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Opinion

on the proposal for a Directive on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure, COM (2013) 813 final

The German Association for the Protection of Intellectual Property (GRUR) is a scientific association of academics and practitioners active in the field of the protection of intellectual property, copyright law and competition law. According to its statutes, its object is to further academic education and to expand the protection of intellectual property and copyright law at the levels of German, European and international law.

On 28 January 2013 the EU Commission presented a proposal for a Directive of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.¹ The GRUR comments as follows on this proposal:

I. General remarks

1. Objective of the proposal for a Directive

In principle, GRUR welcomes the convergence of the law in the area of the protection of trade secrets, which is one of the few part-areas of intellectual property law, in which there is so far no harmonisation at European level. This applies not only to the area of substantive law but also to legal enforcement, since Directive 2004/48/EC² (hereinafter: "Enforcement Directive"), in the view of the Commission³ and on the basis of the

¹ COM(2013) 813 final.

² Directive 2004/48/EC of 29 April 2004 on the enforcement of intellectual property rights, OJ (EU) No 195 of 2 June 2004, p. 16.

³ See the statement by the Commission concerning Art. 2 of Directive 2004/48/EC on the enforcement of intellectual property rights, OJ (EU) No 94 of 13 April 2005, p. 37. Trade secrets are not included on this list (which is, however, not exhaustive) as legal items covered by the Directive.

prevailing view in the majority of the Member States, is not applicable to claims for infringement of trade secrets.

The fact that cases of infringement of trade secrets – whether by way of espionage or employees moving to other companies – frequently have cross-border references is one of the primary arguments in favour of legal harmonisation. However, at present the legal systems of the Member States differ significantly with respect to the systematics and the level of protection afforded to trade secrets. On the one hand, this renders legal enforcement more difficult in cases of infringement. On the other hand, there is a risk of barriers to trade within the internal market since the passing on of confidential information to other countries is impaired if it is not ensured that adequate legal protection is guaranteed in the target country and if there is a lack of clarity about the available means of redress.

2. Clarification of the degree of legal convergence

However, legal harmonisation at European level should not lead to a noticeable reduction of the level of protection which exists in Germany as a few aspects of the current proposal suggest could happen. It would not be problematic if mere minimum standards were to be set as in Art. 39 of the TRIPS Agreement. However, it is not clear from the proposal for a Directive whether, and if so to what extent, its objective is comprehensive legal convergence and in which other points the Member States will retain more freedom to maintain a higher level of protection. This should be explained in more detail, for example in the recitals. Particularly with respect to the legal remedies and sanctions, it would seem preferable for the Directive to restrict itself to stipulating binding minimum standards of protection, i.e. to expressly leave the Member States room for further-reaching measures, e.g. for the safeguarding of evidence which is not mentioned in the draft.

3. Title of the proposed Directive

It is striking that the subject of the Directive, according to its title, is supposed to be the "protection of undisclosed know-how and business information (trade secrets)". The function of the title is clearly to clarify the term "trade secrets". However, in the text of the Directive itself, only the term "trade secrets" is used. The broader title seems dispensable, especially since the term "trade secrets" is comprehensively defined in Art. 2(1) of the draft Directive and therefore does not require any further explanation. Mentioning the term "know-how", in particular, could give rise to connections or to associations with corresponding legal definitions which are contained in competition-law block exemption regulations.⁴ This does not appear to be the intention and would also be inappropriate since the definitions of the terms contained in the block exemption regulations are not transferable and are irrelevant for the subject-matter being regulated by the present draft Directive.

⁴ See, e.g. Art. 1.1(i) Regulation (EC) No 772/2004 of 27 April 2004 on the application of Art. 81(3) EC Treaty to groups of technology transfer agreements, OJ (EU) No L 123 of 27 April 2004, p. 11.

II. Overview of the content of the provisions

The main provisions of the proposed Directive are as follows:

- definition of the term "trade secrets" and a few flanking terms, Art. 2.
- provisions regarding acts of infringement, Art. 3,
- exceptions, Art. 4,
- general principles for measures of enforcement, procedures and remedies, Art. 5,
- provisions relating to proportionality of legal enforcement and abuse of litigation, Art. 6,
- limitation period, Art. 7,
- provisions on the preservation of confidentiality of trade secrets in the course of legal proceedings, Art. 8,
- provisions on measures of interim legal protection (interim and precautionary measures), Art. 9 and 10,
- provisions on injunctions and corrective measures resulting from a decision on the merits of the case, Art. 11 and 12,
- provisions relating to the calculation of damages, Art. 13,
- provisions on the publication of judicial decisions, Art. 14.

