of IP rights are considered under the special procedure for summary proceedings. The preparation of the case is held in camera without subpoenaing the parties on the day of receipt of the defendant's reply or of the expiry of the term for submitting such reply. The court schedules a hearing of the case within three weeks and prepares a written report on the case. The cases considered according to summary procedure are heard in an open session with subpoenaing the parties. During the session the court collects the obtained and presented evidence and hears the oral pleadings. The court sets a day whereon it is to announce its decision, which shall be the day from when the term for appeal of the decision shall begin to run. The court is obliged to announce its decision, along with the motives within a two-week term following the session in which the consideration of the case has been completed.

b) *Judgment and further Appeals*

When a judgment has been pronounced by the competent court, it may be appealed before the appellate court. The appeal is filed with the court which rendered the decision within fourteen days of the date the party was served with the decision. This term is preclusive. If the decision is not appealed within the specified term, it becomes effective. Grounds for an appeal can be found when, for example, a first instance decision has been declared invalid, wrongful due to procedural omissions, inadmissible, or non-compliant with substantive law.

c) *Revision (Supreme Court)*

The cassation appeal in Bulgarian procedure law is provided for as a regular, but not always possible one, due to the limited admissibility of third instance control. The decisions subject to cassation appeal before the SCC are the intermediate appellate decisions of the district and appellate courts. Cassation appeal must be filed in a one-month term after serving the appealed decision to the party. Cassation appeal does not apply to any decisions on civil cases with an appealable interest not exceeding EUR 2,500 and to commercial cases with an appealable interest not exceeding EUR 10,000. The intermediate appellate decisions are subject to cassation appeal provided that the court has pronounced judgement on a substantive law matter which: (1) has been determined in conflict with the practice of the SCC; (2) has been determined in conflict with the acts of the Constitutional court of the Republic of Bulgaria or with the acts of the Court of Justice of the European Union; (3) is relevant to the accurate application of the law, as well as to the development of law. Notwithstanding, cassation appeal is also admissible in case of probable nullity or inadmissibility of the intermediate appellate decision, as well as in case of manifest error. This outlines the grounds for admitting a cassation appeal and creates a filter which sets limits to the cassation appeal.

d) *IP Enforcement*

Enforcement over IP under the Civil Procedure Code covers rights in a trade mark, patent, utility model, industrial design, integrated circuit topography, plant variety certificate or animal breed.

In order to secure the claim of the creditor, the enforcement agent may impose a distraint on the debtor's right over the respective object which is subject to entry in the State Register kept for the respective object. The collateral takes effect with respect to the rightsholders/ exclusive licensees of the object of industrial property rights as of the date of receipt of the distraint order, and with reference to third parties - as of the date of entry of the distraint in the respective State Register.

THE PRELIMINARY RULING QUESTION BEFORE THE EU COURT OF JUSTICE

Every Bulgarian judge has the right to send a preliminary ruling question to the Court of Justice of the European Union (CJEU). In order for a case to be admissible before the CJEU, the question arising from it must not have been considered yet.

If the requested Bulgarian court does not act as a final instance and its decisions may be subject to appeal, it is free to grant or reject the request for preliminary ruling. However, if it acts as a last instance, the court is obliged to exercise the reference for a preliminary ruling, unless the answer to the question derives clearly and unambiguously from a previous judgment of the CJEU or the significance and the meaning of the provision or the act are clear enough.

COSTS AND FEES

Where civil proceedings are conducted, a state fee of 4 % of the value of the claim, but not less than EUR 25, is generally due. In an IP litigation process, costs and fees may vary depending on the type of the proceeding, as well as on whether experts have been appointed to support the court in replying to specific IP questions. Administrative procedures related to registered IP rights require payment of state fees in the range of EUR 150 – EUR 300. Administrative and criminal procedures related to IP infringements or offences do not require a payment of a state fee except for appealing an administrative act where a flat fee is applied (approx. EUR 5 for individuals and EUR 25 for legal entities).

The costs for an appeal procedure are lower than the ones which occur in the first instance.

The fees and costs for the proceedings, as well as the attorney's fees (if any) are paid by the defendant in proportion to the upheld part of the claim. It is worth noting that where the amount paid by a party to the attorney exceeds the amount corresponding to the actual legal and factual complexity of the case, the court might adjudicate a lower

amount of costs upon the request of the opposing party; however, the latter cannot be lower than the minimum amount specified in the tariff to the Bar Act. The tariff to the Bar Act sets minimum amounts of the attorney fees in various courts and administrative proceedings or legal consultancy work.

PRELIMINARY INJUNCTION PROCEEDINGS

No such court order as the preliminary injunction exists under the Bulgarian legislation. However, the Bulgarian law provides for the so called 'provisional measures' which could be imposed by the civil court at the request of the person seeking civil protection against IP infringement. The following provisional measures are admissible:

- ban on any actions which allegedly constitute or may constitute unauthorized use.
- seizure of the goods which allegedly infringe IP rights, as well as of any other evidence relevant for proving the infringement.
- withdrawal of the equipment intended to be used for an IP infringement.
- sealing of the premises where the infringement is allegedly being committed or is going to be committed.

Provisional measures are imposed by the court in cases where an IP infringement has been committed or is going to be committed or evidence is likely to be lost. Such measures are imposed upon a request made by the rightsholder/ the exclusive licensee and without prior notice to the alleged infringer. The request shall be supported by convincing written evidence. The provisional measures could be requested before filing the claim on the merits, as well as after initiation of the court proceedings. If the request precedes filing of the claim and a provisional measure is enacted by the court, the person seeking protection against IP infringement is required to present evidence for filing the claim within one-month term after ruling of the court for enactment of the provisional measure (the court decides what the term for filing of the court claim should be). The enforcement

of the provisional measures, if allowed by the court (except for the ban on unauthorized use) shall be performed by a bailiff.

CRIMINAL PROCEEDINGS

The wilful infringement of IP rights is considered a crime under the Bulgarian law and may be sanctioned with monetary fines of up to EUR 25,000, and in exceptional cases – imprisonment of up to 8 years.

Criminal proceedings follow rules which differ from the ones described above. The main procedure is governed by the Criminal Procedure Code. Such procedures are typically initiated by the public prosecutor followed by a further investigation by competent investigating authorities. Afterwards, the court may begin the prosecution against the defendant. The persons who suffered damages resulting from the crime are entitled to bring a civil claim for damages in criminal proceedings and become civil claimants. The criminal proceedings are preferred by rightsholders who have no resources to collect evidence of the IP infringement themselves and rely on the evidence collected by the public prosecution.

[last updated: 1 June 2022]

CROATIA

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF THE TRIAL

THE PRELIMINARY RULING QUESTION BEFORE THE EU COURT OF JUSTICE

COSTS AND FEES

PRELIMINARY INJUNCTION PROCEEDINGS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

Procedural law in the Republic of Croatia is regulated by the Civil Procedure Act and the Criminal Procedure Act, which form the general legal framework for court proceedings. The fact that the Croatia is a member of the EU further provides legal certainty, given that court proceedings take into account the judgments and case law of European courts or other competent bodies of EU (i.e. EUIPO), which certainly affects the quality of courts and their speed of decision-making. Despite the legal certainty, the length of court proceedings is still the biggest pain because court proceedings in the first instance last up to one year, and on appeal in the second instance up to two years. However, there is an evident trend of decreasing the average duration of court proceedings in 2021 with a further tendency to decrease mainly due to digitalization (i.e. online hearings) and specialization of courts and judges.

MAIN PRINCIPLES

The main principles of civil procedure can be summarized as follows:

a) Civil proceedings are regulated by the Law on Civil Procedure. All disputes concerning intellectual property rights fall within the exclusive real jurisdiction of the commercial courts in the first instance. The Commercial Court in Zagreb is also the court of the European Union Trade Mark and Community Design competent, in the first instance, for European Union Trade Marks and Community Designs in the territory of the Republic of Croatia. In the second instance, the High Commercial Court of the Republic of Croatia has jurisdiction to decide. The Supreme Court of the Republic of Croatia decides on extraordinary legal remedies against judgments of all courts in the Republic of Croatia and resolves other issues prescribed by law.

b) The case law of higher courts and European courts is not a source of law in the Republic of Croatia but is often used in proceedings, and lower courts often refer to it in their judgments. In addition, in 2018, the Department for Monitoring and Studying the Judicial Practice of Courts at the Council of Europe and the European Union was established. This department monitors European regulations and case law of the Court of Justice of the European Union, and for the needs of the Supreme Court of the Republic of Croatia (but also for the needs of all lower courts in the Republic of Croatia) collects, processes and forwards judges. The ultimate goal is to make the case law on intellectual property law as harmonized as possible, thus contributing to efficiency, expediency and legal certainty.

c) Although not mandatory, it is recommended to send a C&D letter to the other party before initiating litigation to express the rightsholder's intention to settle the dispute amicably, which is often appreciated by the court as an act of good will and conduct in good faith by the rightsholder. At the same time, practice has often shown that in cases of infringement of intellectual property rights by sending a C&D letter to the other party, it is often willing to voluntarily meet these requirements in order to avoid costs and conduct proceedings that would likely result in an unfavourable outcome.

d) The official language in the proceedings is Croatian, but when the party does not know Croatian or when it is necessary to present evidence in a foreign language, it is mandatory to hire a court interpreter or translator for that foreign language.

IMPORTANT MILESTONES OF A TRIAL

a) *First instance proceedings and judgment.*

Civil proceedings are initiated by a lawsuit filed by the plaintiff before the court of first instance (commercial court) with jurisdiction. At the time of filing the lawsuit, the case number and the judge who will conduct the proceedings are automatically generated, but the proceedings themselves begin to run when the lawsuit is delivered to the defendant with a call to respond to the lawsuit within 30-45 days. After that, the Court will schedule a preparatory hearing at which both parties are invited to state their views on all the facts, to present all the evidence, and to state their views on the allegations of the opposing party. Regarding the presentation of evidence, after the preparatory hearing is over, presenting new facts or new evidence is not permitted unless there are exceptional reasons (e.g., the party was not aware of the existence of evidence at the time of the preparatory hearing). At the end of the preparatory hearing, the Court will set a time frame for the proceedings and schedule a main hearing. The main hearing is the main stage of the proceedings in which the merits of the dispute are discussed. Although it is intended to be held as a single hearing, in practice it is usually divided into several hearings. At the main hearing, all the evidence accepted by the Court at the preparatory hearing will be presented. In addition, the parties will present their arguments so that the court can reach a conclusion as a basis for the judgment. As far as evidence is concerned, various types of evidence are allowed (e.g. witness statements, expert opinions, etc.), but in most cases the evidence is presented to the Court in the form of written documents. Unless otherwise provided by law, the burden of proof is on the party claiming the existence of a fact necessary to establish and / or exercise a right. When the court assesses that the legal matter has been thoroughly discussed and clarified, so that a judgment can be made, it will conclude the main hearing. Upon completion of the main hearing, the Court will render a judgment. Apart from the merits, the court will also decide which party will bear the costs of the proceedings. On average, the duration of this phase of the procedure is up to one year, depending on the complexity of the case.

b) *Appeal*

A dissatisfied party may file an appeal against the first instance judgment by filing a written appeal within 8 days from the day of delivery of the written judgment. As a rule, new evidence and new facts may be presented only if the party who lodged the appeal learns of those facts or evidence after the conclusion of the main hearing in the first instance proceedings. An appeal may be lodged against the judgment due to procedural and material omissions and errors in the first instance proceedings.

c) *Revision (Supreme Court)*

A request for permission to revision may be submitted to the Supreme Court (through the court that rendered the first instance judgment) within 30 days from the day the judgment was delivered to the party. The request for permission must contain a legal issue that is important for the judgment in the dispute and for ensuring the uniform application of the law and equality of all in its application or for the development of law in case law, especially if it is a legal issue:

- 1) on which the judgment of the court of second instance deviates from the practice of the Supreme Court.
- 2) on which there is no practice of the Supreme Court, especially if the case law of higher courts is not uniform.
- 3) on which the case law of the Supreme Court is not uniform.
- 4) on which the Supreme Court has already taken an understanding and the judgment of the second instance court is based on that understanding, but would - especially taking into account the reasons presented during the previous first instance and appeal proceedings, due to changes in the legal system conditioned by new legislation or international agreements, the European Court of Human Rights or the Court of Justice of the European Union - case law should be reviewed.

In civil proceedings related to the protection of intellectual property rights, the revision is not allowed *ex lege*, but the request for permission must first be submitted with the obligatory indication of the legal issue and the accompanying explanation of that legal issue. The revision must be submitted by a lawyer, otherwise it will be rejected. Likewise, the client must be represented by a lawyer throughout the review process. This is one of the few exceptions when a party cannot represent itself before the judiciary.

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT

To ensure the effective and uniform application of European Union legislation and to prevent divergent interpretations, the national courts may, and sometimes must, refer to the Court of Justice and ask it to clarify a point concerning the interpretation of EU law, so that they may ascertain, for example, whether their national legislation complies with that law.

A reference for a preliminary ruling may also seek the review of the validity of an act of EU law.

The Court of Justice's reply is not merely an opinion but takes the form of a judgment or reasoned order. The national court to which it is addressed is, in deciding the dispute before it, bound by the interpretation given. The Court's judgment likewise binds other national courts before which the same problem is raised.

It is thus through references for preliminary rulings that any European citizen can seek clarification of the European Union rules which affect him. Although such a reference can be made only by a national court, all the parties to the proceedings before that court, the Member States and the institutions of the European Union may take part in the proceedings before the Court of Justice. In that way, several important principles of EU law have been laid down by preliminary rulings, sometimes in reply to questions referred by national courts of first instance.

PROCEDURAL COSTS

The costs of the proceedings are in principle borne by the court to the losing party. Also, the court may order payment of only part of the costs, in situations where the winning party has caused some of the costs, or the costs are unfair or unjustified. Finally, in situations where a party has been partially successful in the proceedings, the Court is free to decide that each party bears its own costs or that each party bears a certain percentage of the costs. Official fees are determined in accordance with the Law on Court Fees. The fees in each case will depend on the value of the legal matter to which they relate. Moreover, costs vary for civil and criminal proceedings. Attorney's fees may vary depending on the complexity of the case, its length, the number of actions taken, and other details of each case. It is therefore recommended to consult a lawyer about all possible costs of the proceedings before initiating the same.

PRELIMINARY INJUNCTION PROCEEDINGS

In general, preliminary injunction is regulated by the Enforcement Act, but special rules relating to intellectual property rights are declared by their individual, related laws (i.e. Patent Act, Trade Mark Act, Industrial Design Act, etc.).

Each party, especially the injured party whose rights have been infringed can file a motion for preliminary injunction. This action can be taken before or during the trial. The court will grant the protection if the party substantiates both: its claim and its legal interest in being granted the protection. The aforementioned legal interest occurs when an injured party makes it probable that his right has been violated or that he is in danger of being injured. In cases of urgency, an interested party can seek a preliminary injunction (hereafter: PI), as to provide provisional, but immediate legal protection. The request can be submitted to the competent Court during the proceedings, but also before the proceedings are initiated – under the condition that the claim will be filed within 31 days of the date when the judgment on acceptance of PI has been rendered.

At the request of the proprietor of the mark who makes it probable that the mark has been infringed or is in danger of infringing the mark, the court may order any preliminary injunction aimed at terminating or preventing the infringement, including:

- to order the opponent to stop or give up actions that violate the trade mark.
- to order the seizure or surrender of goods suspected of being unlawfully marked in order to prevent their being placed on the market or placed on the market.

Also, at the request of the proprietor of the trade mark who makes it probable that the trade mark has been infringed in the course of performing activities for economic or economic gain, and that such damage threatens him with irreparable damage, in addition to preliminary injunction, the court may order:

- to seizure of movable or immovable property owned by the opponent that is not directly related to the violation.
- to ban on disposing of funds on the account with financial institutions and a ban on disposing of other assets.

If an appeal is filed against the judgment allowing the preliminary injunction, it shall not postpone the execution of the preliminary injunction. In exceptional cases, the court will allow the issuance of an *ex parte* preliminary injunction.

CRIMINAL PROCEEDINGS

Criminal proceedings are regulated by the Criminal Procedure Code. Similar to civil proceedings, where only one type of court (commercial courts) has jurisdiction over intellectual property issues, in criminal proceedings jurisdiction is also conferred on only one type of court (municipal courts - the Municipal Criminal Court in Zagreb), which has jurisdiction over to act in all cases of criminal protection of intellectual property. A dissatisfied party may file an appeal against the judgment of that court, which is decided by the county courts in the second

instance. Criminal proceedings begin with an investigation. Investigative bodies (i.e. the police and the state attorney's office) conduct investigations. In most cases, the injured party has no control over the criminal proceedings, but there are certain mechanisms that allow for a more active role in the proceedings. The injured party may take over the position of the prosecutor in the proceedings within a certain period of time, as a subsequent prosecutor, only if the prosecutor withdraws from the proceedings. If there is a reasonable suspicion from the collected evidence that the suspect committed the criminal offense, the prosecutor shall file an indictment and represent the prosecution before the court. For this reason, the prosecutor has the right to change the indictment and the legal qualification of the criminal report throughout the proceedings. Generally, this procedure lasts as long as civil proceedings.

[last updated: 2 March 2022]

DENMARK

LEGAL FRAMEWORK

MAIN PRINCIPLES

MILESTONES OF A TRIAL PROCEDURE

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT

LAWYERS' FEES

CRIMINAL PROCEEDINGS

JURISDICTION AND VENUE

LEGAL FRAMEWORK

The judicial process has only been harmonized a little within the European Union, and each country is therefore relatively free to set their own rules for procedures conducted before its national courts. However, every state must act in accordance with the general principles in the European Convention on Human Rights.

MAIN PRINCIPLES

The Danish Courts consists of

- the Supreme Court
- two High Courts
- the Maritime and Commercial Court
- the Land Registration Court
- 24 district courts

- the courts of the Faroe Islands and Greenland
- the Appeals Permission Board
- the Special Court of Indictment and Revision
- the Judicial Appointments Council
- the Danish Court Administration.

Unlike many other European countries, Denmark does not have special administrative or constitutional courts. Instead, the normal courts have to review the legality of public decisions or questions concerning conflicts with the Constitutional Act of Denmark (in Danish: “Grundloven”).

Denmark has specific committees and boards handling complaints, for example; complaints regarding fixation of rent are handled by The Housing and Rent Assessment Committee. It is very normal that these committees and boards have judges from the above-mentioned courts as members.

In Denmark, the courts are independent from the executive and legislative authorities. Section 3, 61 and 63 of the Constitutional Act of Denmark form the legal basis and provides for the division of power between the executive, the judicial and the legislative systems.

The Danish civil process is based on the rules of the Danish Administration of Justice Act and is based on a principle of negotiation between the parties.

Regarding the principle of negotiation, the Danish judges can, during their voting, only consider elements that have been presented to them, for example pleadings, evidence and oral statements. It is elementary that the judges only consider what the parties have presented, but in rare cases the judges can at their own initiative decide to do their own examination of the case (*ex officio* examination) but this is only performed when the judges are not sufficiently informed by the parties. It is therefore very important to present the judges with all information that is beneficial to the party.

The judge can only base his or her decision on the information provided, so if party (A) does not provide sufficient material or materials at the other party's (B) request, it can cause procedural adverse effect towards party (A).

The Danish judges have free access to appraisal of evidence, and the Danish judges have a constitutional right that provides them a special protection against dismissal and transfer from their job. A Danish judge can only be removed from his job if action is filed against him and the Special Court of Appeals rules that he should be dismissed from his job. Otherwise, the office of judge is irredeemable until the judge turns 70 years of age.

MILESTONES OF A TRIAL PROCEDURE

a) *Introduction of the case*

A case is initially introduced to the courts with the submission of a written writ of summons in which the plaintiff presents his case. The writ of summons, usually written by the plaintiff's lawyer, must contain sufficient information to enable the defendant to understand why a lawsuit is being filed. The requirements are outlined in section 351 of the Danish Administration of Justice Act and include, among others, a factual presentation of the case, the plaintiff's suggestion to the handling of the case as well as a clear description of the plaintiff's claims. It is customary to attach only the exhibits, which are referred to in the writ of summons or following pleadings.

b) *Pleadings and pre-trial*

After receiving the writ of summons, the court assesses if the writ of summons is submitted to the correct jurisdiction or otherwise the court will refer the case. If the writ of summons is submitted correctly, the court can decide that the defendant has to send a statement of defence within 14 days, but it is normal to extend the deadline.

When the court receives the statement of defence, the court normally convene the parties to a pre-trial hearing, unless the court assesses

that such a meeting is unnecessary. These meetings are normally handled over the phone. During this meeting, the parties can discuss how they relate to the case, if an expert opinion is required, if there is any chance of a settlement as well as the time and date for the court hearing. The court can decide if there is any need for further pleadings (in Danish: replik and duplik) or meetings.

Deadlines are set early in the process and it can be difficult to change them later on unless the court is provided with a reasonable explanation. This has the advantage of predictability, but the rigidity of the system is sometimes excessive.

Whenever pleadings are exchanged, the exhibits referred to herein (contracts, letters, documents, etc.) must accompany the pleadings, unless these exhibits have been submitted earlier on.

Unless the parties are able to settle the case during the pre-trial process, the case will be handled by the court at the date suggested at the pre-trial hearing and agreed by the parties.

c) *Public hearing*

It is a mandatory rule in Denmark that all processes in the court room is to be done orally, even though most proceedings require the preparation of written pleadings. Even when the law allows oral considerations, it is recommended to submit written evidence.

The proceedings are therefore oral and the courts are generally open for the public.

d) *Judgment*

After the hearing, the lawyers will receive the court's judgment, often by electronic transmission. Normally it takes four weeks for the judgment to arrive in case of a first instance case, while in a second instance case it may take up to three months.

e) *Appeal*

Most of the time, an appeal can be made. The appeal is a new proceeding where the purpose is to determine whether the previous judgment is correct or incorrect. Claims and allegations which have not been relied upon in the first instance can only be included if approved by the court following the opposing party's objection. The procedure follows the same principles as those outlined above.

The High Courts

There are two high courts in Denmark – the High Court of Western Denmark and the High Court of Eastern Denmark. Appeals from a district court are referred to the high courts. Civil and criminal cases are tried by the district courts (first tier), but under certain conditions a civil case may be referred to a high court.

The Supreme Court

The Supreme Court is the final court of appeal in Denmark and is situated in Copenhagen. The Supreme Court reviews judgments and orders from the High Court of Eastern Denmark, the High Court of Western Denmark and the Copenhagen Maritime and Commercial Court.

The Supreme Court reviews both civil and criminal cases and is the final court of appeal (third tier) in probate, bankruptcy, enforcement and land registration cases. In criminal cases, the Supreme Court does not review the question of guilt or innocence, and there are no lay judges on the panel. Only in exceptional cases, a right of appeal (third tier) to the Supreme Court is permitted (see below).

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT

Every judge has the right to send a preliminary ruling question to the Court of Justice of the European Union.

If the requested court does not act as a final instance, it is free to grant or reject the request for preliminary ruling, and its decision will not be

subject to appeal. However, if it acts as a last instance, the court is obliged to exercise the reference for a preliminary ruling, unless the answer to the question derives clearly and unambiguously from a previous judgment of the CJEU or the significance and the meaning of the provision or the act are clear.

LAWYERS' FEES

All parties shall pay costs associated with any procedural steps the party has made or requested. However, according to the procedural rules, the losing party may be requested to bear the costs. In practice, except for in cases of very high economic value, the winning party rarely recoups its actual costs as the courts use a list of costs, set by the courts, when granting awards.

In Denmark, it is possible to get a free trial process. The Appeals Permission Board determines when a party shall have free process. The conditions for free process are outlined in the Danish Administration of Justice Act.

CRIMINAL PROCEEDINGS

Criminal proceedings operate under different rules that can be found in the Danish Administration of Justice Act, and some of the articles in the

Danish laws concerning intellectual property protection generally contain penal provisions for infringements.

Often the research and collecting of evidence is the most substantial part of the criminal proceedings, particularly if the judges have their main focus on the expert appraisals.

JURISDICTION AND VENUE

Often the Maritime and Commercial Court have jurisdiction in cases concerning intellectual property. The second instance in cases beginning in the Maritime and Commercial Court is, depending on the case, either the Supreme Court or a High Court.

Where the case concerns intellectual property or IT-rights, it is very common that the parties prefer arbitration. The primary benefit of arbitration is that the case can be solved quicker, in confidentiality and the involved parties avoid any attention that might have a negative effect on their business or brand.

It is normal to have a negotiated clause regarding mediation or dispute resolution in agreements between parties. The purpose of such clauses is to find consensus without spending excess time and money.

[last updated: 20 May 2022]

FRANCE

MAIN PRINCIPLES

IMPORTANT MILESTONES

FIRST INSTANCE PROCEDURE

JUDGMENTS AND FURTHER APPEALS

REVISION (SUPREME COURT)

PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT OF JUSTICE

COSTS AND FEES

CRIMINAL PROCEEDINGS

PRELIMINARY INJUNCTION PROCEEDINGS

The organization of the Courts, and the principles of civil procedure, are still fully subject to national legislation. France is a civil law country; as a result, evidence is largely based on documentation and not on witness testimonies.

MAIN PRINCIPLES

All French laws are grouped into Codes: procedural rules are to be found in the Code of civil procedure; general principles of civil law are laid down in the Civil code while IP legislations are in the Code of intellectual property.

French attorneys can represent their clients in all French courts, except before the French Supreme Court (Cour de Cassation), to which only a handful of lawyers residing in Paris are admitted.

All attorneys are members of a regional Bar Association. When they defend a client before a court, which is outside of the scope of their Bar

Association, for instance if an attorney from Paris, member of the Bar of Paris, defends a client in Lyon or Lille, he must then use “a local correspondent”, member of these Bars, even though he will be going to Lyon and Lille to plead the case on behalf of his client.

IMPORTANT MILESTONES

1. In IP cases, the plaintiff often requests through an *ex parte* application the right to seize what he considers to be infringing products, often on the premises or in the warehouses of the defendant. Within one month following this seizure, the plaintiff must bring the matter before a court, otherwise the seizure will be considered as void and its effects will be cancelled.
2. Otherwise, all civil cases start by a claim delivered by the plaintiff to the defendant through a bailiff. A copy of this claim so delivered is then registered at the offices (greffe) of the Court which is competent to hear the case on the merits.
3. If the matter is within the competence of the District court, then the attorney of the defendant has 2 weeks to go on the court record on behalf of the defendant, and 2 more months when the defendant is not located in France.
4. The case is handled by a judge who “administers the case” (juge de la mise en Etat). He will ensure that both parties exchange the documents they refer to in their respective briefs (pleadings). The defendant has usually 2 months to respond to the claim, and the plaintiff will also have around 2 months to respond to the first brief of the defendant, who will then have 2 months to respond to this last brief. In most cases, separately from the initial claim the plaintiff produces another brief, where the defendant produces a total of 2 briefs. But for complex cases they can be authorized to produce as many briefs as necessary. Once the parties have exchanged all their arguments the case is transferred to a different judge for the public hearing and oral arguments (the trial).

The pleadings at trial are usually quite short (in average a maximum of 45 minutes for each party). They take place after a short presentation of the case by one of the judges who hear the case. At the District court

of Paris the judgments are rendered in writing approximately 6 weeks after the pleading date.

SUMMARY OF THE USUAL TIMELINE

- (Seizure? If so, a claim must be brought within 30 days).
- Claim delivered by the Plaintiff to the Defendant.
- Defendant must register his attorney (within 2 weeks or 2 months for a foreign defendant).
- A judge is appointed to administer the case: he verifies if the documents on which the claim is based have been given to the attorney of the defendant.
- The attorney of the defendant has approximately 2 months to produce a first brief in defence and in response to the initial claim.
- The attorney of the plaintiff has approximately 2 months to produce a first brief in response to the first reply (defence) of the defendant.
- The attorney of the defendant has approximately 2 months to produce a second brief in defence and in response to the reply of the plaintiff.
- Once the parties have exchanged all their arguments the case is “closed” and a date for the trial is set.
- Trial.
- One or two months after the trial a judgment is rendered in writing.

