



IP Enforcement in the Digital Environment

**Regional Meeting
on the Enforcement
of Intellectual Property Rights
September 11-12, 2013
Belgrade, Serbia**

Xavier Vermandele

Senior Legal Counsellor, Building Respect for IP Division

1. Intermediaries on Internet

- Specificities regarding the liability of intermediaries on Internet
- Who's concerned? Internet service providers (ISPs); auction sites, search engines, social media.
- “Safe harbour” principles
 - e.g.:
 - **EU**: e-commerce Directive 2000/31/EC – Section 4 (*“Liability of intermediary service providers”*)
 - Art. 12 (“Mere conduit”)
 - Art. 13 (“Caching”)
 - Art. 14 (“Hosting”) → storage of information

1. Intermediaries on Internet

- **EU:** e-commerce Directive 2000/31/EC – Art. 14 (“hosting”): ISP **not liable** “*on condition that: (a) the provider does not have actual knowledge of illegal activity or information and as regards claims for damages, is not aware of facts or circumstances from which the illegal activity or information is apparent; or (b) the provider, upon obtaining such knowledge or awareness, acts expeditiously to remove or to disable access to the information*”
- **EU:** e-commerce Directive 2000/31/EC – Art. 15: No general obligation to monitor

1. Intermediaries on Internet

- **Japan:** Act on the Limitation of Liability for Damages of Specified Telecommunications Service Providers 2001
 - Art. 3 (1): telecommunication service for unspecified persons → “hosting” ISP
 - No liability in case of IP infringement unless the service provider knew or should have know ...
 - ... when it is technically possible to take measures for preventing infringing information to being transmitted to these unspecified persons.

1. Intermediaries on Internet

- Trademark infringement
 - Auction sites
 - Search engines

- Copyright infringement

- Anti-piracy legislation: Developments re. graduated response systems.

2. Trademarks Infringement

■ Auction Sites

■ **Germany:** secondary liability?

■ **France:**

■ *LVM vs. eBay; Hermès vs. eBay; L'Oréal vs. eBay*

■ “Soft law”: Charte Brochand Sirinelli

■ **Belgium:** *Lancôme vs. eBay*

■ **The Netherlands:** *Stokke vs. Marktplaats* (22 May 2012)

■ **UK:** *L'Oréal vs. eBay* re. joint liability

2. Trademarks Infringement

■ Auction Sites

■ EU:

■ CJEU, 12 July 2011, *L'Oréal vs. eBay*, C-324/09 – Q° about “hosting or more” + active role under Art. 14 EU Dir.: actual knowledge/control of data stored - “*the operator plays such a role when it provides assistance which entails, in particular, optimising the presentation of the offers for sale in question or promoting them*”

■ “Soft law”: MoU of 4 May 2011 (EU); France:

http://www.wipo.int/edocs/mdocs/enforcement/en/wipo_ace_7/wipo_ace_7_8.pdf

■ **USA:** *Tiffany vs. eBay* re. contributory infringement

- contemporary knowledge is necessary

2. Trademarks Infringement

- Search Engines (re. sale of TMs as keywords)
 - **USA:** *RescueCom vs. Google* – primary liability - use in commerce – likelihood of confusion
 - **EU:**
 - CJEU, 23 March 2010, *Google/LVM*, C-236/08 to C-238/08 – issues of use of a TM + safe harbour defence if not an “active role”
 - CJEU, 22 September 2011, *Interflora/Marks & Spencer*, C-323/09
 - **China:** *Google vs. Guangdong Ganiy Electrical Appliances Co. Ltd.*

3. Copyright Infringement

- Legal context:

- EU + Japan

- USA: DMCA (1998) - § 512 c) (1) (A) : ISP **not liable** for copyright infringement

*“by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider, **if the service provider i) does not have actual knowledge that the material or an activity using the material on the system or network is infringing; ii) in the absence of such actual knowledge, is not aware of facts or circumstances from which infringing activity is apparent; or iii) upon obtaining such knowledge or awareness, acts expeditiously to remove, or disable access to, the material; (...)**”*

3. Copyright Infringement

- Legal context:
 - **China**: Regulations on Protection of the Right of Communication through Information Network (2006), Art. 14 to 17 + Art. 22.
 - **Singapore**: Copyright Act, Art. 193A *et seq.* (Art. 193D for hosting services)
 - **France**: introduction of a new category of ISP, “service publishers”?
 - **Spain**: Ley Sinde, 5 March 2011

3. Copyright Infringement

- **USA:** *Viacom vs. YouTube* (Court of Appeal, 2nd circ., 5 April 2012)
- **Japan:** Osaka High Court, *Winny II* (2009) – “value-neutral technology”
- **France:**
 - *Tiscali vs. Dargaud Lombard* – liable as publisher
 - three *Google* cases (Court of Appeal Paris, 14 January 2011) – safe harbour for hosting activities + q° of acting expeditiously (not rendering impossible a new uploading of the work) + more than mere hosting: possibility to see directly on the Google site the infringing videos uploaded on third websites
 - *TF1 vs. YouTube* (29 May 2012)
 - Cass., *SNEP vs. Google* (12 July 2012)