III. Individual provisions

The following should be noted with respect to certain individual provisions:

1. Definitions of terms, Art. 2,

a) Term "trade secret", Art. 2(1)

aa) The definition of the term "trade secret" in Art. 2(1) of the proposed Directive is closely consistent with Art. 39(2) of the TRIPS Agreement. In the German version the term covers the entire spectrum of what is referred to as "trade secret" in the English version. No account is taken of the differentiation which has until now commonly been made in German law between business secrets (*Betriebsgeheimnisse*), which refer to technical information, and trade secrets (*Geschäftsgeheimnisse*), which refer to commercial information. From a material point of view, this does not result in a disadvantage since the protection was and is the same for both types of secrets anyway.

bb) The fact that the definition in the proposed Directive is closely consistent with the definition in the TRIPS Agreement is welcome since this also stipulates binding minimum standards as against WTO member states outside of the EU and reflects what is a basic consensus, which has been achieved almost worldwide.

Significant deviations from the definition of the term in the TRIPS Agreement could, by contrast, make interpretation more difficult since, in this case, it would also be necessary to ensure that interpretation is in line with the TRIPS Agreement.

- cc) It is important to ensure that the fact that the definition of the term in Art. 39(2) of the TRIPS Agreement, on which the proposed Directive is based, merely sets a minimum standard,⁵ which would become a binding standard by way of the proposed Directive, is not overlooked. As far as the definition of the term "trade secret" is concerned, however, it is not expected that significant restrictions of practical relevance will result, especially since the national legislator will remain free to regulate the protection of other information autonomously should this be necessary.
- dd) There are a few deviations seen in relation to the understanding, applicable in Germany up until now, in respect of the terms "business secrets" (*Betriebsgeheimnisse*) and "trade secrets" (*Geschäftsgeheimnisse*). Pursuant to Art. 2(1)(b), a trade secret must have commercial value because it is secret. This corresponds to recital 8 of the proposed Directive, according to which the definition should exclude trivial information. In German law up until now there has neither been a requirement for a secret to have commercial value based on the secretive quality nor has such a requirement been considered necessary.⁶ Instead, the fact that disclosure of the secret would lead to financial damage for the secret holder was considered sufficient.⁷ This point of the proposed Directive is therefore slightly narrower than German law. However, this will not lead to any significant disadvantages providing that the holder of the trade secret is not required to put an exact figure on the value. The protection of secrets which do not have commercial value, especially secrets which come under the scope of protection of the law on privacy, are not affected by the proposed Directive. This is clear from recital 28.
- ee) Pursuant to Art. 2(1)(c), it is necessary for the information to be subject to reasonable steps under the circumstances, by the trade secret holder, to keep it secret. With this condition comes a risk that the requirements will be overstretched. Under German law, for example, every employee is subject to a duty of confidentiality even without a special agreement. Case law has also always interpreted the requirement of a desire to keep the information secret (*Geheimhaltungswille*) from third parties, which corresponds most closely to the element of the term of reasonable steps to keep it secret, generously and inferred this "from the nature of the fact to be kept secret"⁸. The expression "reasonable steps under the circumstances...to keep it secret" should therefore be interpreted in such a way that it is not necessary to provide proof of special measures where the nature of the secret and the duty to treat the information confidentiality are clear. This should be clarified in the definition or in the recitals.

⁵ Art. 1(1) sentence 2 of the TRIPS Agreement.

⁶ BGH GRUR 2006, 1044 margin no. 19 – *Kundendatenprogramm*.

⁷ BGH Justice GRUR 2006, 1044 margin no. 19 – *Kundendatenprogramm*; BGH NJW 1995, 2301 – *Angebotsunterlagen*.

⁸ BGH NJW 1995, 2301 – *Angebotsunterlagen*.

b) Term "infringing goods", Art. 2(4)

Art. 2(4) defines the "infringing goods" as goods whose design, quality, manufacturing process or marketing significantly benefits from trade secrets unlawfully acquired, used or disclosed. In this respect the meaning of the expression "significantly" should be clarified. On the one hand, there is a risk that the requirements being stipulated here are too far-reaching. On the other hand, it must be noted that even a method patent only grants protection as against such products which are manufactured directly by way of the protected method (section 9 sentence 2 no. 3 of the German Patent Act (*Patentgesetz*)).