FIRST INSTANCE PROCEDURE

The District Court of Paris has been, for a few years, the sole and exclusive jurisdiction to hear patent cases, as well as cases involving Community Designs and Community Trade Marks.

Regarding all other cases involving author's rights, French designs and French trade marks they are of the exclusive competence of 10 district courts (including Paris).

On contract matters, including controversies over licensing agreements raised between two companies, these remain under the jurisdiction of commercial courts.

In the district courts, all the judges are professional judges, who have studied law and who have also gone to a "judge school", whereas in the commercial courts the judges are elected businessmen, who may or not have a law degree.

All the IP/IT matters which are brought before the District Court of Paris, are handled by the 3rd Chamber, which comprises four sections. Each section comprises a presiding judge and two other magistrates, thus a total of three judges. These judges are not specialized in IP/IT, but they become specialists in this field by their daily practice in this 3rd Chamber, where they stay an average of 3 to 6 years.

Each section handles patent, trade mark, design and copyright cases. None of the sections is more specialized in one of these fields than another. None of the judges have a technical training or degree, as is often the case in other countries.

It takes approximately 18 months from the claim for a case to be judged by one of the sections of the 3rd Chamber of the Court of Paris on the merits.

JUDGMENTS AND FURTHER APPEALS

Within one month after their official notification, all judgments rendered by a District Court of Paris, can be appealed before a Court of Appeal. In Paris, all the judgments of first instance rendered by the 3rd Chamber of the District Court in IP/IT matters are reviewed on appeal

by the 1st and 2nd Chambers of the 5th Pôle of the Court of Appeal of Paris.

Each of these two chambers, comprises a president and two other magistrates, among which, very often one or more former judges of the 3rd Chamber of the District Court.

Statistically only, approximately 25% of the judgments rendered on 1st Instance are reversed by the Court of Appeal.

REVISION (SUPREME COURT)

Within 2 months after their official notification, judgments of the Court of Appeal can be subject to the review of the French Supreme Court (Court de Cassation), but only on points of law and not on factual issues.

It takes around 2 years for a case to be reviewed by the Supreme court. Approximately 10% of the civil judgments are reversed, against 4% of the criminal cases. Once reversed the cases are brought back to be heard and judged again by another Court of Appeal.

PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT OF JUSTICE

French judges are very reluctant to ask preliminary ruling questions to the European Court of Justice. For instance, as of May 15th, 2014, the 3rd Chamber of the District court of Paris has only asked one preliminary question to the European Court of Justice, in the landmark trade mark cases of "SadasVertBaudet v/LTJ Diffusion" also known as "Arthur v/Arthur and Felicie" (C-291/00, March 20, 2003).

The French Supreme Court asks for preliminary ruling questions only when it is literally forced to do so.

COSTS AND FEES

The losing party is, in principle, always ordered to pay the attorney's fees and costs of the other party, the so-called sums awarded by application of article 700 of the Civil procedural code (Cpc).

The amounts awarded by application of this article 700 Cpc depend on various factors, and they are often higher in patent cases than in trade mark or copyright cases. But in the past years their average amount has increased, around €20,000 for a trade mark, design or copyright case, to an average of €50,000 in patent cases.

PRELIMINARY INJUNCTION PROCEEDINGS

In all IP fields, one finds injunctive procedures, which permits a party, depending on the urgency, to obtain within hours or within a few weeks cease and desists orders, and even sometimes, provisional damages.

CRIMINAL PROCEEDINGS

An increasing number of IP cases are subject, not to civil, but to criminal proceedings, initiated usually by the Customs authorities.

The main issue, and difficulty for the defendant, is that in criminal proceedings the cases are heard by the criminal court which has jurisdiction over the place where the seizure took place.

For instance, for goods seized in the harbour of Le Havre, the cases will be within the competence of the public prosecutor and of the criminal court of Le Havre, even though they are not specialized in IP/IT. One must note that in France a percentage of the fines awarded to the customs authorities are shared with the customs agents who have seized the goods. Thus, they are “encouraged” to seize all the goods they consider to be infringing.

[last updated: 31 December 2022]

GERMANY

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF A TRIAL

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT OF JUSTICE

COSTS AND FEES

PRELIMINARY INJUNCTION PROCEEDINGS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

Harmonization on a European level is in certain areas of law rather advanced. However, procedural law, to be distinguished from enforcement law, is to a far extent an exception of this. Accordingly, procedural law remains mainly national, not harmonized law.

Whereas the procedural law is harmonized all over Germany, the German states have still the competence for the courts as such. Accordingly, the number of courts and the organization of the courts themselves is in the competence of the states.

MAIN PRINCIPLES

1. The German court system has several Court tracks depending on the matter of law in question, such as general civil law, family law, labor law, social law, administrative law, criminal law and constitutional law. In the following, we will briefly elaborate the **civil law court system**.
2. Generally, the plaintiff has at least two, and as the case may be max. three **instances** of court access, starting with the local courts (Amtsgericht) or District Courts (Landgericht) as first instance, the

Court of Appeals (Oberlandesgericht; OLG) as the second instance and in certain cases and if allowed by the Court of Appeals or allowed by the Federal Supreme Court a third instance (Revision) at the Federal Supreme Court. In practice, only a small percentage of cases reach the Federal Supreme Court (Bundesgerichtshof; BGH).

A further special court is the German Constitutional court (Bundesverfassungsgericht, BverfG) in Karlsruhe which is not a regular last instance, but at the end the court with the highest competence in view of its findings on the most fundamental set of law, the German constitution (Grundgesetz). In very rare cases, the plaintiff can, after having exploited all instances, file a complaint with the Constitutional Court claiming violation of his constitutional rights.

3. Generally, it is not necessary to send a **warning letter** before you go to court. However, it is in most cases useful to send such letter to avoid bearing the costs for filing a complaint or a request for a preliminary injunction if the defendant immediately declares it will not contest the action after being notified about the court action. Also, in preliminary injunction proceedings, judges are interested in the reaction of the defendant, in particular if they intend to decide *ex parte*.

4. At the local courts, only one judge is deciding the case, whereas the chambers in the District Courts and the Court of Appeals have **usually three judges** and the chambers of the Federal Supreme Court even five judges. However, in District Court proceedings, the chamber can delegate nowadays the case to one judge only.

The plaintiff can file its court action, and the defendant can later on request that, either to a civil law chamber comprising three professional judges (at the District Court level) in cases of unfair competition, design and trade mark law also to a **commercial chamber** comprising one professional judge and two non-professional side judges being from the local industry.

5. **German lawyers can represent** their clients in all German courts with the exception of the Federal Supreme Court to which only a handful of lawyers resident in Karlsruhe are admitted.

6. Whereas the first instance, in IT or IP matters usually the District Court, considers both the facts and the law completely, the Court of

Appeal, in many cases, only considers whether the first instance has evaluated the **facts and the law** correctly. Accordingly, new facts can only be submitted in the 2nd instance in certain circumstances. This is the reason why it is so important to prepare the first instance case very carefully.

7. Whereas you have always **jurisdiction** at the residence of the defendant, you have in particular in IP cases also jurisdiction at the place of infringement, which is often the case everywhere in Germany, for example: because a trade mark is used all over Germany or a website is intended to be downloaded all over Germany. In those cases, the plaintiff can, in practice, choose the court to file its court action.

8. Whereas IT cases have no **special courts**, there are special courts with exclusive jurisdiction for certain IP matters, such as for German trade marks and designations, community trade marks, designs and patents in every German state. This reduces, in IP matters, usually the choice of jurisdiction, but provides the benefit of specialized judges with sometimes long experience. In IP matters, the courts of Hamburg, Cologne, Mannheim, Düsseldorf and Munich are in particular known for their expertise.

9. Whereas a first instance trial usually lasts between 10 months and two years, the proceedings at the Court of Appeals level last usually longer, on average two years. The current **duration** of Federal Supreme Court proceedings is about 2 to 5 years.

IMPORTANT MILESTONES OF A TRIAL

a) *First instance procedure*

After filing the complaint and having advanced the expected court fees based on a calculation of the litigation value, the complaint is served to the defendant who usually has 14 days to declare their willingness to defend himself. Then, a court hearing is scheduled by the court to discuss an amicable settlement and/or to litigate the case. Before that, the defendant has the opportunity to file a response to the complaint. Usually, the parties can exchange further briefs until the hearing. In the hearing, the court is obliged to try to settle the case, often by

announcing his preliminary view on the merits. At the end of the hearing, if not an amicable settlement is concluded before, in which usually all facts and evidence must be presented or offered, the court will render or announce a decision which can be a final decision for this instance, but also its decision to hear witnesses or order an expert opinion on certain facts or even the law.

b) *Judgment and further Appeals*

If a judgment is rendered and, sometimes only weeks and even months later, substantiated, the losing party can within one month file an **appeal** which must be substantiated within two months starting from the receipt of the full decision. Electronic submission of both complaints, briefs and the decision are nowadays available at all courts, but not necessarily obligatory.

c) *Revision*

If a party wants to further appeal a decision of a Court of Appeals, it must ask the Court of Appeals to allow the revision to the Federal Supreme Court. Such revision will mainly be allowed if there is a **new question of law** at stake. If such revision is not allowed by the Court of Appeals, the respective party can file a complaint against this non-admission to the Federal Supreme Court itself which will then in its own discretion allow the revision or not.

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT OF JUSTICE

Every judge in any national court proceeding can forward certain questions of European law which he considers as decisive for deciding the case to the European Court of Justice. As long as the ECJ has not decided about it, the proceedings are stayed.

COSTS AND FEES

The losing party must pay the court fees and the reimbursable statutory lawyers' fees, also only to a certain extent, if both parties lose

and win to a certain extent. Both the court and the lawyers' statutory fees are calculated on the basis of the litigation value of the case. This can be the sum of claimed damages, in IP matters more often the value of an injunction or information claim. Each party may in addition pay the difference to the fees of its own lawyer, often calculated on a timely basis, exceeding the statutory lawyer's fees.

PRELIMINARY INJUNCTION PROCEEDINGS

Preliminary injunction proceedings are, particularly in the field of intellectual property law, a sharp sword in Germany. They are often the only court proceedings conducted. In such proceedings, you can mainly claim an injunction, but no damages. In IP matters, you must, with most courts, file the request for a preliminary injunction within one month of your knowledge of the infringement and the infringer. Only a few courts allow the filing of a preliminary injunction also for a somewhat longer period. You must substantiate the facts by documents or affidavits within this timeframe. Courts can then decide, even *ex parte*, very quickly, often on the same or the next day. If such a decision is then served to the defendant by the plaintiff with the help of an officer within one month, the defendant must immediately stop his infringing conduct and can, of course, oppose the injunction. The court will then quickly schedule a hearing to consider the arguments of the defendant. If such an injunction should then be lifted, the defendant has a claim for compensation for his loss by following the injunction decision.

CRIMINAL PROCEEDINGS

Criminal proceedings are governed by different rules than described above and handled by special courts and usually specialized criminal law lawyers.

Criminal proceedings are usually commenced by the public prosecutor following the investigating work of the police and other authorities. The court must then allow the complaint which will then be prosecuted against the defendant. Although certain criminal sanctions are also available in commercial matters, there are rarely enforced in German practice in these areas of law.

[last updated: 29 November 2021]

GREECE

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF THE TRIAL

THE PRELIMINARY RULING QUESTION BEFORE THE EU COURT OF JUSTICE

COSTS AND FEES

PRELIMINARY INJUNCTION PROCEEDINGS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

IP/IT legislation in Greece, in general, is harmonized with the respective E.U. legislation. However, the organization of the Courts and the procedural law is mainly national, non-harmonized law.

Jurisdiction is divided into three sectors:

- (i) Criminal, aiming to the fight against crime and the prosecution/punishment of the natural person who commits a crime.
- (ii) Civil, aiming at the legal protection of rights concerning relations between individuals or between individuals and the Public Administration, when the Public Administration violates the individual rights of a person in the exercise of its actions/duties.
- (iii) Administrative, providing for the terms and conditions, as well as the procedure for the cancellation of an act by the Public Administration (The respective Administrative

Courts are not competent for IP/IT matters in general, but they are competent for trade mark cases and for the cancellation of a Decision of the Greek Trade Mark's Office).

In the present, we shall elaborate mainly on the civil jurisdiction, as requested.

MAIN PRINCIPLES

1. The fundamental Greek legislation is grouped into Codes. For civil matters, there are the Civil Code which sets the general principles of civil law and its specific provisions, as well as the Code of Civil Procedure which regulates the procedural rules before the Greek Civil Courts. For IP/IT matters, there are special national (E.U. harmonized) laws for each matter (intellectual property, trade marks, patents etc.), but litigation is ruled by the Code of Civil Procedure in general.
2. Greek attorneys can represent clients in all Greek Courts, under the condition that they have completed the respective years of professional experience required for each instance of jurisdiction (i.e., no experience for the first instance, five years of experience for the second instance and ten years of experience for the trials before the Supreme Court). All attorneys must be admitted and become members of a regional Bar Association, but they can represent their clients before the Courts of all regions of the country, even outside of the scope of their Bar.
3. As a rule generally, the **jurisdiction** at the defendant's residence is always applicable, however, the jurisdiction of the place of infringement (which is often the case in IP matters) applies in parallel. In those cases, the plaintiff can choose the court before which the court action is to be filed.

IMPORTANT MILESTONES OF A TRIAL

a) *First instance procedure*

The Code of Civil Procedure provides the following Courts of First Instance:

- i) The District Courts, which are composed by one District Judge, are in each district/city, and in general are competent to try cases with low value subjects (usually not exceeding the amount of €20,000.00).
- ii) The One-Membered First Instance Courts, which are composed by one First Instance Judge, are in the capital city of each region/county and in general are competent to try cases pertaining value subjects amounting €20,000.00 - €250,000.00, as well as the appeals against Rulings issued by the District Courts in their region, and
- iii) The Multi-Membered First Instance Courts, which are composed by three First Instance Court Judges, are in the capital city of each region/county and in general are competent to try cases pertaining value subjects exceeding the amount of €250,000.00.

In some cases, the law requires that the plaintiff notifies the defendant through the servicing of an extra-judicial notice prior to the filing of a court action. In general, this is not obligatory for IP/IT matters, in practice however, the plaintiff notifies the defendant extra-judicially, in order to attempt to amicably settle the dispute and reduce costs.

The civil trial begins when the plaintiff, through his/her/its attorney, files the respective court action (lawsuit/application etc.) against the defendant before the competent District Court/First Instance Court. The court action needs to be serviced to the defendant within the respective legal deadline (usually 30 days after the filing or 10 days prior to the hearing).

The Code of Civil Procedure provides two types of hearings before the District Courts/First Instance Courts:

- i) The regular procedure, where the cases are debated without an oral hearing. The parties pre-file their written pleadings and evidence within 100 days from the lawsuit's filing and rebuttals within 15 days from the written pleadings' filing. The period from 01 Aug. - 31 Aug. (the court's summer vacation) does not count for these deadlines. The parties have the right to submit their written pleadings plus witnesses' testimonies received before a notary public or the local District Judge. After the filing of the rebuttals, the case's file closes, and the hearing is automatically set by the Court usually within 4 months to 1.5 years. The parties' attorneys attend the hearing typically and no debating is taking place at the hearing. IP/IT matters are usually debated according to this procedure.
- ii) The special procedures, where the cases are debated with oral hearing, i.e., the written pleadings and evidence are filed at the hearing, the parties have the right to examine witnesses before the Judges, and the rebuttals are filed within 3 days from the hearing. These procedures are for cases relating to family law, labour law, leases, car damages, insults and defamation from publications, disputes from cheques etc.

b) *Judgment and further Appeals*

Upon completion of the above-mentioned procedures, the Court studies the case's file (the pleadings and evidence submitted by the parties) and issues its ruling without the presence of the parties' attorneys. There is no standard time for a ruling's issuance.

After the ruling's issuance, the losing party has the right to file an appeal against it before the Court of Appeals (and for the appeals against District Courts' rulings, before the One-Membered First Instance Courts which are competent for the second instance). The legal deadline for the appeal is 1 month after the ruling's servicing for Greek residents and 2 months after its servicing for foreign residents. Again, the time period from 01 Aug. - 31 Aug. does not count for this

deadline. In case of non-servicing (as the winning party has the right and not the obligation to service the ruling to the losing party), the deadline is 2 years from the publication of the ruling.

The appeal's text includes a review of the First Instance ruling, regarding the facts and the provisions of the law. The appellant must appeal every single section and chapter of the ruling, should there be a reason, as the parts which are not appealed become final. New facts and new evidence are not taken into account, and witnesses are not admitted before the Appellate Courts, except for the cases that the appellant was tried *in absentia* at the first instance procedure, or the court orders it.

c) **Revision**

After the Appellate Court's ruling issuance, the losing party has the right to file a revision against it before the Supreme Court, but only in respect of points and issues where law provisions were breached, as it is strictly provided by the Civil Procedure Code, and not for factual issues.

The legal deadline for the revision is 1 month after the ruling's servicing for Greek residents and 2 months after its servicing for foreign residents. Again, the period from 01 Aug. - 31 Aug. does not count for this deadline. In case of non-servicing (as the winning party has the right and not the obligation to service the ruling to the losing party), the deadline is 2 years from the publication of the ruling.

New facts and evidence relating to the case are never accepted by the Supreme Court.

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT OF JUSTICE

All Greek national courts may refer to the European Court of Justice requesting interpretation or validity of European law in the context of a pending case.

There are two types of preliminary ruling questions:

- a) the reference for the interpretation of the European standard: the national court requests the European Court of Justice to issue an opinion on the interpretation of European law in order to apply the rule correctly.
- b) the reference for examining the validity of the European standard: the national court requests the European Court of Justice to verify the validity of an act of European law.

During the time that the preliminary ruling question is pending before the European Court of Justice and until the issuance of its ruling, the national proceedings before the national Court which has submitted the question, are suspended. Upon the issuance of the European Court of Justice's ruling, the national Greek Judge continues the proceeding and judges the case observing the ruling by the European Court of Justice.

COSTS AND FEES

The party which initiates the litigation must pay the necessary Court duties and official fees, which depend on the value of the claim.

By the Court's ruling, the losing party is usually ordered to pay the costs of the winning party. However, in most cases, the costs awarded by the Courts do not correspond to the real costs incurred by the winning party, but only a small percentage of them (there is a standard way of valuation of the costs to be awarded by the Courts depending on the value of the claim).

In Greece, the attorneys' fees are freely negotiated between client and attorney. In cases of dispute, or doubt, the fees can be defined by the Greek Attorneys' Code. Generally, the attorneys' fees depend on the value of the claim/case, the complexity, and the urgency of the attorney's work.

PRELIMINARY INJUNCTION PROCEEDINGS

Preliminary injunction proceedings are provided in IP/IT Greek legislation and are debated according to the respective provisions of the Code of Civil Procedure. In general, preliminary injunction is

provided only for reasons of urgency. In that case, the plaintiff can file a respective petition before the Court where the main procedure is pending or, in any case, before the One-Membered First Instance Court of the competent region, and even prior to the initiation of the main procedure (however, with the obligation to initiate the main procedure after the issuance of the ruling on the preliminary injunction, within the deadline set by the ruling, usually within 1 or 2 months from its issuance). Together with the petition for preliminary injunction which is debated within approximately 2 months after its filing, in cases of special urgency, the Code of Civil Procedure provides for an application for a temporary order, which is debated very quickly, usually within 1 week from its filing, and the temporary order issued upon it, is valid until the issuance of the ruling on the petition for preliminary injunction. The rulings on the preliminary injunction cannot be appealed.

CRIMINAL PROCEEDINGS

As to criminal matters, the Criminal Code regulates the general principles of criminal law and defines the basic crimes and their punishment, whereas the Code of Criminal Procedure regulates the procedural rules before the Greek Criminal Courts. The crimes relating to IP/IT are provided by the special national (E.U. harmonized) laws for each sector (intellectual property, trade marks, patents etc.), whereas litigation is ruled by the Code of Criminal Procedure in general.

As to criminal proceedings in Greece, the rules applicable are those prescribed by the Code of Criminal Procedure. Criminal actions are brought before and handled by the competent Criminal Courts.

Criminal proceedings can be initiated either by the public prosecutor for the *ex officio* prosecuted crimes, or, for the rest of the crimes, by the victim who is required to file a respective criminal complaint within 3 months of the commission of the crime, following which the public prosecutor studies the case and conducts the investigation in cooperation with the police and any other Public Authority or Body (Magistrates etc.).

In practice, the victim is always required to file his/her/its criminal complaint before the Public Prosecutor in order for the latter to be informed of the respective crime and order the investigation.

Upon the completion of the investigation procedure, during which the perpetrator is always called for explanations, the public prosecutor decides on the complaint, and either initiates the criminal prosecution and forwards the case for trial before the competent Criminal Court or sets the case to the archive.

Criminal justice in Greece also provides for 3 levels of jurisdiction/protection: the First Instance and Second Instance throughout which the substance of the case is judged before the respective First Instance Courts and Courts of Appeals, and the third one before the Supreme Court judging for the legitimacy of the claim.

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HUNGARY

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF A TRIAL

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT

PROCEDURAL COSTS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

Though the field of criminal and civil law procedures are not fully harmonized within the European Union, the Hungarian legal system shows considerable similarities with German and Austrian systems because of historical reasons.

MAIN PRINCIPLES

The main principles of civil procedures can be summarized as the following:

- a) Civil Law procedure is currently governed by Act CXXX of 2016 on Civil Procedures (hereafter “CCP”⁹⁷). In Hungary the civil court system has four tiers. The local courts (in Hungarian: *Járásbíróság*) are the first instance courts in minor cases. In certain cases, the county courts (in Hungarian: *Törvényszék*) proceed on the first instance (such as the intellectual property law related cases), furthermore they also handle appeals filed against the decisions of local courts. The five Courts of Appeals

⁹⁷ The CCP entered into force on 1 January 2018 and shall apply to cases opened on or after 1 January 2018.

(in Hungarian: *Ítéltábla*) handle the appeals filed against the decisions of the county courts. The highest instance of judicial forum is the Supreme Court (in Hungarian: *Kúria*).

- b) Hungarian courts are legally not bound by previous judgments nevertheless the Supreme Court and the courts of appeals publish their judgments to provide guidance for lower courts. Moreover, the Supreme Court has a constitutional duty to harmonise the administration of justice within the Hungarian judiciary mainly by means of rendering uniformity decisions.
- c) Before commencing a civil procedure sending a cease-and-desist letter is not obligatory in all legal disputes between business entities. A request for preliminary injunction is therefore useful for the surprise factor. Regardless of the requirements, it is common in Hungary to send a cease-and-desist letter to the adverse party in order to open a dialogue. In general, cease-and-desist letters define the infringing act, demand that the addressee should cease the infringement, request data about business partners involved in the infringement and data about profits attained. An undertaking to be signed by the alleged infringer can also be attached as well as claims for costs reimbursement.

It is advisable to secure evidence before the cease-and-desist letter is sent. This may include having notarial documents made on the purchase and/or delivery of infringing goods, as well as the content of websites. These documents then can be used in the subsequent litigation. Private expert statements will play a more significant role under the new CCP, therefore, we can strongly recommend consulting with a private expert prior to filing an action.

- d) In Hungary, legal persons or parties represented by a legal representative shall communicate with authorities by way of electronic means, as a general rule. This provision applies to civil lawsuits, as well. The non-compliance of the e-communication rules results in the dismissal of the statement of claim, appeal, request for judicial review or request for retrial or it causes the ineffectiveness of the other pleadings.

- e) In intellectual property law related cases the parties must be represented before the court by a legal representative (such as attorney-at-law, legal counsel of the party or a patent attorney, etc.). If legal representation is mandatory at any stage of the proceedings, the acts and statements in the proceedings of a party without legal representation is ineffective, the party shall be deemed not to have acted or made any statement in the proceedings.
- f) For cases of urgency, the CCP offers rightsholders expedited proceedings in order to seek immediate legal protection. Preliminary injunction claims are adjudged within approximately 4-6 weeks in the first instance and are immediately executable. Second instance decisions on preliminary injunctions are usually taken within 3-5 months after the appeal has been filed. Upon a request for a preliminary injunction the court may order interim measures against the infringing party. The core idea behind the institution of preliminary injunction is to ensure a quick but interim remedy prior to the final decision on the merits of the case. Pursuant to Article 103 (1) of CCP the court, upon request, may implement a preliminary injunction a) for the purpose of blocking any alteration of the existing state, if subsequent restitution would not be possible, b) in order to prevent failure of the applicant's subsequent exercise of rights, c) in order to eliminate any harm the applicant may directly be exposed to, or d) in other cases of exceptional circumstances. The court shall consider whether the advantages attainable by the injunction exceed the disadvantage caused by the injunction in accordance with Article 104(2) of CCP. The facts underlying the necessity of the preliminary injunction shall be substantiated.
- g) Under certain limited circumstances e.g., in case of extreme urgency, the court may grant interim measures *ex parte*. However, based on our expertise, the Hungarian Courts rarely grant the interim injunction *ex parte*, they generally allow the other party to respond to the preliminary injunction request.

- h) Furthermore, the Hungarian Trade Mark Act (hereafter referred to as “HTMA”), the Hungarian Copyright Act (hereafter referred to as “HCA”), the Hungarian Design Act (hereafter referred to as “HDA”⁹⁸) and the Hungarian Patent Act (hereafter referred to as “HPA”) establish a statutory presumption in favour of the trade mark/patent/design/copyright holder.

Pursuant to Article 95(2) of HTMA ‘in court actions instituted due to the infringement of a trade mark, preliminary injunction shall be considered necessary under Article 103(1)d) of CCP, unless there is any evidence presented to prove otherwise, for the special protection of the plaintiff’s rights, if the plaintiff can prove that the trade mark is protected and that he is the owner of the trade mark or the licensed user, and is entitled to file for court proceedings due to infringement in his own name.’

This means that under this presumption, the trade mark holders do not have to prove either imminent threat of damage, the necessity of preserving status quo or the necessity of special protection required under the general rules of CCP.

Nevertheless Article 95(3) of HTMA sets a time limit: the presumption shall not apply if the trade mark infringement has commenced more than six months before or if a period of sixty days has passed since the plaintiff gained knowledge of the infringement and of the identity of the infringer. In other words, if the trade mark owner is late enforcing his rights, he can lose his procedural advantage. It shall be noted that even if these time limits have lapsed, the court can still order a preliminary injunction on the basis of the general rules of CCP proving the imminent threat of damage, the necessity of preserving status quo or the necessity of special protection.

⁹⁸ According to Article 63(2) of HDA, the rules of patent litigation shall apply *mutatis mutandis* to design litigation, therefore the rules of the HPA shall apply in design litigation cases.

In copyright, design and patent infringement cases, we can identify similar procedural rules to those specified in the HTMA.

In copyright infringement cases preliminary injunction shall be considered necessary under Article 103 (1) d) of CCP – unless there is any evidence presented to render the contrary probable – for the special protection of the claimant’s rights, if the claimant can prove that (1) the work is under copyright protection and that (2) he is the author, the author’s heir at law, or such a user of the work or a collecting society, that is entitled to take action against the infringement in his or its own name.

In patent and design infringement cases preliminary injunction shall be considered necessary - unless there is any evidence presented to prove otherwise - in cases of exceptional circumstances provided for in Article 103 (1) d) of CCP, if the claimant is able to prove presumptively that the patent/design is protected and that he is the holder of the patent/design, or a licensed user entitled to file for court proceedings due to infringement in his own name.

The HCA and HPA (applicable for design cases as well) also sets the same time limit for the application of abovementioned presumptions. Namely, the presumptions shall not apply if the copyright or patent/design infringement or has commenced more than six months before, or if a period of sixty days has passed since the petitioner gained knowledge of the infringement and of the identity of the infringer.

