

Injunctions in European Law

Judicial Reflections

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At the time of writing, the United Kingdom remains a member state of the European Union. Accordingly, this chapter is written from that perspective. My thesis is simply stated: European law not merely enables, but requires, the courts of the member states to be flexible when considering whether or not to grant an injunction in a patent case, and to tailor any injunction to the circumstances of the case. An injunction can only be granted when, and to the extent that, it is proportionate and strikes a fair balance between the fundamental rights that are engaged. All that is needed is for the courts of the member states consistently to apply the principles laid down by the legislature and by the Court of Justice of the European Union.

Recitals (17) and (24) of the Enforcement Directive are clear that the measures and remedies provided in the Directive, including injunctions, must be tailored to the circumstances of the case: recital (17) states that they “shall be determined in each case in such a manner as to take due account of the specific characteristics of each case” while recital (24) provides that “prohibitory measures aimed at preventing further infringements of intellectual property rights” should be granted “[d]epending on the particular case, and if justified by the circumstances”. It follows that a case-by-case assessment is required, and automatic rules are prohibited. Similarly, Article 3(1) of the Enforcement Directive requires that the measures and remedies “shall be fair and equitable” and Article 3(2) requires that they “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”.

In its 2017 Guidance on the Enforcement Directive, the European Commission emphasised the need for national courts to undertake a case-by-case assessment:¹ “[I]n order to ensure the balanced use of the civil IPR enforcement system, the

¹ Guidance on the Enforcement Directive, 9–10.

competent judicial authorities should generally conduct a case-by-case assessment when considering the grant of the measures, procedures and remedies provided for by IPRED.”

The Commission also emphasised the case law of CJEU concerning the need for national courts “to strike a fair balance between different conflicting fundamental rights *inter alia* when deciding on . . . the awarding of injunctions”:²

Although these decisions were issued in the specific context of litigation relating to copyright infringements, the CJEU’s analysis addresses in general the balance between the fundamental rights at issue. Therefore, the Commission believes that the requirement of ensuring a fair balance between such rights, in light of the general principle of proportionality, applies not only in copyright infringement cases, but in cases concerning all the IPR falling within IPRED’s scope.

The case law of the CJEU fully supports this analysis. The starting point is its seminal decision in *Promusicae*, in which the Court stated (emphases added):³

[T]he Member States must, when transposing the directives mentioned above, take care to rely on an interpretation of the directives which allows a *fair balance* to be struck between the various fundamental rights protected by the Community legal order. 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 CJEU has reinforced and elaborated on this statement in a series of subsequent judgments. Although some of these judgments have been concerned with injunctions in copyright cases, and in particular injunctions against online intermediaries, this is not true of all such judgments.

In *L’Oréal SA v. eBay*, which was a trademark case, the Court Stated (emphases added):

138. The rules laid down by the Member States, and likewise *their application by the national courts*, must also observe the limitations arising from Directive 2004/48 and from the sources of law to which that directive refers.

139. . . . a general monitoring obligation would be incompatible with Article 3 of Directive 2004/48, which states that the measures referred to by the directive must be fair, *proportionate* and must not be excessively costly.

141. . . . injunctions which are both effective and *proportionate* may be issued . . .

143. The measures that are described . . . in the preceding paragraphs, as well as any other measure which may be imposed in the form of an injunction under the

² Guidance on the Enforcement Directive, 10–11.

³ *Promusicae* (CJEU 2008) [68].

third sentence of Article 11 of Directive 2004/48, must strike a *fair balance* between the various rights and interests mentioned above (see, by analogy, *Promusicae*, paragraphs 65 to 68).

144. . . . Those injunctions must be effective, *proportionate*, dissuasive and must not create barriers to legitimate trade.

In *Scarlet Extended* the Court Stated (emphases added):

44. As paragraphs 62 to 68 of . . . *Promusicae* . . . make clear, the protection of the fundamental right to property, which includes the rights linked to intellectual property, must be *balanced* against the protection of other fundamental rights.

45. More specifically, it follows from paragraph 68 of that judgment that, in the context of measures adopted to protect copyright holders, national authorities and *courts* must strike a *fair balance* between the protection of copyright and the protection of the fundamental rights of individuals who are affected by such measures.

46. Accordingly, in circumstances such as those in the main proceedings, national authorities and *courts* must, in particular, strike a *fair balance* between the protection of the intellectual property right enjoyed by copyright holders and that of the freedom to conduct a business enjoyed by operators such as ISPs pursuant to Article 16 of the Charter.

