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## Sanctions in IP infringement cases – does the current regime contribute to sustainable solutions? – thoughts from a Finnish perspective

XXXV Nordic NIR Meeting  
Oslo 29 – 30 August 2022  
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A long time ago,  
in a galaxy far far away...

Well...  
To be exact in Finland some 20 years ago

A sustainable amicable settlement was  
made between two parties 😊

## Amicable settlement – The parties are free to settle disputes and consider sustainable solutions

- In the event of alleged infringement, the parties may agree on the settlement of the dispute
- When settling amicably sustainability can be considered and other solutions than destruction can be decided
  - Agree on donating to charities
  - Agree on alterations, e.g. removal of allegedly infringing trademark
  - Agree on a more sustainable destruction or alternatives, e.g. recycling of material and upcycling
- Many questions arise when disposing of infringing goods through non-commercial channels such as donations to charities. For example, can a "poor quality" infringing product be associated back to the infringed party and is it likely that the goods are reintroduced to commercial channels?
- If the case cannot be settled amicably, what are the available options?
  - The IP right holder can bring an infringement action
  - What sustainable options can be found in an infringement action?

## Do IP laws consider sustainability to be a part of the assessments in an IP infringement case?

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- The current (Finnish) IP laws mainly consider a need for balancing between the aims of exclusive rights and arguments on free competition but not specifically sustainability
  - In preliminary injunctions the court shall see to it that the opposing party does not suffer undue inconvenience in comparison with the benefits to be secured (Code of Judicial Procedure Chapter 7 Section 3(2))
  - The Finnish IP laws have not taken any position on the consideration of sustainability in the assessment of IP infringement cases
    - No explicit public interest requirement in Finland for preliminary injunctions; in final injunctions more discretion
- The Constitution of Finland
  - Section 15: The property of everyone is protected.
  - Section 20: Responsibility for the environment. (cf Article 3(3) of TEU and Article 11 of TFEU)
    - Everyone has a responsibility for nature and its diversity, the environment and cultural heritage. Public authorities must seek to ensure that everyone has the right to a healthy environment and the opportunity to influence decisions about the environment in which they live.
    - It is a general rule for the public and not directly aimed at counterparties

# The Finnish IP laws on sanctions for infringement

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## Registered Designs Act (221/1971)

- Injunction (35)
- Compensation and damages (36)
- Ordering of alteration, storing of the goods for the remainder of the period of protection, destruction or handing over of infringing goods against compensation (37)

## Trademarks Act (544/2019)

- Injunction (64)
- Compensation and damages (69)
- Ordering of removal of infringing mark, alteration, destruction or handing over the infringing goods to the injured party against compensation (71)

## Government proposal for the Trademarks Act HE:201/2018

In some situations, redemption/transfer of goods may exceptionally be a better option for the rightsholder than destruction of the goods, for example if the raw material used in the goods can be reused

