



INTERNATIONAL ASSOCIATION OF SCIENTIFIC, TECHNICAL & MEDICAL PUBLISHERS

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The Hague, 31st March 2011

Internal Market and Services DG  
Unit D.3 - Enforcement of Intellectual Property Rights  
European Commission  
SPA2 B-1049 Brussels, Belgium, EU  
Email: [markt-iprconsultation@ec.europa.eu](mailto:markt-iprconsultation@ec.europa.eu)

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**STM submission  
on the consultation regarding the application of the Directive  
2004/48/EC on the enforcement of intellectual property rights**

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**Identification number in the register: 98356852465-08**

E-mail contact: [beadle@stm-assoc.org](mailto:beadle@stm-assoc.org)

STM, the international voice of academic and professional publishing, welcomes the Commission's report on the application of the Directive 2004/48/EC on the Enforcement of Intellectual Property Rights (hereinafter: Enforcement Directive). Moreover, STM applauds and welcomes the staff working document accompanying the above report. The staff working paper contains a thorough and practical analysis of the status quo and demonstrates the Commission's will to strengthen the legal framework which supports IPR-based industries in the EU in harmony with the international intellectual property conventions (WIPO, WTO (TRIPS), ACTA).

The International Association of Scientific, Technical and Medical Publishers ("STM") comprises over 100 members comprising publishers of journals, books and reference works, based in over 26 countries including many based in EU Member States. EU-based publishers publish 49% of all research articles worldwide (STM's members originate approximately 2/3 thereof), employing

International Association of Scientific, Technical and Medical Publishers (STM)  
Pr. Willem Alexanderhof 5, 2595 BE The Hague, The Netherlands,  
Tel: +31 70 3140930, Fax: +31 70 3140940, [www.stm-assoc.org](http://www.stm-assoc.org)

36,000 staff directly and another 10-20,000 indirectly, and make a €3b contribution to the EU's balance of trade. STM publishers have actively embraced the opportunities of the digital environment, starting with journal content and other "native" digital products such as software, data and databases, as well as other digital tools. For more than fifteen years now, science and medical researchers, along with medical practitioners, have had ubiquitous access to online tools that include published information, links between references in the literature, data sets and software that can be manipulated by the user, and visual supplemental information such as video and three-dimensional illustrations that can viewed from different perspectives by the user.

STM supports the response to this Consultation submitted by the Federation of European Publishers (FEP) which represents the wider publishing industry, including eight of the top 10 largest global publishing companies. STM's response will focus on areas of its specific enforcement concerns.

In a nutshell, STM believes that the Commission's core assessment is accurate: The measures contained in the Enforcement Directive that were implemented by the Member States have improved the chances of successfully enforcing IPRs, but that **further action is needed:**

- (A) to address **specific enforcement issues**, especially relating to the **online and electronic world**, and
- (B) resolve some areas of doubt or bring clarity on how IPR enforcement fits with other EU legal instruments, primarily on **regulation of e-commerce/ISPs and privacy/data protection law**.

STM would add to this assessment as one further element:

- (C) the need to take into account the international dimension of IPR enforcement and the **need to co-operate with the EU trading partners** to foster a better understanding world-wide of the benefits of rewarding and protecting creativity and innovation.

## A. Enforcement in the Online World

### 1.1 Online Piracy On Increase

As stated in the submission of the FEP, books and eBooks are increasingly now a target for infringers and pirates. It seems that the time during which infringers mostly targeted film and music is over and published content is also considered fair game. STM materials are among the prime targets of infringers and pirates. This type of content also travels well across borders and has application in many jurisdictions. Moreover, much of the content is available digitally in the form of online journals or eBook titles, online-archives or databases.

