

## Question Q236

**National Group:** ESTONIA

**Title:** Relief in IP proceedings other than injunctions or damages

**Contributors:** Ants NÕMPER, Kerstin LINNART

**Reporter within Working Committee:** Ants NÕMPER

**Date:** 15 April 2013

## Questions

The Groups are invited to answer the following questions under their national laws.

### I. Analysis of current law and case law

1) What forms of Additional Relief are available in IP proceedings?

*The following types of additional relief are available in IP proceedings:*

- *account of profits: delivery of that which has been received as a result of the unlawful use of the IPR;*
- *restoration of the object of the IPR in the original form;*
- *alteration of infringing goods;*
- *destruction of pirated copies;*
- *recognition of the plaintiff's intellectual property rights by the court, which can in some cases bring along the correction of an error in a register;*
- *destruction, recall and removal from the channels of commerce of the infringing goods and the materials and implements principally used in the manufacture or creation of those goods;*
- *publication of the court judgement or information contained therein;*
- *order to provide information;*
- *payment of reasonable royalty under the provisions of unjust enrichment or as a measure of damages (loss of income).*

2) Are those forms of Additional Relief available for all types of IPRs? If not, please indicate what types of Additional Relief are available for what types of IPRs.

*The types of IPR under Estonian law are: copyright, neighbouring rights, patents, industrial designs, utility models, trademarks, geographical indication and layout designs of integrated circuit.*

- Account of profits: delivery of that which has been received as a result of the unlawful use of the IPR (under the provisions of unjust enrichment) – available for all types of IPR except trademarks;
- Restoration of the object of the IPR in the original form – available for copyright and neighbouring rights;
- Alteration of infringing goods – available for copyright and neighbouring rights;
- Destruction of pirated copies – for copyright and neighbouring rights;
- Recognition of the person's intellectual property rights by the court, which can in some cases bring along the correction of an error in a register – available for all types of IPR. Correction of an error in a register is possible in case of those types of IPR that are registered in an official register like trademarks, patents, utility models, geographical indications and layout designs of integrated circuits;
- Destruction, recall and removal from the channels of commerce of the infringing goods and the materials and implements principally used in the manufacture or creation of those goods – this is a general remedy provided in §1055 of the Law of Obligations Act (LOA) and it's basically available for all types of IPR but there are specific provisions in the Copyright Act and Trademark Act that regulate the seizure and destruction of infringing goods in case of the infringement of copyright, neighbouring rights and trademark. In this document the seizure and destruction of pirate copies infringing copyright or neighbouring rights is analyzed separately (see above: „destruction of pirate copies);
- Publication of the court judgement or information contained therein – available for all types of IPR;
- Order to provide information – available for trademarks;
- Payment of reasonable royalty under the provisions of unjust enrichment or as a measure of damages (loss of income) – available for all types of IPR.

3) Having regard to the types of Additional Relief available addressed by questions 1 and 2, what are the criteria for the grant of that relief? There may be different criteria for the different types of Additional Relief identified. Hence, the Groups are asked to address the individual criteria for each type of Additional Relief that is available in IP proceedings in their country.

- Account of profits: delivery of profits earned as a result of the unlawful use of the IPR (under the provisions of unjust enrichment) – the delivery of profit received as a result of the unlawful use of the IPR is ordered under the provisions of unjust enrichment, more specifically §1039 of the LOA. The criteria are that the violator has infringed the IPR holder's rights, has earned profit by doing it and that the violator was or should have been aware of the lack of justification for the use of the IPR;
- Restoration of the object of the IPR in the original form – such relief can be demanded if, as a result of a violation of copyright legislation, a work or an object of related rights is altered. It cannot be applied in case of works of architecture;
- Alteration of infringing goods – such relief can be demanded if, as a result of a violation of copyright legislation, a work or an object of related rights is communicated to the public, reproduced or distributed etc. It cannot be applied in case of works of architecture;

