



Reports of Cases

JUDGMENT OF THE COURT (Ninth Chamber)

18 January 2017*

(Reference for a preliminary ruling — Intellectual property — Directive 2004/48/EC — Proceedings concerning an infringement of an intellectual property right — Right of information — Request for information in proceedings — Proceedings linked to the action in which an infringement of an intellectual property right has been found)

In Case C-427/15,

REQUEST for a preliminary ruling under Article 267 TFEU from the Nejvyšší soud (Supreme Court, Czech Republic), made by decision of 24 June 2015, received at the Court on 3 August 2015, in the proceedings

NEW WAVE CZ, a.s.

v

ALLTOYS, spol. s r. o.,

THE COURT (Ninth Chamber),

composed of C. Vajda (Rapporteur), acting as President of the Chamber, K. Jürimäe and C. Lycourgos, Judges,

Advocate General: H. Saugmandsgaard Øe,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

- the Czech Government, by M. Smolek and J. Vláčil, acting as Agents,
- the European Commission, by P. Němečková and F. Wilman, acting as Agents,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,

gives the following

* Language of the case: Czech.

Judgment

- 1 This reference for a preliminary ruling concerns the interpretation of Article 8(1) of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights (OJ 2004 L 157, p. 45, corrigendum OJ 2004 L 195, p. 16).
- 2 The reference has been made in proceedings between NEW WAVE CZ, a.s. ('NEW WAVE'), the holder of the word mark MegaBabe, and ALLTOYS, spol. s r. o. ('ALLTOYS') concerning the use of that mark by ALLTOYS without NEW WAVE's consent.

Legal context

EU law

- 3 Recital 10 of Directive 2004/48 reads as follows:

'The objective of this Directive is to approximate [the legislation of the Member States] so as to ensure a high, equivalent and homogeneous level of protection in the Internal Market.'

- 4 Article 8 of Directive 2004/48, 'Right of information', provides in paragraphs 1 and 2:

'1. Member States shall ensure that, in the context of proceedings concerning an infringement of an intellectual property right and in response to a justified and proportionate request of the claimant, the competent judicial authorities may order that information on the origin and distribution networks of the goods or services which infringe an intellectual property right be provided by the infringer and/or any other person who:

- (a) was found in possession of the infringing goods on a commercial scale;
- (b) was found to be using the infringing services on a commercial scale;
- (c) was found to be providing on a commercial scale services used in infringing activities; or
- (d) was indicated by the person referred to in point (a), (b) or (c) as being involved in the production, manufacture or distribution of the goods or the provision of the services.

2. The information referred to in paragraph 1 shall, as appropriate, comprise:

- (a) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers;
- (b) information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question.'

- 5 Article 9 of Directive 2004/48, 'Provisional and precautionary measures', provides in paragraphs 1 and 2:

'1. Member States shall ensure that the judicial authorities may, at the request of the applicant:

- (a) issue against the alleged infringer an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right, or to forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by national law, the

continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the rightholder; an interlocutory injunction may also be issued, under the same conditions, against an intermediary whose services are being used by a third party to infringe an intellectual property right; injunctions against intermediaries whose services are used by a third party to infringe a copyright or a related right are covered by Directive 2001/29/EC;

(b) order the seizure or delivery up of the goods suspected of infringing an intellectual property right so as to prevent their entry into or movement within the channels of commerce.

2. In the case of an infringement committed on a commercial scale, the Member States shall ensure that, if the injured party demonstrates circumstances likely to endanger the recovery of damages, the judicial authorities may order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of his bank accounts and other assets. To that end, the competent authorities may order the communication of bank, financial or commercial documents, or appropriate access to the relevant information.'

6 Article 13 of Directive 2004/48, 'Damages', provides in paragraph 1:

'Member States shall ensure that the competent judicial authorities, on application of the injured party, order the infringer who knowingly, or with reasonable grounds to know, engaged in an infringing activity, to pay the rightholder damages appropriate to the actual prejudice suffered by him as a result of the infringement.

...'

Czech law

7 Paragraph 3(1) of Zákon č. 221/2006 Sb., o vymáhání práv z průmyslového vlastnictví a o změně zákonů na ochranu průmyslového vlastnictví (Law No 221/2006 on the enforcement of industrial property rights and amending laws on the protection of industrial property, 'Law No 221/2006') provides that a claim may be brought for information relating to an infringement of a right.

8 In accordance with Paragraph 3(2) of Law No 221/2006, if the information referred to in Paragraph 3(1) is not voluntarily provided within a reasonable time, the rightholder may seek that information by making an application to the court in proceedings concerning an infringement of a right. The court is to dismiss the application if it is disproportionate to the seriousness of the threat to or infringement of the right.

