

Copyright Enforcement: Remedies for Infringement in EU and Spanish Law

Instructor: Antoni Rubí Puig

Course description

This course aims to provide conceptual tools to understand copyright litigation and remedies available for copyright infringement.

This course is addressed to students interested in learning how to deal with copyright cases both from a practical and theoretical perspective. In particular, the course furthers two main goals:

1. Providing a toolkit for understanding European and Spanish Law on Copyright Enforcement.
2. Promoting an analytical approach to legal remedies from different perspectives, including law and economics and comparative law, which can also be employed in other litigation settings such as tort law, human rights cases or environmental law.

Methodology

Course materials include Spanish and EU case law, legal scholarship in Spanish and English, and some hypothetical cases to illustrate different analytical issues. Social sciences tools will be used to analyze the effects of legal rules and doctrines on parties' behavior. Comparative law of remedies will be introduced to discuss enforcement issues in other jurisdictions.

Prerequisites

A basic background on Spanish copyright Law is recommended but not indispensable to enroll in the course.

Suggested reading to get acquainted with Spanish copyright law:

- Rodrigo BERCOVITZ RODRÍGUEZ CANO (Dir.), *Manual de Propiedad Intelectual*, 6th ed., Tirant lo Blanch, Valencia, 2015.

Syllabus

Session 1. Basics of copyright litigation and remedies

1.1. Presentation

1.2. Sources

- Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights.
- Agreement on Trade-Related Aspects of Intellectual Property Rights [TRIPs], Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh, Morocco on 15 April 1994.
- Spanish Copyright Act (TRLPI)
- Spanish Civil Procedure Act (LEC)

1.3. Analytical problems: liability rules, property rules and inalienability in copyright law.

1.4. Do copyright entitlements require special treatment in courts?

Readings:

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| <ul style="list-style-type: none"> • Reto HILTY, “The Role of Enforcement in Delineating the Scope of IP Rights”, <i>Max Planck Institute for Innovation & Competition Research Paper No. 15-03</i> (May 1, 2015) (available at SSRN: http://ssrn.com/abstract=2602221). • Hanoch DAGAN, “Remedies, Rights, and Properties”, <i>Journal of Tort Law</i>, 2011 (available at SSRN: http://ssrn.com/abstract=1718521). |
| <p>Session 2. Damages</p> |
| <p>2.1. Three ways of assessing damages: the traditional rule of <i>Dreifache Schadensberechnung</i>. 2.2. Problems in combined awards. Choice left to the claimant? 2.3. Compensatory damages 2.4. Actual damages. Lost profits. Causation problems. Secondary losses. 2.5. Reasonable royalties. The hypothetical negotiation construct. Alternative approaches.</p> |
| <p>Cases:</p> <ul style="list-style-type: none"> • Spanish Supreme Court, Judgment 431/2012, 11 of June 2012. <i>Envac Centralsug Aktiebolag v. Ros Roca, SA</i>. <p>Readings:</p> <ul style="list-style-type: none"> • Mark A. LEMLEY, “Distinguishing Lost Profits from Reasonable Royalties”, 51 <i>William & Mary Law Review</i> 655 (2009). |
| <p>Session 3. Account of profits. Unjust enrichment</p> |
| <p>3.1. Disgorgement. Restitutionary damages. 3.2. Reductions.</p> |
| <p>Cases:</p> <ul style="list-style-type: none"> • Court of Appeals Madrid, Judgment n. 116/2012, 9 of April 2012. <i>Sony BMG Music Entertainment España S.L. v. OK Records, SL</i>. <p>Readings:</p> <ul style="list-style-type: none"> • Carlos GÓMEZ LIGÜERRE, “Disgorgement of profits. Spanish report” in Ewoud HONDIUS and Andre JANSSEN (Coord.), <i>Draft General Report on Disgorgement Damages</i>, 2014, pp. 212-223. • Phillip JOHNSON, “‘Damages’ in European law and the traditional accounts of profit”, 3 <i>Queen Mary Journal of Intellectual Property</i> 296 (2013). |
| <p>Session 4. Moral prejudice. Costs. Legal fees</p> |
| <p>4.1. Moral prejudice. Pain and suffering. General problems. 4.2. The <i>Liffers</i> case and the problem of compensating moral prejudice in Spanish copyright law. 4.3. Costs 4.4. Legal fees</p> |
| <p>Cases:</p> <ul style="list-style-type: none"> • Referral to the ECJ, C-99/15 (<i>Liffers</i>, 27 Feb 2015) • Referral to the ECJ, C-57/15 (<i>United Video Properties</i>, 9 Feb 2015) <p>Readings:</p> <ul style="list-style-type: none"> • Antoni RUBÍ PUIG, “Daño moral por infracción de derechos de propiedad intelectual e industrial”, in Fernando GÓMEZ/Ignacio MARÍN (Dir.), <i>El daño moral y su cuantificación</i>, Bosch-Wolters Kluwer, L’Hospitalet, 2015, pp. 653-706. • Emily H. CHEN, “Making Abusers Pay: Deterring Patent Litigation by Shifting Attorneys’ Fees”, 28 <i>Berkeley Technology Law Journal</i> 351 (2013). |
| <p>Session 5. Statutory damages. Punitive damages.</p> |

