

Deutsche Vereinigung
für gewerblichen Rechtsschutz
und Urheberrecht e.V.

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Proposal for a Directive of the European Parliament and the Council on criminal measures aimed at ensuring the enforcement of intellectual property rights of 26 April 2006, COM/2006/0168 final

Dear Madams and Sirs,

The German Association for Intellectual Property and Copyright Law (GRUR) is a scientific association; its statutory purpose is both to foster the scientific training and development concerning the law of intellectual property and the support of the legislative organs with regard to legislation in the respective area. The association unites members of all occupational groups, lawyers, judges, academic scholars, executives of the specific public authorities as well as of the competent ministries dealing with the respective questions and further representatives of businesses.

On the above-mentioned proposal in the draft version dating from 26 April 2006 we would like to comment as follows:

1. The German Association for Intellectual Property and Copyright Law (GRUR) does regard the proposal as an expedient measure to complement the sanctions provided for by Directive 2004/48/EC. As the European Court of Justice has

acknowledged the competence of the European Communities with regard to criminal law, no objections are brought forward against the exercise of this competence for the regulation of criminal protection of intellectual property rights. The Association in general welcomes the proposal of the directive, but does propose some minor modifications.

2. Recital no. 9 (in the draft version of 26 April 2006) is in need of an extension. According to this recital the institution of measures may not be made dependant on activities of the injured person. In this respect an amendment mentioning the demand for prosecution appears necessary, as the investigation of the prosecution authority may neither depend on such a demand for prosecution. The demand for prosecution and the report of an offence are in fact two different and independent requirements.
3. Criminal investigations convey factual findings concerning the offence and the persons involved in such offence. The injured party has a legitimate interest concerning these findings in order to assert his claims in civil litigation or in order to apply for provisional measures under national law. Thus it is desirable to grant the injured person access to the files of the criminal inquiry in all the Member States. This right of access to the files should be exercised by a lawyer or by a patent lawyer. As far as the advancement of the inquiries is no longer endangered by such measures, it should encompass the authority to make copies of the files of inquiry of both the police and the prosecution authority.
4. Art. 5 (1) of the proposal for a Directive is problematic from a German point of view, since the highest possible terms of imprisonment and fines are provided there, which fall short of the German status quo. Thus, for example, the draft Directive provides a maximum penalty of four years imprisonment for acts that were carried out in connection with a criminal association and accordingly in which a health hazard or a security risk may be feared, while in the relevant German laws for the protection of intellectual property, through the Product

Piracy Act [*Produktpirateriegesetz*], the highest penalty in the case of commercial actions was increased to five years in order to underline the punishability of product piracy. While the draft Directive grants the Member States the possibility optionally to set the highest penalty of four years even higher, however, such a regulation at the European level would be a signal in the wrong direction and an abandonment of priority for Germany. The German Association is therefore of the view that the maximum term of imprisonment of four years provided for all Member States in the draft Directive should be increased at least to the German level of five years.

From the point of view of the Association, it continues to be problematic that the imposition of the terms of imprisonment and maximum fines is restricted to the cases with a particular risk potential and the committal of the act in connection with a criminal association. As a rule, providing documentary proof of the definitional element of a "criminal association" is very difficult. It would be more expedient and more effective to draw on the criteria of commercial viability as a ground for intensifying the penalty for the maximum penalty/penalties along the lines of the German legal position.

Besides the standardization of the maximum penalties, ultimately, a harmonization of minimum penalties at a relevant level should also be tackled in this Directive in order to set a clear example against acts of piracy and counteract measures taken to make light of these.

5. The Member States should remain free to enact provisions concerning criminal sanctions with regard to offences of intellectual property rights on a non-commercial scale. This is of particular importance with regard to copyright law.
6. Also, the possibility of an extended authority to confiscate offending goods provided in Art. 6 of the Directive should not be coupled with a particular risk potential or the committal of an act in connection with a criminal association (see

above Item no. 4., although the draft Directive in this regard chooses a somewhat more open formulation than in connection with the maximum penalties).

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