It would be going too far for a product to be considered to be "infringing" simply because it is marketed by way of unfair methods even though the product itself has not been manufactured on the basis of any knowledge obtained unlawfully. If the term "marketing" means that the sale of a product should also still be considered unlawful if it has been conceptualised or manufactured on the basis of an infringement of trade secrets, this should be clarified accordingly. In light of the special provisions relating to these cases in Art. 3(5), it would appear to be unnecessary to include this case in the definitions.

2. Acts constituting infringement, Art. 3,

a) Art. 3 describes the acts constituting infringement in respect of a trade secret and thus defines the scope of protection, which is, however, then restricted again by Art. 4.

Art. 3 is essentially structured as follows:

- Art. 3(1) imposes on the Member States a duty to make available the measures, procedures and remedies provided for in the Directive against the unlawful acts of acquisition, use or disclosure.
- Art. 3(2) regulates the cases of unlawful acquisition.
- Art. 3(3) regulates the cases of unlawful use and disclosure.
- Art. 3(4) contains provisions concerning unlawful use and disclosure by third parties, i.e. persons other than the primary infringer.
- Art. 3(5) defines unlawful conduct with respect to the infringing goods.

b) All of the acts of infringement contain subjective prerequisites in the form of a requirement of fault. Art. 3(2) und (3) only apply to acts carried out with intent or gross negligence; Art. 3(4) seems to also apply in cases of simple negligence ("should have known"); Art. 3(5) requires a "conscious and deliberate" act.

c) However, it does not appear appropriate to include requirements of fault in the acts of infringement themselves. Instead these requirements of fault should be regulated together with the provisions on legal remedies since they can differ depending on the legal remedy or measure concerned. It is absolutely essential, in particular, that the trade secret holder has an injunction claim irrespective of fault, i.e. so that unlawful

conduct can be prevented even if the infringement was without fault. The same applies to a claim for correction of the unlawful condition brought about by the infringing party. By contrast, other legal consequences, especially compensation claims, should be linked to a requirement of fault. However, the necessary differentiation cannot be made properly if a fault is already the prerequisite for qualifying conduct as unlawful.

- d) Including requirements of fault in the acts constituting infringement is unlikely to be compatible with the requirements of Art. 39(2) of the TRIPS Agreement either which binds all of the Member States as well as the European Union as a whole. Art. 39(2) of the TRIPS Agreement, as read with footnote 10, namely stipulates that undisclosed information (in the terminology of the proposed Directive: trade secrets) must be protected at least against acts such as breach of contract, breach of confidence and inducement thereto. There is no mention of subjective prerequisites with respect to these three manifestations (unlike with respect to consequential acts by third parties, see under f) below) so they do not appear to apply in general.
- e) Moreover, the benchmark of at least gross negligence in Art. 3(2) and (3) and the requirement of intent in Art. 3(5) appear to be clearly too strict. Having to provide proof of an intentional act, in particular, would create an unreasonably high hurdle for legal enforcement. It can therefore be expected that Art. 3(5) will essentially remain without effect. However, the reference to gross negligence is also inappropriate because it creates a gateway for difficult questions of differentiation and valuation thus significantly impairing the impact of the provisions. This applies in particular - but probably not only - in comparison to the civil law sanctions currently available under German law.
- f) The relationship between the degree of fault provided for in the individual acts constituting infringement also seems to miss the mark. For example, the acts of infringement listed in Art. 3(2) and (3), the content of which refers to direct (primary) acts of infringement, require at least gross negligence whereas the provision in Art. 3(4), which refers to secondary acts by third parties, only requires simple negligence for there to be considered liability. This does not make sense since the persons who carry out the acts under Art. 3(2) and (3) are "closer to the offence" than third parties who merely profit indirectly ("via another person") from the infringement of the secret. The valuation also contradicts footnote 10 to Art. 39(2) of the TRIPS Agreement, where no requirements of fault are listed for direct infringements, whereas, for the case regulated by Art. 3(4) of infringement by third parties involved indirectly, there is a requirement of at least gross negligence (however, without hindering the TRIPS members from implementing stricter sanctions).