Under Article 95(8) of HTMA, Article 94/A(3) of HCA and Article 104(4) of HPA, a request for interim measures may be lodged before filing for court action. Where the preliminary injunction is ordered, the applicant shall file claim for trade mark/copyright/patent/design infringement within 15 days, otherwise the court shall revoke the injunction upon request of the other party (in compliance with the provisions of Article

95(8) of HTMA, Article 94/A(7) of HCA and Article 104(8) of HPA).

In preliminary proceedings the trade mark owner is entitled to request the remedies available in the main proceedings and, additionally, (1) protective measures if the payment of damages or recovery of profits is in jeopardy, (2) the infringer's bank, financial or commercial information and documents and (3) the provision of security if the trade mark owner agrees for the infringer to continue the alleged acts of infringement – pursuant to Article 95(5) of HTMA. The HCA and HPA contain *mutatis mutandis* the same provisions.

Though in principle all substantive remedies can be requested in a preliminary injunction claim, measures resulting in irreparable consequences (e.g., destruction of the alleged infringing goods) are usually refused because such measures would not meet the requirement of "proportionality".

Requests for seizure of the alleged infringing goods are usually approved provided that all the rest of the preconditions for preliminary injunctions are met and the execution thereof is also likely to be realizable, since such injunctions are, in most cases, necessary to prevent the infringer from selling the infringing goods or from concealing them.

However, in certain cases where plaintiffs requested, typically beside seizure, that the defendants provide information and/or documents, the court refused that claim by stating that such a provisional measure would result in irreversible consequences, and therefore the requirement of "proportionality" has not been met.

- i) As a following option, preliminary evidence may be taken before court proceedings are initiated if the trade mark, patent or design owner/copyrights holder has substantiated the infringement or threat of infringement to a reasonable extent in accordance with Article 95(10) of HTMA, Article 94/A(9) of HCA and Article 104 (9) of HPA.

Where the preliminary evidence procedure has been initiated prior to filing the claim, the applicant must file claim for trade mark/copyright/patent/design infringement within 15 days, otherwise the court can adopt a decision for abolishing the resolution ordering preliminary evidence in expedited proceedings upon request of the other party (see Article 95(11) of HTMA, Article 94/A(10) of HCA, Article 104(11) of HPA).

Public notaries may also initiate preliminary evidentiary procedures upon a party's request.

- j) As a basic rule the parties shall justify that the court is territorially competent and has jurisdiction to adjudge the case. In some cases, certain courts have exclusive jurisdiction (e.g., in industrial property [trade mark/design/patent] cases the Metropolitan Court has an exclusive jurisdiction), in other cases (e.g., in copyright and know-how cases) the generally competent County Court has jurisdiction.

IMPORTANT MILESTONES OF A TRIAL

a) *First instance procedure*

Civil proceedings commence when the plaintiff submits its statement of claim to the competent court under Article 169 of CCP. The court must examine the case within 30 days from receipt, and if the claim complies with the procedural requirements of the preparatory stage, the court schedules a hearing and delivers the statement of claim to the defendant – requesting the defendant to present a written defence statement within 45 days from the date of delivery of the statement of claim.

Under the CCP, the court will automatically issue a court order (as a summary judgment, in Hungarian '*bíróági meghagyás*') if the defendant fails to present its defence statement in writing within 45 days counting from the receipt of the statement of claim. In the court order all remedies shall be ordered by the court as requested by the

plaintiff. It shall not prevent the issuing of a court order if the defendant only disputes the action in general terms in the written defence statement without offering neither formal defence nor defence as to merits (Article 181 of CCP).

After the defendant files the written defence statement, the first instance procedure is divided into two distinct stages (preparatory stage and main stage).

The aim of the preparatory stage is to define the scope of the dispute. During the preparatory stage, the court shall either 1) order further written preparation of the case, 2) schedule a preparatory hearing, or 3) proceed without further written preparation or scheduling of hearing. The new CCP is strictly formalized, the parties are allowed to file further observations, responses, etc. only if the court requests the respective party or if the CCP allows it. Any other submissions will be disregarded by the court.

If the preparatory stage can be closed the court moves on to the proceeding in the main stage (with an oral hearing). Here the court conducts the evidentiary procedure within the framework defined in the preparatory stage and decides the case. In the main stage parties are generally not allowed to change their previous statements or adduce further evidence. The defendant must put forward the defence statement on the first oral hearing, at latest, however, in general the statement of defence is filed in writing. The parties are allowed to file further observations, responses, etc. as far as time allows, the number of submissions is not limited. Late submissions may be disregarded by the court.

Unless the law provides otherwise, the burden of proof lies with the party in the interest of which it is that the court accepts the alleged fact as true. Generally speaking, all types of evidence are admissible (witness testimony, expert opinion etc.), but in most cases evidence is presented to the court in the form of written documents.

Although there is no discovery in Hungarian civil procedure, the CCP introduced the notion of 'evidentiary predicament' (in Hungarian: '*bizonyítási szükséghelyzet*'). Evidentiary predicament exists when the party substantiates that (1) the adverse party possesses all the relevant

information for his evidentiary and the party took appropriate measures to obtain that information, (2) proving the party's statements is not possible but the adverse party can be expected to refute the alleged facts, or (3) the successful evidentiary failed due to the reasons attributable to the adverse party. Where an evidentiary predicament exists, the court may recognize factual claims to be corroborated by the party under such predicament as true, if there is no doubt as to their authenticity [see Article 265(2)-(3) of CCP].

b) *Judgment*

In simple cases the judgment is issued on the first oral hearing of the main stage, in more complicated matters, especially if witnesses must be heard, more than one oral hearing may be necessary. One of the most important purposes of the CCP was to accelerate the court proceedings, and generally the simple cases are decided quicker since the introduction of the CCP. The first instance judgment in a simple case can be issued already at the first oral hearing, usually within 6-8 months from filing the claim. In more complicated cases a first instance judgment can be expected within 14-18 months.

c) *The Appeal*

An appeal lies against the first instance judgment which is to be filed within 15 days following the delivery of the written judgment (pursuant to Article 365(6) of CCP). As a general rule, new evidence and new facts may be presented only if the party submitting the appeal becomes aware such facts or evidence after the issuance of the first instance decision.

Unless otherwise provided in the new CCP, in proceedings of second instance the provisions on proceedings of first instance shall apply – with the provision that the proceedings of second instance shall not be split into preparatory stage and main stage.

d) *Revision (Supreme Court)*

A request for revision can be filed with the Supreme Court (in Hungarian: '*Kúria*') on points of law within 45 days after the second instance judgment has been delivered in writing (under Article 412 of CCP). New evidence or facts are disregarded by the Supreme Court.

There is no revision in property cases if the judgment of the court of first instance has been upheld by the court of second instance with reference to the same legal provision and legal reasoning. The Supreme Court confirmed that the intellectual property related cases are deemed to be property cases, therefore the restriction applies. If a revision would not be warranted under the CCP, the Supreme Court may grant a revision if an exceptional authorization of revision request (in Hungarian: '*felülvizsgálat engedélyezése iránti kérelem*') is lodged together with the revision.

The Supreme Court shall grant the revision if the examination of the infringement of law affecting the merits of the case is justified (i) in order to ensure the unity or development of case law, (ii) by the particular gravity or social importance of the legal question raised, or (iii) by the need for a preliminary ruling from the Court of Justice of the European Union. The Supreme Court will allow a revision if the judgment differs from the already published decision of the Supreme Court related to a point of law.

According to our practical experience the Supreme Court generally refuse the exceptional authorization of revision request and therefore the Supreme Court does not revise the case on the merits.

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT

When a judge in a national court has doubts in connection with the interpretation of community law (e.g., in IP cases) the judge has opportunity to pose questions to the Court of Justice of the European Union. Simultaneously with requesting the preliminary opinion the court suspends the proceeding under Article 126 (1) a) of CCP. In its request, the court defines the matter for which the preliminary opinion is required, and outlines the facts, to the extent required, and the

pertinent passages of the Hungarian legal system. After receiving the preliminary ruling, the Hungarian court continues the proceeding and adjudges the case on the basis of the interpretation of the European Court.

PROCEDURAL COSTS

On the basis of CCP the losing party pays all the costs of the winning party (losing party pays principle). However, the court can order the payment of only a part of the costs, where the winning party caused some of the costs, or the costs are exorbitant, inequitable or unjustified.

The party may request to recover the costs of proceedings by way of charging. In the process of charging the amount of the costs to be recovered shall be indicated, as well as the material circumstances as to how they were incurred and the related right in dispute. These shall be supported by documentary evidence as well at the time of charging, where deemed appropriate. (The cost that may be determined by the court in its decision closing the proceedings may be charged by way of reference to the statutory provision governing the amount thereof).

As for the official costs, the official duty is 6 % of the damages claimed, if no damages are claimed, the official duty is 36,000 HUF, (approximately 100 EUR) in the first instance. The official duty is 8% of the damages claimed in appeal (48,000 HUF, approximately 130 EUR if no damages claimed) and 10% of the damages claimed in revision proceedings (70,000 HUF, approximately 200 EUR if no damages claimed). Attorney's fees can vary depending on the complexity of the actual case and the activity of the parties.

CRIMINAL PROCEEDINGS

The criminal procedure is governed by different rules. A detailed presentation of Hungarian criminal procedure would exceed the framework of this study, however, the main characteristics criminal lawsuits can be summed up as follows.

- Criminal proceedings commence with the investigation, as a general rule under the Act XC of 2017 on the Code of Criminal Procedure ("*CCRP*"). The investigating authorities (Police, National Tax and Customs Office) conduct the investigation independently in the detection stage of the investigation and upon the order of the prosecutor in the examination stage of the investigation, therefore in most cases the complainant has no control over the criminal procedure. The tasks of investigating authorities include the exploration of the crime and the perpetrator, furthermore tracing and securing evidence.
- If the evidence collected during the investigation confirms the guilt of the defendant without any doubt, the prosecutor files an indictment and represents the charge before the court.
- The court may proceed only upon an indictment: the court may only establish the criminal liability of the person against whom the accusatory instrument was filed and may only consider acts contained in the instrument.

[last updated: 31 December 2022]

IRELAND

INTRODUCTION

THE COURT SYSTEM

SUBSTANTIVE PROCEEDINGS IN THE HIGH COURT

PRELIMINARY INJUNCTIONS IN THE HIGH COURT

APPEAL TO THE COURT OF APPEAL/SUPREME COURT

COSTS

INTRODUCTION

This is a summary of the way in which IP and IT claims are generally handled in the Irish courts. The legal system is based on the English common law model.

THE COURT SYSTEM

Civil courts are divided between the High Court which deals with larger and complex actions and the Circuit Court (claims up to €75,000) and the District Court for lower value claims. In practice most IP and IT disputes are heard in the High Court, whether in the general lists or the Commercial Court division of the High Court. Within the Commercial Court there is a separate Intellectual Property and Technology List which is open to disputes concerning statutory IP rights, passing-off, unfair commercial practices, confidential information cases and cases that involve issues of technological complexity. It is managed by a judge experienced in IP matters.

SUBSTANTIVE PROCEEDINGS IN THE HIGH COURT

Prior to commencement of proceedings, it is usual except in very exceptional circumstances (such as certain “without notice” injunction applications) for there to be an exchange of pre-action correspondence which broadly identify the issues in dispute and the respective party’s claims or defences.

Commencement of Proceedings

Cases in the High Court are usually commenced against a defendant by the plaintiff filing and serving a Plenary Summons. Where the Plaintiff seeks entry of the matter into the Commercial Court and the Intellectual Property and Technology List, an application must be filed together with a supporting affidavit and a solicitor’s certificate and the appropriate court fees paid. The matter will then be listed for the usual Monday entry list, at which time the Commercial Court judge will consider whether it is suitable for admission. In general terms matters concerning intellectual property rights or technologically complex and important matters will be admitted however the Court has a discretion to refuse admission where a matter does not seem appropriate for this court, in which case it will be re-allocated to the normal High Court lists. The procedure described below is that as applied in the Commercial Court where there are opposing parties in an intellectual property or technology matter.

Timetable, Pleadings and Case Management

If the matter is admitted by the judge then the parties will submit a pre-agreed timetable for all steps up to discovery, namely the filing and service of a statement of claim and of a request for further and better particulars of the statement of claim; a statement of defence and counterclaim and the plaintiff’s reply to counterclaim and of any other interim steps that are requested by the parties or that the judge considers may be warranted. After the close of pleadings, the matter may be set down for a case management conference if the judge has previously directed it, a new procedure that only commenced in October 2021. This is intended to cover all matters prior to preparation for trial. The judge will address matters at this conference including

the need for discovery and inspection of documents, whether expert evidence is required and how it should be adduced, whether a technical advisor (“assessor”) is required by the judge, for example in a patent case, the form in which the trial will take place (i.e., whether it will be modular or not, whether corresponding matters that concern the same patent can be heard together), whether a background agreed technology primer is required or not.

Discovery

The October 2021 rules introduce a broader discretion on the Court to limit and contain discovery in matters entered into the list which, depending upon the way they are interpreted and implemented, may have a substantial effect. Traditionally, the discovery procedure in Ireland has been a hybrid of the equivalent procedures in England and Wales and in the United States and results in a volume of discovery documentation that is not as focussed as in the former but that is much more contained than the latter. The aim of the new rules is to enable the Court to exercise a discretion in trying to ensure that the discovery exercise is limited to what is necessary in the circumstances. The procedure is that each party makes a discovery request for documents (whether physical or electronic of any kind) that are necessary and relevant to the claims in issue and may then accept or push back on the scope of discovery documentation sought. If agreement cannot be reached on scope or on the timetable for completion of discovery, then the matter will be set down for hearing by the Commercial Court judge. Overall, the discovery procedure can take several months and very much more if the documentation involved is voluminous or if there are discovery disputes and appeals from the judge’s determination of those disputes.

Trial Preparation and Trial

Following the completion of discovery, the matter will be set down for further directions hearing which will confirm the timetable for exchange of witness statements and other pre-trial matters. Usually, all evidence will be admitted at trial by witnesses in person. They will provide summary witness statements of their evidence which will be exchanged between the parties in advance of trial so as to limit the

possibility of a “trial by ambush”. This allows both parties to see the other party’s evidence and to prepare for cross-examination of each witness.

Each party’s case is presented at trial by a team of a senior and junior barrister with the instructing solicitor who has run the case to this point. It involves opening statements, admission of each witness’s evidence and cross-examination by the opposing counsel and re-examination by the admitting counsel. This process can take some weeks depending on the type and complexity of the case. Finally, there are closing statements by each party and normally the judge will reserve judgment for delivery of a full written judgement dealing with all of the issues in dispute and the relevant supporting evidence. The issue of judgment will usually take several months.

PRELIMINARY INJUNCTIONS IN THE HIGH COURT

Applications for preliminary injunctive relief in intellectual property actions may be made in the High Court at the time of commencement of substantive proceedings. They are made by filing of an application and supporting affidavits (usually witnesses will not be heard in person) and at the initial call of the substantive matter in the Commercial Court the judge will set a timetable for affidavits in reply by the defendant, for the filing and exchange of detailed written legal submissions and usually of a hearing date within a matter of weeks.

At hearing the barristers for each party will present their case based on the affidavit evidence filed in court. Judgment may be given on the spot or some days later.

APPEAL TO THE COURT OF APPEAL/SUPREME COURT

Following issues of judgment whether in a substantive matter following trial, or in a preliminary injunction matter, either party may lodge an appeal to the Court of Appeal. The process involves filing and service of a Notice of Appeal and then of a Response by the other party followed by the detailed appeal legal submissions of each party. Except on urgent appeals, it may be many months before the appeal can be

heard by a bench of three Court of Appeal judges. Again, the judgment may take several months to issue following which it may be possible for either party in appropriately important cases to seek leave to appeal to the Supreme Court which is the final court of appeal in Ireland.

COSTS

The “costs follows the event” rule means that to the extent that a party’s claims succeed they are entitled to recover the costs of the proceedings from the other party. In practice this translates to a party who is successful on all claims being awarded 60 – 75% of the total costs of the proceedings. If the parties cannot agree costs between themselves then there is a formal legal costs adjudication process available to resolve the matter.

[last updated: 20. December 2021]

ITALY

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF A TRIAL

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT

PROCEDURAL COSTS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

The Italian legal system has a structure similar to all countries of civil law because of historical reasons.

Ordinary jurisdiction is divided into two sectors: (i) Criminal, to prosecute person who commits a crime, and (ii) Civil, to ensure legal protection of the rights concerning the relations between individuals or between the individuals and a Public Administration in the exercise of its duties, when Public Administration harms the individual right of a person.

The reform of the Court districts, made by Legislative Decree 155/2012 in force from 14 September 2013, has been necessary to define appropriate method of treatment for the data managed by computer systems in use in the civil registries of the courts. The object of such regulatory intervention was to review and amend the constituencies of judicial offices, making a significant revision of the judicial geography.

MAIN PRINCIPLES

The main principles of civil procedures can be summarized as the following:

- a) Civil proceedings are governed by the Civil Procedure Code which provides a system with four types of courts. The Justices of the Peace are appointed to assess the minor causes according to a dual criterion of value and of matters. The jurisdiction for cases of greater magnitude is entrusted to the Courts, which are also judges of second instance for cases before the Justice of the Peace. Depending on the subject matter, the Courts are composed of a single judge or a panel of three members. Since 2003 specialized sections of Intellectual Property have been set up. These sections have changed their name following the entry into force of Decree Law no. 1/2012 transforming themselves in the Courts of Companies. The Courts of Appeal, which are judge of second instance for decisions of the Courts. The highest instance of judicial forum is the Supreme Court of Cassation, which is the judge of final instance for questions of law.
- b) The sources of law in Italy in the field of Industrial Property are represented by the Civil Code, the Code of Industrial Property (D.lgs 10/02/2005 n. 30), the Copyright Law (Law 22/04/1941 no. 633: “Legge sul diritto d’autore”) and the Penal Code. The second has been lastly modified by Law no. 194 of 2015, Law no. 63 of 2018 and DM. 01/06/2021 no. 119. The third has been lastly modified by Law no. 35 of 2017. Moreover, for the procedure the regulations are represented by Civil Procedure Code and Penal Procedure Code.

Infringement of intellectual property rights may also constitute a predicate offense for the application of Legislative Decree 231/2001, that disciplines the offenses committed by legal entities (for example, companies).

- c) For civil cases of urgency, the regulation provides that it is possible to obtain immediate legal protection. The conditions for urgent cases are severely examined by the court. It states that whoever has a good reason to fear that during the time necessary to enforce its duty in the ordinary way, this is threatened by an imminent and irreparable prejudice, may request to the court for the application of the interim

measure, which appears, under the circumstances, the most appropriate to ensure the temporary effects of the final decision on the merits. The precautionary protection is possible in the following types of actions: the technical appraisal for purposes of reconciliation (planned and disciplined by Article 696 bis of the Civil Procedure Code), the description and seizure, the inhibitory, the injunction, and the temporary transfer of the domain name. If the judge in issuing the interim measure doesn't specify the period within the parties must begin the ordinary proceeding, it must be started within twenty working days or thirty-one calendar days, whichever is longer. The period starts from the delivery of the order if it occurred at the hearing or otherwise, from its communication by chancellor to the parties. If the trial proceeding is not begun within the peremptory period above, or if after its inception is extinguished, the interim measure loses its effectiveness.

- d) The foregoing provisions shall not apply to interim protection required under Article 700 of the Civil Procedure Code, because this type of precautionary measure retains its effectiveness even if it is not started in the ordinary trial. It is clear that this is a particular subject that requires highly specialized legal assistance.
- e) Each Court of Companies is located in the capital town of any region of Italy. The only two regions with the presence of two Courts of Companies are Lombardy, where one is in Milan and the other in Brescia, and Sicily, where one is in Palermo and the other in Catania.
- f) From 2023, with different timescales, the “Cartabia Reform” (D.lgs. 10/10/2022 no. 149) comes into force in national judicial system. The reform of the civil and criminal trial was envisaged by “National Recovery and Resilience Plan”. It’s mainly aimed at reducing the outstanding backlog before the courts. Among the changes, the writ of summons must be clear, specific and concise.

- g) A specific reform of Intellectual Property Law is currently being drafted by government (Disegno di Legge 06/04/2022). The reform was envisaged by “Milestone M1C2-4” of the PNRR, in line with the “Intellectual property action plan to support the recovery and resilience of the EU”, adopted by the European Commission.

IMPORTANT MILESTONES OF A TRIAL

a) *First Instance Procedure*

The civil ordinary trial begins when the plaintiff, through his attorney, notifies the writ of summons to the counterpart and, within ten days of notification, register the Case to the role of the Court. The first hearing is fixed by the plaintiff not before ninety days from the date of notification of the writ of summons. The defendant must put forward his written defence statement on the first oral hearing or within twenty days before, if he wants to raise exceptions which are not detectable by Judge. At the oral hearing, if the parties ask for it and where appropriate, the judge may grant additional time for the filing of further pleadings and inquiries. The terms and the content of those statements are governed by Article 183 of the Civil Procedure Code. These pleadings may contain specifications of defences illustrated in introductory acts of the trial (but cannot contain modifications of initial applications or extensions of the questions raised), attach documentary evidence, request the admission of oral evidence and technical advice by an expert in the field.

From 28 February 2023 the new introductory phase of the civil trial comes into force (Riforma Cartabia). It's necessary to pay attention to the new procedural deadlines. In order to achieve the objective agreed at the European level of reasonable duration of the process.

It is important to point out that Article 115 of Civil Procedure Code provides a non-specific objection of the facts stated by the counterpart, constitutes an implicit admission of those facts in favour of the opposing party, evaluated by the judge as argument to decide the

case. Requests for oral and technical advice are examined by the judge at the second hearing.

For civil cases of urgency, the regulation is different and faster. Also, the Appeal is different. It is clear that this is a particular subject that requires highly specialized legal assistance.

b) *Judgment*

When the parties are not asking for the time-limits for pleadings at the first hearing, or when they believe that the case is already ripe for decision, the judge may order a specific hearing to keep oral discussion of the case. This type of discussion, without written pleadings subsequent to the initial ones, is governed by Article 281 of the Civil Procedure Code. At this hearing, the case is discussed orally by lawyers of the parties. The judge, at the end of the discussion, verbally pronounces the Judgment. Otherwise, when it is necessary to listen to witnesses, the judge, at the second hearing, decides how many witnesses to hear and about what issues; then he sets the hearing to listen to them. The judge may also decide to have a technical advice, also if it is not requested by one of the parties. After the acquisition of evidences the judge sets another hearing, where parties specify their final conclusions and he assigns terms to the parties to deposit the final statements and rejoinders, which are a summary in fact and in law of the case. Upon expiry of such terms the case is decided by Judgment filed in Chancery and communicated to the parties.

c) *The Appeal*

The Appeal is a review of the judgment of first instance with reference to the facts and points of law. The Parties must specifically appeal every single part of the Judgment because each part which is not appealed becomes definitive. Except in special cases, parties cannot present in Appeal new circumstances or new evidences. The deadline for appeal is 6 months from the publication of the court decision or 30 days from its notification made by the counterpart. The period from August 1st to August 31st doesn't count.

d) Revision (Supreme Court)

In Italy, the Supreme Court is responsible for the revision of an appeal judgment, but only for questions of law. The procedure can be activated within 60 days from receipt of notification of the Appeal judgment by the counterpart, or within six months from its publication. New facts or evidence are never admitted.

From 28 February 2023 the new introductory phase of the appeals comes into force (Riforma Cartabia). It's necessary to pay attention to the novelty of the procedure. In order to achieve the objective agreed at the European level of expedited procedure.

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT

This procedure is open to the national courts of the EU Member States, that may apply to the European Court asking for interpretation or validity of European law in the context of a pending case. Unlike other proceedings in front of European Court the reference is not an action against an European or national act, but a question on the application of European law in a specific national case. The preliminary ruling question thus promotes active cooperation between national judges and the Court of Justice in order to obtain uniform application of EU law.

Any Italian judge seized of a dispute, where the application of a provision of European law raises questions (main proceedings), may decide to apply to the Court of Justice to resolve them before deciding the case. There are two types of preliminary ruling question:

- a) the reference for the interpretation of European standard: the national court asks the Court of Justice to issue an opinion on the interpretation of European law in order to apply the rule correctly.
- b) the reference for examining the validity of the European standard: the national court asks the Court of Justice to verify the validity about an act of European law.

During the time necessary to obtain the Court of Justice decision the national proceeding is suspended. After that decision the Italian judge continues the proceeding and judges the case according to the interpretation of the European Court.

PERSONAL DATA PROTECTION PROCEDURES

In Italy, the main local legislation on Data Protection is Legislative Decree 196/2003, adapted to the European Regulation 679/2016 (GDPR) by Legislative Decree no. 101/2018.

The administrative supervisory authority (Data Protection Authority), in case of violations related to the processing of personal data, is the Garante per la Protezione dei Dati Personali, which is competent to take corrective measures under Article 58 of GDPR, as well as to impose the sanctions specified in Article 83 of the same Regulation.

The Authority adopts corrective and sanctioning measures either at request of a party, through a complaint under Article 77, or *ex officio* under Article 58.

Appeals against decisions of the Garante are admissible before the judicial authorities.

If a data subject or a company wants to obtain a monetary compensation for damages suffered as a result of a breach of personal data protection laws, it will necessarily have to involve ordinary civil jurisdiction. The Garante is not entitled to order compensations for damages suffered by the parties.

In fact, there is a “double track” system of privacy protection in Italy. An administrative protection (exercised by the Data Protection Authority) and a civil protection, in front of the judge, that provides peculiarities regarding the rite and powers granted to the data subject. The two protections are alternatives, so they cannot be enacted at the same time. Personal data claims in front of ordinary justice are regulated by the labour rite pursuant to Article 152 of Legislative Decree 196/2003 and are decided by the Court in monocratic composition with a sentence that cannot be appealed but can be

rectified (therefore) only by Suprema Corte di Cassazione, the supreme grade of judgement in Italy.

PROCEDURAL COSTS

The party who starts a civil lawsuit or proposes a counter-claim or sues a third party in the proceeding must pay to the State a fee, proportional to the amount of the claim, the type and the degree of proceeding, from €43.00 to €6,744.00.

Moreover, the party bringing an appeal is required by the court to pay the same amount if the appeal is rejected in its entirety or is declared unacceptable for any reason.

On the basis of Civil Procedure Code, the party who loses the case pays trial costs (state fee above and lawyer's fees) in favour of the party who wins.

In Italy lawyers' fees are defined by a set of parameters contained in the Ministerial Decree 55/2014 modified by M.D. no. 147 del 13/08/2022, effective from 23/10/2022. The main parameter is the value of the case but there are some additional criteria, including the complexity and the urgency of the work provided.

CRIMINAL PROCEEDINGS

The prosecutor is the Magistrate who prosecutes the crime. The prosecutor evaluates the merits of each news of crime and fulfils the necessary investigations to decide whether it is necessary to ask for a trial or not. This principle does not absolutely require that the prosecutor must necessarily ask for a trial for a person suspected of a crime; his institutional obligation is to make sure that the law is respected. Therefore, the prosecutor asks to archive the claim if the collected items are not suitable to support the accusation in court; but later he can carry out new investigations and then ask the judge to reopen the case. The mandatory prosecution must ensure two basic principles:

1. if the victim doesn't have economic possibilities, this should not prevent the offender being prosecuted.

2. only a rule of law must determinate who shall be punished and who shall go free from punishment, it cannot depend on a choice of political expediency.

Like the civil justice, even the criminal one has three levels of courts: the first two regarding merit, the last (Supreme Court of Cassation) for legitimacy.

[last updated: 31 January 2023]

NORWAY

NORWAY, EEA AND EU

GENERAL

THE COURT SYSTEM

IMPORTANT MILESTONES OF A TRIAL

PRELIMINARY INJUNCTION

LAWYERS' FEES AND PROCEDURAL COSTS

CRIMINAL PROCEEDINGS

NORWAY, EEA AND EU

Norway is not a member of the European Union (EU). However, Norway is a member of the European Economic Area (EEA). EEA comprises three of four member states of the European Free Trade Association (EFTA) (Iceland, Liechtenstein and Norway). Thus, for most practical purposes Norway can be seen as an EU country.