In *UPC Telekabel* the Court Stated (emphases added):

47. In the present case, it must be observed that an injunction such as that at issue in the main proceedings, . . . makes it necessary to *strike a balance*, primarily, between (i) copyrights and related rights, which are intellectual property and are therefore protected under Article 17(2) of the Charter, (ii) the freedom to conduct a business, which economic agents such as internet service providers enjoy under Article 16 of the Charter, and (iii) the freedom of information of internet users, whose protection is ensured by Article 11 of the Charter. . . .

63. Consequently, even though the measures taken when implementing an injunction such as that at issue in the main proceedings are not capable of leading, in some circumstances, to a complete cessation of the infringements of the intellectual property right, they cannot however be considered to be incompatible with the requirement that a *fair balance* be found, in accordance with Article 52(1), in fine, of the Charter, between all applicable fundamental rights, provided that (i) they do not unnecessarily deprive internet users of the possibility of lawfully accessing the information available and (ii) that they have the effect of preventing unauthorised access to protected subject-matter or, at least, of making it difficult to achieve and of seriously discouraging internet users who are using the services of the addressee of that injunction from accessing the subject-matter that has been made available to them in breach of the intellectual property right.

In *Coty Germany* the Court Stated (emphases added):

34. . . . 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 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 (see judgment in *Promusicae*, ... paragraph 70). ...

35. ... it is apparent from the case-law of the Court that a measure which results in serious infringement of a right protected by the Charter is to be regarded as not respecting the requirement that such a *fair balance* be struck between the fundamental rights which must be reconciled (see, as regards an *injunction*, judgments in *Scarlet Extended*, ..., paragraphs 48 and 49 ...).

In *Tommy Hilfiger*, which was not only a trademark case, but also a case concerning offline infringement, the Court Stated (emphases added):

34. [In *L'Oréal*] the Court held that injunctions must be equitable and *proportionate*. ...

35. The Court thus took the view that any injunction within the meaning of the third sentence of Article 11 of Directive 2004/48 may be pronounced only if it ensures a *fair balance* between the protection of intellectual property and the absence of obstacles to legitimate trade (see, to that effect, ... *L'Oréal*... paragraph 143)

36. While ... in *L'Oréal* ... the Court had to interpret the third sentence of Article 11 of Directive 2004/48 in the context of injunctions which may be addressed to an intermediary in an online marketplace, it interpreted that article in the light of the general provisions formulated in Article 3 of that directive ... Moreover, it follows from the wording of Article 3 of the directive that it applies to *any measure* referred to by that directive.

In *McFadden* the Court Stated (emphases added):

83. Where several fundamental rights protected under EU law are at stake, it is for the national authorities or *courts* concerned to ensure that a *fair balance* is struck between those rights (see, to that effect ... , *Promusicae*, ... paragraphs 68 and 70). ...

100. ... a measure consisting in [requiring password] securing a [wifi] connection must be considered to be capable of striking a *fair balance* between, first, the fundamental right to protection of intellectual property and, second, the right to freedom to conduct the business of a[n access] provider ... and the right to freedom of information of the recipients of that service.

I would respectfully suggest that the case law of the CJEU is really crystal clear, and admits of no doubts: The national courts must apply these principles when considering whether to grant an injunction to restrain infringements of all intellectual property rights falling within the scope of the Enforcement Directive, which include patents. Applying these principles requires a case-by-case assessment. Automatic rules are prohibited. Injunctions can only be granted when, and to the

extent that, they are proportionate and strike a fair balance between the fundamental rights that are engaged, which include the freedom of defendants to conduct a business protected by Article 16 of the Charter of Fundamental Rights. It follows that injunctions should be tailored to the circumstances of the case. Accordingly, all that is needed is for national courts to comply with European law.

REFERENCES

Cases

- Case C-580/13 *Coty Germany GmbH v. Stadtparkasse Magdeburg* [EU:C:2015:485]
Case C-484/14 *McFadden v. Sony Music Entertainment Germany GmbH* [EU:C:2016:689]
Case C-324/09 *L'Oréal SA v. eBay International AG* [2011] ECR I-6011
Case C-275/06 *Productores de Música de España (Promusicae) v. Telefónica de España SAU* [2008] ECR I-271
Case C-70/10 *Scarlet Extended SA v. Société Belge des Auteurs, Compositeurs et Editeurs SCRL (SABAM)* [2011] ECR I-11959
Case C-494/15 *Tommy Hilfiger Licensing LLC v. DELTA CENTER as* [EU:C:2016:528]
Case C-314/12 *UPC Telekabel Wien GmbH v. Constantin Film Verleih GmbH* [EU:C:2014:192]

Regulatory and Legislative Materials

- EU Charter of Fundamental Rights
European Parliament and Council Directive 2004/48/EC of 29 April 2004 on the enforcement of intellectual property rights
Guidance on certain aspects of European Parliament and Council Directive 2004/48/EC of 29 April 2004 on the enforcement of intellectual property rights COM(2017) 708 final