3. Exceptions, Art. 4

Art. 4 of the proposal contains certain exceptions. The Article is divided into two sections. The first section categorises certain forms of acquiring trade secrets as lawful whilst the second section, in addition to the acquisition, refers to certain forms of use or disclosure against which the trade secret holder should have no claims. The exact relationship between sections 1 and 2 of Art. 4 intended by the Commission is not clear. The following must be noted with respect to the exceptions in detail:

- a) Independent discovery or creation of trade secrets, Art. 4(1)(a)

Pursuant to Art. 4(1)(a), the acquisition of trade secrets is considered lawful when achieved by means of independent discovery or creation. This corresponds to a basic principle of protection of secrets and shows that there is no exclusive right in respect of trade secrets. The express mention of this elementary exception is appropriate for reasons of clarification.

b) Reverse engineering, Art. 4(1)(b)

Art. 4(1)(b) provides for an extensive exception for so-called reverse engineering. Under this provision, the acquisition of a trade secret is considered lawful if it is obtained by means of observation, disassembly or test of a product or an object that has been made available to the public or that is lawfully in the possession of the acquirer of the information.

The provision reflects the fact that in the majority of legal systems within the European Union, but also, for example, under the laws of the United States of America, reverse engineering is considered to be a permissible means of access to trade secrets. However, the exception, which - apart from the requirement of public availability or of lawful possession - does not include any specific prerequisites and does not open up any possibilities for differentiation, contradicts the prevailing view in German case law which regards reverse engineering as impermissible as a matter of principle.⁹

On the one hand, reverse engineering leads - at least in the individual case - to a risk of significant distortions of competition; on the other hand, it avoids the multiple expenses caused by constant new independent developments. The extent to which permitting reverse engineering will have positive or negative effects will additionally depend decisively on the further use of the knowledge obtained in this manner.

In light of the prevailing view taken in the European Union, according to which reverse engineering is a fair method of obtaining information, legal harmonisation will not be possible without converging to this view. Nevertheless, it would be desirable for the exception to leave more room for judgement to be exercised in the individual case. It must also be ensured that the provision will be adjusted in line with existing provisions on comparable procedures in Art. 6 of Directive 2009/24/EC¹⁰ and in Art. 5(3) of Directive 87/54/EEC¹¹ (transposed in Germany as section 69e of the German Copyright Act (*Urheberrechtsgesetz*) and section 6(2) no. 2 of the German Semiconductor Protection Act (*Halbleiterschutzgesetz*)) which connect the permissibility of each to specific prerequisites.

c) Conformity with honest commercial practices, Art. 4(1)(d)

Art. 4(1)(d) provides for an exception in favour of any other practice which, under the circumstances, is in conformity with honest commercial practices. The exception only makes sense when read with the specific manifestations of unlawful acquisition set out in Art. 3(2)(a) to (e), whereas it would not be necessary in the case of Art. 3(2)(f)

⁹ Basic principle: RG GRUR 1936, 183 – *Stiefeleisenpresse*; more restrictive OLG Düsseldorf OLGR 1999, 55.

¹⁰ Directive 2009/24/EC of 23 April 2009 on the legal protection of computer programs, OJ (EU) No 111 of 5 May 2009, p. 16.

¹¹ Directive 87/54/EEC of 19 December 1986 on the legal protection of topographies of semiconductor products, OJ (EU) No 24 of 27 January 1987, p. 36.

because this provision, in turn, is a general clause and leaves open sufficient room for judgement to be exercised on the basis of the individual case. The exception in Art. 4(1)(d) therefore only creates a corrective applicable in specific exceptional cases. This relationship between the rules and the exceptions should be made clearer in the wording of the provision.

d) Exceptions according to Art. 4(2)

Art. 4(2) predominantly contains exceptions in favour of contrary interests which, in turn, enjoy protection as constitutional rights, e.g. in favour of the right to freedom of expression and the right to freedom of information (Art. 4(2)(a)) or in favour of justified whistleblowing (Art. 4(2)(b)).

aa) Particularly in respect of the right to freedom of expression or the right to freedom of information (Art. 4(2)(a)) and definitely in respect of an act to protect a legitimate interest (Art. 4(2)(e)), the wording of the proposed Directive could be misinterpreted in such a way that any conduct with the respective purpose mentioned is permissible *per se*. However, such interpretation would seriously mistake the significance of the circumstances for the exception. In actual fact, the exceptions can only apply if the contrary legitimate interest of the party acting outweighs the justified interest of the secret holder. However, this requirement of weighing up the two sides is not sufficiently clear from the wording.

bb) Art. 4(2)(d) permits disclosure of a trade secret belonging to a third party for the purpose of fulfilling a “non-contractual obligation”. This clause is clearly there primarily or exclusively to cover cases where there is a statutory duty to provide information. This should be clarified by using wording which is more comprehensible. “Non-contractual obligations” in general cannot be considered to be more important than or equally important as safeguarding trade secrets.