- 5.1. Supracompensatory damages.
- 5.2. Exemplary damages. Punitive damages.
- 5.3. Chilling effects on freedom of expression.
- 5.4. Minimum damages. Damages *per se*. *In re ipsa* doctrine.

Cases:

- Spanish Supreme Court, Judgment 505/2012, 23 of July 2012. *Instituto de los Hermanos Maristas v Reyal Urbis S.A.*

Readings:

- Pamela SAMUELSON, Phil HILL y Tara WHEATLAND, “Statutory Damages: A Rarity in Copyright Laws Internationally, But For How Long?”, 60 *J. Copyright Soc’y U.S.A.* 529 (2013).
- José MASSAGUER FUENTES, “Algunas consideraciones sobre la acción de indemnización de daños y perjuicios en procedimientos de infracción de marcas”, *Actualidad Jurídica Uría Menéndez. Núm. Extra 1. Homenaje al profesor D. Juan Luis Iglesias Prada*, 2011, págs. 101-107.

Session 6. Injunctions.

- 6.1. Requirements for granting injunctions
- 6.2. Interface between injunctions and damages. Bargaining in the shadow of copyright law.
- 6.3. Limitations. Damages in lieu of an injunction (lump sum vs. ongoing royalties).
- 6.4. Use of IPR enforcement measures for frivolous and/or anti-competitive purposes
- 6.5. Preliminary injunctions. Cross-undertakings in damages.

Cases:

- Court of Appeals Bizkaia, Judgment n. 187/2009, 10 of March 2009. *Santiago Calatrava v. Bilbao City Council and others.*

Readings:

- Orit FISCHMAN AFORI, “Flexible Remedies as a Means to Counteract Failures in Copyright Law”, 29 *Cardozo Arts and Entertainment Law Journal* 1 (2011).
- Antoni RUBÍ PUIG, “Abuso de derechos de autor y abuso de remedios”, *Mimeo* 2015, Universitat Pompeu Fabra.

Session 7. Interface between remedies for breach of contract and remedies for copyright infringement.

- 7.1. Contract remedies.
- 7.2. Problems of combining remedies.
- 7.3. Copyright preemption
- 7.4. Breach of licenses and other copyright contracts.
- 7.5. Breach of Creative Commons and Open Source Software licenses.

