

Policy Paper PP09/11

Commission report on implementation of enforcement directive

Introduction

The Federation represents IP intensive companies in the United Kingdom - a list of members is attached. Our member companies are extensively involved with IP in Europe and internationally. Not only do our companies own considerable numbers of IP rights, both in Europe and elsewhere, but they are affected by the activities and IP rights of competitors. They may be either plaintiffs or defendants in IP related court actions, here and elsewhere.

The consultation

The Commission held a <u>consultation</u> on the Commission Report on the enforcement of intellectual property rights from 11 January to 31 March 2011. A number of responses have been received to this, including one from the UK Government. Their response can be accessed on the IPO website at:

http://www.ipo.gov.uk/pro-policy/policy-enforcement/policy-enforcement-civil.htm

IP Federation comments

The IP Federation welcomes the UK Government's response and supports the points it makes. In this regard we would also make the following points:

- 1. The enforcement directive is not about counterfeiting and piracy; it is about IP enforcement generally. The Commission must beware of making changes to the Directive which attempt to deal with counterfeiting and piracy but which have economically undesirable consequences outside that context, for instance -
 - (a) increasing the practical value of invalid patents; and
 - (b) encouraging patent trolls.
- 2. The report acknowledges the challenges that have arisen in recent years with regard to the Internet and digital technologies. We support the Commission's view that the Directive was not designed with these challenges in mind.
- 3. The Commission has not yet been able to conduct a critical economic analysis of the impact of the Directive. Even so, any recommendations on how to proceed must not be hurried, and generalised proposals that do not apply to all circumstances must not be made.
- 4. The Report highlights a number of areas that it suggests require attention. We believe that any new work, especially legislative measures,

- should be based on concrete evidence that current enforcement measures are not working.
- 5. In particular, the 2004 Directive refers only to civil enforcement. We are opposed to the creation of new criminal sanctions within the current EU framework: clear separation between measures on civil and criminal enforcement needs to remain, and any recommendations should limit themselves to the field of civil enforcement.
- 6. In relation to damages, we believe that anything that changes the current UK provisions would be wrong.

Conclusion

The members of the IP Federation trust that full consideration will be given to the highly pertinent remarks that the UK Government has made in its response to the Consultation.

IP Federation 21 April 2011

IP Federation members 2011

The IP Federation (formerly TMPDF), represents the views of UK industry in both IPR policy and practice matters within the EU, the UK and internationally. Its membership comprises the innovative and influential companies listed below. It is listed on the European Commission's register of interest representatives with identity no: 83549331760-12.

ARM Ltd AstraZeneca plc Babcock International Ltd BAE Systems plc BP p.l.c. British Telecommunications plc British-American Tobacco Co Ltd BTG plc Delphi Corp. Dyson Technology Ltd Eli Lilly & Co Ltd ExxonMobil Chemical Europe Inc Ford of Europe Fujitsu Services Ltd GE Healthcare **GKN** plc GlaxoSmithKline plc Hewlett-Packard Ltd IBM UK Ltd Infineum UK Ltd Merck Sharp & Dohme Ltd Nokia UK Ltd **Nucletron Ltd** Pfizer Ltd Philips Electronics UK Ltd Pilkington Group Ltd Procter & Gamble Ltd QinetiQ Ltd Rolls-Royce plc Shell International Ltd Smith & Nephew Syngenta Ltd The Linde Group UCB Pharma plc Unilever plc Xerox Ltd