### 1.2 Publishers Also Need A Presumption of Ownership/Right to Sue

The Enforcement Directive did not extend the presumption of ownership to holders of exclusive licenses or to assignees of copyright owners. This means that publishers still today have to contend with the difficulties the Enforcement Directive was able to solve for other rightholders. For the reasons below, we believe it is time for the Commission to consider closing this gap, also in light of the findings of the staff working paper on how effective these presumptions proved to be: All enforcement starts with an aggrieved party that is granted a procedural right to bring a case – what lawyers sometimes refer to as “*locus standi*” (the right to be a plaintiff or to bring a case). The staff working paper eloquently shows that the presumption of ownership provision contained in the Enforcement Directive which was extended to holders of related rights (producers of sound recordings, films etc) has vastly improved the possibility of those rightholders to defend their interests and rights. Publishers do not benefit from a “related right”, but are structurally in the same position as producers of film or sound recordings when it comes to enforcement: it is rarely the author but mostly the publisher that will have the resources to take legal action. There are at least two EU Member States who have done so in different ways. The Republic of Ireland in s. 139 of the Copyright Act contains very useful presumptions that facilitate

*bona fide* plaintiffs to fend off technical objections by infringers that contest subsistence or ownership of copyright purely on procedural grounds. Moreover, § 10(3) of the German Copyright Act now contains a presumption at least for a plaintiff that asks for relief in the form of an injunction also for the exclusive licensee (in Germany most publishers are exclusive licensees of their authors).<sup>1</sup>

Many of STM's members do regularly engage in enforcement actions and valuable time and resources get wasted in proving the ownership or title to bring a law suit. This mostly technical and futile exercise could be greatly reduced, if appropriate presumptions were uniformly available throughout the EU. This action alone would be a giant step forward holding infringers accountable.

### 1.3 The Role of Intermediaries

The pivotal role of ISPs, e-commerce platforms, hosters and search engines in the fabric of the Internet needs hardly any explaining. Many of these service providers seem to have found a business model that allows them to co-exist on the Internet with a large proportion of illegal and infringing content. The same is not true for the creative and cultural sector. In the view of some observers it appears that within the sector of service providers, a mentality is taking root that either turns a blind eye to illegal and infringing content, or – worse – seeks to benefit from this type of offer and demand. In two recent copyright law suits an Irish Judge and also an Australian Judge expressed their surprise and

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<sup>1</sup> German Copyright Act: „**§ 10 Vermutung der Urheber- oder Rechtsinhaberschaft** (1) Wer auf den Vervielfältigungsstücken eines erschienenen Werkes oder auf dem Original eines Werkes der bildenden Künste in der üblichen Weise als Urheber bezeichnet ist, wird bis zum Beweis des Gegenteils als Urheber des Werkes angesehen; dies gilt auch für eine Bezeichnung, die als Deckname oder Künstlerzeichen des Urhebers bekannt ist. (2) Ist der Urheber nicht nach Absatz 1 bezeichnet, so wird vermutet, daß derjenige ermächtigt ist, die Rechte des Urhebers geltend zu machen, der auf den Vervielfältigungsstücken des Werkes als Herausgeber bezeichnet ist. Ist kein Herausgeber angegeben, so wird vermutet, daß der Verleger ermächtigt ist. (3) Für die Inhaber ausschließlicher Nutzungsrechte gilt die Vermutung des Absatzes 1 entsprechend, soweit es sich um Verfahren des einstweiligen Rechtsschutzes handelt oder Unterlassungsansprüche geltend gemacht werden. Die Vermutung gilt nicht im Verhältnis zum Urheber oder zum ursprünglichen Inhaber des verwandten Schutzrechts (our emphasis).“

amazement at the callous disregard shown by the ISPs in question to the prejudicial effect of their non-co-operation with rightsholders.<sup>2</sup>

The Commission should investigate how co-operation between these actors and rightsholders can be made to work and how these actors could play a greater role in facilitating the smooth circulation of legal content on the Internet, while guarding against the risk of being abused by infringers and pirates. In STM's view and the experience of some of its members in enforcing rights, one avenue could be to convince advertisers and credit card agencies that they too have a role to play and should signal to Intermediaries that illicit transactions should not be tolerated. The intermediaries themselves could also play a greater role to enforce their contractual terms against repeat infringers and to introduce, where appropriate, warning systems and filtering mechanisms. Search engines should be asked to ensure that searches return results that are predominantly legal and abstain from running specialized blogs that uniquely serve the purpose to distribute illegal files.