Cases:

- Court of Appeals Barcelona, Judgment n. 326/2013, 12 of September 2013. *Atrium Group de Ediciones y Publicaciones SL y Tandeman Verlag GmbH.*

Readings:

- Omri BEN SHAHAR, "Damages for Unlicensed Use," 78 *University of Chicago Law Review* 7 (2011).
- Antoni RUBÍ PUIG, “Incumplimiento de licencias sobre derechos autor. La relación entre las acciones por infracción de derechos de propiedad intelectual y los remedios para el incumplimiento contractual”, *Mimeo*, 2013, Universitat Pompeu Fabra.

| Session 8. Pretrial information |
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| <p>8.1. Right of information: identifying alleged infringers 8.2. Discovery issues 8.3. Involvement of intermediaries to identify alleged infringers 8.4. Settlement</p> |
| <p>Cases:</p> <ul style="list-style-type: none"> • ECJ Judgment of 19 April 2012, C-461/10, <i>Bonnier Audio AB and others v. Perfect Communication Sweden AB</i>. • ECJ Judgment of 29 January 2008, C-275/06, <i>Promusicae v Telefónica de España SAU</i>. <p>Readings:</p> <ul style="list-style-type: none"> • F. Javier GARCÍA SANZ and Carles VENDRELL CERVANTES, “Doctrina judicial en torno a las diligencias preliminares en materia de propiedad intelectual”, <i>Diario La Ley</i>, Nº 8128, 2013. |
| Session 9. Injunctions to third parties |
| <p>9.1. Injunctions imposed on intermediaries 9.2. Website blocking 9.3. Internet service blocking 9.4. Graduated response systems</p> |
| <p>Cases:</p> <ul style="list-style-type: none"> • Court of Appeals Barcelona, Judgment n. 470/2013, 18 of December 2013. <i>Promusicae et al v. R Cable y Telecomunicaciones Galicia, SA</i>. • ECJ Judgment of 27 March 2014, C-314/12 (<i>UPC Telekabel Wien GmbH v. Constantin Film Verleih GmbH y Wega Filmproduktionsgesellschaft mbH</i>) • Referral to ECJ, C-484/14 (<i>McFadden</i>, 3 Nov 2014) <p>Readings:</p> <ul style="list-style-type: none"> • Pekka SAVOLA, “Proportionality of Website Blocking: Internet Connectivity Providers as Copyright Enforcers”, 5 <i>JIPITEC</i> 116 (2014). • Martin HUSOVEC and Miquel PEGUERA, “Much Ado about Little – Privately Litigated Internet Disconnection Injunctions”, 46 <i>IIC</i> 10 (2015). |
| Session 10. Secondary infringement |
| <p>10.1. Directive 2000/31/EC on ECommerce. Liability of intermediary service providers 10.2. Vicarious liability. 10.3. Contributory infringement. Indirect infringement.</p> |
| <p>Cases:</p> <ul style="list-style-type: none"> • Court of Appeals Madrid, Judgment n. 11/2014, 14 of January 2014. <i>Telecinco v. YouTube</i>. • Court of Appeals Madrid, Judgment n. 631/2014, 31 of March 2014. <i>Promusicae and others v. Pablo Soto and others</i>. <p>Readings:</p> <ul style="list-style-type: none"> • Fernando CARBAJO CASCÓN, “Sobre la responsabilidad indirecta de los agregadores de información por contribución a la infracción de derechos de propiedad industrial e intelectual en internet”, <i>Actas de derecho industrial y derecho de autor</i>, Tomo 32, 2011-2012, págs. 51-78. |
| Session 11. ADR and non civil remedies |
| <p>11.1. ADR: arbitration and mediation</p> |