The dispute in the main proceedings and the question referred for a preliminary ruling

9 NEW WAVE brought a first action against ALLTOYS for using, by offering its goods, the MegaBabe mark without NEW WAVE's consent.

10 In that first action, the national court held in a final judgment that ALLTOYS had infringed NEW WAVE's rights in the MegaBabe mark, and ordered it to refrain from wrongful conduct in future and withdraw the products concerned that had already been placed on the market. The court did not, however, allow NEW WAVE to amend its application for the purpose of also requiring ALLTOYS to provide it with all information relating to the goods concerned.

- 11 After those proceedings were definitively concluded, NEW WAVE brought a new action before the Městský soud v Praze (City Court, Prague, Czech Republic) seeking for ALLTOYS to be ordered to communicate to it all information on the origin and distribution networks of the goods bearing the MegaBabe mark stocked, marketed or imported by ALLTOYS at any time in the past or present, specifically the first name and surname or commercial or trading name and permanent residence or seat of the supplier, manufacturer, stockist, distributor and other previous holder of those goods, as well as information on the quantity supplied, stocked, received or ordered and the quantity sold, and precise data on the selling price of the various articles and the price paid by ALLTOYS to the supplier for goods supplied.
- 12 By judgment of 26 April 2011, the Městský soud v Praze (City Court, Prague) dismissed NEW WAVE's application. The court considered that a claim to a right of information could not be brought by an application submitted independently, since Paragraph 3 of Law No 221/2006 provides that such a right may only be asserted by an application to the court in proceedings concerning infringement of a right. However, according to that court, in the dispute in the main proceedings, the action concerning infringement of a right had already been terminated by the final judgment given in the first action.
- 13 NEW WAVE appealed to the Vrchní soud v Praze (Court of Appeal, Prague, Czech Republic), which by judgment of 27 February 2012 altered the judgment at first instance by ordering ALLTOYS to provide NEW WAVE with the information requested. The appellate court considered that Article 8(1) of Directive 2004/48 should be taken into account in interpreting Paragraph 3 of Law No 221/2006. In that context, it found that proceedings concerning the provision of information which had not been communicated voluntarily were also proceedings concerning infringement of a right.
- 14 ALLTOYS appealed on a point of law against the appellate court's judgment to the Nejvyšší soud (Supreme Court, Czech Republic).
- 15 The Nejvyšší soud (Supreme Court) observes that, although Law No 221/2006 transposed Directive 2004/48 in the Czech legal system, there is a difference between the wording of that law and the wording of the directive. While Paragraph 3 of Law No 221/2006 provides that information may be obtained by making an application 'in proceedings for infringement of a right' (*v řízení o porušení práva*), Article 8(1) of Directive 2004/48, in its Czech language version, provides that the Member States must ensure the possibility of obtaining information 'in connection with proceedings for infringement of an intellectual property right' (*v souvislosti s řízením o porušení práva duševního vlastnictví*). According to that court, that national provision must be interpreted consistently with Directive 2004/48. It notes, however, that the interpretation of that expression in Article 8(1) of the directive is not certain.
- 16 The Nejvyšší soud (Supreme Court) further observes that there are differences between the various language versions of Directive 2004/48. Thus the Czech, English and French versions of the directive use respectively the words 'in connection with proceedings' (*v souvislosti s řízením*), 'in the context of proceedings', and 'within the framework of proceedings' (*dans le cadre d'une action*). In that court's view, unlike the Czech and English versions of Directive 2004/48, the French version corresponds more to the wording of Law No 221/2006, since it introduces a closer connection between the proceedings and the application for information.
- 17 In those circumstances, the Nejvyšší soud (Supreme Court) decided to stay the proceedings and to refer the following question to the Court for a preliminary ruling:

'Must Article 8(1) of Directive 2004/48 ... be interpreted as meaning that it is in the context of proceedings concerning an infringement of an intellectual property right if, after the definitive termination of proceedings in which it was held that an intellectual property right was infringed, the

applicant in separate proceedings seeks information on the origin and distribution networks of the goods or services by which that intellectual property right is infringed (for example, for the purpose of being able to quantify the damage precisely and subsequently seek compensation for it)?