## Patents Act (550/1967)

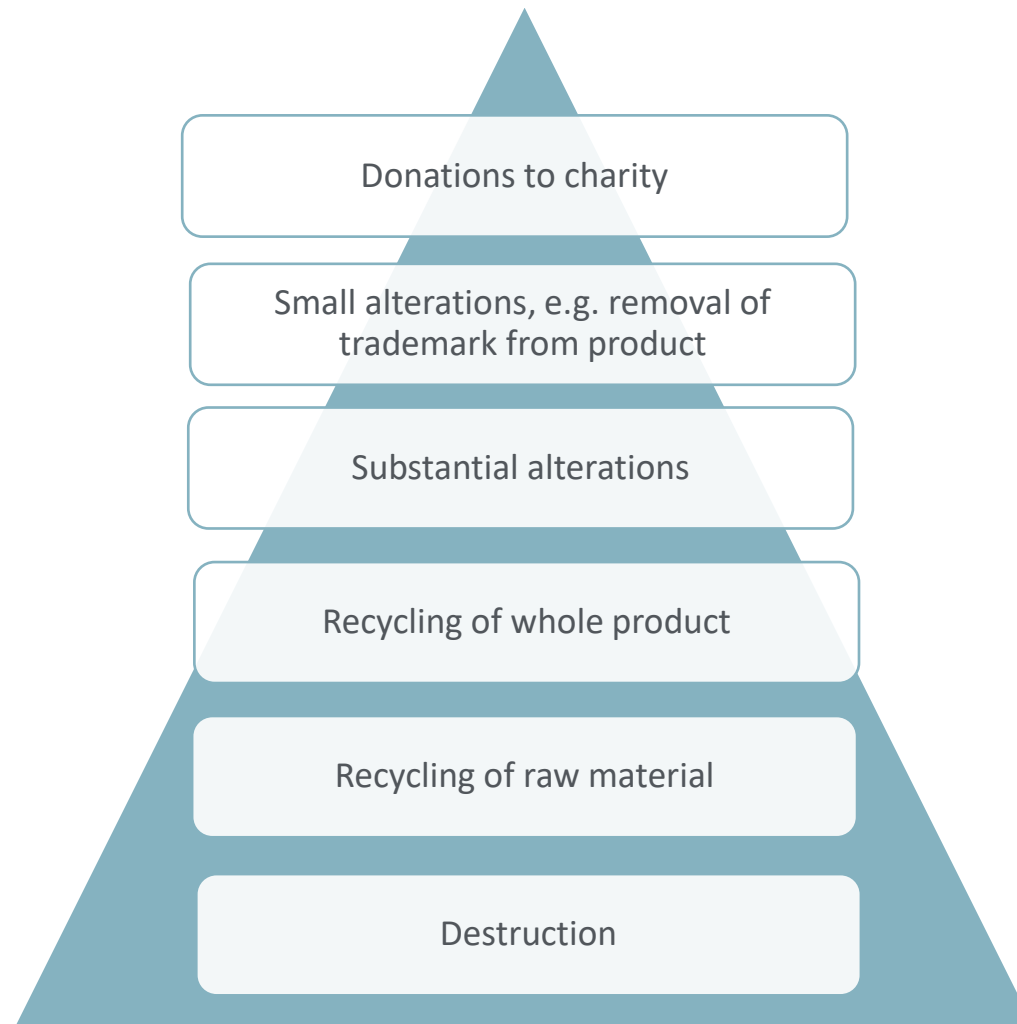
- Injunction (Section 57)
- Obligation to pay reasonable compensation for the use of the invention as well as compensation for the additional damage caused by the infringement (58)
- Ordering of alteration, storing the goods for the remainder of the patent term, destruction or handing over of the infringing goods against compensation (59)

## Copyright Act (404/1961)

- Compensation and damages (57)
- Ordering of destruction, alteration, handing over of the goods against compensation (58)
- Injunction (60 b)

## 6 shades of sustainability

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## Can interpretations favored by sustainability currently be given without direct legislative changes?

- Can the rightsholder claim more than to merely modify or destroy?
- The courts may be cautious to give more space to notions of sustainable development as long as there is no legislative support for this.
  - In the Finnish Supreme Court case KKO:2003:127, the Court did not find that the public interests put forward were enough not to order an injunction
  - The protection of the exclusive right is the main consideration in the assessment of alleged infringement
- Can the Court consider and order sustainable factors when issuing the judgement
  - According to the Code of Judicial Procedure, the court may not award more or less than the party has requested.

## Is the IP legislation sufficient?

- Should the IP laws be changed?
  - Should the sanction provisions be more detailed?
    - Introducing a requirement to recycle as much as possible and to consider other options than mere destruction
  - Should all IP laws include a "hierarchy ranking" of the sanctions?
- Could solutions promoting sustainability be found in another law?
  - Waste Act (based on the Waste Framework Directive)
    - Could a wider scope of producer responsibility in the waste management hierarchy be a solution?
      - Producer responsibility is currently only mandatory under certain circumstances



A blurred background image showing three people in business attire. On the left, a woman with blonde hair is wearing a green top. In the center, a man is wearing a dark suit. On the right, another man is wearing a dark suit and a tie. The scene appears to be an office or a professional meeting.

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