- Destruction of pirated copies – such relief can be demanded if, as a result of a violation of copyright legislation, a work or an object of related rights is communicated to the public, reproduced, distributed or altered etc. Pirated copies are subject to seizure regardless of the fact to whom they belong. When deciding on the application of this measure, the court must assess whether the seriousness of the violation is proportional to the measures to be applied and the rights and interests of third parties. This measure cannot be applied in case of works of architecture;
- Recognition of the person's intellectual property rights by the court, which can in some cases bring along the correction of an error in a register – the prerequisites vary somewhat among the different types of IPR-s. Generally any person who finds that a specific IPR belongs to them, can file a claim against the official holder or applicant of the IPR. The correction of the error in the register can be demanded after the court makes a positive judgement. In case of some types of IPR the right to use this relief is restricted by a time limit (e.g. in case of geographical indication - one year from the publication date of the entry of registration data), in other cases there is no time limit (e.g. patents);
- Destruction, recall and removal from the channels of commerce of the infringing goods and the materials and implements principally used in the manufacture or creation of those goods – this remedy can be used as part of the injunction provided in § 1055 of the LOA: „the prohibition on performance of damaging acts“. The general criteria of the injunction are that unlawful damage is caused continually or a threat is made that unlawful damage will be caused. The specific criteria of destruction, recall and removal of the infringing goods are that the seriousness of the violation is proportional to the measures to be applied and the rights and interests of third parties. A person with regard to whom the application of the measures is requested may apply to a court for him or her to be obligated to pay financial compensation to the person whose rights were violated instead of the application of the measures, if the person has not acted intentionally or carelessly, the application of the measures would cause him or her unproportionally major damage and financial compensation may be considered sufficient compensation for the person who requested application of the measures. In case of trademarks a specific regulation applies: the destruction of unlawfully designated goods and objects solely or almost solely used or intended to commit the offence which are in the ownership or possession of the offender can be ordered if it is not possible or expedient to eliminate the unlawful nature of the goods or objects in another manner;
- Publication of the court judgement or information contained therein – the only criteria are that the court has established an infringement of an IPR and that the plaintiff has requested the publication;
- Order to provide information – If the proprietor of a trademark has filed an action for the protection of an exclusive right, the proprietor may request from the person infringing the exclusive right, through the court, information concerning the origin, the manner and channels of distribution and the quantity of unlawfully designated goods, including the names and addresses of the manufacturer, supplier, previous proprietors and resellers of such goods;
- Payment of reasonable royalty under the provisions of unjust enrichment or as a measure of damages (loss of income) – the payment of reasonable royalty can be ordered either under the provisions of unjust enrichment (§ 1037 of the LOA) or as a measure of damages. In case of unjust enrichment, the violator must compensate the usual value of anything received by the violation of the IPR to the entitled person, the only criteria is the violation of the IPR. The value of anything received by the

*violation is the value of the advantages of use of the IPR, it can equal the licence fee of the IPR, if a licence fee has been determined. Payment or reasonable royalty can also be ordered as a measure of damages in which case the criteria of awarding damages apply.*

- 4) Is there any element of judicial discretion in relation to the grant of any form of Additional Relief addressed in questions 1 and 2? If so, how is that discretion applied?

*In case of destruction, recall and removal from the channels of commerce of the infringing goods and the materials and implements used in the manufacture or creation of those goods, it is in the court's discretion to assess the proportionality of these measures, their impact on the rights of third persons and whether the substitution of this measure with monetary compensation would be more proportional.*

*Ordering the publication of the court judgement or the information therein is also in the court's discretion. The Code of Civil Procedure does not provide any criteria according to which this discretion should be applied though. Therefore the court has been left the option of assessing the overall reasonability of ordering the publication of the judgement in each case.*

*In case of other forms of additional relief, there is no element of judicial discretion involved.*

- 5) Are any particular forms of Additional Relief invariably ordered in certain circumstances? If so, what types of Additional Relief and in what circumstances? Does that occur pursuant to mandatory statutory regulation, or by reason of the practice of the relevant court (or applicable administrative body)?

*No, the choice of remedy depends on the plaintiff.*

- 6) Are there any specific considerations relevant to particular IPR holders? If so, what considerations are relevant and in respect of what IPR holders?

*No, there are no specific considerations relevant to particular IPR holders.*

- 7) Can a court (or applicable administrative body) order any form of Additional Relief directly against a non-party to an IP proceeding?

