

- Article 8 of Directive 2004/48 - Right of Information

‘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: (...) (c) was found to be providing on a commercial scale services used in infringing activities; (...). 2. The information referred to in paragraph 1 shall, as appropriate, comprise: (a) the names and addresses of the producers, (...); (...). 3. Paragraphs 1 and 2 shall apply without prejudice to other statutory provisions which: (...) (e) govern the protection of confidentiality of information sources or the processing of personal data.

England and Wales



- “Litigation is not a war or even a game. It is designed to do real justice between opposing parties and, if the court does not have all the relevant information, it cannot achieve this object” (Sir John Donaldson in *Davies v Eli Lilly & Co* [1987] 1 All ER 801).
- All parties to civil proceedings in England and Wales have a duty both to disclose documents (subject to some very narrow exceptions) and also to allow their opponents (again with exceptions) to inspect and/or take copies of those disclosed documents
 - Integral part of English litigation
- Search and Seizure and Norwich Pharmacal Order can be obtained pre-action, during the course of an action, and post judgement

- Defined as “*a party discloses a document by stating that the document exists or has existed*” (CPR 31.2)
- Parties show their opponents the information and documentation which they have on the matter in dispute
- So how do you know if a document should be disclosed? – Standard Disclosure means:
 - Documents on which you rely
 - Documents which adversely affect your case
 - Documents which adversely affect another party’s case
 - Documents which support another party’s case
 - Documents required to be disclosed by a relevant practice direction

- A document may be anything in which information is recorded, including:
 - Paper documents (eg correspondence, drawings, memoranda, notebooks, paper diaries etc).
 - Information stored on the hard drive of a computer, laptops, servers, back-up systems.
 - All digitally stored documents (including accounting information, emails, computer-aided designs, databases etc).
 - All digitally stored documents and information on other electronic media eg computer disks, memory sticks, tablet devices, smartphones, DVDs, CDs, MP3 Players, remote hosting (the cloud).
 - Video tapes, audio tapes, digital recordings, photographs (including digital photographs) and memory cards.
 - Electronic documents that have been “deleted” and additional information stored and associated with electronic documents known as “metadata”.

The Stages of Disclosure

- 3 stage process: search, disclose, inspect
 - Search: Each party has to prepare a list of the documents that it has, or had, that are relevant to either party's case.
 - Disclose: Give the list to the opponent.
 - Inspect: Opponents are entitled to see the documents that are disclosed, and/or to be provided with copies of them, unless the party giving disclosure has a right to withhold them.
- Counsel is obliged to inform the client of its duty to preserve.
- Disclosure is not automatic, but will be usually be ordered at the Case Management Conference or, in pre-trial scenarios, in a search and seizure order

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- Ex parte orders play a vital role in the acquisition of evidence concerning alleged infringements.
 - *Anton Piller v Manufacturing Processes* [1976] Ch. 55; [1976] 1 All E.R. 779 serves as an important precedent.
 - Statutory Basis
 - Section 7 of the Civil Procedure Act
 - Statutory Basis of Search Orders - Section 7 of the Civil Procedure Act

- Grounds of the Application - *Indicii Salus Ltd (in receivership) v Chandrasekaran* [2006] EWHC 521 (Ch):
 - “extremely strong prima facie case”
 - “damage potential or actual must be very serious for the applicant”
 - “there must be clear evidence that the defendants had in their possession incriminating documents or thing”
 - “there is a real possibility that the defendants may destroy such material before an on notice application is made”
 - “the harm likely to be caused by the execution of the search order on the respondent in his business affairs must not be out of proportion to the legitimate object of the order”
 - the applicant’s obligation to make full disclosure.

- Court order for the disclosure of documents or information against a third party which has been innocently mixed up in wrongdoing.
 - *Norwich Pharmacal Company & Ors v Customs And Excise* [1974] AC 133 (26 June 1973)
- Requirements:
 - a legal wrong must have been carried out by a potential, eventual defendant;
 - there must be an actual need for an Order to bring proceedings; and
 - the person against whom the Norwich Pharmacal Order is sought must have facilitated the wrong doing and be able or likely to be able to provide such information as is necessary to enable the potential defendant to be identified.

- A balance has been struck by the courts between Article 8 of Directive 2004/48 and other fundamental rights through case law on when Norwich Pharmacal orders can be awarded.
- They must not be used as a ‘fishing expedition’ - *ORB ARL & Anor v Fiddler & Anor* [2016] EWHC 361 (Comm) (26 February 2016)
- They are an equitable remedy, which means they are issued entirely at the court’s discretion.
 - Anyone looking to equity for a remedy must be free of wrong doing him/herself (‘clean hands’);
 - Where fairness requires, a remedy will be provided even if one does not exist by right at law; and
 - Laches (delay) can cause unfairness in itself and so an equitable claim must be brought within a timely manner.