The EEA allows the EFTA states to participate in the EU's Internal Market without being members of the EU. Due to EEA, the EFTA states adopt practically speaking all EU legislation related to the single market, except laws on agriculture and fisheries. The EFTA states also contribute to and influence the formation of new EEA relevant policies and legislation at an early stage as part of a formal decision-making process.

GENERAL

a) *Introduction*

National legal procedures are only harmonized to a limited extent within the EEA. Each country is relatively free to set the rules for procedures conducted before its national courts. However, states must act in accordance with the general and overarching principles, in particular drawn from the European Convention on Human Rights.

The civil procedure in Norway can be summarized as follows:

b) *The Dispute Act*

Civil Law procedure in Norway is governed by the Act relating to mediation and procedure in civil disputes (the Dispute Act). The Dispute Act is based on the fundamental process principles of the European Convention on Human Rights Article 6.

c) *Intellectual property rights*

The Dispute Act was amended in 2013 to improve the enforcement of intellectual property rights (IPR). The amendment aims to make it easier to reveal **IPR infringements** by (upon due cause) granting the rightsholder a right to information regarding origin and distribution network of infringing goods and services.

A request for information may also be directed to persons other than the infringer, hereunder those who have been dealing with goods or services that constitute an infringement. A request for information may also be made in connection with ongoing litigation or preparation for such.

In short, there is now a quite far-reaching obligation of disclosure whether a case is before the courts or not.

d) *Legal profession – the lawyer*

Entry to the legal profession is exclusively through university education. Law studies usually take five years and result in a master's degree in law.

A law graduate must acquire a license to practice after graduating from law school. Such license is usually obtained by working in a law firm for a period of at least two years but could also be served in the courts or as a criminal prosecutor. Graduates are required to (i) litigate three civil cases (or more if criminal cases) before a national court, and (ii) pass a mandatory course for upcoming lawyers, before a license to practice will be issued.

A licensed practicing jurist in Norway is called an “advokat”. An advokat may render advice to clients within all fields of the law and is allowed to appear before all Norwegian courts in the first two instances. However, it requires a special license to appear before the Supreme Court.

There is no distinction in Norway between practicing lawyers that would be similar to the distinction between barristers and solicitors in some common law countries.

THE COURT SYSTEM

a) *Introduction*

In Norway there are three regular court instances, plus a “zero” level Conciliation Boards for smaller disputes.

b) *The Conciliation Boards (level “zero”)*

The aim of the Conciliation Board is to reach a settlement between the parties and decide on smaller disputes.

In each of Norway's numerous municipalities, there is a Conciliation Board consisting of lay conciliators.

Conciliation Boards handle a large volume of cases, mostly debt claims, and enable many smaller disputes to be resolved in an expeditious and economical manner.

Civil disputes must, as a general rule, be brought before a Conciliation Board before a summons can be issued in the City or District Court (level 1). However, there are a number of important exceptions to this rule, the most practical one being that conciliation proceedings are not necessary when both parties have been assisted by a lawyer and the subject matter of the case has a value in excess of NOK 125,000 (approx. EUR 12,500). Furthermore, the conciliation board will not hear cases concerning patents, trade marks or designs.

The Conciliation Board is competent to pass judgment in most types of cases. Judgments of the Conciliation Board may be appealed to the City or District Court.

c) *Court Assisted Mediation*

The City or District Court and the Court of Appeal must offer the parties court assisted mediation.

If the parties reach an agreement, the settlement may be concluded as an in-court settlement, which is recorded in the judicial mediation record. If the case is not resolved by mediation, it will be heard before the court, with a new judge.

Judicial mediators must maintain confidentiality as to what took place during the judicial mediation. A judge who has acted as judicial mediator in the case may only participate in the further hearing of the case at the request of the parties, and if the judge does not consider it imprudent to do so. Normally they will not take part in further proceedings.

d) *The City or District Courts, the Courts of Appeal and the Supreme Court (level 1)*

The City or District Courts are the ordinary courts of first instance. Norway is divided into 23 legal districts, each with one or more city or district courts.

If the subject matter of the case has a value less than NOK 125,000 (approx. EUR 12,500), specific rules for small claims procedure will apply.

The City and District Courts also have some administrative functions, such as registration of deaths and the issue of probate and letters of administration, the functions of notary public and civil marriages.

e) *Higher courts (level 2 and 3)*

The Courts of Appeal are courts of second instance in civil cases. It hears appeals against the decisions of the City and District Courts. If the value of the subject matter of the case does not exceed NOK 125,000, the Court must approve the appeal to be brought before the Court.

The Constitution states that the Supreme Court of Justice shall pronounce judgment in the final instance. Its decisions cannot be appealed. The Supreme Court is situated in Oslo. When in session, the Supreme Court generally sits with five justices, but occasionally, the Supreme Court sits with 11 justices, or more seldom in plenary session with 19 justices.

Only a minority of cases are admitted to the Supreme Court (13.6% of civil cases in 2020). Average time before admittance for civil cases were seven months in 2020.

The decision to grant admission lies with the Appeals Selection Committee. Admission is usually only given if the case is of principal significance, and can therefore give guidance in other, future, cases.

Juries are not used in civil cases.

f) *Judges*

Judges are appointed by the King in Council (Cabinet). The appointments are non-political. Judges are appointed first and foremost on the basis of academic and personal qualifications. Judgeships are open to qualified jurists.

The president of a City or District Court may also appoint deputy judges for a term of two years. The deputy judges are usually younger jurists with limited experience since graduating from law school. The deputy judges are, however, normally assigned cases in the same manner as ordinary judges and have the same powers as an ordinary judge in the cases they are assigned to administer.

g) *Evidence*

The presentation of evidence at the trial is based on the principle of immediacy, i.e., the evidence must be presented directly to the court in its most original form. The principle of immediacy means that witnesses, as a general rule, must give their testimony in court. The principle of immediacy does not apply to the Supreme Court where the presentation of all evidence is indirect as documentary evidence.

On certain conditions, evidence may be conducted as hearing evidence.

Documents in a foreign language must, as a general rule, be accompanied by an authorised translation into Norwegian. The court may waive this requirement if all concerned understand the foreign language. In practice, documents in the other Scandinavian languages and in English will normally be accepted, whilst the court will usually require that documents in other foreign languages be translated into Norwegian (or English).

The principal rule is that hearing should be recorded. However, this does take place only in a minority of cases, normally initiated (and facilitated) by the counsel.

h) *Electronic support*

Electronic filing of cases is mandatory. The system is up graded to support document production for the court summary of evidence. Evidence is presented electronically in most courts.

i) *Public access*

Pleadings during the preparatory stages of trial (the writ of summons, notice of defence, etc. – see section (b) below) are not public. However, the hearing itself is, as general rule, open to the public, and anyone has the right to access the documents presented as evidence in the court, after the evidence has been presented.

IMPORTANT MILESTONES OF A TRIAL

a) *The initiation of the case and the Conciliation Board*

Before the plaintiff can file an originating summons to the Conciliation Board or a writ of summons to the District or City Court, the defendant should be notified about the pending claim. This notification is not a pleading. However, the claim and the legal basis for the claim should be presented in writing, with a request for the adversary to consider the claim.

If the plaintiff fails to notify the defendant of the claim, this will not affect the validity of the claim. It may, though, be taken into consideration when it comes to which party shall bear the legal costs of the case.

The parties to a civil action must, with certain expectations as described in above, meet before the Conciliation Board for mediation proceedings.

The plaintiff must present an application for conciliation to the Conciliation Board, identifying the parties to the case, and containing a short statement as to the substance of the case. It is recommended, but not necessary, that the application contains a plea. A plea enables

the Conciliation Board to pass judgment in default if the defendant does not appear.

If the dispute is not settled through conciliation proceedings and the Conciliation Board does not rule on the matter, the case will be stopped. The plaintiff then has one year to file a writ of summons with the City or District Court. Any judgment of the Conciliation Board can be appealed to the City or District Court.

b) *Initiation of the case*

The first instance procedure is initiated by the writ of summons to the City or District courts.

The writ of summons must state both the facts and the legal basis for the claim, and should contain a list of the evidence the plaintiff intends to present in support of the claim. It must also contain the plaintiff's plea.

After a writ of summons has been filed, the summons will be served on the defendant. The defendant must file a defence within a given time limit, usually 3 weeks. The failure to file a defence reply may result in judgment being awarded against the defendant on the basis of the plaintiff's version of the dispute.

The preparatory proceedings end with a closing submission from both parties; usually two weeks before oral hearings start.

c) *Main hearing*

The main hearing starts with a short (max. 15 minutes) summary of the case by the judge, as the judge has understood it. After the summary, the plaintiff and the defendant are asked to present their opening arguments and written evidence, normally through their lawyers. The plaintiff's side starts.

After the opening arguments, the party representatives from plaintiff and the defendant testify, followed by any other witnesses, all under oath.

After the examination of parties and witnesses is completed, each side will present their closing arguments.

The parties are not obliged to be represented by lawyers at the trial. However, self-representation is rare in commercial civil cases, for good reasons.

d) *Judgment*

Apart from applications to amend clerical errors in the judgment, there are no particular post-trial motions in Norwegian civil procedure. Until a judgment is legally enforceable, it may be appealed. If a judgment is legally enforceable, the only alternative is to apply to have the case re-opened, but the conditions to have a case re-opened are very strict.

According to the Dispute Act, the entire procedures before each instance should be completed within 6 months from writ of summons or the appeal was received by the relevant court until a judgment is passed. However, this deadline is often not met.

e) *Appeal*

The judgments of the District Courts may be appealed to the Court of Appeal, and from there to the Supreme Court. The time limit for appeal is usually one month from the date upon which the judgment was lawfully served.

PRELIMINARY INJUNCTION

A preliminary injunction is a temporary judgment, where you can secure or accomplish a claim temporarily, until final judgment is available. Preliminary injunctions apply to all claims except for money claims and are practical not least for securing IPR.

A preliminary injunction can only be granted if the claim in respect of which the request for a preliminary injunction is made and the basis for security are proven.

Examples include injunctions against the sale of copied products, viewing of motion pictures and distribution of defamatory articles in the media.

Such preliminary injunctions may be granted with or without oral hearing. If the case is urgent and not too complex, you may have a decision within two to four banking days.

LAWYERS' FEES AND PROCEDURAL COSTS

Court filing fee applies when filing an application to the Conciliation Board, a writ of summons to the District Court, or an appeal to the Court of Appeal or the Supreme Court. The court fee varies depending on the case and the court's legal action.

The party who initiates a court case or appeals a court decision must pay the court fee to the court. One base court fee is NOK 1,199 (approx. EUR 120, amount for 2021). The number of court base fees to be paid depends on the duration of the case. For example, one day in the City or District Courts costs five base court fees (basis fee). Each additional day until five days costs three base court fees.

In addition to the procedural fees, incidental costs may arise in the form of court costs for lay judges, experts and witnesses.

Lawyers' fees that may be awarded depend on the complexity of the actual case. As a general rule, a lawyer needs three days of preparation per day in the court. For a partner at NOK 3,700 per hour (approx. EUR 360) with two days court, at case may cost NOK 220,000 (60 hours x NOK 3,700 = NOK 220,000 or approx. EUR 21,000). However, this may vary considerably.

If a party wins the case in all material respects, the court will, as a general rule, order the losing party to cover the winning party's *necessary* legal costs. That means you may not have full coverage even if you win completely, if legal cost is seen as too high by the court (which is quite normal).

When a case is partly won, partly lost, the general rule is that each party shall bear its own costs.

With the exception of plaintiffs that do not reside in Norway or an EEA country, there is no general rule that a plaintiff must provide security for costs in a civil case. A non-resident or non-EEA plaintiff, however, is obliged to provide security for procedural costs if the defendant so requests, unless exception has been made by way of treaty with the plaintiff's country of residence.

CRIMINAL PROCEEDINGS

The criminal procedure is governed by separate rules. A detailed presentation of Norwegian criminal procedure would exceed the framework of this overview. However, the main characteristics criminal lawsuits can be summed up as follows:

- Criminal proceedings commence with the investigation. The investigating authorities (Police, National Tax and Customs Office) conduct the investigation independently of the courts or upon the order of the prosecutor. Therefore, in most cases, the complainant has no control over the criminal procedure. The tasks of investigating authorities include the exploration of the crime and the perpetrator, furthermore tracing and securing evidence.
- The Prosecutor files an indictment if The Prosecutor, based on the investigation, is convinced about the guilt of the defendant and that she is able to prove this before the court.
- The court may proceed only upon an indictment: the court may only establish the criminal liability of the person against whom the accusatory instrument was filed, and may only consider acts contained in the instrument.
- The procedure is not inquisitorial.

[last updated: 14 December 2021]

POLAND

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF A TRIAL

THE PRELIMINARY RULING BEFORE THE EU COURT OF JUSTICE

COSTS AND FEES

PRELIMINARY INJUNCTION PROCEEDINGS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

Pursuant to the general rule, both substantive and procedural law have to be consistent with European legislation, and therefore are subject to harmonization within the European Union. Although this process is advanced, the procedural law is slightly influenced by European law. As a result, Polish judicial procedure is governed mainly by the national legislation.

MAIN PRINCIPLES

1. In Poland the court system is divided into two sections, comprising of common courts and administrative courts. Depending on the case at issue, proceedings concerning IP matters can take place in both types of courts. Administrative courts handle cases concerning the appeals against decisions issued by the Polish Patent Office (the PTO), which concerns generally validity of IP rights (trade marks or patents), whereas the infringement of the exclusive IP rights fall within the competence of common courts. Proceedings regarding personal data protection, being in the competence of the Polish Personal Data

Protection Office, are within the competence of the administrative courts, where appeals against administrative decisions are examined. For the purpose of this publication, we will focus on the procedure before common courts.

2. Civil common courts operate under the regulations of the Code of Civil Procedure. By taking the stages of the proceedings into consideration, we can name three types of common courts: District Court (*Sąd Rejonowy*), Regional Court (*Sąd Okręgowy*) and Court of Appeals (*Sąd Apelacyjny*). In general, parties are entitled to two instances of case revision. Depending on the matter, the two-instance path may start in the District Court as the first instance and the Regional Court as second instance, or within the Regional Court and Court of Appeals respectively. The legislator exclusively establishes the rules upon which each case is attributed to the materially competent court. If certain requirements are fulfilled, after the two-instance proceedings the party can also present the case to the Supreme Court (*Sąd Najwyższy*) if some conditions are met. This can change the overall outcome due to purely legal (not factual) reasons even though it is not formally treated as the third instance. The Supreme Court in Poland is called a court of law.

3. According to general rules, a plaintiff should present his/her case before a court that has its jurisdiction over the defendant's seat/place of residence. However, in the "tortious type" cases, a plaintiff can also file a claim before a court for a competent venue where the infringement has occurred.

4. IP litigations, due to their complexity and general business significance, are handled by Regional Courts in the first instance and can be revised in the Court of Appeals. As of the 1st of July 2020, in Poland there are special Regional Courts, which are dedicated to a wide range of IP cases (e.g., regarding the protection of copyrights, trade marks, patents) and IP-related cases (e.g., regarding combatting unfair competition law or protection of personal properties). There are five IP courts in: Warsaw, Poznań, Gdańsk, Katowice and Lublin. The appeals against judgements issued by this court are examined by the Courts of Appeal in Warsaw and in Poznań.

5. First instance cases are recognised by one judge. However, if a case is particularly complicated, the President of the Court may appoint larger representation, namely three judges. In practice, this does not happen. In the second instance, generally a case is ruled by three judges (however, please see below the special rules for the time during the COVID-19 pandemic).

6. In the IP litigations a party has to be represented by professional lawyers (attorneys at law or patent attorneys). Such a representation is obligatory unless a value of claim does not exceed an equivalent of PLN 20,000 (EUR 4,440 approx.)⁹⁹

7. The duration of the trial depends on many factors, such as the scope of the evidence brief, the appearance of the parties when such appearance is compulsory, and on how much a specified court is busy.

IMPORTANT MILESTONES OF A TRIAL

d) *First instance procedure*

The first instance proceedings are initiated by filing a statement of claim. Before entering into dispute, the statement of claim is subject to a formal examination by the court. A judge verifies whether all the formal requirements, including court fee payment, are fulfilled. If the statement of claim is correct in terms of formalities, it is served to the defendant, who is granted the right to file a response (a statement of defence) within a certain deadline set forth by the judge. Both parties are obliged to provide the court with the full evidence they are aware of at this stage. This rule is quite vital, as it is possible that documents and any other evidence provided to the court after entering into dispute may be considered delayed and therefore not admissible, in particular if a case is examined in the regime of the commercial proceedings.

Upon the parties' exchange of the statements, the judge sets the date of the hearing. During the hearing parties are allowed to present their

⁹⁹ EUR 1 = approx. PLN 4,7

statements and the judge examines the evidence. If any of witnesses are summoned to the hearing, they are publicly interrogated. Usually in cases where witnesses are presented by the parties or are appointed expert examination, there are several hearings before the verdict is announced by the judge.

From a practical point of view, as many IP litigations are complex and usually followed by a massive brief of evidence, the verdict is rarely rendered after one hearing.

A verdict issued by a court is subject to an appeal of the party who has lost the case. If none of the parties file an appeal, the judgment is legally valid, final and enforceable.

During the COVID-19 epidemic (or epidemic emergency and within one year after its cancelation) special rules apply to the proceedings of the court. Hearings are run remotely using the dedicated communication court platforms or popular platforms like Microsoft Teams. “Traditional” hearings in the court building take place if it is necessary and do not provoke danger for attendees. Closed court sessions are also possible if remote hearing is not possible and “traditional” hearing is not necessary. On 16 May 2022 the epidemic state was replaced with the epidemic emergency state.

e) *Judgment and further appeals*

After the announcement of the verdict, the party unsatisfied with the outcome may challenge the verdict before the Court of Appeals. The party should file a motion for a written justification of the verdict first, which is possible within seven days from its announcement. The appeal may be filed in writing only within two weeks from the delivery of the verdict with grounds, and this deadline cannot be extended.

The appeal is filed with the court that issued the verdict (the court of first instance), which passes the appeal, together with the case files, to the Court of Appeals.

Then, the Court of Appeals examines the case once more but only to the extent indicated in the appeal. The appeal generally is recognised by three judges. However, during the COVID-19 pandemic special rules

provides that the appeal is examined by one judge. Only in complex or precedent cases the President of the Court may decide that the case is examined by three judges.

The Court of Appeals may sustain the previous verdict, change it or decide on its annulment and referring the case back to the Regional Court for reconsideration.

f) Revision

The decision of the Court of Appeals is final and enforceable, however the party unsatisfied with the Appeal Court verdict can still try to challenge it before the Supreme Court. However, there are additional prerequisites that have to be satisfied. The party is authorized to this extraordinary complaint (the cassation complaint) if the value of the object of litigation is at least equal to PLN 50,000 (EUR 11,100 approx.)¹⁰⁰.

The procedure is quite similar to the appeal proceedings. The extraordinary complaint has to be filed in writing within two months from the delivery of the verdict with grounds. The formal examination belongs to the Court of Appeals, which – if the complaint is correct – transfers it to the Supreme Court with the relevant cases files.

It has to be clearly stated that the Supreme Court is not a third instance court. The Supreme Court does not consider facts and evidence and will focus purely on legal aspects. Even if all formal requirements are satisfied, the court may still not take the case into consideration. This depends on further circumstances, such as the importance of the matter or the obvious incorrectness of the challenged judgment of the Court of Appeals. The cassation complaint is accepted by the Supreme Court for further examination if there are specified circumstances in the case (e.g., there is a significant legal problem or there is a need of a legal interpretation of some important doubtful provisions of law).

¹⁰⁰ EUR 1 = approx. PLN 4,7

THE PRELIMINARY RULING BEFORE THE EU COURT OF JUSTICE

Pursuant to European regulations, every judge deciding on the case can request the Court of Justice of the European Union to give a ruling if it is considered vital for the outcome of the pending proceedings. In such a case, the litigation remains pending, but stayed until the Court of Justice resolves the presented matter and answers the question.

COSTS AND FEES

The obligation to reimburse the costs of the trial and statutory legal fees suffered by the other party lies on the party that loses the case. When it comes to IP cases, the latter (costs of the legal representation) might be considerably low, especially if the statement of claim did not contain pecuniary claims (e.g., for damages) but only non-pecuniary claims (e.g., for prohibition of infringement). Then, the statutory fees are flat irrespective of the value of claim.

PRELIMINARY INJUNCTION PROCEEDINGS

Each party, especially the injured party whose rights have been infringed, can file a motion for interim injunction. This action can be taken before or during the trial. The court will grant the protection if the party substantiates both: its claim and its legal interest in being granted the protection. The aforementioned legal interest occurs when lack of protection makes it impossible or seriously difficult to execute the future verdict or to acquire the purpose of the proceedings.

The Court may secure the claim in any way that is appropriate and essential. With regard to the IP matters, courts usually order the defendant to cease and desist from the actions considered infringement or seize infringing goods for the time of the proceedings. This is a powerful tool in the hands of the plaintiff. Therefore, while applying for interim injunction in IP matters to secure non-pecuniary claims (e.g., claims for prohibition), the plaintiff should prove that granting of interim protection is necessary to prevent a threatening damage or other detrimental consequences for the plaintiff. If in the final verdict issued in the case the court dismissed the plaintiff's claims, the plaintiff might be fully responsible for the damage resulting from the preliminary injunction granted on its request.

CRIMINAL PROCEEDINGS

Criminal proceedings are subject to different rules and regulations from the aforementioned civil procedure. Mainly, criminal procedure is governed by the Code of Criminal Procedure and conducted by public authorities acting *ex officio*.

Pursuant to Polish regulations, entering to the market goods with counterfeited registered trade marks or imitating exclusive industrial designs is an offence prosecuted upon the motion filed by the authorized party. This means that the initiative to start the proceedings belongs to the entity which suffered due to this offence. However, if the motion for prosecution is filed with the appropriate Prosecutor's Office, public authorities conduct the investigation on their own.

Criminal proceedings concerning IP protection are increasingly popular nowadays, mainly due to the opportunity to gain the information on the source of the initial infringer. Criminal proceedings are much cheaper and often chosen in case of small importers or sellers of counterfeit goods. Nevertheless, still public prosecutors are not experts in IP matters and the cases are often closed without filing an indictment.

[last updated: 30 January 2023]

PORTUGAL

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF A TRIAL

THE PRELIMINARY RULING BEFORE THE EU COURT OF JUSTICE

COSTS AND FEES

PRELIMINARY INJUNCTION PROCEEDINGS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

First instance courts have jurisdiction on any civil matter not subject to the special jurisdiction of any other court (generic jurisdiction). Civil courts are territorially divided in accordance with the Portuguese judiciary map. There are also first instance courts with exclusive specialized jurisdiction according to the specific subject matter under dispute, including the Court of Competition, Regulation and Supervision and the Court of Intellectual Property (for IP related matters).

If necessary, in view of the volume and complexity of the service, first instance courts may be further subdivided into groups with specific competence depending on the type of proceedings, which vary according to the value and nature of the claim.

The court of appeal primarily acts as a second instance court in civil claims exceeding €5,000. The Portuguese courts of appeal have their seat in Lisbon, Oporto, Coimbra, Évora and Guimarães.

The Supreme Court of Justice has its seat in Lisbon and jurisdiction over the entire Portuguese territory. It generally acts as a second court of

appeal in claims exceeding €30,000 and it only rules on points of law and not on facts.

In principle, appeals submitted before the courts of appeal or the Supreme Court of Justice are decided by a collective panel of three judges but, in certain cases, namely when a precedent needs to be established, may also be decided by a collective panel composed of all the judges of the Supreme Court of Justice civil division.

Civil proceedings are generally ruled by the Code of Civil Procedure. Nonetheless, the Copyright Code and the Intellectual Property Code also establish rules on special proceedings related with IP and copyright matters and infringements (including administrative and criminal offences). Parties are also free to remit the dispute to arbitration or to other suitable means of Alternative Dispute Resolution by mutual agreement.

MAIN PRINCIPLES OF CIVIL PROCEEDINGS

Portuguese civil proceedings follow the adversarial system. Consequently, the court will have to decide based on the facts and evidence brought by the parties to the proceedings. Nevertheless, Portuguese civil procedure rules establish certain prerogatives of the judges which are considered manifestations of the inquisitorial system (e.g., the judge has the power to order *ex officio* the production of any evidence deemed necessary to determine the truth of the case).

Judges are also free to decide on the points of law, even in matters not pleaded by the parties. Portuguese civil proceedings are public except if the disclosure of its contents may harm the dignity or privacy of the persons involved, or when it jeopardises the public order or the efficiency of the final decision to be delivered by the court (e.g., injunction proceedings where the element of surprise can be a key factor).

Whenever there is no restriction to public access to the proceedings, all court documents will be made available to the parties, lawyers and anyone who shows a legitimate interest in the same.

Parties must act in a fair manner, with procedural good faith and in full cooperation with the court. Whoever breaches this rule may be fined or even subject to incarceration for court disobedience. Notwithstanding, Portuguese civil proceedings are not subject to the full disclosure rule. Thus, the parties are not obliged to share any document with the counterpart unless specifically ordered to do so by the Court. However, a party may request a court order for the submission of any document relevant to the case known to be in the possession of the counterpart or of any other person or entity.

Under Portuguese law, the burden of proof lies on the party that asserts the fact. Hence, it is in the party's best interest to submit all evidence necessary to prove the facts stated in its own statements of case.

IMPORTANT MILESTONES OF CIVIL PROCEEDINGS

a) *Commencement of procedures*

Civil proceedings are initiated by the submission of a written statement of claim (particulars of claim) before the competent court (as a general rule the court of the defendant's domicile or where the unlawful action took place).

The particulars of claim must include: the identification of the competent court; the parties' identification; the type of proceedings; a complete description of all relevant facts and legal grounds; the claim itself and also the value attributed to said claim.

The particulars of claim and all other statements of case must be written in the Portuguese language and be accompanied by all relevant documents (translated into Portuguese). A Power of Attorney must also be filed in court.

All statements of case and other applications can be filed in court using a dedicated and secured website from the Portuguese Ministry of Justice. Access to this dedicated website is restricted to qualified lawyers and court officials.

b) *Standard Timetable*

In ordinary proceedings (claims exceeding €30,000), the following timetables are generally applicable:

- Submission of the particulars of claim.
- Service of the particulars of claim to the defendant.
- 30 days for the defendant to submit its defence and counterclaim (if any).
- 30 days for the claimant to submit its defence to the counterclaim.
- Pre-trial hearing in which the judge will try to conciliate the parties and, if unsuccessful, will rule on the facts already proven at that stage (list of proven facts) and on the relevant facts still to be subject to further evidence and discussion in the trial hearing (questionnaire).
- Trial hearing.
- The court's final decision.
- 30 days for the losing party to appeal from the decision and submit the grounds for appeal. This time limit will be extended by 10 days if the court's decision on the points of fact is also challenged.
- 30 or 40 days (see above) for the response to the grounds of appeal.
- Decision from the court of appeal.
- 30 days for the losing party to appeal to the Supreme Court of Justice.
- 30 days for the response to the grounds of appeal before the Supreme Court.
- Final decision of the Supreme Court of Justice.

This standard timetable may vary significantly considering other applications, interim rulings and appeals, evidence to be produced (e.g., expert opinions). It is fair to say that standard times are usually exceeded.

c) *Appeals*

In principle, an appeal is only allowed in claims exceeding €5,000.

The first court of appeal may decide both on points of fact and on points of law. In certain specific matters, the court of appeal may also decide appeals regardless of the value of the claim.

If the value of the claim is higher than €30,000 and unless the court of appeal has unanimously confirmed the decision of the first instance court, a second appeal to the Supreme Court of Justice is also admissible. Nevertheless, an appeal to the Supreme Court of Justice will always be possible if deemed necessary to obtain case law uniformity.