*No additional relief measures can be ordered directly against a non-party to a proceeding but the rights of third persons can be affected by the ordering of destruction, alteration, recall and removal from the channels of commerce of the pirate copies or infringing goods and also by ordering the infringer of trademark related rights to provide information concerning names and addresses of the manufacturer, supplier, previous proprietors and resellers of such goods.*

- 8) If yes to question 7:

- a) in what circumstances;
- b) what forms of Additional Relief may be ordered; and
- c) in respect of what types of IPR infringement?

- *Destruction, alteration, recall and removal from the channels of commerce of*

*pirate copies and infringing goods* – pirate copies infringing copyright or neighbouring rights are subject to seizure and destruction regardless of the fact to whom they belong. If the seizure and destruction of pirate copies is ordered by the court, it might concern owners of the copies who are not parties to the IP proceeding;

- *Order to provide information* – If the proprietor of a trademark has filed an action for the protection of an exclusive right, the proprietor may request from the person infringing the exclusive right, through the court, information concerning the names and addresses of the manufacturer, supplier, previous proprietors and resellers of such goods.

- 9) Is a court (or applicable administrative body), in making an order for Additional Relief against an IPR infringer who is a party to the IP proceeding, obliged to consider the impact of such order on any non-party? If so, how does the court (or applicable administrative body) fulfil that obligation?

*In case of destruction, recall and removal from the channels of commerce of the infringing goods, the court must assess the proportionality of the measure, taking into account among other things the rights of third persons. In other cases the court has no such obligation.*

- 10) If yes to question 7 or 9, is the court (or applicable administrative body) obliged to give any relevant non-party an opportunity to be heard? If so, how is that effected?

*The persons concerned may enter the proceedings as a third person by submitting a respective petition to the court or at the request of either of the parties to the proceedings. By entering the proceedings as a third person, the person becomes a party to the proceedings and gets the opportunity to be heard. The court is not obliged to give the opportunity to be heard to anyone who is not a party to the proceedings.*

## **II. Proposals for harmonisation**

Groups are invited to put forward proposals for the adoption of harmonised rules in relation to Additional Relief in IP proceedings. More specifically, the Groups are invited to answer the following questions:

- 11) What forms of Additional Relief should be available in IP proceedings, and for what types of IPRs?

*In harmonised rules the following measures of additional relief could be included:*

- *seizure and destruction of infringing products;*
- *correction of an error in a register;*
- *alteration of infringing goods;*
- *account of profits;*
- *reasonable royalty as a form of compensation/damages.*

- 12) What should the criteria be for the grant of the types of Additional Relief identified in response to question 11?

- *Seizure and destruction of infringing products* – infringement of an IPR, the existence of infringing products and reasonable consideration of the proportionality of the measure;

- *Alteration of infringing goods* – infringement of an IPR, existence of an

*infringing product, the alteration is possible and it's a more proportional measure than destruction of the product in this situation;*

- *Correction of an error in a register – only the existence of an error in an official register;*

- *Account of profits – infringement of an IPR; the earning of profit by the violator due to the violation; the violator has acted in bad faith i.e. he was aware or should have been aware of the violation;*

- *Reasonable royalty as a form of compensation/damages – the criteria for rewarding damages and the possibility to determine the presumed licence fee of the IPR infringed.*

- 13) Should there be any specific considerations relevant to particular IPR holders? If so, what should those considerations be and in respect of which IPR holders?

*No, there should not be any specific considerations relevant to particular IPR holders.*

- 14) Should any particular form of Additional Relief be mandatory in certain circumstances? If so, what types of Additional Relief and in what circumstances?

*No, it should be up to the plaintiff to decide which form of relief they wish to use.*

- 15) Should a court (or applicable administrative body) be empowered to order any form of Additional Relief directly against a non-party to an IP proceeding?

*Only in case of seizure and destruction or alteration of pirate copies (in case of infringements of copyright and neighbouring rights only) in case the third person owns or possesses the pirate copies and the measure is proportional considering all the circumstances.*

- 16) If yes, to question 15:

a) in what circumstances;

b) what forms of Additional Relief should a court (or applicable administrative body) be empowered to order; and

c) in respect of what types of IPR infringement?