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| 11.2. Criminal liability for copyright infringement |
| 11.3. Administrative remedies: Sinda-Wert amendments. |
| Cases: <ul style="list-style-type: none"> Audiencia Nacional, Judgment of 22 of July 2014. Appeal n. 155/2013. (<i>Linksole.com</i>) |
| Readings: <ul style="list-style-type: none"> Alicia ARMENGOT VILAPLANA. “El cierre de páginas web y la retirada de contenidos ilícitos por la Comisión de Propiedad Intelectual. (A propósito de las SSTs, Sala 3ª, de 31 de mayo de 2013)”, <i>Revista Pe.I.</i>, número 46, Enero-Abril 2.014, pp. 13-42. |
| Session 12. Corrective measures. Importation |
| 12.1. Delivery up and destruction |
| 12.2. Seizure of infringing products and materials used to manufacture infringing goods. |
| 12.3. Forfeiture |
| 12.4. Publicity orders |
| 12.5. Prevention to import. Stopping imports (arts 51 and 52 TRIPS) and Regulation (EU) No 608/2013 of 12 June 2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) No 1383/2003 |
| Cases: <ul style="list-style-type: none"> Referral to the ECJ C-379/14 (<i>TOP Logistics</i>, 7 Aug 2014) ECJ Judgment of 21 June 2012, Case C-5/11, <i>Titus Alexander Jochen Donner</i>. ECJ Judgment of 6 February 2014, Case C-98/13, <i>Martin Blomqvist v. Rolex SA, Manufacture des Montres Rolex SA</i>. ECJ Judgment of 13 May 2015, Case C-516/13, <i>Dimensione Direct Sales Srl, Michele Labianca v. Knoll International SpA</i>. |
| Readings: <ul style="list-style-type: none"> EUROPEAN COMMISSION, <i>Report on EU customs enforcement of IPR (2013)</i>, Publications Office of the European Union, Luxemburg, 2013. |

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| Grading |
| Students will be able to choose how they will be graded: <ol style="list-style-type: none"> First option: students may write an essay dealing with some of the issues discussed during the lectures. Second option: take-home exam. <p>If the regular course is failed, students will have the possibility of preparing a writing assignment on a specific topic in order to pass the course, if the work carried by the student through the course shows sufficient commitment to that end.</p> |

Schedule

| Session | Topics | Date | Time |
|---------|---|-----------|--------|
| 1 | Basics of copyright litigation and remedies | 15.4.2016 | 16.00- |

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| | | | 18.00 |
| 2 | Damages | 22.4.2016 | 16.00-18.00 |
| 3 | Account of profits. Unjust enrichment | 29.4.2016 | 16.00-18.00 |
| 4 | Moral prejudice. Costs. Legal fees | 6.5.2016 | 16.00-18.00 |
| 5 | Statutory damages. Punitive damages. | 13.5.2016 | 16.00-18.00 |
| 6 | Injunctions. | 20.5.2016 | 16.00-18.00 |
| 7 | Interface between remedies for breach of contract and remedies for copyright infringement. | 27.5.2016 | 16.00-18.00 |
| 8 | Pretrial information | 3.6.2016 | 16.00-18.00 |
| 9 | Injunctions to third parties | 6.6.2016 | 18.00-20.00 |
| 10 | Secondary infringement | 10.6.2016 | 16.00-18.00 |
| 11 | ADR and non civil remedies | 13.6.2016 | 18.00-20.00 |
| 12 | Corrective measures. Importation | 17.6.2016 | 16.00-18.00 |

Further readings and materials

Rodrigo BERCOVITZ RODRÍGUEZ-CANO (Coordinador), *Comentarios a la Ley de Propiedad Intelectual*, 3ª ed., Tecnos, Madrid, 2007.

Xabier BASOZÁBAL ARRÚE, “Método triple de cómputo del daño: la indemnización del lucro cesante en las leyes de protección industrial e intelectual”, *Anuario de Derecho Civil*, núm. L-3, julio 1997, págs. 1263-1299.

--- *Enriquecimiento injustificado por intromisión en derecho ajeno*, Civitas, Madrid, 1998.

Roger D. BLAIR y Thomas F. COTTER, “An Economic Analysis of Damages Rules in Intellectual Property Law”, 39 *William and Mary Law Review* 1585 (1998).