COSTS AND FEES

The parties are required to pay initial court fees with the submission of the particulars of claim and the defence. Court fees are calculated considering the nature of the dispute and the claim value.

In its final decision the court will rule on the allocation of costs incurred with the proceedings. The costs with the proceedings will be borne by the losing party in the proportion of its loss (i.e., if only 50 per cent of the claim is successful then the claimant will bear 50 per cent of all court costs).

Legal costs and fees are recoverable but are significantly capped under law.

THE PRELIMINARY RULING QUESTION BEFORE THE EU COURT OF JUSTICE

The local court is free to stay local proceedings and request a preliminary ruling from the European Court of Justice (ECJ) on relevant matters of European Union (EU) law. The interpretation of the ECJ in EU law matters is binding for local courts.

PRELIMINARY INJUNCTION PROCEEDINGS

Prior to, or during the course of, civil proceedings a party may file for any preliminary injunction necessary to prevent or remedy a significant loss or offence (e.g., freezing of the debtor's assets to guarantee the collection of the debt). Summary evidence must be made on the existence of the right (*fumus bonus juris*) and on the reasonable risk that a serious damage will result unless the injunction is immediately ordered (*periculum in mora*).

There are special interim remedies available against trade mark, copyright and other IP related offences generally aiming to prevent an imminent infringement or stop the offence. The injunction order shall be immediately enforced by the police authorities and its disobedience constitutes a criminal offence. In certain duly justified circumstances, the remedy (e.g., the seizure of assets) can be replaced by an adequate collateral.

CRIMINAL PROCEEDINGS

Criminal offences are generally provided for in the Criminal Code. However, there are specific IP related penal infractions governed by the Copyright Code and IP Code, including:

- usurpation of intellectual property rights.
- counterfeiting of works and/or products.
- selling, putting into circulation or concealing counterfeit products.
- patent infringement.
- logos and trade mark infringements.
- unauthorized reproduction or use of registered design, designation of origin or registered geographical delimitation.
- importation or distribution, in any way, of products obtained by any of the aforesaid actions.

The criminal procedure will be conducted by a Public Prosecutor, using the investigation made by the police authorities and under the supervision of the judge. The offended may also be a formal party into

the proceedings and demand a compensation for damages to be awarded together with the judgment on the criminal offence.

[last updated: 31 March 2022]

ROMANIA

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF A TRIAL

THE PRELIMINARY RULING BEFORE THE EU COURT OF JUSTICE

COSTS AND FEES

PRELIMINARY INJUNCTION PROCEEDINGS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

The Code of Civil Procedure establishes the rules of jurisdiction and the judgment of civil cases in the IP field, as well as those for the execution of court decisions and other enforceable titles, in order to administer justice in civil matters. Under the Romanian law, the judge does not establish generally binding provisions through the decisions he pronounces.

The parties have the obligation to fulfill the procedural acts under the conditions, order and deadlines established by law or by judge, to prove their claims and defences, to contribute to the development of the process without delay and also seek its completion.

The court will base its decision only on factual and legal grounds, on explanations or on evidence that have been previously subject to the adversarial debate.

MAIN PRINCIPLES

Romanian law is organized in Codes and Procedure Codes. With regards to intellectual property, the main legislation is found in special laws and implementing regulations that are supplemented by the provisions of the Code of Civil Procedure.

Lawyers who are qualified in member states of the EU and European Economic Area have the same rights as Romanian lawyers. All the Romanian attorneys must be members of a Bar which is part of the National Union of Bar Associations of Romania. They can represent their clients in all Romanian courts, with the following limitations: junior lawyers (before the final exam, with less than two years of practicing law) can defend a client only before the district courts (*judecatorii*), while only senior lawyers (*avocati definitivi*) - who have uninterrupted activity in the profession for at least 5 years since becoming a senior lawyer - have the right to represent the clients before the High Court of Cassation and Justice and the Constitutional Court.

IMPORTANT MILESTONES OF THE TRIAL

The language in IP-proceedings, including any requests and procedural documents, is exclusively Romanian. The documents filed have to be in the Romanian language or, when the documents are written in another language, they are submitted in a certified copy, accompanied by a certified translation by a certified translator. If there is no certified translator for the language in which the documents in question are written, translations made by trusted persons who know the language in question may be used, in accordance with the law (Civil Procedure Code).

The judge in charge of solving the case may only be replaced during the trial for good reasons in accordance with the law. The panel respects all the principles and procedural guarantees in order to resolve the

litigation legally and thoroughly. The President of the panel shall ensure that the order and solemnity of the hearing are respected, any measures provided by law may be taken for this purpose.

The trial takes place at the court, unless otherwise provided by law. As a rule, the hearings are public. However, in some cases where the investigation of the trial or the debate of the merits in public hearings would harm morality, public order, the interests of minors, the privacy of the parties or the interests of justice, the court, upon request or *ex officio*, may order that the hearings be carried out in whole or in part without the presence of the public.

The parties may exercise their procedural rights in person or through a representative. Regarding their representation in court, natural persons may be represented by a lawyer or another representative/mandatory and legal persons may be represented by a legal counsel or a lawyer.

a) *First instance procedure*

Under Romanian law, any person can file a complaint at the competent court. The summons can be filed in person or by a representative, received by mail, courier, fax or scanned and sent by e-mail or in electronic form. The case is randomly assigned to a panel.

The legal infringement action submitted by the claimant is communicated to the defendant which is obliged to submit the written statement of defence within 25 days from the communication. If the defendant did not file the statement within the term provided, on the date of expiration of the respective term, the judge fixes by resolution the first trial term, with the summoning of the parties. The term of the trial may be changed only for good reasons, *ex officio* or at the request of either party.

As for the evidence that can be used in a litigation, the one who makes a claim during the trial must prove it. Proof of a legal act or fact can be

made by documents, witnesses, presumptions, confession of one of the parties made on its own initiative or obtained during interrogation, by expertise, by material means of evidence, by on-site investigation or by any other means provided by law.

The evidence is proposed, under the sanction of revocation, by the claimant along with the complaint, and by the defendant by the written statement of defence, unless the law provides otherwise. They can also be proposed orally, in the specific cases provided by law.

The litigations concerning European Union trade marks, for which the Regulation on the trade mark of the European Union assigns the competence of the trade mark tribunals of the European Union, are within the competence of the Bucharest Tribunal, which judges in the first instance. In Romania, in order to execute the decisions issued by the European Union Intellectual Property Office, the verification of the authenticity is the competence of the Bucharest Tribunal.

Furthermore, the cancellation of the registration of a trade mark, as well as the revocation of the rights of a trade mark owner may be requested in court, at the Bucharest Tribunal or, administratively, at OSIM, starting from January 14, 2023.

b) *Judgements and further appeals*

Within 30 days since the communication of the decision, the decisions pronounced in the first instance may be appealed, unless the law expressly provides otherwise. Judgments given in the last instance are also subject to appeal if, according to the law, the court could only judge in the first instance.

The appeal determines a new judgment on the merits, the court of appeal ruling both in fact and in law. If the appeal is not motivated or if the motivation of the appeal or the objection does not include new reasons, means of defence or evidence, the court of appeal will rule, on the merits, only on the basis of those invoked in the first instance. The

appeal may not seek the trial on the merits or the retrial, but the cancellation of the first instance decision and the rejection or cancellation of the summons as a result of invoking an exception or sending the case to the competent court.

The decisions of OSIM regarding the applications for trade mark registration, as well as the applications for registration regarding the geographical indications can be contested at this office by the interested party, within 30 days from the communication, with the payment of the legal fee. The motivated decision of the contestation commission shall be communicated to the parties within 3 months from the pronouncement and may be appealed to the Bucharest Tribunal, within 30 days from the communication. The decision of the Bucharest Tribunal is subject only to appeal to the Bucharest Court of Appeal.

In terms of time, for an action of merits, normally it may take from 1 – 3 years for the first degree, the same for the second degree and up to 2 - 8 years for the third degree of jurisdiction, but it depends on the degree of workload of the court, pandemic, etc. It can take less or more time than this. The duration depends on many factors, including the evidence, exceptions, arguments, dates of the hearings set by the court, workload of the court, the drafting of the decisions by the judge, the good faith of the parties and most important, the complexity of the case.

c) *Revision (Supreme Court)*

Within 30 days from the communication of the decision, the decisions given on appeal, those given, according to the law, without right of appeal, as well as other decisions in cases expressly provided by law are subject to revision (recurs) which is resolved by the hierarchically superior court to the one the judgment under appeal. The purpose of the revision is to submit to the competent court the examination, in

accordance with the law, of the conformity of the judgment with the applicable rules of law.

Furthermore, under the Romanian law, the High Court of Cassation and Justice judges appeal in the interest of law (*recurs in interesul legii*) on legal issues that have been resolved differently by final court decisions, in order to ensure the uniform interpretation and application of the law by all courts.

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT OF JUSTICE

Romanian judges ask preliminary ruling questions to the European Court of Justice.

According to euroquod database, the Romania judges have asked 185 preliminary ruling questions so far, of which 141 have been solved (www.euroquod.ro/ue/cereri/evidenta/).

A recent preliminary ruling question was on a series of Romanian reforms in the areas of judicial organisation, the disciplinary regime applicable to judges, and the financial liability of the State and the personal liability of judges as a result of judicial error (Judgment in Joined Cases C-83/19 Asociația ‘Forumul Judecătorilor Din România’ v Inspecția Judiciară, C-127/19 Asociația ‘Forumul Judecătorilor Din România’ and Asociația ‘Mișcarea Pentru Apărarea Statutului Procurorilor’ v Consiliul Superior al Magistraturii and C-195/19 PJ v QK and in Cases C-291/19 SO v TP and Others, C-355/19 Asociația ‘Forumul Judecătorilor din România’, Asociația ‘Mișcarea Pentru Apărarea Statutului Procurorilor’ and OL v Parchetul de pe lângă Înalta Curte de

COSTS AND FEES

The court costs consist of the judicial stamp duties and the judicial stamp, the fees of the lawyers, of the experts and of the specialists, the amounts due to the witnesses for their expenses caused by the need to be present at the trial, the expenses of transport and, if applicable, accommodation, as well as any other expenses necessary for the proper conduct of the trial.

Regarding the lawyer's fees, according to The statutes regulating the lawyer's profession, for professional activities, a lawyer has the right to a fee and to cover all expenses incurred in the interest of his client. The fees will be determined according to the difficulty, scope or duration of the case and depend, *inter alia*, on the time and volume of work required:

- the nature, novelty and difficulty of the case.
- the importance of the interests in question.
- the notoriety, titles, seniority, experience, reputation and specialization of the lawyer.
- if cooperation with experts or other specialists is imposed by the nature, object, complexity and difficulty of the case.
- the advantages and results obtained for the client's profit as a result of the lawyer's work/activity.

The fees are freely established between the lawyer and the client and are provided in the legal assistance contract on the date of its conclusion, before the beginning of the assistance and/or representation of the client.

¹⁰¹ <https://curia.europa.eu/jcms/upload/docs/application/pdf/2021-05/cp210082en.pdf>.

The fees may be set as follows: hourly fees, fixed fees, successful fees and fees set by the combination of the provided criteria. The lawyer has the right to request and obtain a successful fee, in addition to the fixed fee, depending on the result or on the service provided. The success fee consists of a fixed or variable amount set for the attorney to achieve a certain result. The success fee can be agreed together with the hourly or fixed fee. In criminal cases, the success fee may be applied only in connection with the civil side of the case.

At the request of either party, the contestations and claims concerning the fees shall be settled by the dean of the Bar, by reasoned decision, after hearing the parties. The settlement of contestations and claims is done by applying the principle of mediation and by trying to reconcile the parties, within a maximum of 30 days from the date of registration of the contestation or complaint. The dean's decision may be appealed to the Bar Council by the interested party.

Under the Romanian legal system, the losing party pays the court expenses and that the court might diminish them, in some cases. Thus, the party claiming costs must prove, in accordance with the law, their existence and extent, at the latest on the closing date of the debate on the merits of the case.

The court may, even *ex officio*, reasonably reduce the part of the court costs representing the lawyers' fee, when it is clearly disproportionate to the value or complexity of the case or to the activity carried out by the lawyer, taking into account the circumstances of the case. The action taken by the court will have no effect on the relationship between the lawyer and his client.

PRELIMINARY INJUNCTION PROCEEDINGS

A preliminary injunction can be filed by the parties in relation to an IP case. The Romanian system provides for the possibility of filing a preliminary injunction (*ordonanta presedintiala*) action, which must be filed at the same time with the action on merits or before the action on

merits. Amongst the conditions of a preliminary injunction it is for the party who seeks it, to prove that there is an emergency and also that the judge will not go on the merits of the case.

In a preliminary injunction, the court, ruling that there is an appearance in law in favor of the complainant, will be able to order interim measures in urgent cases to preserve a right that would be damaged by delay, to prevent imminent and irreparable damage, as well as for the removal of obstacles that would arise during an execution.

Also, according to the Romanian Civil Procedure Code, on a preliminary injunction, as explained below, the judges cannot decide on the dispute on the merits, all the measures taken must be provisional. No damages can be requested through a preliminary injunction action, only court fees for the prevailing party, like attorney fees, legal stamp duty, other costs, like translations, travels, accommodation, etc. A judge can lower the requested amounts, but it is not a rule. In most cases, a judge may grant the amounts requested and proven that such were paid in relation to that file. The prevailing party can ask for damages through a separate action. It could be possible during a preliminary injunction procedure for a decision to be issued without summoning the parties. In case of special emergency, it may be issued on the same day, based on the request and the documents submitted, without the conclusions of the parties. This is however not the common procedure, although it cannot be excluded.

Unless otherwise provided by special laws, the preliminary injunction can be appealed only within 5 days after issue, if the parties were summoned, and after service, if the summons was issued without the parties having been summoned. The court of appeals may suspend the execution until the judgment of the appeal, but only with the payment of a bail, the amount of which will be determined by it. The appeal is judged urgently, the parties being summoned. The pronouncement of the decision may be postponed for a maximum of 24 hours, and the reasoning of the preliminary injunction shall be made within a maximum

of 48 hours from the pronouncement. In all cases where the jurisdiction of the court of first instance belongs to the court of appeal, the appeal is the revision (recursul). Also, an appeal may be lodged against the execution of the preliminary injunction.

In terms of time, a preliminary injunction action might normally take from 1 to 6 months, in each jurisdiction, but it depends on the workload of the court, the pandemic, etc and is accordingly variable. .

CRIMINAL PROCEEDINGS

Criminal actions can be filed also in relation to a trade mark infringement, separately from a civil action, if filed, or to go together, if filed.

Under Romanian legislation, according to the Law No. 84/1998 concerning trade marks and geographical indications, the counterfeiting of a trade mark, the placing on the market of a product having an identical or similar trade mark with a registered trade mark for identical or similar products and the placing on the market of products having geographical indications indicating or suggesting that the product in question originates in a geographical region, other than the real place of origin, is considered a criminal offence and it is punishable by imprisonment from 3 months to 2 years or a fine. In case of trade mark infringement, the

reconciliation of the parties removes criminal liability.

According to the Law no. 344/2005 on certain measures to ensure the enforcement of intellectual property rights in customs clearance operations, the act of introducing or removing from the territory of Romania the goods that infringe an intellectual property right constitutes a contravention and is sanctioned with a fine and the goods that are the object of the contravention are confiscated.

The Romanian police cooperates with the customs inspectors in order to retain counterfeit products or those that infringe an intellectual property right.

The criminal investigation is carried out in order to gather the necessary evidence regarding the existence of the criminal offence and to identify the persons who have committed it. Subsequently, the prosecutor, at the request of the criminal investigators or *ex officio*, solves the case by ordinance, and may order the waiver of the criminal investigation.

According to the Romanian Code of Criminal Procedure, in the case of criminal offences for which the law provides for a fine or imprisonment for up to a maximum of 7 years, the prosecutor may waive the criminal investigation when he considers that there is no public interest in prosecuting.

Therefore, in practice, due to the low penalty limits provided for counterfeiting, most of the time there is no proportionate rationale for criminal proceedings, but it depends also on the prosecutor's office.

[last updated: 18 May 2022]

SERBIA

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF A TRIAL

PROCEDURAL COSTS

PRELIMINARY INJUNCTION PROCEEDINGS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

Serbian procedural jurisprudence is divided into the Law on Civil Procedure¹⁰² and the Law on Criminal Procedure¹⁰³ which create the general frame for court proceedings. Certain specific procedural aspects of IP litigation are governed by Laws that regulate particular IP rights. Serbian courts are further governed by the Law on Organization of Courts¹⁰⁴ and the Law on Seats and Areas of Competence of Courts¹⁰⁵. Serbia is not yet a member of the European Union, and therefore, EU laws and regulations are not applicable in this jurisdiction. Nevertheless, Serbia actively harmonizes its laws with EU legal system.

¹⁰² Official Gazette of Republic of Serbia, Nos. 72/2011, 49/2013, 74/2013, 55/2014, 87/2018 and 18/2020).

¹⁰³ Official Gazette of Republic of Serbia, Nos. 72/2011, 101/2011, 121/2012, 32/2013, 45/2013, 55/2014, 35/2019, 27/2021 and 62/2021.

¹⁰⁴ Official Gazette of Republic of Serbia, Nos. 116/2008, 104/2009, 101/2010, 31/2011, 78/2011 101/2011, 101/2013, 106/2015, 40/2015, 13/2016, 108/2016, 113/2017, 65/2018, 87/2018 and 88/2018.

¹⁰⁵ Official Gazette of Republic of Serbia, No. 101/2013.

MAIN PRINCIPLES

The main principles of civil procedure can be summarized as follows:

- a) Civil procedure is, in general, governed by the Law on Civil Procedure. Since 2014, all IP litigation cases are subject to the exclusive jurisdiction of only two first instance courts – The Higher Court in Belgrade and the Commercial Court in Belgrade. These two courts are exclusively entitled to resolve first instance IP disputes for the whole territory of the Republic of Serbia. The Higher Court is a court of first instance for disputes between natural persons, and decisions of second instance are made by the Court of Appeal. In disputes between legal entities and entrepreneurs, the Court of Commerce is the first instance court, and the Commercial Court of Appeal has second instance jurisdiction. The Supreme Cassation Court handles extraordinary legal remedies against the decisions of all courts in the Republic of Serbia and resolves other issues prescribed by law.
- b) Serbian courts are not legally bound by previous judgments. Nevertheless, the Supreme Cassation Court, as well as the courts of appeals publish their opinions to provide guidance for lower courts. Moreover, the Supreme Cassation Court has a duty to harmonize the administration of justice within the Serbian judiciary system, mainly by means of rendering uniformity of decisions.
- c) Before commencing a civil action, sending a cease-and-desist letter (hereafter: C&D letter) is not an obligatory step, but it is recommended in all legal disputes, both between business entities and natural persons. Sending such a letter would show an effort of the rightsholder to open a dialogue and its dedication to resolve the dispute amicably. Moreover, it is not a rare situation (especially in IP infringement cases) that the adverse party is willing to comply with the demands from the C&D letter in order to avoid expensive and time-consuming litigation which would likely result in an unfavourable outcome.

- d) The official language of the proceedings is Serbian with certain exceptions in respect to the languages of national minorities. In the event that a party does not speak Serbian or where the documents and evidences are presented in languages different from Serbian, the assistance of the Court appointed translators is obligatory.

IMPORTANT MILESTONES OF A TRIAL

a) *First instance procedure and judgment*

The trial must be initiated before the competent courts of first instance. A case is initially introduced when the plaintiff submits the written complaint to the competent court, while the dispute formally exists from the moment when the complaint is delivered to the defendant. The parties may represent themselves or may be represented by an Attorney at Law (there are also several additional exceptions related to representation that are not in the scope of this article).

As soon as the complaint is received, the Court will perform a formal examination of the same, which means that the Court checks whether all obligatory requirements are fulfilled. If a complaint submitted by an Attorney at Law contains formal deficiencies, it will be immediately rejected. On the other hand, if the complaint is submitted by a *pro se* plaintiff, the Court will allow correction of deficiencies, within a certain deadline.

Upon fifteen days of receiving the complaint, the Court will deliver the same to the defendant for a response which must be submitted within 30 days of receipt of the complaint.

Afterwards, the Court will schedule a preliminary hearing. It is an obligatory step of the proceedings, which can be excluded only in certain events, as defined by law. At the preliminary hearing, both parties are invited to state all the necessary facts, to propose evidence, to state an opinion about the allegations of the adverse party and to suggest a time frame for the duration of the proceedings. The law is rather strict about presenting the evidence after the preliminary

hearing is concluded, and late presentation of the same will be allowed only when exceptional reasons exist (e.g., the party was not aware of the existence of evidence when the preliminary hearing was held). Upon the conclusion of the preliminary hearing, the Court will define the time frame of the proceedings and schedule the main hearing.

The main hearing represents the main stage of the proceedings in which the merits of the dispute are discussed. Although intended to be held as one hearing, in practice it is commonly divided into several hearings. At the main hearing, all evidence accepted by the Court in the preliminary hearing will be presented. Additionally, the parties will present their arguments in order to enable the Court to make a conclusion as the basis for the decision.

Regarding the evidence, many various types are admissible (witness testimony, expert opinion etc.), but in most cases the evidence is presented to the Court in the form of written documents. Unless the law provides otherwise, the burden of proof lies with the party which claims the existence of fact necessary for the establishing and/or enforcing of certain right.

When the Court considers that the legal matter has been thoroughly discussed and clarified, so that the decision can be rendered, it will close the main hearing. Upon the closure of the main hearing, the Court will render the judgment. Besides ruling on the merits of the case, the Court will also decide which party will bear the costs of the proceedings.

b) *The Appeal*

First instance judgments can always be appealed by submitting the written appeal within 15 days following the date of delivery of the written judgment. As a general rule, new evidence and new facts may be presented only if the party submitting the appeal becomes aware of such facts or evidence after the conclusion of the main hearing in the first instance proceedings. The judgment may be appealed in respect of both procedural and substantive omissions and errors in the first instance proceedings.

c) *Revision (Supreme Cassation Court)*

A request for revision can be filed with the Supreme Cassation Court (through the Court who issued the first instance judgment) within 30 days after the judgment has been delivered to the party. The revision can be filed due to both procedural and material omissions in the proceedings. However, the list of particular omissions which might be a basis for revision is narrower than the reasons for appeal.

In civil proceedings related to the protection of IP rights, revision is always allowed.

The revision must be filed by an Attorney at Law, otherwise the revision will be rejected. Likewise, the party must be represented by an Attorney at Law during the entire revision proceedings. This is one of the few exceptions when a party cannot represent itself before judicial authorities.

PROCEDURAL COSTS

The costs of the proceedings are, in principle, imposed on the losing party by the Court. However, the Court can waive the costs if the party has no resources or its financial situation cannot endure such costs (upon the party's request). Also, the Court can order only partial payment of the costs in situations where the winning party caused some of the costs, or the costs are inequitable or unjustified. Finally, in situations where the party has partially succeeded in the proceedings, the Court has the liberty to decide that each party can bear its own costs or that each party will bear a certain percentage of the costs.

The official fees are determined in accordance with the Law on Court Fees. The fees in each particular case will depend on the value of the legal matter they are related to. Moreover, the costs differ for civil and criminal proceedings.

Attorney's fees can vary depending on the complexity of the case, its length, the number of activities undertaken, and other particulars of each case. It is therefore recommended to consult with the attorney on all potential costs of the proceedings before initiating the same.

PRELIMINARY INJUNCTION PROCEEDINGS

In cases of urgency, an interested party can seek a preliminary injunction (hereafter: PI), as to provide provisional, but immediate legal protection. The request can be submitted to the competent Court during the proceedings, but also before the proceedings are initiated – under the condition that the complaint will be filed within 30 days of the date when the decision on acceptance of PI has been rendered.

In general, the PI is governed by the Law on Enforcement and Security, but specific rules related to IP rights are governed by specific laws (e.g., Law on Patents, Law on Trade Marks, etc.). The content of the PI differs depending on the type of right.

Notwithstanding the specific character of each IP right, the following are generally the most common forms of PI relief in the Serbian legal system: 1) the seizure or removal from the market of the infringing products; 2) the seizure or removal from the market of the means (equipment, tools) used in the creation of the infringing products, and; 3) the prohibition of the infringing actions.

The party seeking issuance of a PI must demonstrate that it is probable the infringement did occur, or in some exceptional cases (e.g., related to Industrial design) that there is a severe risk for the infringement to occur.

If an appeal is filed against a decision granting a PI, the appeal does not delay the enforcement of the PI.

In exceptional events, the court will allow the issuance of an *ex parte* PI.

CRIMINAL PROCEEDINGS

The criminal procedure is governed by Law on Criminal Procedures. The main characteristics of these procedures are the following:

Unlike in civil proceedings, where only two courts are competent for dealing with IP matters, in criminal proceedings the general rules of competence apply. The first instance courts are divided into the Basic Courts and the Higher Courts, while the second instance tier is divided

into the Higher Courts and the Courts of Appeal. The competence of each particular court depends on the nature of the criminal act and the prescribed penalty for the same.

Criminal proceedings commence with the investigation. The investigating authorities (i.e., Police) conduct the investigation upon the order of the prosecutor and under his or her supervision. In most cases, the injured party has no control over the criminal procedure, but there are certain mechanisms that enable a more active role in the proceedings. The injured party can assume the prosecutor's place in the procedure, as subsequent prosecutor, if the prosecutor withdraws from the case. However, the prosecutor may also decide to continue the prosecution and to re-establish its procedural role.

If the evidence collected during the investigation confirms the guilt of the defendant beyond a reasonable doubt, the prosecutor files an indictment and represents the charge before the competent court.

The court may proceed only upon an indictment: the court may only establish the criminal liability of the person against whom the accusatory instrument was filed, and may only consider acts contained in the instrument. For that reason, the prosecutor is entitled to amend the indictment and the legal qualification of the criminal charges throughout the proceedings.

[last update: 6 October 2021]

SLOVAKIA

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF A TRIAL

PROCEDURAL COSTS

PRELIMINARY INJUNCTION PROCEEDINGS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

Similar to other countries from Central Europe, the laws of Slovak Republic show resemblance to other civil-law jurisdictions.

MAIN PRINCIPLES

The main principles of civil procedure in case of IP disputes can be summarized as the following:

- a) Procedural laws in case of civil disputes are included in Civil Dispute Code No. 160/2015 Coll. as further amended ("Civil Dispute Code" or "CDC").
- b) The adoption of the rules of civil procedure codified in the Civil Dispute Code that came into effect on July 1st 2016, led to quite significant improvement of specialization of IP courts since the only courts dealing with disputes related with industrial property are District Court Banská Bystrica (*Okresný súd Banská Bystrica*) and its appellate court Regional Court Banská Bystrica (*Krajský súd Banská Bystrica*). Unless an industrial property competent is included, for the court cases

related to unfair competition conduct or copyright claims there are three first instance courts – District Court Bratislava I (*Okresný súd Bratislava I*), District Court Banská Bystrica (*Okresný súd Banská Bystrica*) and District Court Košice I (*Okresný súd Košice I*) and their appellate courts Regional Court in Bratislava (*Krajský súd v Bratislave*), Regional Court in Banská Bystrica (*Krajský súd v Banskej Bystrici*) and Regional Court in Košice (*Krajský súd v Košiciach*).

Since the introduction of the exclusive jurisdiction of the courts related to the industrial property, unfair competition and copyrights, forum shopping is basically excluded. If an intellectual property claim is filed at a court lacking the proper jurisdiction, it shall *ex officio* transfer the matter to the competent court.

- c) Albeit it is not required by the law, letter before filing the court action (“letter before action”) is the usual course of action in Slovakia. It is almost always recommended, as it might help to prevent the court proceeding and often leads to earlier and much more cost-efficient solutions of the situation, particularly when considering the length and unpredictability of court decisions. Based on the practice of the court in question, such ‘letter before action’ might actually be considered an act of legal assistance, for which a recovery of attorney fees might be awarded in the judgment. It must be noted though that the decision of the rightsholder to not send any letter before action has no impact on awarding of the recovery of the costs of the proceedings.
- d) From the court enforcement perspective, it is important to note that the Slovak law requires obligatory representation in IP related disputes by an attorney, the exception being a situation when the party is either directly a lawyer with an university law degree or is represented by an employee with an university law degree. Furthermore, any communication of legal persons or parties represented by legal representatives with the courts shall be done by electronic means.

