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Knowledge Economy Network, Brussels

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Occasional Brief No. 3 – July 2011

## Strategy to modernize the legal framework for intellectual property rights in the EU

***Intellectual property rights covering patents, trademarks, designs, geographical indications and other copyright related rights (for performers, producers and broadcasters) protect the technology that we use (cars, mobile phones, trains), the food we eat, the music we listen to, and the movies we watch. However, technological changes and in particular the expansion of the web over the past few years have completely changed the world in which intellectual property rights are used. The European Commission finds that the current mix of European and national regulations is no longer relevant and should therefore be updated. It therefore adopted a strategy to modernize the legal framework for intellectual property rights.***

The aim of this strategy is to enable inventors, artists, users and consumers to adapt to new circumstances. The European Commission promises that the new rules will establish an appropriate balance between encouraging creativity and innovation, in part through the provision of rewards and investments for creators, and partly by encouraging the widest possible access to goods and services protected by intellectual property rights. Establishing an appropriate balance will improve the situation for companies (ranging from independent artists to large pharmaceutical companies) as it will promote investment and innovation.

The strategy for protecting intellectual property lays down many short-term and long-term key policy measures in various fields. Regarding patents, the Commission has already since April started publishing proposals to introduce an EU patent in the context of enhanced cooperation. The Commission intends to present proposals in 2011 for the modernization of the trade mark system at both the EU and national levels, also adapting it for the Internet age.

Geographical indications provide a link between product quality and geographical origin, but there is no system in place at the EU level, which would protect non-agricultural products, such as marble from Carrara or knives from Solingen. This leads to unequal conditions of competition in the Single Market. Therefore in 2011 and 2012, the Commission will conduct a thorough analysis of the existing legal framework in Member States as well as the potential economic impact of protection for non-agricultural products with geographical indications. Depending on the outcome of this Impact Assessment, it may be followed by legislative proposals.

Despite the fact that copyrights are largely consistent, the licensing of these rights remains at the national level. Taking into account the digital single market, the most important challenges that need to be addressed are the updating of copyright licensing and the distribution of income; hence, the Commission intends to put forward a proposal in the second half of 2011 to establish a legal framework for effective joint management of copyright, especially in the music sector. It will also set out common rules relating to transparent management and distribution of income. Also in the second half of 2011, the Commission intends to launch a consultation in relation to various issues related to online distribution of audiovisual works.

The establishment of the European digital library is key to developing an economy based on knowledge. To facilitate this, the Commission has already provided a legal framework that will enable digitization and online availability of these "Orphan works" (works, such as books and journals or articles, which are still copyrighted, but the rights holders are unknown or cannot be traced making it impossible to gain permission). At the same time, the Commission pending the conclusion of a Memorandum of Understanding between libraries, publishers, authors and collecting societies in order to allow the licensing of digitizing books that are not available on the market.

Counterfeiting and piracy increasingly threaten the economy. Between 2005 and 2009, the number of registered cases of goods at EU border crossings, which were suspected of IPR violations, increased from 26,704 to 43,572. The Commission has already proposed a regulation to strengthen the European Observatory on Counterfeiting and Piracy, which was founded in 2009 by transferring its functions to the Office for Harmonization in the Internal Market (OHIM). Thus, the Observatory can benefit from the expertise and experience of the OHIM relating to trademarks and designs. In addition, the Commission will propose in the spring of 2012 a revision of the Enforcement Directive, which provides civil law measures that allow rights holders to exercise their intellectual property rights. It has to be adjusted, especially in terms of the specific challenges of the digital environment.

The Commission also proposes a new Regulation on Customs, which will further strengthen the legal framework for customs actions. One of the aims of the proposal is to also address trafficking in small consignments of counterfeit goods sent by post, since the vast majority of these goods is purchased online.

Intellectual property rights are the basis of the EU economy and essential to its continued growth as explained by the European Commission. In 2009, the value of the 10 largest brands in the EU averaged nearly 9 percent of GDP. In 2006, creative industries, whose survival depends on the protection of copyrights, such as the software industry, publishing industry and the music and film industry, contributed 3.3 percent to the GDP of the EU, representing approximately 1.4 million small and medium-sized enterprises and 8.5 million jobs. The number of jobs in industries that are a part of the knowledge economy increased by 24 percent between 1996 and 2006, while other industries only experienced a 6-percent growth.

**Useful information:**

- European Commission strategy on intellectual property rights:  
[http://ec.europa.eu/internal\\_market/copyright/docs/ipr\\_strategy/COM\\_2011\\_287\\_en.pdf](http://ec.europa.eu/internal_market/copyright/docs/ipr_strategy/COM_2011_287_en.pdf)
- Summary of the strategy:  
[http://ec.europa.eu/internal\\_market/copyright/docs/ipr\\_strategy/citizenssummary\\_en.pdf](http://ec.europa.eu/internal_market/copyright/docs/ipr_strategy/citizenssummary_en.pdf)
- Intellectual property rights website:  
[http://ec.europa.eu/internal\\_market/top\\_layer/index\\_52\\_en.htm](http://ec.europa.eu/internal_market/top_layer/index_52_en.htm)
- Brochure explaining the updates to the system of intellectual copyright protection:  
[http://ec.europa.eu/internal\\_market/copyright/docs/ipr\\_strategy/booklet\\_en.pdf](http://ec.europa.eu/internal_market/copyright/docs/ipr_strategy/booklet_en.pdf)

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