*See answer to question 15.*

- 17) Should a court (or applicable administrative body), in making an order against an IPR infringer who is a party to the proceeding, be obliged to consider the impact of such order on any non-party? If yes, how should the court (or applicable administrative body) fulfil that obligation?

*The court should consider the rights of third persons whenever it has to assess the proportionality of a remedy. This should foremostly be done in case of deciding whether to destroy a pirate copy, alter it or pay compensation to the entitled person instead.*

- 18) If yes to question 15 or 17, should the court (or applicable administrative body) be obliged to give any relevant non-party an opportunity to be heard? If so, how should that be effected?

*The relevant non-party should have the opportunity to either join the proceeding or be heard without joining the proceedings on its own initiative. The court should not have an active obligation to determine the group of persons concerned and offer them the possibility to be heard.*

- 19) Please provide any other proposals in respect of harmonisation as to the types of Additional Relief that should be available in IP proceedings and the conditions in which such relief should be ordered.

## **SUMMARY**

Most of the forms of additional relief proposed in the guidelines, including alteration, destruction, recall and removal from commercial channels of infringing goods, account of profits, correction of errors in official registers, payment of reasonable royalties etc, exist in Estonian law. Generally the court cannot order additional reliefs directly against persons who are not parties to the IP proceedings but the rights of third parties can be affected when ordering seizure and destruction of infringing goods.

Those measures of additional relief that are most frequently used and that are most likely to have cross-border effect should be included in the harmonized rules. Among those measures are the seizure, alteration and destruction of infringing goods, correction of errors in official registers, payment of reasonable royalties and account of profits. The ordering of measures of relief against third parties should be allowed to the minimal extent.

## **ZUSAMMENFASSUNG**

Das estnische Recht kennt die Mehrheit der Formen von zusätzlichen Rechtsbehelfe, die in den Leitlinien vorgeschlagenen sind, einschließlich Veränderung, Vernichtung, Rückruf und Entfernung rechtsverletzender Ware vom Markt, Übertragung der Gewinne, Berichtigung von Fehlern in offiziellen Registern, Zahlung angemessener Lizenzgebühren usw. Grundsätzlich ist das Gericht nicht befugt zusätzliche Rechtsbehelfe direkt gegen die Personen, die nicht Parteien des Verfahrens sind, anzuordnen, die Rechte Dritter können jedoch bei der Anordnung der Beschlagnahme und der Vernichtung rechtsverletzender Ware beeinträchtigt werden.

Die zusätzliche Rechtsbehelfe, die am häufigsten angewendet werden und die am ehesten grenzüberschreitende Wirkung haben können, sollten in die harmonisierten Regeln aufgenommen werden. Diese Maßnahmen umfassen Beschlagnahme, Veränderung und Vernichtung rechtsverletzender Ware, Berichtigung von Fehlern in offiziellen Registern, Zahlung angemessener Lizenzgebühren und Übertragung der Gewinne. Dem Anordnen von Maßnahmen gegen Dritten sollte ein minimaler Umfang zugelassen werden.

## **RÉSUMÉ**

La législation estonienne connaît la plupart des formes de recours supplémentaire proposés dans les lignes directrices, notamment l'altération, la destruction, le rappel et le retrait du commerce des marchandises contrefaites, la transmission de profits, la correction des erreurs dans les registres officiels, le paiement de redevances raisonnables etc. En principe, le tribunal ne peut pas ordonner des recours supplémentaires directement contre des personnes qui ne font pas partie de la procédure, mais les droits de tiers peuvent être affectés lors de la saisie et la destruction des marchandises contrefaites.

Les mesures de recours supplémentaire les plus fréquemment utilisées et les plus susceptibles d'avoir des effets transfrontaliers devraient être incluses dans les règles harmonisées. Parmi ces mesures sont la saisie, l'altération et la destruction des marchandises contrefaites, la correction des erreurs dans les registres officiels, le paiement de redevances raisonnables et la transmission de profits. L'adoption de mesures contre des tiers devrait être autorisée dans la mesure minimale.