- e) In cases of IP infringement, Slovak law provides the rightsholders with very efficient initial tools that might be used even before the main proceeding is initiated in the form of preliminary injunctions and evidence securing orders. It must be noted though that based on the relatively loose conditions for their issuance, there is a broad liability of the petitioner for harm that might be caused by these measures, and therefore the rightsholders should properly consider whether to request them, especially in borderline infringement cases.
- f) It is fully up to the consideration of the plaintiff whether the preliminary injunction would be requested or not, as the Slovak law does not require filing the motion for preliminary injunction before initiating the main court proceedings. It must be further noted that depending on the circumstances of the case, the Slovak law allows to file the motion for preliminary injunction before the proceedings, as well as during the actual proceedings after the court action on merits is filed. The ordered preliminary injunction therefore does not present any sort of summary or partial judgment; its aim is either to temporarily regulate the legal position of the parties before the final judgment could be issued or to prevent the situation, when the final judgment could not be effectively enforced based on an actual threat to the enforceability of the decision, such as if the defendant transfers its assets.

Under a statutory deadline the court has to decide within 30 days since the motion for the preliminary injunction was filed. Based on the fact that the preliminary injunction might be enforceable upon its delivery to the parties, it could be usually enforced within two months after the motion was filed. When considering the time required for the decision of the appellate court, it usually takes 3–6 months to have a final decision on the preliminary injunction.

Any motion for preliminary injunction shall contain the description of the factual circumstances, which substantiate the preliminary injunction, state the conditions ascertaining the actual infringement claim, which shall be temporarily

protected by the preliminary injunction, and also demonstrate the need for temporary regulation of the legal position of the parties, which usually requires to prove that there is an immediate need to issue the preliminary injunction because of a significant harm that may be caused to the rightsholder if the preliminary injunction is not issued. In cases of IP infringement, the preliminary injunction shall impose on the suspected infringer the obligations to cease and desist from further actions that harm or infringe the IP right of the plaintiff. Depending on the IP right in question, the rightsholder may also request that instead of ceasing with the infringement, the infringer shall place a monetary deposit with the court, which will serve as compensation of damages caused by the infringement. Slovak law allows also to issue a preliminary injunction against a third party, which will not be named a defendant in the main proceeding.

The standards for proving the infringement from the factual standpoint, as well as for proving the legal substance of the infringement are lower than in case of the main proceeding. The court assesses the submitted evidence on *prima facie* basis and in general it is sufficient to prove that infringer's conduct may cause harm without necessarily proving that actual harm is being caused. It must be noted though that certain courts consider the prerequisite of immediate harm also from the time perspective; hence they refuse to issue the preliminary injunctions if it is clear that the petitioner had knowledge about the infringement for a longer period of time, usually exceeding three months before filing the motion of preliminary injunction.

One of the key attributes of the proceeding related to preliminary injunction in Slovakia is that the orders are usually issued *ex parte* and without the knowledge of the defendant who receives the motion only with the actual order upon which the preliminary injunction is issued. The exception is the situation, when the first instance court refused to issue the preliminary injunction and the defendant is provided with the option to submit its statement to the appeal of the petitioner

before the appeal is decided by the appellate court so that the principle of *audiatur et altera pars* is respected. The defendant's lack of knowledge of the proceedings, combined with the statutory deadlines, and the fact that the preliminary injunction is in principle enforceable upon its delivery to the parties even though it might be subject to an appeal, means that it is quite useful tool, especially considering that the main proceeding may take a very long time.

If the motion for preliminary injunction is filed before the main proceeding is initiated the court will set a deadline for the petitioner to file the court action. The period is usually 30 days from the decision on the preliminary injunction is finalised.

Considering the process leading to the issuance of preliminary injunction and its immediate enforceability, and since the extent of the obligations that may be imposed is very broad, Slovak law contains two main precautions to safeguard the interests of the defendants. Firstly, the liability for the harm caused by the preliminary injunction is defined very broadly and it actually exceeds the general liability for damages. It is based on objective principle, where the petitioner is liable for any harm that might be caused to the defendant, if the petitioner is not successful in the main proceedings with the sole exception – the claims of the plaintiff are satisfied before the decision in the main proceeding is issued.

The second precaution applicable in cases of certain, mostly industrial property right infringements is a monetary deposit, which the court may request from the petitioner, and which might be used to compensate the harm caused by the preliminary injunction. The court is also entitled to suspend the enforceability of the preliminary injunction until the deposit is actually placed.

- g) The other pre-trial option in cases of infringement of IP rights, is a special procedure related to the securing of potential evidence. The prerequisites, the procedure and the precautions against the misuse of the order are very similar to

the preliminary injunction. The petitioner needs primarily to ascertain the infringement or endangerment of intellectual property right, the standard to prove the infringement is again lower than in case of the actual main court proceeding. The evidence securing order may be issued against any person that has the evidence in its possession, thus it may be also a person different from the defendant. Also, the extent of evidence that might be secured is relatively broad, as the evidence securing order may be used not only to secure the infringing goods or their samples, but also the material and tools used for their production and distribution, as well as any related documentation, such as invoices and other book-keeping documents that might be relevant for the calculation of damages.

The petitioner shall pay an advance to cover the costs related to the securing of the evidence and, if it is reasonably based on the circumstances of the case, the court may request from the petitioner to place a monetary deposit to cover future harm that might be caused in the process of securing the evidence.

The actual proceeding is *ex parte* and the order is directly enforceable regardless of the fact that it may be subject to an appeal with the law establishing very broad liability of the petitioner for any harm that may be caused in relation to the securing of the evidence.

IMPORTANT MILESTONES OF A TRIAL

a) *First instance procedure*

The structure of the court proceedings in Slovakia is fairly simple, albeit it may take significant time to go through all the required stages. The court proceeding is initiated by a civil action which, apart from the prescribed formal requirements, shall contain the designation of the parties, the full and true description of the factual circumstances, indication of the evidence supporting the claim and the claims that are raised. In principle, the action shall be accompanied by all the

documentary evidence, which is indicated in the action, with the exception if it could not be submitted for reasons outside of plaintiff's control.

If the action meets all the aforementioned requirements it is delivered to the other parties for their statement. If the defendant fails to submit the statement, the court might issue a default judgment, albeit this happens rarely in IP cases. The statement of the defendant is subsequently delivered to the plaintiff who may present further factual assertions and evidence to support his claims and this statement of the plaintiff is served to the defendant who may submit his comments and evidence.

After this documentary stage of the proceeding, the court either summons the parties for a preliminary conference or sets the date for the court hearing.

The court hearings serve primarily to present evidence, as only evidence presented before the court is considered to be the basis for the decision. It must be noted though that if a party does not explicitly oppose factual claim of the counterparty, such claim is considered as undisputed, and it is not necessary to prove it by presented evidence. The number of court hearings depends on the circumstances of the case – there is always at least one, but usually there are more. The frequency of the hearings depends on the case load of the court and the schedule of the judge in question and the period between the hearings spans from about two months to six months.

b) *Judgment*

In principle, the court shall decide the matter on the first court hearing. If the matter is complicated and requires a lot of evidence to be presented before the court, the number of the hearings is usually higher, sometimes even quite significantly. Therefore, a first instance judgment in a simple case can be issued at the first hearing, possibly within 9-10 months from filing the claim. In more complicated cases a first instance judgment can be expected even much more later, within 18 to 24 months, in courts with extremely heavy caseloads even later.

The judgments usually deal with all the claims raised by the plaintiff, albeit Slovak law in principle allows the option of a partial judgment, upon which first the issue of infringement is settled, and only once the infringement is confirmed the particular claims raised by the plaintiff are decided.

c) *The Appeal*

An appeal against the first instance judgment must be filed by the losing party within 15 days following the delivery of the written judgment. All the evidence shall be in principle presented before the court of first instance; the appellate proceeding is therefore usually faster, mostly also without the need of the additional hearing and it takes about 9 to 12 months since the appeal is filed to have the decision.

d) *Extraordinary Remedies*

There are several extraordinary remedies that may be used against a final judgement of appellate court. Within 2 months from the final judgment of the appellate court is delivered, and subject to very strict procedural requirements, the losing party may file an extraordinary appeal that is subject to the decision of the Supreme Court of Slovak Republic (*Najvyšší súd Slovenskej republiky*). A special extraordinary appeal may be filed also by the Prosecutor General under certain circumstances and if no other remedies are available within 3 months after the decision against which the appeal is filed becomes final.

Within 3 months after a party becomes aware of circumstances that justify reopening of the original proceeding (such as new evidence that could not have been presented earlier, decision of European Court of Human Rights, Court of Justice of EU, General Court on infringements caused by the original decision), however not later than 3 years after the decision became final, said party may file motion to reopen the original court proceeding.

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT

In accordance with Article 267 of the Treaty on the Functioning of the European Union also, any Slovak court may (and sometimes must) request from the Court of Justice of the European Union preliminary ruling on the interpretation of the EU laws, where a question on the interpretation of the EU law is raised before the court and a decision on the question is necessary to enable it to give judgment.

The court shall stay the court proceedings, if it files a request for a preliminary ruling before the Court of Justice of the European Union. As soon as court receives the ruling, the court shall resume the proceedings without any motion and decide within the judgment in accordance with the interpretation of the EU law contained in the ruling of the Court of Justice of the European Union.

PROCEDURAL COSTS

Recovery of legal cost is possible when the party is successful in the proceedings, however, full recovery of the spent legal costs in IP infringement cases is scarce. The courts may award only the attorney tariff which is usually lower than the amount actually charged by the attorneys. Also, the calculation of recovered costs is fairly complicated and it is based on success ratio; in which the success of parties are compared based on the difference between the amount of claims raised by the plaintiff and the amount actually awarded in the judgement, thus the plaintiff receives the full statutory allowed compensation only in case of full success in the proceeding.

The statutory defined attorney tariff is calculated based on a lump-sum fee for an act of legal assistance (such as drafting the civil action, obligatory written submission to the court, court hearing, etc.). The tariff is very low in cases of enforcement of IP where no monetary claims are raised (EUR 61.41 per act), however should a claim for compensation of material harm be raised, it is calculated from the claimed amount, hence the tariff might be much higher, even making this fee alternative preferable.

Similarly, the court fees depend on the claims in question too i.e., in case of cease-and-desist or other non-monetary claims the court fee per claim is EUR 331.50, and in case of monetary claim the fee is 6 % of the claimed amount, with the maximum being EUR 33,193.50. The fee for preliminary injunction is EUR 33. The costs of the enforcement might be increased also by the costs of procuring evidence presented by the party and by translation costs, since any submitted evidence shall be in Slovak language. Furthermore, in cases where the court requires certain evidence – such as, when the court appoints and expert to submit their expert opinion, the court imposes on the party requesting said evidence an obligation to pay an advance to cover these costs.

CRIMINAL PROCEEDINGS

Infringement of IP rights in Slovakia could be enforced also in the criminal proceeding since it constitutes also criminal offense. There are however several disadvantages of this enforcement measure related with the limitations of the criminal proceedings, such as high standard of proof and criminal liability only in relation to natural persons. Furthermore, in case trade mark infringement the scope of the criminal conduct is actually fairly limited since it is required to prove the intent of the offender to place the designated goods into commercial circulation, which is usually difficult, if the goods are for instance found in warehouse or during transport.

From the procedural standpoint, the criminal proceeding is regulated by the Act No. 301/2005 Coll. Code of Criminal Procedure, as further amended and it is divided into two stages – the preliminary phase, when the law enforcement authorities - investigating officers either from the Police, Financial Administration, or other investigating bodies under the supervision of the State Prosecutors investigate the criminal case. If sufficient evidence against the perpetrator is collected that proves the committed crime, the State Prosecutor submits the indictment to the court, which ultimately decides about the guilt of the perpetrator and the sanction to be imposed for the committed crime based on the evidence that was presented before the court within the court stage of the criminal proceeding.

[last updated: 19 May 2022]

SPAIN

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF A TRIAL

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT

PROCEDURAL COSTS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

Spanish legislation in the civil area is harmonized since, although each state is free to promulgate their own rules, these must be in accordance and respect the general principles established by the European Union.

MAIN PRINCIPLES

Civil litigation in Spain is subject to the following principles:

- 1) Civil and commercial proceedings are regulated by the Civil Procedure Code.

There is a first instance before ordinary Courts, a second instance through Appeal in front of Regional Courts and finally an extraordinary appeal in front of the Supreme Court, based on procedural infraction or on the infraction of applicable law

to resolve the issue that is the object of the process (Cassation). Extraordinary appeals are not a third-instance.

- 2) According to the economic interest of the procedure, there are two types of civil procedures: a “Verbal” Trial when it is less than €6,000 and an “Ordinary” Trial when it is more than said amount. A Verbal Trial has only one hearing while an Ordinary Trial has a pre-trial hearing and a public hearing.

Regardless of its amount, lawsuits in the area of unfair competition, intellectual property and publicity shall be decided in an ordinary trial except if they exclusively concern amount claims in which case, they shall be dealt with by the corresponding proceeding in function of the amount claimed.

- 3) The jurisdiction corresponds to the civil Courts, but it corresponds to the Mercantile Courts when dealing with complaints related to unfair competition, intellectual property and publicity.
- 4) The process begins with the exercise of one or various actions through a Lawsuit. Said action or actions are initiated by a subject that in procedural terms is deemed an actor or a complainant/plaintiff, who submits to a jurisdictional body a request with the purpose that his position is protected in litigation and his rights or legitimate interests protected. Such a request is addressed to the other subject deemed a defendant who according to the lawsuit disturbs the right or legitimate interest, the protection of which is sought.
- 5) In all civil proceedings, the Judges, Magistrates, Prosecutors, Lawyers, Procurator, Law Clerks and other civil servants at the Courts and Tribunals shall use the Spanish language as the official language of the procedure. Likewise, if the parties do not object, the official language of a specific Autonomous Region may be used. There shall be a translation of all documents drafted in a language that is not Spanish or if the case, the official language of the Autonomous Region in question.

- 6) In the area of intellectual property within an ordinary procedure, the complainant may lay claim as rightsholder the cease and termination of those infringing actions in addition to requesting the appropriate compensation for the damages that have been caused whether economical or moral.

Precautionary measures can be requested before the start of the process in order to urgently undertake the protection of rights and avoid damages which could occur while the judge issues the resolution deciding the process.

- 7) Notwithstanding the rules of Private International Law and those of a special nature, which could be applicable in the specific case, in Spanish legislation the general rule is that in the case of a defendant who is a natural person, the territorial jurisdiction shall correspond to the tribunal of the domicile of the defendant and if there is none in said territory, the tribunal of the place of residence will be considered competent.

Business owners and professionals, in litigation arising from their business or professional activity, may also be sued in the place where said activity takes place and if they had premises in different locations, in any of them at the actor's choice.

Legal entities (companies) shall be sued in the place of their domicile or in the place where relationship to which the litigation refers has arisen or must take effect provided that in said place it has an establishment open to the public or a representative authorized to act on behalf of the entity.

Specifically, for lawsuits concerning infringements of intellectual property the competent tribunal shall be the tribunal in the place in which the infringement has been committed or there exists evidence of commission or in which illegal items are found at the choice of the complainant.

In the area of Unfair Competition, the tribunal of the place where the defendant has their establishment shall be competent and in the absence of this their domicile or place of

residence and when they do not have one within Spanish territory, the tribunal of the place where they have performed the act of unfair competition or where its effects have occurred at the choice of the defendant.

In the area of Industrial Property, the tribunal which is competent shall be that which the Special legislation in this area indicates which determines that the Mercantile Courts of the domicile of the defendant are the ones which are competent.

IMPORTANT MILESTONES OF A TRIAL

In Spain, ordinary trials are handled in the following phases:

d) *First Instance procedure*

First instance procedure is initiated by means of filing a lawsuit in which must appear the identification of the plaintiff and the defendant, their respective domicile or residence for the service of process, the facts, legal bases, and the legal protection requested from the Court.

With respect to the documents that are going to be provided as evidence in the trial, they must be provided with the claim and cannot be provided later, unless the documents are of a later date.

The complaint must be signed by a Lawyer and Procurator.

It must be pointed out that in the ordinary Spanish procedure the intervention of the “procurator” is mandatory. The procurator is a technical representative before the court who among other functions is in charge of the notices between the court office and the party.

Each party of the process (complainant and defendant) has to have a procurator. The procurator is an independent professional. His fees are apart from those of the lawyer.

e) *Acceptance of the complaint*

The Law Clerk (former Judicial Secretary), after verifying that the lawsuit meets the legal requirements, will issue a decree admitting it for processing and ordering its formal notification to the defendant, granting him a period of 20 days to oppose.

f) *Pre-Trial Hearing*

Once the opposition of the defendant have been filed, Law Clerk shall summon the parties for a pre-trial hearing.

In the pre-trial hearing, a settlement or transaction between the parties shall be attempted by the Judge, procedural issues that may prevent the continuation of the process shall be examined, the object of the process shall be established with precision and the evidence in proof of the facts will be proposed and the judge will decide on its admission.

g) *Trial*

Once the evidence has been admitted, the Judge or Law Clerk shall establish the date of the trial, summoning the parties.

The trial will develop through the practice of the evidence admitted, and then formulating conclusions about them verbally.

h) *Decision*

Finally, the Judge, after the conclusion of the trial, will dictate in writing and notify the parties, a resolution that must refer to all the issues submitted to his knowledge and decision.

The periods established by law are not usually complied with by Judges (since the courts are saturated.) Therefore, first instance through an ordinary procedure may take around 1 year to be resolved depending on the Court that handles it.

i) *Appeal (Second Instance)*

The Appeal is the second instance to the review of the judgment of first instance with reference to the factual and legal grounds. Infringement of rules or procedural guarantees may also be alleged.

All the pronouncements of the resolution or only some of them can be appealed. Those that are not appealed will be definitive.

Except in special cases, parties cannot file an appeal, new facts or evidences

The appeal will be filed before the Court of first instance that has issued the resolution that is challenged within a period of twenty days from the day following its notification.

In the filing of the appeal, the appellant must present the allegations on which the challenge is based, in addition to citing the appealed resolution and the pronouncements that it challenges.

If the contested resolution is appealable and the appeal has been filed within the term and meeting legal requirements, the Law Clerk will consider the appeal filed. Otherwise, will inform the Court to decide on the admission of the appeal.

Law Clerk of the Court of first instance will notify the appeal to the other party, granting them a period of 10 days to challenge it.

Once the opposition to the appeal is made, the Law Clerk will refer the proceedings to the regional Court corresponding to the place of the Court of first instance, called Provincial Court (Audiencia Provincial).

The competent Provincial Court will decide on holding a hearing if evidence has been admitted and proposed, and after that will issue the appeal resolution.

j) *Extraordinary Appeals (Supreme Court)*

There is no third instance but some extraordinary appeals before the Supreme Court are possible.

Against the judgments issued in the second instance by the Provincial Courts, an extraordinary appeal may be filed for procedural infraction or appeal based on the infraction of applicable norms to resolve the issue that is the object of the process, the latter called cassation appeal.

The cassation appeal proceeds for the protection of some fundamental rights when the economic interest exceeds EUR 600,000 or when the infringement of the doctrine of the Supreme Court is alleged.

Both extraordinary appeals are in front of the Supreme Court and are subject to strict formal admission requirements.

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT

The preliminary ruling supposes an accessory mechanism of a main litigation, to guarantee a homogeneous application of the Law of the European Union and to avoid different interpretations of the same norm.

Therefore, when a Court has doubts about the interpretation or the legality of any European norm, it will have to raise the issue with the Court of Justice of the European Union (CJEU).

After that, the main proceedings will be suspended and the CJEU will have to resolve the issue, ruling on its validity or on the interpretation of the corresponding community rule.

If the CJEU decides that the norm is null through its response resolution, said norm will be eliminated from the legal system automatically.

PROCEDURAL COSTS

Expenses of the process will be considered those disbursements that have their direct and immediate origin in the existence of said process and costs the part of those expenses that refer to the payment of legal defence (Lawyers Fee) and representation (Procurator), costs generated by experts, advertisements, certifications and similar documents.

Each party will pay the expenses and costs of the process caused at its request, as they occur. But the payment of the costs will be imposed on the party that has seen all its claims rejected, unless the court appreciates, and so reasons, that the case presented serious doubts of fact or law.

The amount of costs to be paid by the losing party is limited to one third of the economic interest of the lawsuit. This limit does not apply when the judge finds recklessness in the exercise of the legal action of the litigant sentenced to pay.

When the procedural costs are not paid voluntarily, there is a special procedure to claim for them.

CRIMINAL PROCEEDINGS

Intellectual and industrial property rights also find protection under criminal law, where different regulations other than civil, rules substantive and procedural aspects.

These regulations are broad and special, so a brief review follows:

Crimes against intellectual and industrial property are regulated in the Spanish Criminal Code. They are deemed as crimes against property.

The rules of criminal procedure are regulated in the Criminal Procedure Act.

Jurisdiction corresponds to special Courts and the process has two phases: Courts of Instruction (competent for the investigation phase)

and the Criminal Courts (competent for the decision-making phase, in which an acquittal or conviction decision is issued).

Intellectual and industrial property crimes have come to be considered public and therefore prosecutable *ex officio*. Therefore, the criminal procedure can be initiated by the public prosecutor but also at the request of the competent authorities, such as the police, and of course by complaint of the injured party.

Crimes deemed flagrant will be processed through a more agile processing procedure.

The criminal conviction entails civil liability (economic compensation of damage) that is regulated by specific civil regulations.

[last updated: 22 August 2022]

SWEDEN

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LEGAL FRAMEWORK

Sweden is a member of the EU and must comply with the legislation and general principles that has been harmonized within the Union. In addition to that Sweden is consistently ranked as one of the most innovative countries in the world; with a traditionally strong high-tech industry the knowledge of procedures, relating principles, and regulation relating to IP and IT matters is therefore rather extensive.

The system is mainly statute-based. The Swedish Code of Judicial Procedure (Sw: *Rättegångsbalken*), together with Law on Patent and Market Courts (Sw: *lag om patent- och marknadsdomstolar*) when cases concern IP matters, regulates both civil and criminal procedures.

Case law constitutes an additionally important part of the system. Sweden, unlike several of the continental law systems, does not have an equally comprehensive civil code and references to case law from particularly the Supreme Court (Sw: *Högsta domstolen*) and the Patent and Market Court of Appeal (Sw: *patent- och marknadsöverdomstolen*) is common. Formally, Swedish Courts are not bound by previous

decisions but in practice these play a valuable role in the majority of the courts' decisions.

GENERAL PRINCIPLES OF CIVIL PROCEDURAL LAW

The Swedish Code of Judicial Procedure constitutes a general framework for all legal procedures and is applicable on IP matters, together with certain specifications under Law on Patent and Market Courts. The main principles of civil procedural law, in relation to IP matters, can be summarized as follows:

- 1) The principle of disposition entails that the Courts may undertake a certain procedural document only on the request of one or both parties. This implies that it is the parties that control the procedural frame and that the responsibility of bringing relevant material to the procedure lies upon the parties. The framework of the material brought by the parties binds the Court. This is mainly an effect of the extensive freedom of contract.
- 2) The principle of negotiation essentially entails, similar to the principle of disposition, that the parties control the procedure. In this aspect it is of importance that the parties are active in the courtroom and provides the relevant inquest for the case. There is however a possibility of blocking (Sw: *stupidstock*) for the Courts, especially if they consider a party showing tendencies to prevent the process from progressing. When a judge consider that the parties has developed their case sufficiently, parties can be prohibited to present new evidence and arguments in order to ensure a more efficient process. In a so called soft blocking the Court may declare the preparation of a case complete at a certain time, regardless of whether a party prevents the process from progressing. In such scenario a party may only bring in evidence or circumstances if (i) the party has a valid excuse for not bringing it forward earlier and (ii) the proceeding will not be delayed to any significant extent if the new evidence or circumstance is allowed.

- 3) The principle of orality – the hearing shall be oral. Essentially the factual presentation and pleading should also be conducted freely, however, references to written pleas and documentary evidence is often permitted and encouraged. In relation to COVID-19 the Courts have significantly increased their digital communication in court proceedings and thus, participation on video-link is now permitted. Cases in the Patent and Market Court may also be decided after written proceedings, but this is used in exceptional cases.
- 4) The principle of immediateness entails that a judgement can only be based on information presented during the main hearing.
- 5) The principle of concentration implies that the main hearing should be conducted without undue delay and in one concentrated context, as far as possible. Depending on the workload of the Court and the complexity of the case the time required may vary.
- 6) The principle of publicity – proceedings in the court shall be public. This principle is of great importance and can be found in Swedish law as well as under Article 6 in the European Convention on Human Rights. Some exceptions can however be made, for example parts of or the whole proceeding may be behind closed doors. There is also a prohibition for audio and video recordings.

THE COURT SYSTEM

a) *Three different types of Courts*

The civil court system in Sweden consists of, largely speaking, three types of courts.

- The General Courts (Sw: *allmänna domstolar*) – handling mainly criminal and civil cases, as well as family-related cases.

- The Administrative Courts (Sw: *allmänna förvaltningsdomstolar*) – primarily handling cases related to disputes between a public and a private party.
- Other specialized courts (Sw: *specialdomstolar*) – handling cases relating to special parts of substantive law.

Since 2016 there is a specialized IP Court, the Patent and Market Court (Sw: *patent- och marknadsdomstolen*), along with its second instance of appeal, the Patent and Market Court of Appeal. Essentially all matters relating to IP law, marketing law, and competition law fall under the Court's exclusive jurisdiction. This includes:

- Trade mark registration and the granting of patent.
- Damages and fines due to trade mark infringement.
- Misleading or unfair marketing.
- Anti-competition (antitrust) fines and prohibition of business concentration.
- Patent nullification.
- Cases and matters regarding information injunction and investigation of intrusion.
- Criminal cases relating to intellectual property.

If a claim does not fall under the jurisdiction of the Patent and Market Courts, due to a predominantly administrative nature for example, it is referred to either the District Court, the first instance of General Courts, or the Administrative Court, the first instance of the Administrative Courts.

A claim regarding an IT matter may fall under the jurisdiction of the Patent and Market Courts if there is any relation to IP. If not, it will fall under the jurisdiction of either the General Courts or the Administrative Courts. There is however no specialised IT Court.

b) *Alternative dispute resolution (ADR)*

For the parties there is no obligation to undertake mediation or arbitration before a case is brought to court unless the parties have contractually agreed to do so. There are however no requirements on parties to mediate under Swedish law, and the court therefore has no

power to impose any kind of sanction on parties that refuse to. If the failure to mediate is in breach of the parties' prior agreement to do so a party may take it up in court as a breach of contract, but the initial issue will be brought to litigation.

The courts do have a duty to encourage the parties to settle the dispute (and reach a settlement if possible), unless it is inappropriate, and can order a mediation to take place as part of the court proceedings. If the parties fail to reach a settlement agreement the case can still be litigated or arbitrated.

Mediations, conducted under the Mediation law, are confidential and the settlement agreement is enforced as a contract. The settlement agreement may be requested to be enforced as an arbitral award or court order, depending on the rules of mediation, which can differ depending on the context in which the process is initiated. A mediation initiated before legal proceeding are commenced is governed by the Mediation Law, and a mediation that starts after litigation has been commenced is governed by the Code of Judicial Procedure.

c) Evidence

A general rule is that all evidence is admissible in the proceedings. The Court may however refuse evidence that (i) constitutes a circumstance that a party provides to prove is without importance for the case, (ii) the evidence provided is unnecessary or evidently without effect, or (iii) the evidence could be provided in another way with considerably less cost or effort.

d) Burden of proof

As a general rule the claimant must prove that the defendant is guilty of the accusations made. For civil law liability the burden of proof may however shift. For example, in relation to copyright infringement and an allegedly infringing product strikingly similar to the claimant's copyright work, the Supreme Court has established that the defendant

must prove with a certain degree of probability that it is a an independently created work in question.