3. Copyright Infringement

■ UK:

- *Twentieth Century Fox & Anor vs. Newzbin* – liable for authorizing copyright infringement
- *Newzbin 2* (28 July 2011)

■ Germany:

- *Marions Kochbuch* case – liable for user-generated content through appropriation;
- *Sarah Brightman Videos* case – idem + content provider with obligation to monitor all content.
- *GEMA vs. YouTube* (20 April 2012)

3. Copyright Infringement

- **Spain:** *Telecinco vs. YouTube* – mere host-provider – no obligation to monitor – obligation to cooperate with right holders when alerted
- **Italy:** *Grande Fratello* case – no general obligation to monitor – obligation to filter content
- **Belgium:** *Google vs. Copiepresse* – caching + Google News service – copyright infringement

3. Copyright Infringement

■ EU:

- CJEU, 24 November 2011, *Scarlet Extended*, C-70/10
- CJEU; 16 February 2012, *Sabam vs. Netlog*, C-360/10

⇒ EU law **precludes** a national court from making an injunction, on the basis of the national law, **requiring an internet service provider to install - in respect of all its customers indiscriminately, as a preventive measure, exclusively at his expense, and for an unlimited period - a system for filtering all electronic communications passing via its services** (in particular, those involving the use of peer-to-peer software) which is capable of identifying on that ISP's network the movement of electronic files containing a musical, cinematographic or audio-visual work in respect of which the applicant claims to hold IPR, with a view to blocking the transfer of files the sharing of which infringes copyright.

3. Copyright Infringement

■ EU:

- CJEU, 29 January 2008, *Promusicae*, C-275/06
- CJEU, 19 February 2009, *LSG/Tele 2*, C-577/07 (order)
- CJEU, 19 April 2012, *Bonnier Audio*, C-461/10

⇒ Striking a fair balance between the civil enforcement of copyright and the protection of personal data

4. “Graduated Responses” Schemes

- Copyright – Legislations on “graduated response” scheme –
Rationale

→ Cooperation of ISP needed

- **France:** Hadopi Law (2009)

- 2 notifications + information of possibility of criminal charges
- Notifications mention the legitimate (certified) websites for downloading
- Right to be heard
- Judge decides
- Sanctions: fine – internet disconnection for max. 1 month
- To be reviewed soon?

4. “Graduated Responses” Schemes

- **United Kingdom:** Digital Economy Act 2010
 - Independent appeal process – burden of proof on copyright owner
 - Obligations on ISPs
 - High Court, *BT, TalkTalk et al.*, 20 April 2011: “*DEA does comply with EU law*”
- **New Zealand:** enforcement action after third notice – possible orders are :
 - Copyright Tribunal - payment of a sum up to \$ 15,000; and/or
 - District Court - Internet Protocol Address Provider to suspend the Internet account for up to 6 months.
- **Chile, Republic of Korea**
- **USA:** “*Six Strikes Scheme*” (since February 2013)
- Growing Trend? Oppositions?

5. Plurilateral Level

- **ACTA, Section 5** (“Enforcement in the Digital Environment”)
 - **Art. 27, 2° and footnote 13** in the field of infringement of copyright: *“adopting or maintaining a regime providing for limitations on the liability of, or on the remedies available against, online service providers (...)”*
 - **Art. 27,3°**: *“promote cooperative efforts within the business community”*
 - **Art. 27,4°**: *“(...) authority to order an online service provider to disclose expeditiously to a right holder information sufficient to identify a subscriber whose account was allegedly used for infringement (...)”*

6. Conclusion

- Many issues still to be resolved
- Difficulties of drafting legislation in these matters (especially re. Internet)
- Weight of case-law, not yet clearly set
- New developments to expect (especially re. Internet)

References

- SCT, “*Trademarks and the Internet*”:
 - http://www.wipo.int/edocs/mdocs/sct/en/sct_24/sct_24_4.pdf
 - http://www.wipo.int/edocs/mdocs/sct/en/sct_25/sct_25_3.pdf
- Pr. Daniel Seng, “*Comparative Analysis of the National Approaches to the Liability of Internet Intermediaries*”:
http://www.wipo.int/export/sites/www/copyright/en/doc/liability_of_internet_intermediaries_06092011.pdf
- Pr. Lilian Edwards, “*Role and Responsibility of Internet Intermediaries in the Field of Copyright and Related Rights*”:
http://www.wipo.int/export/sites/www/copyright/en/doc/role_and_responsibility_of_the_internet_intermediaries_final.pdf
- Pr. Ignacio Garrote Fernandez-Diez, “*Comparative Analysis on National Approaches to the Liability of Internet Intermediaries for Infringement of Copyright and Related Rights*”:
http://www.wipo.int/export/sites/www/copyright/en/doc/estudio_de_comparative_analysis.pdf

THANK YOU FOR YOUR ATTENTION!



www.wipo.int/enforcement/en/