4. Infringement procedures

a) Safeguarding against abuse, Art. 6

There are constitutional-law doubts about the provision in Art. 6(2)(a) in light of the incalculable restriction of effective legal protection contained therein. These arise in national law from Art. 20(3) as read with Art. 2(1) of the German Constitution (*Grundgesetz*), in EU law from Art. 47 of the Charter of Fundamental Rights in connection with Art. 6(1) of the European Convention on Human Rights.

If a claim proves unwarranted because it is inadmissible or unfounded, it must be dismissed. In German civil procedural law this is associated with the losing claimant having to pay the court costs and the costs of the successful defendant. A due procedure governed by the rule of law includes the possibility of being able to file a claim, which is justified from the subjective point of view of the claimant, without restriction. The legal point of view claimed is the subject of judicial assessment and must stand up in court. As a rule, the defendant does not require any further-reaching protection.

German case law has only agreed to a further-reaching sanction subject to narrow preconditions in cases where the defendant will suffer further-reaching damage as a result of the instigation of court proceedings and this cannot be staved off by means of procedural law. Exceptionally, compensation in accordance with section 826 of the German Civil Code (*Bürgerliches Gesetzbuch*) will then be granted for conducting the proceedings.¹² For this to happen, the damage caused must have been caused with intent and be contrary to *bona mores*.

The provision in Art. 6(2) deviates from the system of infringement proceedings relating to intellectual property rights in an implausible manner even though, in relation to them, there is no increased potential for abuse.

If in Germany instigating an injunction procedure owing to alleged unfair competition can be qualified as abusive, perhaps because a right to file a claim is being asserted in a harassing manner which extends beyond the individual case (see section 8(4) of the German Unfair Competition Act (*Gesetz gegen den unlauteren Wettbewerb*)), the legal consequence is restricted to dismissal of the claim as inadmissible. However, there are no further-reaching sanctions.

b) Limitation, Art. 7

The significance of the provision in Art. 7 is difficult to understand. From a material point of view, it appears to be a limitation clause. It should therefore also be called a limitation period to avoid confusion with an exclusion period.

It is not clear why, deviating from provisions on intellectual property rights, there should even be a provision on the limitation period.

The beginning of the period, according to Art. 7, is linked to the existence of a reason for assuming infringement (*Anlass zu einer entsprechenden Vermutung* – the German and the English text do not seem to be fully compatible). This reduces the legal protection in an unacceptable manner. In legal practice, the assumption or suspicion of an infringement often exists a considerable amount of time before sufficient proof for a successful infringement action is available. Often only investigations proceedings by the public prosecution office lead to a suspicion being verified. If the wording of Art. 7 is retained, the limitation period could have expired before the holder of the trade secret to be protected can defend itself by filing a claim. A provision in line with the wording of the provision stipulating the standard limitation period in section 199(1) no. 2 of the German Civil Code (*Bürgerliches Gesetzbuch*) would be preferable. Under this provision, the limitation period commences at the end of the year in which "the obligee obtains knowledge of the circumstances giving rise to the claim and of the identity of the obligor" or "would have obtained such knowledge if he had not been acting with gross negligence". The subjective preconditions are regarded by German case law as being met if the obligee has knowledge which suggests that legal prosecution will be successful.

The length of the limitation period is also unsatisfactory. Two years is unacceptably short.

¹² BGHZ 154, 269, 271 f. = NJW 2003, 1934, 1935; Rosenberg/Schwab/Gottwald, *Zivilprozessrecht*, 17th ed. 2010, § 2 margin no. 19.

c) Preserving the confidentiality of trade secrets in legal proceedings, Art. 8

The provision on preserving the confidentiality of trade secrets in the course of legal proceedings is welcome in principle. The restriction of access by the opposing side to the trade secrets concerned is - subject to the specific structure of the proceedings - consistent with the right to be heard. In this respect the Federal Constitutional Court held that the right to effective legal protection, set out in the constitution, can justify mandatory restrictions of the right to be heard; the right to be heard and the guarantee of judicial protection arising from Art. 19(4) of the German Constitution (*Grundgesetz*) are not opposites but serve the same objective.¹³