IMPORTANT MILESTONES OF A TRIAL

First instance proceedings take about 12 to 18 months. There is a special shorter and more flexible procedure for “small claims cases”. The subject matter can in these cases not exceed half of the price base amount (SEK 26,750 for 2023) and is therefore rarely used in matters relating to IP or IT. Usually civil enforcement of IP rights is initiated through cease-and-desist letters, and if there is no response a party may initiate civil action.

a) The initiation of the case

Although it is not a requirement, it is of good practice and a general rule to send a warning letter regarding claims before a legal action is initiated. This applies to members of the Swedish Bar Association as well as the claimant. Though, there are some specific requirements of action when initiating a case, especially regarding IP matters. For example, if a licensee initiates an infringement action that person is required to inform the patentee in advance.

Cases regarding IP matters are many times initiated through an application for summons filed at the Patent and Market Court, or at another first instance court regarding other matters. Regarding IP matters it is often an appeal of a decision announced by an authority, for example the Patent and Registration Office. Within the requisite time limit the defendant then files a statement of defence, which follows by further exchange of pleadings. The Court may decide at what time the parties must finally determine what facts and evidence that they intend to invoke, normally one to two months before the hearing. If new circumstances or evidence arise, and there is a valid excuse to why these has not been invoked earlier and that such will not delay the proceedings significantly, that information may be used anyway (see above about soft blocking).

A preparatory hearing is usually held in order to resolve procedural

aspects. If a party fails to appear at the preparatory hearing a default judgement can be issued against that party.

b) Main hearing

The judges in the Patent and Market Courts have specialized legal expertise within the field of IP, and may be supplemented by financial and technical experts, so called technical judges. The number of judges and other experts vary in different types of cases, but the general principle is that both types of judges should attend, and if there is no need for certain technical expertise cases may only consist of legal expertise. There are no juries in Swedish civil procedures.

The presentation of evidence at the trial is based on the principle of immediacy. Parties present their claims, respond to claims from the opposing party, present the evidence, and present motions for reimbursement of their costs relating to the litigation. Witness statements may be used in commercial cases. If both parties agree, and the Court does not find it inappropriate, these can be in writing only. If a party use expert witnesses these must be presented for main and cross examination at the hearing (digital participation may be allowed).

Proceedings are conducted in Swedish, but it is possible to engage an interpreter to assist when a case consist of foreign parties or witnesses. Regarding documents submitted to the Court the general rule is that these should be in Swedish, but the Courts may allow English documentary evidence. If the Court orders a translation of a document this must be presented, and if a party fails to comply the Court can disregard that specific document.

c) Judgment

A written judgment must be presented within two weeks from the end of the main hearing, unless there are special circumstances that effect the possibility of such. Delay is quite common due to the complexity of a case or the amount of work the Court has and judgments may not be presented until five weeks, or sometimes later.

There is a strong principle of public access to official records in Sweden. Judgments as a whole are public documents, available for the public on request. The Official Secrets Act (Sw: *Offentlighets- och sekretesslagen*) may however permit parts of a judgment to be classified, for example information regarding trade secrets.

d) Appeal

Judgments by the Patent and Market Court may be appealed to the Patent and Market Court of Appeal. A precondition for the Patent and Market Court of Appeal to initiate a complete review of the case is that the Court grants leave to appeal. Judgments by the District Court may be appealed to the Court of appeal, and judgements from the Administrative Court may be appealed to the Administrative Court of Appeal.

Judgments from the second instances may not be appealed, if not specifically admitted with regards to the case forming a precedent. Criminal procedure, in general, does not require leave to appeal. Appeals may under these circumstances be made to the Supreme Court or, regarding judgements from the Administrative Court of Appeal, to the Supreme Administrative Court.

Appeal proceedings usually take about 12 to 15 months, appeal of preliminary injunction take about two to three months.

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT

Although Sweden has a strong high-tech industry with knowledge of procedures, relating principles, and regulation relating to IP law, the final instances in the national court system are obligated to request a preliminary ruling if the interpretation of either case law or regulation is unclear. The CJEU's core function is to guide national courts when the issue and EU law is not entirely clear.

PRELIMINARY INJUNCTION

Preliminary injunction in cases related to IP is possible both on an *ex parte* and *inter parte* basis, even though *ex parte* injunctions are rare. An injunction application can be submitted together with, or after the filing of, the summons application. Imminent infringements, attempts, as well as preparation can be granted if the claimant can show probable cause that an infringement has or is about to occur and that it can be reasonably expected that this will cause a diminish in the value. The application for a preliminary injunction is usually heard on a written submission basis and although the defendant generally must be given an opportunity to respond an injunction can be issued on a without-notice if delay would result in a risk of damage.

LAWYERS' FEES AND PROCEDURAL COSTS

When initiating a case there is a court fee of SEK 2,800 (approx. EUR 275). Litigation cost can then vary highly due to how complex a matter is, and what part of law it is regarding. Attorney's fees can vary depending on the complexity of the actual case and the activity of the parties but are rather expensive in Sweden.

As a main rule in Swedish law, the losing party must reimburse all the litigations costs of the winning party, including attorneys' fees, compensation for witnesses, and in appeal cases. Compensations may be adjusted if the Court finds it necessary.

CRIMINAL PROCEEDINGS

Criminal procedures operate under principally the same rules. The public prosecutor could institute a criminal proceeding if the party affected by an infringement file a complaint, or the proceeding is justified on the grounds of public interest. Commencement of a case may vary depending on what type of right is in question. For example, regarding copyright infringement a case can be initiated at the request of a rights holder or an authority if the matter is of public interest. For

patent and trade mark infringement it is required that the rightsholder files a report and states an offence along with the matter being of public interest. The standard of proof is thereto higher than in civil proceedings, the prosecutor must prove beyond reasonable doubt that the defendant is guilty of the alleged crime.

In criminal proceedings the qualified judges are usually accompanied by a jury (Sw: *nämndemän*). They decide the case together and qualified judges and juries has, thus, the same voting rights.

The first instance of a criminal IP case is the Patent and Market Court. Leave to appeal is not always a requirement, only to review a judgment where a defendant as a single sanction has been fined, or if the defendant is acquitted of a crime where the sentence is less than six months. A criminal case can be appealed to first the Patent and Market Court of Appeal and then to the Supreme Court with leave to appeal, if it can form a precedent.

[last updated: January 2023]

SWITZERLAND

LEGAL FRAMEWORK

MAIN PRINCIPLES OF PROCEEDINGS

LEGAL REMEDIES AGAINST THE JUDGMENT

COSTS OF LITIGATION

ARBITRATION

LEGAL FRAMEWORK

Switzerland has 26 cantons (states). Each canton has established its civil courts (first and second instance) for the jurisdiction in the area of the Swiss federal civil law. All civil law in Switzerland is federal law. Cantonal law is limited to the public sector, for which the federal constitution did not give the legislative competence to the Federation (e.g., tax law for the cantonal tax). Before 2011 each and every canton had even its own procedural law for the application of the federal civil law. However, on January 1st 2011, the new Swiss Code of Civil Procedure (CCP) entered into force and replaced the 26 civil procedural laws of the cantons.

The new CCP applies to all civil matters that are in dispute before Swiss courts; there is, however, one exception: For proceedings before the Swiss Federal Supreme Court the procedure applies according to the Swiss Federal Supreme Court Act, which was enacted already in 2005. The organization of the cantonal courts is still in the competence of the cantons.

The Swiss Federal Council (Government) has submitted on February 26th 2020 the draft for a comprehensive revision of the CCP to the Federal Parliament. The major objective of this revision is the improvement of the practicability of the CCP. The Council of States (parliamentary Chamber representing the 26 States) has debated and

voted on the proposed revision on June 16, 2021. The National Council (parliamentary Chamber representing the people) will debate and vote on the revision of the CCP in spring 2022. After the adjustment of the differences between the two Chambers, the revised CCP will finally be enacted in the course of 2022 and then put into force.

Therefore, the following explanations are based on the CCP in its original version, in force since January 1st 2011.

MAIN PRINCIPLES OF PROCEEDINGS

1. Where can a suit be filed? The plaintiff now has the right to choose, whether to sue the defendant at his domicile/seat or at the place of performance of the characteristic service. The place of performance is where the service that characterizes the contractual obligation in question has to be carried out. The characteristic service is the action that comprises the typical attribute of the respective contract type. As an example; the development of a software provider in case of a software development contract is the characteristic service. The remuneration for the software development (the obligation of the customer) is not regarded as characterizing the service. The place where this performance is to be done is normally stipulated in the agreement.

In practice, agreements on jurisdiction are very important: the parties specify in their contract - usually in advance - which court shall have jurisdiction over their dispute case. As in the past, the stipulated court and the choice of the law that governs the agreement must be identified in a precise manner. The stipulated court cannot deny its jurisdiction, but must accept the case. A contractual arrangement on jurisdiction is valid if it can be proven by text; this includes a respective “click” of agreement in a website.

2. In order to reduce the workload of the courts and facilitate the parties’ first step in the legal arena, proceedings must, as a matter of principle, be preceded by an attempt of conciliation or mediation.

Requests for conciliation or mediation disrupt the statute of limitations; this is only the case with mediation, if the mediation is requested from the official conciliation authorities.

However, for disputes which are heard only before one cantonal court (e.g., the commercial court for commercial cases), there is no possibility to attempt a conciliation. This has the consequence that the disruption of the statute of limitations requires the filing of the formal suit instead of a conciliation request.

3. The court has a large degree of flexibility with structuring the proceeding. Depending on the amount in dispute and the complexity of the case, either a simpler or a more detailed proceeding can be ordered. A civil case begins with a written statement of claim followed by a written statement of defence. Then the case continues with oral arguments at the beginning of the hearing phase. If less than CHF 30,000 is in dispute, parties may present their respective positions by oral statements. However, the court can also order a second exchange of written submissions and, moreover, summon the parties to a preparatory hearing prior to the main hearing. Because the court has considerable freedom in how the proceeding is to be conducted, for example, the parties cannot know at the beginning of the proceeding what the deadline is for their presentation of allegations, the facts and the corresponding evidence for submission.

LEGAL REMEDIES AGAINST THE JUDGMENT

1. Essentially any decision handed down by a cantonal court of first instance can be challenged before a higher cantonal court (Cantonal Court of Appeal or Cantonal Supreme Court), after which it can go before the Swiss Federal Supreme Court. An exception, however, applies for commercial courts (that exist e.g., in the cantons of Zurich, St. Gallen and Bern) and for actions in specific areas of law (such as intellectual property law). The decisions of these commercial courts of the cantons must be appealed directly with the Swiss Federal Supreme Court.

2. The CCP has two principal legal remedies: the appeal and the request for setting-aside; the three further remedies of revision, interpretation and correction do not play an important role. Both the appeal and the request for setting-aside must be filed with the appellate instance within 30 days, in writing and with arguments. The deadline may not be extended. This means that a party which has not

been successful before the first instance must decide within short notice whether to challenge the lower court's decision before the higher cantonal instance. The relatively short deadline of 30 days from the issuance of the lower court's decision is not the only challenge to be considered: If the lower court issues its decision without giving written reasons, the losing party must request written reasons within 10 days, without which the law assumes that the right to challenge the decision before the higher court has been waived.

3. The main difference between the appeal and the request for setting-aside is that the appeal is intended for cases with an amount in dispute of at least CHF 10,000, whereas the request for setting-aside covers cases below that amount as well as decisions concerning the enforcement of civil judgments. Decisions handed down during a first instance proceeding are subject to appeal if they are actually procedural or substantive interim decisions (e.g., the dismissal of a plea under the limitation of actions). To the contrary, procedural orders are - where applicable - to be challenged through a request for setting-aside.

COSTS OF LITIGATION

The costs of litigation consist of the court fees and the attorneys' fees. The cantons are competent to regulate these fees. Thus, the CCP has not standardized the cost of litigation.

The court can demand an advance of the court fees from the plaintiff up to the presumed amount, and - on request of the defendant - to secure the attorneys' fees if the plaintiff has its domicile/legal seat outside of Switzerland. The security can be in cash or as a guarantee of a bank or an insurance company established in Switzerland. If the advance or the security is not performed within the deadline set by the court the action is – after a period of grace - dismissed.

For the costs of taking of evidence the court demands also the respective advance; if it is not paid in due time the taking of evidence is ceased.

Normally the court decides on the costs of litigation in its final decision; the losing party has to bear them, unless the court decides otherwise

under certain circumstances listed in the CCP. If the case is settled by an agreement before the court the cost of litigation is distributed according to the proportion of the agreement.

For proceedings before the Swiss Federal Supreme Court the costs of litigations are regulated in the Swiss Federal Supreme Court Act.

ARBITRATION

1. Important especially for disputes in commercial matters, Arbitration has a high importance. The CPP concerns itself not only with civil litigation before state courts, but also with the procedure before private arbitral tribunals established in Switzerland between parties who are residing in Switzerland.

2. It is certainly not a surprise, that arbitral proceedings are different from proceedings before a state court, in particular, the parties have the right to determine the composition of the arbitral tribunal (with members whom they trust) and even to define the procedural rules. And what is most important, a decision of an arbitral tribunal has the same legal binding effect as a final and enforceable decision by a state court. Another key difference is that arbitration proceedings are not conducted in public, but behind closed doors. It is exactly this confidentiality that arbitration is often the preferred way of settling disputes arising from commercial agreements, which the parties wish to keep confidential.

3. When the parties agree on arbitration, they are not bound to the inflexible rules of the CCP but can instead specify the procedural rules of the arbitration. Very often the parties adopt the procedural rules of an existing arbitration institution. Within the limits of mandatory procedural rights (such as equal treatment and due process) the arbitral tribunal determines the details on how to conduct the proceedings in close coordination with the ideas of the parties.

4. The arbitral decision (award) is only and exclusively subject to an action for annulment by the Swiss Federal Supreme Court. However, only in very exceptional cases the Swiss Federal Supreme Court is in a position to annul an arbitral award. The Swiss Federal Supreme Court does not verify as to whether the arbitral tribunal made the right

material decision; even an arbitral award that is erroneous is overruled only in instances when it would lead to arbitrary results.

[last updated: 3 December 2021]

LEGAL FRAMEWORK

MAIN PRINCIPLES

IMPORTANT MILESTONES OF A TRIAL

REVISION

COSTS AND FEES

PRELIMINARY INJUNCTION PROCEEDINGS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

Law of Procedure in Türkiye consists of civil procedure, administrative procedure and criminal procedure, legislative sources of which are based on the European systems. For instance, the Code of Civil Procedure (“HMK”¹⁰⁶) was legislated as per the Civil Procedure of Neuchatel Canton (Switzerland) and has been entirely renewed in 2011. Criminal Procedure Law (“CMK”¹⁰⁷), entirely renewed in 2005, is based on German criminal procedure (the criminal code was taken from Germany); whereas the Law of Administrative Procedure (“İYUK”¹⁰⁸) was legislated as per French administrative law and is still being subject to alterations in accordance with the day’s circumstances and in order to comply with the development in the European *acquis*.

National factors, such as traditions, culture, previous Supreme Court decisions and previous State Council decisions for administrative

¹⁰⁶ Law no. 6100, published in the Official Gazette of Türkiye No. 27836, came into force on October 1, 2011

¹⁰⁷ Law no. 5271, published in the Official Gazette of Türkiye No. 25673, came into force on June 1, 2005

¹⁰⁸ Law no. 2577, published in the Official Gazette of Türkiye No. 17580, came into force on January 20, 1982

actions, shape the overall concept of the law of procedure hence the legislations sustain national characteristics, rather differently than their source codifications, especially in terms of their applications in practice.

MAIN PRINCIPLES

- 1) Regarding the first instance in civil law actions; a case may either be subject to “written trial procedure” (serial procedure), which is the main rule for civil procedures, or to “simple trial procedure” (proceedings in oral) which is applied by, but not limited to, the labour courts (i.e., compensation claims deriving from employment relations), civil enforcement courts (i.e., opposition to the enforcement officer’s treatments, cancellation of a tender), courts of consumer rights and cases that shall be seen before civil courts of peace.
- 2) In general, a person does not need to send a warning letter via a notary public in order to obtain the right to start an action. However, in some cases, proving of plaintiff’s bad faith is mandatory, an example of which is *action negatoria* that covers the disputes deriving from the rights in *rem* for real estates. In such cases it is necessary to first send the warning letter via a notary public and wait for the notified party to act in accordance with the warning. If the party does not act, an action can be started by using the warning letter as important evidence.
- 3) In terms of first instance litigation, all civil courts (commercial court, court of cadastre, IP court, consumer rights court, civil enforcement court, court of peace and the court of first instance) have one judge, whereas in criminal actions there is a panel of three judges in high criminal courts and one judge in the criminal court of first instance and the court of peace. Administrative courts are differently associated when compared to civil and criminal courts. There shall be one judge if the monetary claim is above the limit determined for the relevant year (171,000 Turkish Lira – approximately EUR 8,355

- for 2023) and three judges if above the monetary limit. Same limit applies for claiming a hearing before the court.

- 4) When starting an action, the parties submit their evidence. The first petition of the claimant, along with the evidence, must be duly delivered to the defendant(s) and the legal fees of the trial must be paid by the claimant; or the cause of action shall be deemed incomplete. Petitions submitted to the court must be delivered to both parties until all petitions (bill of claims, bill of replies, bill of replications and bill of duplications) are duly collected by the judge, along with the evidences.

As for administrative procedure, it is a cause of action to send the bill of claims to the defendant(s). Legal fees must also be paid or the litigation shall not start, the amount of case numbers shall not even be determined.

- 5) Following the assessment of all evidence and statements, the Court of First Instance decides on the substance of the conflict at hand, and both parties have the right to first-degree appeal this decision before the Higher Court, which is generally the Regional Judicial Court. The time limitation for appealing depends on the type of litigation. (e.g., 2 weeks for commercial law cases, for labour law matters, etc.)

In administrative cases, though, if the decision is given by a one-judge court, the name of the further action shall be “opposition” before the Regional Administrative Court. If the decision is given by three judges, then the parties may appeal the decision before the State Council.

Decisions of Regional Courts can be subject to an “appeal” process before the Higher Courts, i.e., the Court of Appeal (for civil cases) or the State Council (for administrative cases). However, some decisions cannot be subject to a final appeal due to legal restrictions within the decision procedure. Most striking cases are mainly decisions given on employment claims, decisions given by civil court of peace, although there are certain exceptions to this rule.

Decisions of the State Council for administrative cases can also be subject to an appeal if and only if the revision claims fall within at least one of the points mentioned expressly in “İYUK” (administrative trial procedure act).

A further instance is “Renewal of Judgment” procedure, which can only be requested should there are newly obtained evidences, which was not possible to obtain during the trial, that shall strikingly change the fate and result of the trial concluded previously. This remedy is very rare but still an important remedy.

Another last instance is judgment of the finalised decision before the Constitutional Court. This does not count as a trial instance, for the nature of bringing an action before the Constitutional Court necessitates breach of constitutional rights of the applicant party.

IMPORTANT MILESTONES OF A TRIAL

a) *First instance procedure*

In terms of civil law procedure, judgment starts before relevant local courts as the first instance. The case opens with the submission of the claimant’s first petition and payment of the official judgment fees. Following this the court shall start collecting the petitions and evidences and decide whether the preliminary examination shall be made with a hearing or not. After evaluating the legal courses of the action and the preliminary objections of the parties, the court starts to examine the matter of substances. If the defendant duly opposes to the action by reason of expiration of the legal time period for the claimant to start the action, the whole case can be rejected due to procedural matters, prior to the court’s examination of the matter of substance. Therefore, the procedure law rules are of vital importance for lawyers.

Although every attorney must be recorded with the bar association of only one city, all attorneys can represent their clients before all Turkish

civil courts, by reason of being recorded also with the Union of Bars of Türkiye.

As per administrative cases, administrative trials start with submission of claimant's petition and payment of legal fees. If a wrongful action of the administration is received or faced with, the trial must be started within 30 days before the tax court following the official receipt or occurrence of the taxation action and 60 days before the administrative courts following the official receipt or occurrence of the administrative action.

b) *Judgment and further Appeals*

In terms of civil law procedure, parties can appeal the decision before the Regional Court of Appeal.

Once the local court gives its decision on the case, there may either be an appealing period or not¹⁰⁹. The appealing period starts either after the pronouncement of the verdict or after official receipt thereof by the parties.

There are different legal periods for different jurisdictions; the appealing period for civil court of first instance and commercial courts is 2 weeks, whereas it is 10 days for civil enforcement decisions, 2 weeks for labour court decisions and civil court of peace decisions¹¹⁰. Nevertheless, the Lawmaker is introducing the rules for making these legal periods as "in tune with each-other as possible".

The period to reply to appealing claims is 2 weeks following the receipt of the appealing petition of the appealing party. Different appealing grounds may also be stated in addition to the reply. This procedure is called "appealing via merger".

¹⁰⁹ There are some actions that are not appealable at the first degree, before Regional Judicial Courts should the matter of dispute is below 17.830 Turkish Liras, as mentioned on article 341 of "HMK".

¹¹⁰It shall be noted that, after the establishment of "court of appeals" this period shall apply for applications to court of appeals whereas appealing before the Supreme Court period shall be one month instead.

The Regional Judicial Court examines the appeal claims and the decisions it may give are “approving” of the local court’s decision; “reverse” of the whole judgment by indicating the grounds thereof should the case in hand was not properly tried and need to be addressed again by the Court of First Instance; or “cancel” the given decision and “grant a brand-new decision”. In this respect, the Regional Judicial Courts have more room when reviewing a case and verdict, whereas The Supreme Court can either approve fully or by rectification, or overturn to the prior Court.

If the Regional Judicial Court reverses the decision, the file case then goes back to the court of first instance (or “local court”) in order for it to re-assess the case within the frame of Regional Judicial Court’s evaluation and decision. At that stage, generally the Regional Judicial Court’s decision is final. If not final and if the Court of First Instance insists on its own decision, then the case can go before the Supreme Court should these decisions are appealed against, by the parties.

At this stage;

- a) If the local court decides to insist on the first decision and if this decision is also appealed, this time the case goes to the Supreme Court Assembly of Civil Chambers. The decision given by the Assembly is definitive and binding.
- b) If the local court accepts to comply with Supreme Court’s decision, the court shall follow Supreme Court’s ruling and this second decision of the local court can also be appealed before the Supreme Court and the procedure continues.

If, however, the Supreme Court approves the decision, there is no remedy for re-appealing this decision. However, if the conditions are met, this decision can be subject to “revision of decision” requests.

As per criminal actions (described also under sub-heading no.6); the 7-day appeal period starts either after the pronouncement of the verdict or after serving of it to parties’ addresses (i.e., official communication). The Supreme Court of Criminal Chambers examines the appealing claims and may “approve” the decision of the local court; it may “reverse” the whole judgment by indicating the grounds for reversing

it; or it may “rectify” the decision, meaning “approving the decision by rewriting the reasoning” e.g., by correcting the grounds without changing the result thereof. The rest is similar to civil law procedure. The appealing of criminal actions is examined by the “Penal Department” of the Court of Appeal.

As per the administrative law actions, the local administrative court (tax court or administration court) decisions shall either be opposed to before the District Administration Court or be appealed before the State Council. The period to oppose to a decision before the District Administration Court or the State Council is thirty days following the date of receipt of the decision.

APPEAL (PRIORLY “REVISION”)

Following the first-degree appealing stages on civil procedure, the decision given by the Regional Judicial Court may be subject to a final “appeal” procedure before the Supreme Court. The legal time period to apply to this remedy is 2 weeks following the definitive decision of the Regional Judicial Court.

COSTS AND FEES

The losing party must bear the legal court fees and the attorney(s) fees. If both parties win and/or lose to a certain extent, the court decides on an attorney fee according to the winning proportion, thus both parties bear attorney fees of the other party. The court fees and the attorney fees are calculated on the basis of the litigation type and value. The calculation of attorney fees is based on a ‘minimum fee tariff’ officially determined every year by the Union of Turkish Bar Associations and published in the official gazette of Türkiye. In this respect, the parties are not awarded other attorney fees (i.e., the fees that they agreed to pay separately to their lawyers).

PRELIMINARY INJUNCTION PROCEEDINGS

In Türkiye claiming preliminary injunction is a common approach especially when the claimant has some belief that the defendant may transfer the property right of the object of litigation to a third party

which causes the claimant to be unable to gain the utility expected from starting the litigation. Preliminary injunction shall be requested from the authorised court which also be the court the litigation is before. The court can decide, even *ex parte* and before the preliminary examination, often on the date the claimant's petition is examined, on imposing a preliminary injunction. If the decision on preliminary injunction is given *ex parte*, without hearing the other party/parties, then the other party/parties may oppose to this decision in one week following the date of receipt of the decision. Also, in case there are third parties whose rights are breached by reason of this decision; those third parties may also oppose to this decision (following the date of discovery/cognition).

If the court decides to perform the preliminary examination via a hearing and serves both parties the date of this hearing, then the oppositions to such an injunction shall be considered during this hearing. If the court decides to revoke such an injunction, the defendant has a claim for compensation for his loss.

CRIMINAL PROCEEDINGS

As per the criminal law procedure, commencement of trial starts with the bill of indictment of the prosecutor (if there is no decision of non-prosecution), at the relevant local courts as first instance. Once the local court gives its decision on the case, there may either be an appealing period or not, that is to say, should the prosecutor give the "decision for non-prosecution" then the person of interest (the suspect) shall be released, and he/she shall not have any criminal records because of this prosecution. If the prosecutor drafts the bill of indictment, the hearing procedure starts, and the legal name of the suspect becomes "perpetrator" (alleged criminal). Depending on the type of the crime, the alleged criminal shall be tried before a criminal court of peace, criminal court of first instance or high criminal court, either with or without arrest.

Certain criminal sanctions are also available in commercial law, enforcement law, administrative law, IP law and IT law, which are legislated separately within their own acts and/or regulations.

The high criminal court consists of three judges, including a chief judge. In criminal courts of first instance and high criminal courts the hearing prosecutor takes place nearby the panel of judge(s). Following some period of collecting evidences, arraignment, witness' sworn statements and such and prior to the judgment of the court, the prosecutor gives his/her opinion as to the accusations and the court may or may not follow this opinion.

As a general rule the decisions of criminal court are appealable. The party who believes the decision shall be overruled must appeal the decision in 7 days following the announcement (if that party attended to the hearing in which the decision was given) or duly serving of the verdict. If the Supreme Court decides to return the judgment by indicating the legal approach to be taken by the first instance court, then the judgment shall be carried on according to this decision. If the first instance court insists on its decision and if this decision is also appealed by a party, the case shall be examined by the Supreme Court Assembly of Criminal Chambers.

The decision of this Assembly is a definitive and abiding. Unlike the civil law procedure parties cannot apply for a "revision of decision" procedure against the decision of the Assembly. However, the Chief Public Prosecutor may oppose to the decision of the Assembly, which is an extraordinary legal remedy. In practice the party who would like to trigger the chief prosecutor to apply for this remedy drafts a petition addressing the Chief Prosecutor.

[last updated: 23 January 2023]

THE NETHERLANDS

LEGAL FRAMEWORK

GENERAL PRINCIPLES OF CIVIL PROCEDURAL LAW

TWO TYPES OF CIVIL PROCEEDINGS

MILESTONES OF THE CIVIL LAWSUIT

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT OF JUSTICE

LAWYERS FEES

DAMAGES

EVIDENCE IN CIVIL PROCEEDINGS

CRIMINAL PROCEEDINGS

LEGAL FRAMEWORK

The judicial process is one of those matters which has been only harmonized a little within the European Union. Each member state, including The Netherlands, is relatively free to set the rules for procedures conducted before its national courts. However, states must act in accordance with the general principles, issuing, in particular, from the European Convention on Human Rights.