Consideration of the question referred

- 18 By its question the referring court asks whether Article 8(1) of Directive 2004/48 must be interpreted as applying to a situation, such as that at issue in the main proceedings, in which, after the definitive termination of proceedings in which it was held that an intellectual property right was infringed, the applicant in separate proceedings seeks information on the origin and distribution networks of the goods or services by which that intellectual property right is infringed.
- 19 In accordance with settled case-law of the Court, for the purpose of interpreting a provision of EU law, it is necessary to consider not only its wording but also the context in which it occurs and the objectives pursued by the rules of which it is part (judgment of 17 March 2016, *Liffers*, C-99/15, EU:C:2016:173, paragraph 14 and the case-law cited).
- 20 In the first place, as regards the wording of Article 8(1) of Directive 2004/48, it must be observed, first, that the expression ‘in the context of proceedings concerning an infringement of an intellectual property right’ cannot be understood as referring solely to proceedings seeking a finding of an infringement of an intellectual property right. The use of that expression does not exclude Article 8(1) from also covering separate proceedings, such as that at issue in the main proceedings, initiated after the definitive termination of proceedings in which it was held that an intellectual property right was infringed.
- 21 It should be added that, as the referring court observes, some language versions of Article 8(1) of Directive 2004/48, such as the French version, do indeed use expressions which could be interpreted as being of a narrower scope than those used in other language versions, such as the Czech and English versions. The fact remains, however, as the European Commission observed in its observations submitted to the Court, that it does not follow from any of those language versions that the applicant must assert the right to information laid down in that article in the selfsame proceedings in which a finding is sought of an infringement of an intellectual property right.
- 22 Secondly, it is apparent from the wording of Article 8(1) of Directive 2004/48 that the obligation to provide information is directed not only at the infringer of the intellectual property right in question but also at ‘any other person’ mentioned in indents (a) to (d) of that provision. Those other persons are not necessarily parties to the proceedings in which a finding is sought of an infringement of an intellectual property right. That confirms that the wording of Article 8(1) of Directive 2004/48 cannot be interpreted as being applicable only in such proceedings.
- 23 In the second place, that interpretation is also consistent with the objective of Directive 2004/48, which, as recital 10 indicates, is to approximate the legislation of the Member States as regards the means of enforcing intellectual property rights so as to ensure a high, equivalent and homogeneous level of protection in the internal market (judgment of 16 July 2015, *Diageo Brands*, C-681/13, EU:C:2015:471, paragraph 71).
- 24 So, to ensure a high level of protection of intellectual property, an interpretation recognising the right of information laid down in Article 8(1) of Directive 2004/48 solely in proceedings seeking a finding of an infringement of an intellectual property right must be rejected. Such a level of protection might not be ensured if it were not possible also to exercise that right of information in the context of separate proceedings brought after the final termination of an action in which a finding was made of a breach of an intellectual property right, such as that at issue in the main proceedings.

- 25 In the third place, it must be recalled that the right of information provided for in Article 8(1) of Directive 2004/48 is a specific expression of the fundamental right to an effective remedy guaranteed in Article 47 of the Charter of Fundamental Rights of the European Union and thereby ensures the effective exercise of the fundamental right to property, which includes the intellectual property right protected in Article 17(2) of the Charter (see, to that effect, judgment of 16 July 2015, *Coty Germany*, C-580/13, EU:C:2015:485, paragraph 29). That right of information thus enables the holder of an intellectual property right to identify who is infringing that right and take the necessary steps, such as making an application for the provisional measures set out in Article 9(1) and (2) or for damages as provided for in Article 13 of Directive 2004/48, in order to protect that right. Without full knowledge of the extent of the infringement of his intellectual property right, the rightholder would not be in a position to determine or calculate precisely the damages he was entitled to by reason of the infringement.
- 26 It should be noted, in this respect, that it is not always possible to request all the relevant information in the context of proceedings at the end of which an intellectual property right is found to have been infringed. In particular, it is not inconceivable that the holder of an intellectual property right may become aware of the extent of the infringement of that right only after the final termination of those proceedings.
- 27 It follows that the exercise of the right of information provided for in Article 8(1) of Directive 2004/48 must not be limited to proceedings seeking a finding of an infringement of an intellectual property right.
- 28 In the light of the foregoing considerations, the answer to the question referred is that Article 8(1) of Directive 2004/48 must be interpreted as applying to a situation, such as that at issue in the main proceedings, in which, after the definitive termination of proceedings in which it was held that an intellectual property right was infringed, the applicant in separate proceedings seeks information on the origin and distribution networks of the goods or services by which that intellectual property right is infringed.

Costs

- 29 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Ninth Chamber) hereby rules:

Article 8(1) of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights must be interpreted as applying to a situation, such as that at issue in the main proceedings, in which, after the definitive termination of proceedings in which it was held that an intellectual property right was infringed, the applicant in separate proceedings seeks information on the origin and distribution networks of the goods or services by which that intellectual property right is infringed.

[Signatures]