For the transposition of Art. 6 and 7 of Directive 2004/48(EC) into national German law, proposals have been made in Germany which allow for a stronger orientation towards protective orders modelled on the English Anton Piller Order (search order), without legal enforcement being made subject to voluntary procedural declarations by the holder of the right, as practised by the Düsseldorf Patent Infringement Chamber.¹⁴ In particular, these proposals include the appointment of a neutral representative for the party to the proceedings restricted in exercising its procedural rights. What is necessary is a stronger EU-law requirement to safeguard in proceedings the interests of the trade secret holder on the one hand and those of the suspected infringer on the other. It must be noted that the front lines are different from when collecting evidence against an infringer of intellectual property rights (Art. 7 of the Enforcement Directive). When a holder of an intellectual property right collects evidence, precautions must be taken, by involving a neutral representative acting on his behalf, to ensure that the property right holder does not gain unjustified access to the trade secrets of the alleged infringer. In the present draft Directive, by contrast, the procedural rights of the infringer must be safeguarded, by involving a neutral representative acting on his behalf, if information must be kept from him in order to protect the trade secret holder.

What is necessary is an EU-law requirement for a judicial order to keep the secret confidential, to be issued even before infringement proceedings are instigated so that the substantiated pleading in the statement of claim is also covered by this protection.

Art. 8(2) subsection 2(b) contains an imprecision in the form of the reference to the "legal representative". In Germany this would be understood as the representative of the natural party. However, this must actually be referring to the legal counsel.

d) Interim and precautionary measures, Art. 9 and 10

Interim and precautionary measures according to Art. 9 should not be made subject to the infringer being at fault. However, this inappropriate connection results from the provision on legal infringement under Art. 3.

The German version of Art. 9(2) ("*stellen sicher*", English: "ensure") does not correspond linguistically to the English version ("may").

¹³ BVerfGE 101, 106, 130 = NJW 2000, 1175, 1178; Ahrens, in Wieczorek/Schütze, ZPO, 4th ed., vol. 4 2013, before § 284 margin no. 52; Bornkamm Festschrift Ullmann (2006), 893, 909 ff.

¹⁴ See the provision proposed by Ahrens GRUR 2005, 857 and the provision by Ahrens/McGuire based on this in § 62 *Buch I Modellgesetz für Geistiges Eigentum, Normtext und Begründung*, 2012.

There are no objections, in principle, to the weighing of interests according to Art. 10. The fact that under Art. 10(3)(a) there is no mandatory requirement to instigate proceedings for a decision on the merits of the case but that implementation of such proceedings can be made conditional upon a request by the respondent is regarded as positive.

Why in civil proceedings between a trade secret holder and an infringing party public interests and interests of third parties must be able to be taken account of, as provided for under Art. 10(2), requires critical reconsideration.

What is meant by "equivalent assurance" to "adequate security" in Art. 10(4) is unclear.

5. Remedies

a) Measures resulting from a decision on the merits of the case, Art. 11 und 12

Art. 11(1)(b) excludes transit. This should be reconsidered.

The wording "*anordnen können*" (English "may order") and "may" in Art. 11(1) are considered sufficient if the principle of granting effective legal protection in Art. 5 is seen as a counterweight.

The content of the corrective measures listed in Art. 11(2) and (3) are consistent with the provisions in the Enforcement Directive. It is suggested that the consistency strived for from a material point of view also be clarified by using consistent wording throughout.

Art. 12(1) provides for public interests and the interests of third parties to be taken into account in connection with the considerations which must be made when issuing a prohibitory injunction. There are the same misgivings about this as about the provision in Art. 10(2).

b) Damages, Art. 13

The content of Art. 13 is essentially consistent with the Enforcement Directive. The proposed norm does, however, deviate, without a plausible reason, from the wording of the norm in Art. 12 of the Enforcement Directive and therefore gives rise to doubts regarding interpretation; the wording of Art. 13 of the Enforcement Directive should be adopted. In particular, the feature "*unlautere Gewinne*" or "unfair profits" gives rise to comprehension difficulties. Compensating the "moral prejudice" means compensating the "intangible damage" and should be designated as such.

c) Measures of securing evidence, information claims

The proposed Directive contains deficits with regard to a right of information (see Art. 8 of the Enforcement Directive) and with regard to precautionary measures (see Art. 9 of the Enforcement Directive). Such rights are imperative for effective legal protection. The provisions of the Enforcement Directive should be adopted. Alternatively, the

Member States should be given the express option to create corresponding provisions in national law.



Dr Kunz-Hallstein
President



Prof. Dr Loschelder
Secretary General