GENERAL PRINCIPLES OF CIVIL PROCEDURAL LAW

The main principles under the Netherlands civil procedural law can be summarized as follows:

- 1) Most civil proceedings require the preparation of written position. Even when the law allows itself to be limited to oral considerations, it is recommended at most times to file, in addition, written evidence.

- 2) In civil matters, each party must notify the other in writing, in principle at the beginning of the proceedings, regarding the pieces of evidence on which the legal action is based. The risk of a last-minute surprise or of a hidden item, discovered during the hearing, is relatively low in the Netherlands.
- 3) Civil proceedings in the Netherlands are initiated either by writ of summons (*dagvaarding*) or by petition (*verzoekschrift*). In that respect a distinction is usually made between contentious and voluntary jurisdiction of the courts. There are no clear criteria by which both types of jurisdictions can be distinguished. As a rough-and-ready rule one could say that contentious jurisdiction covers the matters in which the court has to resolve a dispute between parties, while voluntary jurisdiction sees to matters in which the court is requested to grant a general provision or an appropriate measure.
- 4) In civil proceedings there are special legal measures available for plaintiffs to obtain provisional relief affecting property of debtors in order to acquire security for judgments to be issued. A distinction must be made between a *conservatoir beslag*, i.e., protective measures by attachment which anticipate a later judgment and *executoriaal beslag*, i.e., enforcement measures by attachment to be taken after the judgment has been obtained. As a result of the requirements (2011) for the petition for attachments, it has become somewhat more difficult, costly and time-consuming for a creditor to lay an attachment on the assets of its debtor: A creditor is required to provide more information and background to the case (and earlier proceedings), before it will be able to obtain leave from the competent judge to lay a conservatory attachment. Recent developments in Dutch legislation and case law regarding the attachment of assets have continued in this vein and have additionally ensured that the plaintiff should choose the intended objects of attachment carefully.
- 5) Under Dutch law, a party is required to submit documents and information (whether electronically stored or not) if and in so far as they relate to a specific legal relationship (tort, contract); are described with sufficient specificity by the party requesting

the submission and are in the possession of the party that is being asked to submit them (*exhibitieplicht*).

- 6) The adversarial principle is the basic guideline in civil law proceedings; unilateral measures are the exception. Unilateral measures are those taken at the request of a party, without the judge hearing the other party. They are generally reserved for cases in which the judge recognizes that the element of surprise is necessary (i.e., *ex parte* injunctions in IP matters). Sometimes, it is extreme urgency that justifies the assumption of 'surprise', but it is relatively rare (it must be demonstrated that the urgency is such that it is necessary to derogate from the fundamental principle of adversarial proceedings in court).
- 7) There is a significant difference between substantive proceedings on the merits and preliminary proceedings. Substantive proceedings on the merits are basically intended to definitively decide the dispute (subject to a party making an appeal). In preliminary proceedings, the judge does not decide the dispute but has the power, under certain conditions, to arrange a provisional situation. Preliminary *injunction* proceedings are increasingly common, especially in cases related to IP and innovation. This is one of the first things to check, because if this is the case, there is no time to lose.

TWO TYPES OF CIVIL PROCEEDINGS

All civil proceedings in the Netherlands are conducted before professional judges. Jury trials do not exist in The Netherlands. In the context of IT/IP disputes the following types of proceedings are common: preliminary proceedings (*kortgeding*) and substantive proceedings on the merits (*bodemprocedure*). For patent cases, there is also a specific type of proceedings on the merits available, i.e., 'accelerated proceedings on the merits' (Versneld Regime in Octrooizaken (VRO)).

a) *Preliminary proceedings*

In general, preliminary proceedings are the manner in which IT/IP disputes are litigated in The Netherlands. The plaintiff needs to have

and assert an urgent interest for preliminary relief for the matter to be admissible in preliminary proceedings. In general, trade mark or copyright infringement in fact imply an urgent interest. The plaintiff first sends a draft of the writ of summons to the District Court. The court will then set a date for oral argument, taking into consideration the schedule of the court and the schedules of the counsel(s) (to an extent). Usually, a hearing will be scheduled within two to eight weeks after the writ has been submitted. The proceedings are started by serving the writ of summons upon the defendant.

At the hearing, both parties can argue their case and it is only at that occasion that the defendant has to present the true scope and nature of its defence. Preliminary proceedings take place before one judge only, and only allow for preliminary measures to be awarded. The nature of preliminary proceedings is informal, and the judge has large discretionary powers, in particular in matters of evidence. Evidence is primarily in the form of documents that have to be submitted to the court before the oral hearing. As a general rule, live testimony by witnesses is not available in preliminary proceedings. A judgment can be obtained within approximately 2 to 3 months from the date of the writ of summons.

Please note that TRIPS and the Dutch Code of Civil Procedure provide that the plaintiff will have to start substantive proceedings on the merits within a “reasonable period” after an injunction has been obtained in preliminary proceedings, failure of which will lead to the lapse of the judgment. When taking a preliminary injunction, the preliminary judge determines the “reasonable period” for bringing the claim to the substantive proceedings on the merits (frequently 6 months after the preliminary injunction). However, in many cases parties reach a settlement after preliminary proceedings in order to avoid lengthy proceedings on the merits.

b) *Substantive proceedings on the merits*

In regular substantive proceedings on the merits each party will have the opportunity to file procedural documents. The plaintiff will file a writ of summons and the defendant a statement of defence.

At the judge's discretion the parties will have to appear in court (to provide more information and/or to try to reach a settlement) and/or will have the opportunity to file further briefs. Once all briefs have been filed the court can schedule oral pleadings on the request of either party. If the court is of the opinion that parties have had sufficient opportunity to orally discuss the case during a prior personal appearance it may decide not to schedule oral pleadings. Oral pleadings are usually held 12 to 18 months after the start of the proceedings and a judgment can then be expected within 6-12 weeks from the date of the oral pleadings. The court may persist a judgment if it suits her.

MILESTONES OF THE CIVIL LAWSUIT

a) *Competence of the court in first instance*

It is important to consider which court has jurisdiction. The Netherlands is divided into eleven districts, each with its own court. The district courts are made up of a maximum of five sectors. These always include the administrative sector, criminal sector, the civil sector and the sub-district sector.

- The “absolute competence” (*absolute competentie*) refers to the type of court which has jurisdiction to deal with the lawsuit. In first instance, as a rule, the district court has jurisdiction. The court of appeal has jurisdiction in appeal cases. The national Supreme Court has jurisdiction in cassation cases. As from the 1st of July 2011, the sub-district court of the district court (*sector kanton van de rechtbank*) has jurisdiction with regard to claims with a maximum of EUR 25,000. Furthermore, the sub-district of the district court deals with some specific cases – regardless of the amount of the claim, such as cases involving rents, hire purchase, consumer purchase and employment. The civil sector of the district court (*civiele sector van de rechtbank*) handles cases not specifically allocated to the sub-district court.

- The “relative competence” (*relatieve competentie*) refers to the region in which the dispute must be brought to justice. The main rule is that the competent court is determined by the domicile of the defendant.

It happens that a dispute involves several countries. This is even more true when the internet comes into play. The first thing to do is to identify the country in which the proceedings have to be introduced (in defence, the attorney-at-law should check also the means of challenging the jurisdiction of the court, if necessary). The issue is regulated by European legislation, but that legislation is complex.

b) *Written pleadings in first instance*

In principle, it is the plaintiff who initially produces a writ of summons (or petition). The defendant responds. The plaintiff may further respond (if the case is complex and permitted by the court) and so on.

The writ of summons (or petition) must contain the date upon which the case will be submitted to the court and a thorough description of the claim. It must also identify evidence, including prospective witnesses, to substantiate it. The summons must also contain a description of the defendant’s counter arguments if known. The reason for this is to concentrate litigation as much as possible. In The Netherlands, it is common to hand in the exhibits on the first scheduled date on the “role” (*eerste roldatum*). This is an administrative action at the courts and not a “real” oral hearing. If the defendant is outside the EU, there are deadlines to allow him to take knowledge of the existence of a trial and organize himself taking into account the distance.

Under the Dutch professional rules for attorneys-at-law (*advocaten*) it is not allowed to issue a writ of summons without first summoning the other party separately. Only when a matter is of such importance that this earlier summoning cannot be waited for, this general rule does not apply.

Whenever pleadings (*processtukken*) are exchanged, they must be accompanied the exhibits (contracts, correspondence, statements etc.) referred to therein, unless these exhibits have been previously

submitted. These exhibits are an important part of the evidence in civil proceedings.

Deadlines are set early in the process, and it is extremely difficult to change them later. This has the advantage of predictability, but the rigidity of the system is sometimes excessive.

In The Netherlands, the processing of the pleadings may be assigned to a judge who takes care of this matter only (*rolrechter*). This has the advantage of flexibility. If a problem arises, the judge may decide on it immediately.

In principle, motions (*incidenten*) challenging the jurisdiction of the court and to join an indispensable third party (impleader) must be filed before presenting the defence; a counter claim must be initiated together with the statement of defence, otherwise these rights are barred. Third parties who can demonstrate sufficient interest, may intervene before the last document is filed.

c) *The oral hearing in first instance*

After defence and counter claim, the court will set a date for oral hearings, unless the judge managing the case finds it necessary that both parties file a reply and rejoinder. This only happens when a matter is complicated.

During the oral hearing, at which parties have to appear in person with counsel (no counsel is needed in proceedings before the sub-district court), the judge either tries to encourage parties to settle the matter (which happens in approximately 50% of all the cases) or sets a date for final judgment or an interim judgment requiring further documentary evidence or testimony by witnesses or experts. In more complex cases, i.e. patent cases, the judge may consent to oral pleadings before judgment. At the oral pleadings, the attorneys-at-law may submit their oral notes to the court (and they will be part of the case files).

d) *Judgment in first instance*

After the hearing, the lawyers will receive the written judgment, often by post or electronic transmission. This may take a few weeks or

months (or even more than a year), depending on the number of cases to be treated, their complexity and the potential urgency.

In preliminary IP proceedings and IP proceedings on the merits, a court may impose an injunction on the infringing party to refrain from any further infringements. The court may also order a recall of infringing products, publication of a rectification, supply of information regarding the infringement, such as the identity of customers or suppliers of infringing products and the details of such transactions. These court orders will be given under penalty of a fine. In proceedings on the merits the court may, in addition, order the infringing party to pay damages or surrender its profits made.

Once a judgment is rendered in a civil matter, its execution within the European Union is facilitated by the adoption of a number of directives that arrange recognition of decisions in the European Union.

e) *Appeal at the court of appeal*

Most of the time, an appeal can be made. The appeal proceedings are to be regarded as “new proceedings”. The proceedings follow the same principles as set out above. As of the 1st of April 2021, limits have been set on procedural documents in appeal proceedings. In principle, the procedural documents in appeal must be limited to a maximum of 15 or 25 pages, depending on the type of document. Parties may submit a request, for example due to the legal or factual complexity of the case, to submit a procedural document of a larger size. In cases concerning patents, a different maximum size applies, namely of 36 or 60 pages, depending on the type of document. In patent cases, too, parties may request permission to submit a more extensive procedural document.

Despite rumours, it has never been demonstrated that having won or lost in the first proceedings has any impact on the chances of success at appeal.

f) *Cassation at the national Supreme Court*

The appeal in cassation is relatively rare. The Supreme Court is not concerned with the facts and does not say who is right or wrong. It will only verify that the procedure has been followed, and that the judge

has applied the law correctly. If not, the Supreme Court will overturn the court of appeal's ruling and may refer the case back to the court of appeal. The appeal in cassation is therefore not a matter of re-hearing the case, contrary to what occurs on appeal.

THE PRELIMINARY RULING QUESTION BEFORE THE EUROPEAN COURT OF JUSTICE

In disputes involving technology, IP and/or innovation, the rules are very often derived from a European directive or regulation.

When a judge in a national court has doubts as to the exact scope of a European directive or regulation or questions the compatibility of national legislation with the European statute from which it is derived, the judge has the opportunity to ask one or several questions to the Court of Justice of the European Union.

There is only one Court of Justice for the European Union, located in Luxembourg. It is the sole authority to interpret a European directive or regulation. In principle, all lawyers are admitted to plead before the Court. However, it is recommended to hire someone with some experience of this specific procedure.

In its considerations, the Court will not decide the dispute submitted to it. It will only inform the judge of the national court on the exact scope or meaning of the directive or the European law in question and tell the judge whether national law is compatible with it. However, the Court does occasionally give clear indications as to how the judge may apply the Court's interpretation in the present case. It will then be for the judge of the national court that has asked the question(s) to settle the dispute, in strict interpretation of what has been laid down by the European Court.

LAWYERS FEES

At the end of the proceedings, the judge has the opportunity of imposing all (only in IP matters i.e., copyright, trade marks, patents and trade names) or part (in other matters) of the defence costs of the winning party on the unsuccessful party. In IP matters the court is relatively free to decide which costs are to be considered as realistic. The amounts vary from case to case – simple and complicated. To

increase predictability of the cost risk for all parties in IP matters, indicative rates (*indicatietarieven*) have been established by the Dutch Bar Association. In September 2020, also indicative rates for patent matters have been introduced. In other civil matters a base rate (*liquidatietarief*) applies, and the judge may only increase or decrease this to some extent to take into account the specificities of the case. The basic amount is determined according to the claim that is at stake.

DAMAGES

In substantive proceedings on the merits the court may award damages or order the defendant to surrender its profits (i.e., in case of trade mark infringement).

For example, in IP matters, these are only awarded if the defendant can be held responsible for the IP infringement and/or has acted in bad faith.

In preliminary proceedings, it is not possible to claim damages (generally speaking). It is only possible under certain circumstances to receive an advance payment for damages or surrender of profits.

Case law on the calculation of damages has not been very well developed in The Netherlands. If damages are awarded a party is entitled to compensation of actual damages, but determining these damages is in most cases not an "exact science". In this regard, it is important that Dutch courts tend to take a conservative approach towards the calculation of damages. Awarding punitive damages or awarding double or triple damages is not possible under Dutch law. Alternatively, one can ask for the surrender of profits made by the infringement, but determining these profits can be a cumbersome exercise as well.

Against this background, most IP cases are about obtaining injunctive relief and not about damages.

EVIDENCE IN CIVIL PROCEEDINGS

a) *Burden of proof*

As a general rule, the burden of proof in proceedings on the merits is primarily on the plaintiff, i.e., the party that claims a particular position.

For example, it is up to the plaintiff to sufficiently clearly assert the scope of his trade mark right and how the defendant is infringing on that trade mark. To prove ownership of the trade mark - in principle - an extract of the trade mark register would be sufficient.

If the defendant claims that the trade mark is invalid because of non-use after five years from the registration of the trade mark, the plaintiff will have to provide evidence of genuine use or of a valid reason for non-use.

In case of copyright cases with a foreign author the plaintiff also has to provide evidence that the copyright also existed at the time of creation under the foreign law system.

However, Dutch law is relatively lenient in distributing the burden of proof between the parties in litigation. Principles of reasonableness and fairness will primarily determine which party has to produce certain evidence.

The same applies in preliminary proceedings except for the fact that parties do not have to submit indisputable evidence, but parties have to make their assertion sufficiently plausible.

b) *Discovery of documents*

Most evidence used in litigation in The Netherlands is in the form of written evidence. Generally, the concepts of "discovery" of documents (as in the United States of America) or "saisiecontrefaçon" (as in France) are not available under Dutch law. However, Dutch law imposes a general obligation on parties to present the facts that are relevant for the decision fully and truthfully.

Under Dutch law, a party with a legitimate interest can request the court to order the opposing party to submit certain documents

concerning the legal relationship of the parties. The attorney-client privilege is not affected by this provision.

c) *Language*

In The Netherlands, judges do not like pieces of evidence written in a foreign language. In principle, documents in English, German or French, do not have to be translated. The court may require a translation if it deems translation necessary or desirable for the handling of the case, also considering the interests of other interested parties. If there is correspondence or contracts to be produced in court in another language, they must, in principle, be translated into the language of the proceedings. Otherwise, one risks seeing the piece of evidence altogether excluded from the proceedings in court. On the other hand, most of the time, a simple translation should be sufficient (mostly, it is not necessary to use a sworn translator).

d) *Witnesses*

In practice witnesses only play a role in proceedings on the merits and not in preliminary proceedings. Witnesses will not be heard at the trial itself. Witnesses can be heard within the framework of ‘pre-trial’ depositions, which can be conducted prior to or during the proceedings. Witness depositions take place before a judge who has the lead in the questioning of the witness.

The judge drafts a statement that summarizes what the witness has declared. In most situations testimony is only taken after an interim judgment in proceedings on the merits. In that judgment the court indicates on which particular issues it needs further evidence. Witnesses usually do not play a role in infringement cases.

e) *Experts*

The parties can submit reports by party appointed experts. The parties can also ask the court to appoint independent experts, either within the framework of a pre-trial expert’s report or at a later stage after an interim judgment has been rendered. In such an interim judgment the

court indicates on which issues it wants advice from experts. The parties will be heard on the appointment of experts.

CRIMINAL PROCEEDINGS

Criminal proceedings (public law) operate under different rules. Without going into the details of these specific proceedings, we can report the following main thrusts:

On the level of evidence, the suspect has not much to do. Once the criminal authorities are notified of a complaint, they will organise the investigation and take the necessary measures. This has a significant advantage in terms of costs. On the other hand, this shows once again the loss of control of the suspect in relation to their complaint.

The investigation is conducted by authorities who are neutral in principle. They will instruct on uptake and completion. The prosecutor and the investigating judge (*rechtercommissaris*) do not judge, they investigate. Once the investigation is complete, they pass the case to another judge who will make a judgment after having heard the parties at a public hearing.

In general, the investigation is confidential. Depending on the circumstances, this confidentiality may even be opposed by the parties that are involved. Whether you are suspect, it is often difficult to know in which direction the investigation is moving. Moreover, regular leaks in the press are to be deplored. In sensitive cases, this means that one must be always ready to respond in terms of communication.

When a case involves both a criminal investigation and civil or commercial proceedings, it is the criminal investigation which takes precedence (in principle). Civil proceedings will normally be suspended while the criminal investigation is ongoing.

As a result of the workload of the investigators and also the frequency of cases that involve several countries, it is not uncommon for criminal proceedings to last for several years. They may also be dismissed (*geseponeerd*).

[Last updated: 31 January 2023]

UNITED KINGDOM

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INTRODUCTION

This note provides a summary of the way in which IT and IP claims are handled in the English courts. Unlike most other European legal systems, it is important to remember that:

- there is no Civil Code in England.
- English civil law consists of Parliamentary legislation and decisions of the courts.
- English courts interpret legislation and are normally required to follow decisions by the same or higher courts.

THE COURT SYSTEM

Civil courts are divided between the High Court (dealing with larger and more complex cases in excess of £50,000) and County Courts. The High Court is divided into 3 divisions:

- Queen's Bench Division – dealing with mainly commercial and contractual claims which includes IT disputes being heard by the Technology & Construction Court (TCC).
- Chancery Division – dealing with IP and company law disputes.

- Family Division.

Appeals from all Divisions are heard by the Court of Appeal (normally 3 judges) and on particularly important legal issues a final appeal is possible to the Supreme Court (5 judges). Matters are also sometimes referred to the European Court of Justice for guidance when an interpretation of EU law is required.

KEY PROCEDURAL RULES & STAGES

a) *Generally*

Since 1998, the Civil Procedure Rules (CPR) govern all litigation in the English Courts, including IT and IP claims. The CPR aimed to harmonise and simplify English litigation procedure in order to:

- ensure cases are handled justly.
- speed up litigation.
- reduce overall costs.
- deal with cases proportionately given the amounts at stake.

b) *Pre-Action*

Parties are now required to act reasonably in exchanging information and documents in order to try settle disputes before starting formal litigation; there are also special rules applying to particular types of disputes setting out the procedure parties are expected to follow (“pre-action protocols”). Failure to follow these rules or acting unreasonably risks the courts imposing sanctions on the offending party: costs sanctions are common which means that some of the other party’s legal costs will need to be paid or, the offending party will be denied some or all of its legal costs from the other party, even if it wins.

c) *Proceedings in the High Court*

The stages are as follows:

- the claim – the Claimant issues a claim form setting out the key elements of the claim and facts relied upon (but not the evidence) and serves it on the defendant; a fee is payable depending on size of the claim.
- the defence – the Defendant then has to indicate whether it accepts or contests the claim – if the latter, it will need to serve a defence (normally within 28 days); the defence is a vital document – if weak, the Claimant can try to have it “struck out”, i.e., ask the court to decide in favour of the claimant on the basis that the defence has no legal prospect of success; failure to serve a defence in time will also allow the claimant to enter a judgment in default; as the usual rule in English proceedings is that the loser pays the winner’s legal costs, where a Defendant is confident of defeating a claim and it appears that the Claimant may be unable to pay the Defendant’s costs, the Defendant can ask the court to order the Claimant to provide security for costs as a condition of continuing its action.
- additional court documents may be served seeking to clarify each party’s position.
- case management – the courts are increasingly active in managing cases to ensure that: issues are identified early, a trial timetable is agreed, unnecessary costs are not incurred by the parties and that the parties try to settle the dispute by alternative dispute resolution.
- attempts to settle the dispute – whilst offers to settle the dispute can be made at any time, there is clearly an advantage to do so as early as possible to minimise overall costs; the CPR allows either party to make a written offer (“Part 36 Offer”) to settle and if the other party refuses it and recovers less from a trial, the refusing party will suffer adverse costs orders and/or higher interest payments; in addition, the court’s active case management includes encouraging settlement through mediation and, where parties unreasonably refuse to do so, have penalised this behaviour through costs orders in favour of the other side.

- disclosure of documents – each party is required to disclose to the other side documents which: (i) it relies on; (ii) adversely affects its own case; and (iii) adversely affects or supports the other party’s case; disclosure applies to all documents (including confidential or electronic documents and other materials) and the only documents which do not need to be disclosed are those covered by legal professional privilege (normally this will be genuine settlement negotiations and legal advice relating to the litigation); disclosure is wider in scope than in most civil law countries and is often a key stage in the action as the strength of a claim is often much clearer after all relevant documents have been disclosed.
- witness statements – in order for a party to give oral evidence at trial, it needs to disclose this in a witness statement; these statements will be exchanged by the parties several weeks before the trial date; at trial, all witnesses may be questioned on their statement by the other side’s lawyer to help the judge form a view of the evidence given.
- expert evidence – this will often be required in IT and IP disputes and can be given with the Court’s permission; experts need to be independent and they have an overriding duty to the court rather than their instructing party; it is normal for each party’s experts to prepare a report and meet to discuss their reports to identify where they agree and disagree in advance of the trial; if a trial proceeds, experts are likely to give evidence and to be questioned by the other party’s lawyer and the judge: it is vital to select a true “expert” who is reasonable and honest in his approach as the English courts have been highly critical in the past of experts who have adopted a “hired gun” approach and not been independent.
- trial – all IT and IP cases are heard by a single judge (no juries used); although legal arguments and evidence is submitted orally to the court, the judge will normally have read each party’s summary of its case, key documents, witness statements and expert reports before the trial begins; each party’s lawyer states its arguments to the judge and calls witnesses and experts relied upon and the trial ends with each

lawyer summarising its case and the legal arguments it relies on; generally, the judge does not make his own investigation but may ask each party to clarify its position; the court's judgment is normally given at a later date allowing the judge time to consider all the issues and arguments presented.

- appeals – the appealing party must obtain the permission of the High Court or the Court of Appeal and permission is only granted in certain circumstances; appeals tend to be much shorter than the original trial given that witnesses and experts do not normally appear and the Court of Appeal will normally accept the facts as found by the trial judge; the appeal will focus on questions of law and whether the trial judge made a serious mistake on a legal issue or finding of fact.
- costs – English courts have a wide discretion to award legal costs at the end of a trial: normally, the losing party will be ordered to pay the winner's legal costs, and this normally means that 60-70% of its actual costs will be paid.
- enforcement – where a Defendant does not make payment as ordered by the court, the Claimant can use procedures such as seizing and selling assets belonging to the Defendant or take a charging order over the defendant's property or commence insolvency proceedings on the basis of the unpaid judgment debt.

SPECIFIC ISSUES RELATING TO IT DISPUTES

Most IT claims relating to the design, supply and/or installation of computer/IT systems will be heard in **the TCC**, which is part of the Queen's Bench Division. Features of the TCC include the following:

- as the TCC judges have technical/scientific experience, TCC cases need to be technically complex or otherwise need a TCC judge.
- the TCC is based in London and 11 other English cities – London normally only deals with claims valued at £250,000 or more.

- active case management in relation to setting a trial date and timetable and identifying the key issues involved (trial dates are normally 12 months or so after the claim is served but depends on estimated length of the trial).
- as well as promoting mediation and other forms of Alternative Dispute Resolution (ADR), it also offers Early Neutral Evaluation, which is a non-binding, without prejudice, written evaluation of the dispute by a TCC judge at an early stage of proceedings; the judge giving the evaluation will not take any further part in the proceedings if they continue to trial and the evaluation is confidential to the parties.

Protecting Evidence. In many IT disputes, it is important to ensure that non-documentary materials are preserved as they will be highly relevant. For example, there may be claims that early versions of software were riddled with errors evidencing a breach by the developer – copies of these versions need to be preserved for possible inspection by experts. Accordingly, either written undertakings need to be given by the other side promising this or formal court orders obtained.

Preliminary Issues. Litigation relating to technology projects is often time-consuming and expensive due to the large number of documents that need to be checked and reviewed. In addition, many IT cases in practice turn on whether or not the supplier's limitation of liability clause is enforceable or not, which could drastically reduce the level of damages awarded. As a result, it may well make sense to have certain "preliminary issues" such as the validity of a limitation clause decided by the court before the trial as this often leads to a claim being withdrawn or a settlement being negotiated, saving overall time and costs. Similarly, the court will sometimes order a "split trial" where the initial trial only determines if the claim succeeds and a later trial concentrate on the damages payable (which can be a highly complex and expensive exercise).

Disclosure & The Smoking Gun. As all relevant documents relating to a claim need to be disclosed, care should be taken to ensure that the other side has disclosed everything that it should: for example, if there is a claim that the other side's staff lacked key skills or performed badly, it will be useful to check any internal appraisals to see if any

shortcomings were identified and there may also be internal reports created which shed light on the allegations made; equally, it is important to ensure that any new documents created relating to litigation are protected by litigation privilege so that they do not need to be disclosed at all.

Specific Issues relating to IP Disputes

In the High Court, IP disputes are heard in the Patents Court of the Chancery Division, following the general procedures set out above. Although this allows IP cases to be analysed thoroughly by judges with IP experience, it can be expensive and for major patent disputes it is generally reckoned that each party's costs will be in the region of £1m.

IP Enterprise Court (IPEC). In an attempt to reduce costs for small and medium sized IP claims that do not need to be heard by the High Court, **IPEC** has been introduced which replaces the old Patents County Court. It is designed to reduce costs and speed up the litigation procedure and its main features are:

- a multi-track procedure in which damages awarded by the court are capped at £500,000.
- the winning party cannot recover more than £50,000 costs from the losing party.
- the procedure is managed very actively by the court to ensure that a larger, richer party cannot take an unfair advantage over the smaller party.
- cross-examination is limited and trials cannot last for more than 2 days.
- trials to be held within 12 months of the start of a claim.

It is reckoned that a party's costs in relation to fighting a claim in the IPEC multi-track are £100,000 to £200,000.

Disclosure in IP Cases. The English rules can be very useful, particularly in multijurisdictional disputes. In **Dansico v Novozymes** (a patent case concerning methods of making animal feed), Dansico were trying to

revoke Novozymes' patent in several EU countries on the grounds that it was obvious and not novel.

Dansico was successful in obtaining details of Novozymes' experiments on making animal feed which showed that the patented method did not always improve the prior results obtained, which was a prerequisite for the granting of the patent.

The English court gave permission for the evidence to be used in parallel proceedings at the European Patent Office with the result that the patent was also revoked in Germany, Denmark and The Netherlands

[Last updated: 2018]

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