- Right or Duty to Withhold
 - Legal advice privilege - House of Lords, *Three Rivers District Council v Bank of England* [2005] 1 AC 610.
 - Litigation privilege – Court of Appeal *Donnelly v Weybridge Construction Ltd* [2006] EWHC 721.
 - Without prejudice correspondence.
 - Privilege against self incrimination - Court of Appeal *C plc and another v P* (Attorney General Intervening) [2007] EWCA Civ 493.
- If inspection is withheld, the documents must be included in the list, but opponent will not be entitled to see them or to have copies. Party withholding a document or category of documents must explain reason for withholding. Opponent is entitled to challenge and the judge may order inspection to be given.

- No general right to withhold confidential information
- Although there is a reluctance to order disclosure of confidential documents, if disclosure is necessary in the interest of the litigation, those interest override mere confidentiality (*Science Research Council v Nassé* [1980] AC 1028; *Three Rivers District Council v Bank of England* [2002] EWHC 2309).
- Court may consider whether confidentiality may be preserved while satisfying the needs of the litigation by
 - ordering redactions,
 - disclosure to other side's lawyers only,
 - disclosure from other sources and
 - other appropriate means (*Science Research Council v Nassé; Walface Smith Trust Co Ltd v Deloitte Haskins and Sells* [1977] 1 WLR 257).

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- No general disclosure obligations
 - Each party bears the burden of proof for the facts on which its claim or defence is based
 - The parties are generally free to decide which facts and documents they will submit to the court and are not obliged to disclose all information, even if it is relevant to the case. However, all allegations of fact must be true and correct.

- Following the Enforcement Directive, pre-trial disclosure provisions were introduced (e.g. Section 140c of the Patent Act):
 - sufficient likelihood that a patent has been infringed,
 - disclosure is necessary in order to prove infringement.
- The statutory provisions require the courts to employ adequate measures to ensure the protection of confidential information.
 - „Düsseldorf Practice“
(Endorsed by German Federal Supreme Court, Case X ZB 37/08 – *Lichtbogenschürung*)

- IP owners can obtain an ex parte order from a German court granting access to the premises of a competitor suspected of infringing.
- Main preconditions for the claim
 - No other means available: Thus as a rule there is no right to an inspection if the object of inspection can be obtained freely on the market without unreasonable effort, or if its relevant features can reliably be determined in another way, e.g. by enquiries to purchasers, on the Internet or by using advertising material.
 - No “fishing expeditions”: Applicant must be able to show and prove that there is a „sufficient probability“ that the patent in question has actually been infringed.

- An ex parte inspection order is issued by means of the “independent taking of evidence”, if necessary backed up by a preliminary injunction to the effect that the alleged infringer is required to tolerate the inspection measures ordered.
- Inspection is carried out by an expert appointed by the court who delivers written opinion to the court; court bailiff and plaintiff’s lawyers also present.
- Preserving confidentiality:
 - Plaintiff excluded from attending inspection;
 - No access (without express court order) to expert opinion;
 - Plaintiff’s lawyers are provided with expert opinion, but must not disclose confidential information to their client;
 - Alleged infringer has right to consult his own lawyers.
- Release of expert opinion to plaintiff *in persona* only after court hearing
 - Court may order redactions or other suitable measures to preserve confidentiality.

- Obtaining evidence from “innocent” parties: Decision of 21 October 2015, Case I ZR 51/12, following CJEU Case C-580/13 – *Coty Germany GmbH v Stadtsparkasse Magdeburg*

- Facts:
 - a) Coty Germany purchased a counterfeit product on eBay, for which it holds the exclusive trade marks in Germany. For legal reasons it was not able to identify the seller.

 - b) Coty Germany requested from Stadtsparkasse (a bank) the name and address of the holder of the bank account into which it had paid to.

 - c) The Stadtsparkasse refused to provide Coty Germany with that information, invoking banking secrecy.

- German Federal Court asked CJEU for preliminary ruling on the following:
 - Must Article 8(3)(e) of Directive 2004/48 be interpreted as precluding a national provision which, in a case such as that in the main proceedings, allows a banking institution to refuse, by invoking banking secrecy, to provide information pursuant to Article 8(1)(c) of that directive concerning the name and address of an account holder?

- Key Finding 1: fair balance
 - There is a requirement to ensure a fair balance between, on the one hand, the various fundamental rights, and, on the other, Article 8 of Directive 2004/48.

- Key Finding 2: no unconditional authorization to invoke banking secrecy
 - Article 52(1) of the Charter of Fundamental Rights of the European Union states, inter alia, that any limitation on the exercise of the rights and freedoms recognised must respect the essence of those rights and freedoms.
 - Thus, Article 8(1) of the Enforcement-Directive precludes a provision of national law which, taken in isolation, provides an unlimited and unconditional authorisation to invoke banking secrecy.

- Key Finding 3: other means
 - It is for the referring court to determine whether there are any other means or other remedies which would allow the competent judicial authorities to order that the necessary information be provided.
 - This determination has to be in view of the specific circumstances of each case, including the specific features of each intellectual property right and, where appropriate, the intentional or unintentional character of the infringement.
- German Federal Supreme Court followed CJEU ruling:
 - Banks may not invoke banking secrecy in connection with an evident trade mark infringement.
 - Decision is important for all intellectual property rights covered by the Enforcement Directive (2004/48/EC).

Opportunity for Questions

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