## B. Resolving Doubt on Liability and Data Protection Laws, Dissuasive Effect of Damages

### 2.1 Injunctive Relief and Safe Harbour Provisions

STM agrees with the findings in the report and the staff working paper that greater clarity is needed that injunctions and rights of information against intermediaries must be granted *irrespective* of any liability on their

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<sup>2</sup> Judgment of Mr. Justice Charleton delivered on the 11th day of October, 2010 [2009 No. 5472 P] of the Irish High Court Commercial between EMI records (Ireland) limited, Sony Music Entertainment Ireland Limited, Universal Music Ireland Limited, Warner Music Ireland Limited and WEA International Incorporated vs UPC Communications Ireland Limited; In Roadshow Films Pty Limited v iiNet Limited [2011] FCAFC 23, the Australian Court held: [...] "*while the evidence supports a conclusion that iiNet demonstrated a dismissive and, indeed, contumelious, attitude to the complaints of infringement by the use of its services, its conduct did not amount to authorisation of the primary acts of infringement on the part of iiNet users. [...]*" Judgment available at: <http://www.austlii.edu.au/au/cases/cth/FCAFC/2011/23.html>

part for any infringement. To some extent this was the *quid pro quo* for the e-commerce limitation of liability.

## 2.2 "Notice And Take Down – And Stay-Down"

Also, the law should be clarified that where the same work is infringed several times by the same actor the e-commerce "safe harbour" provisions are not available. Rightsholders require not only a "notice and take down" mechanism, but to avoid resources being wasted on the same matters again and again, beneficiaries of limitation of liability should agree to a "notice and stay-down", ie the same work should not be posted again hours or days after it has successfully been taken down.

## 2.3 Data Protection And Privacy – Clarification and Data Retention Needed

Some reconciliation is necessary between the rights and interest of law-abiding citizens to be left alone and not to have their identities revealed over the Internet, and the rightsholders in tracking and uncovering large-scale or repeat infringers. From the case of law of the European Court Justice it is clear that neither the right of privacy nor the property right of the holder of an IPR takes absolute precedence. However, as it must be possible to claim damages from a driver of a car by asking the traffic department or the owner of the car for the identity of the driver, there has to be a mechanism to disclose the identity of persons who believe that the Internet provides anonymity and shelter for infringing copyrights. STM's members find a disturbing trend in, for instance, Germany, where ISPs and others hold relevant data of users for shorter and shorter time periods. A rule should be put in place that allows a rightsholder sufficient time to claim access to the data identifying potential infringers, as otherwise any hope of redress is frustrated.

## 2.4 Damages Awards and Reasonable Royalties

Infringers today at worst face an obligation to pay for past infringements at the end of a lengthy court battle and only if damages are proved. In IPR cases, damages are notoriously hard to calculate and every Member State has a different practice in this regard. Often the avenue is pursued to seek a so-called "reasonable royalty". However, this solution is tantamount to reward infringers: they only pay what they would have paid, had they chosen to act legally. The EU should consider putting in place "double or triple" damages, or triple royalties, or some form of

statutory damages to create the disincentive that commercially-minded pirates need.

3. International Dimension of Online Piracy

STM urges the Commission to develop joint strategies with the EU's trading partners how to guard against piracy that moves from place to place and/or seeks out jurisdictions that offer special loop-holes or have a weak law enforcement structure. Part of this strategy could be greater co-operation between countries in taking concerted action against infringing sites and also to engage in blocking mechanisms or removing rogue sites, at least disabling access from within the EU.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'M Mabe', with a long horizontal stroke extending to the right.

Michael Mabe  
Chief Executive Officer  
STM