--- *Intellectual Property. Economic and Legal Dimensions of Rights and Remedies*, Cambridge University Press, Cambridge, 2005.

Guido CALABRESI and A. Douglas MELAMED, “Property Rules, Liability Rules, and Inalienability: One View of the Cathedral”, 85 *Harvard Law Review* 1089 (1972).

Ángel CARRASCO PERERA, “Restitución de provechos (I)”, *Anuario de derecho civil*, Vol. 40, núm. 4, 1987, págs. 1055-1148.

--- “Restitución de provechos (II)”, *Anuario de derecho civil*, Vol. 41, núm. 1, 1988, págs. 5-152.

Luis DÍEZ-PICAZO Y PONCE DE LEÓN y Manuel DE LA CÁMARA ÁLVAREZ, *Dos estudios sobre el enriquecimiento sin causa*, Civitas, Madrid, 1988.

EUROPEAN COMMISSION, *Synthesis of the responses. Civil Enforcement of Intellectual Property Rights: Public Consultation on the Efficiency of Proceedings and Accessibility of Measures*, Julio 2003, págs. 20-21 (http://ec.europa.eu/internal_market/consultations/docs/2012/intellectual-property-rights/summary-of-responses_en.pdf (accessed on 1.6.2015)).

EUROPEAN OBSERVATORY ON COUNTERFEITING AND PIRACY, *Damages in Intellectual Property Rights*, 2011 (http://ec.europa.eu/internal_market/iprenforcement/docs/damages_en.pdf (accessed on 1.6.2015)).

Andrew GILDEN, “Copyright Essentialism and the Performativity of Remedies”, 54 *William & Mary Law Review* 1123 (2013).

William M. LANDES y Richard A. POSNER, “An Economic Analysis of Copyright Law”, 18 *Journal of Legal Studies* 325 (1989)

—, *The Economic Structure of Intellectual Property Law*, Belknap Press of Harvard University Press, 2003 (Spanish translation by Víctor Manuel Sánchez Álvarez, *La estructura económica del Derecho de propiedad intelectual e industrial*, Fundación Cultural del Notariado, Madrid, 2006).

Mark A. LEMLEY, “Beyond Preemption: The Law and Policy of Intellectual Property Licensing”, 87 *California Law Review* 111 (1999).

Mark A. LEMLEY & Carl SHAPIRO, “Patent Holdup and Royalty Stacking”, 85 *Texas Law Review* 1991 (2007).

Robert P. MERGES, “Contracting into Liability Rules: Intellectual Property Rights and Collective Rights Organisations” 84 *California Law Review* 1293 (1996).

José Miguel RODRÍGUEZ TAPIA (Dir.), *Comentarios a la Ley de la Propiedad Intelectual*, 2ª ed., Civitas, Cizur Menor, 2009.

Pamela SAMUELSON y Tara WHEATLAND, “Statutory Damages in Copyright Law: A Remedy in Need of Reform”, 51 *William & Mary Law Review* 439 (2009).

Haimo SCHACK, *Urheber- und Urhebervertragsrecht*, 5ª ed., Mohr Siebeck, Tübingen, 2010.

Gerhard SCHRICKER y Ulrich LOEWENHEIM, *Urheberrecht. Kommentar*, 4ª ed., C.H. Beck, Munich, 2010, págs. 1825-1913.

Stewart STERK, “Property Rules, Liability Rules, and Uncertainty about Property Rights”, 106 *Chicago Law Review* 1285 (2008).

Mariano YZQUIERDO TOLSADA y Vicente ARIAS MÁIZ, “Responsabilidad civil por daños a la propiedad intelectual”, en L. Fernando REGLERO CAMPOS y José Manuel BUSTO LAGO (Coords.), *Tratado de Responsabilidad Civil*, Tomo II, 5ª ed., Thomson-Aranzadi, 2014, págs. 1581-1697.