

CHECKLIST OF ISSUES ON ENFORCEMENT<sup>1</sup>

Responses from Luxembourg

I. CIVIL AND ADMINISTRATIVE PROCEDURES AND REMEDIES

The main rules of civil procedure are contained in the Luxembourg Code of Civil Procedure and in the Administration of Justice Act of 7 March 1980<sup>2</sup>, the law of 9 August 1993 extending the jurisdiction of Justices of the Peace<sup>3</sup>, the Grand-Ducal Regulation of 29 June 1990 on the rules of procedure of the Court of Appeal and the district courts Justices of the Peace<sup>4</sup>, and the law of 11 August 1996 on preparations for trial in contentious civil proceedings.<sup>5</sup>

The rules of administrative procedure are laid down in the Law of 1 December 1978 governing non-contentious administrative proceedings<sup>6</sup>, the Grand-Ducal Regulation of 8 June 1979 on the procedure to be followed by administrations answerable to the State and the communes<sup>7</sup>, and the 1996 Law on the organization of the Administrative Court and the State Council (*Conseil d'Etat*).

A. Civil judicial procedures and remedies

1. **Specify the courts which have jurisdiction over IPR infringement cases.**

(a) General rules

In the absence of specific rules concerning material and local jurisdiction for certain intellectual property rights, the ordinary law shall apply, the main features of which may be summarized as follows:

If the Code of Civil Procedure or another statutory provision does not assign express jurisdiction to a particular court, the Justice of the Peace shall deal with all claims where the amount involved does not exceed Lux F 400,000 (Articles 1 and 2) and the district court shall entertain claims exceeding

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<sup>1</sup>Document IP/C/5.

<sup>2</sup>Mem. 1980, 143 ... last amended in 1993.

<sup>3</sup>Mem. 1993, 1410.

<sup>4</sup>Mem. 1990, 433.

<sup>5</sup>Mem. 1996, 1659.

<sup>6</sup>Mem. 1978, 2486.

<sup>7</sup>Mem. 1979, 1096.

that amount (Article 17). The district courts are ordinary courts which deal with civil and commercial cases. They also hear applications for authority to enforce foreign judgements and decisions referred to foreign officials (Article 18) and appeals from judgments given at first instance by Justices of the Peace based in the district concerned. District court rulings are appealable to the Superior Court of Justice (Article 19).

Articles 806 to 811-2 of the Code of Civil Procedure provide for urgent proceedings (*référé*).

In personal or movable property proceedings (Article 24 *et seq.*), and in all cases where no specific territorial jurisdiction is laid down by law, the competent court is the court at the place where the defendant is domiciled. In contractual matters, the claim may also be lodged with the court at the place where the obligation has been or is to be performed, or with the court at the place elected as domicile for performance of the act.

It may be noted that the Law of 27 November 1986 regulating certain commercial practices and sanctioning unfair competition<sup>8</sup>, assigns jurisdiction to the "judge presiding over the district court division dealing with commercial matters", for the enforcement of Articles 21 to 24 relating to actions for suspension and other penalties.

Book III of the Code of Civil Procedure contains a single section on arbitration (Articles 1003 to 1028-2). If the parties agree to resort to arbitration, the civil courts have no further jurisdiction.

(b) Specific rules

1. Copyright and neighbouring rights

Article 44 of the Law of 29 March 1972, on Copyright, as amended by the Law of 24 April 1995, provides as follows:

"Without prejudice to the injured party's right to enter a criminal action under the provisions general legislation, actions arising from this Law shall be within the exclusive competence of the civil courts." It also stipulates that "the case shall be heard as a matter of urgency", i.e. following the procedure set out in Articles 806 to 811-2 of the Code of Civil Procedure.

2. Trademarks

See general rules (two courts: Justice of the Peace; district civil and commercial court).

The importance of the interests at stake and the fact that trademark owners are usually businessmen mean that most disputes are submitted to the district court sitting as a commercial court.

The rules on territorial jurisdiction are contained in Article 37.A of the Uniform Benelux Law on Marks of 19 March 1962.<sup>9</sup> The basic rule is as follows:

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<sup>8</sup>As amended by the Law of 14 May 1992.

<sup>9</sup>The Uniform Benelux Law on Marks entered into force on 1 January 1971, in accordance with Article 13 of the Benelux Convention Concerning Trademarks.

"Unless otherwise expressly stipulated by contract, jurisdiction in respect of mark cases shall be determined by the domicile of the defendant or by the place where the undertaking giving rise to the litigation originated or was or is to be performed. The place where a mark was filed or registered can on no account serve in itself as a basis for the determination of jurisdiction."

In the absence of an explicit assignment of jurisdiction<sup>10</sup>, the plaintiff is free to choose one or the other of the above-mentioned criteria.

If the criteria in question are not sufficient for the determination of jurisdiction, the plaintiff has the option of bringing the case before the court of his domicile or residence or, if he has no domicile or residence within the Benelux territory, before the court of his choice in Brussels, The Hague or Luxembourg. In practice, this option relates to situations of conflict between two registrations, when neither of the two parties is based in the Benelux.

It should be noted that courts dealing with trademark disputes may put preliminary questions concerning the interpretation of the Uniform Benelux Law on Marks to the Benelux Court of Justice, composed of Dutch, Belgian and Luxembourg judges.

### 3. Patents

Article 80.1 of the Law of 20 July 1992 amending the patent regime, which will enter into force on 1 January 1998, provides as follows:

"Any action for infringement of a patent, or any action for damages for infringement, shall come within the exclusive jurisdiction of the district court, regardless of the amount involved in the claim".

Article 74.1 of the 1992 Law referred to above provides that "any action for nullity or any action to contest ownership of a patent, irrespective of the amount involved in the claim, shall be brought before the court at the elected domicile of the patent holder".

### 4. Industrial designs

Article 16 of the Uniform Benelux Designs Law of 25 October 1966 provides that "the civil courts shall have exclusive competence to give judgement in proceedings based on this Law".

Article 29 of the same Uniform Law is identical with Article 37 of the above-mentioned Uniform Law on Marks. Unless jurisdiction is expressly stipulated by contract, the plaintiff may choose between the defendant's domicile and the place where the disputed obligation originated or was or is to be performed. It should be noted that, in this case too, the place where a design was deposited or registered cannot serve in itself as a basis for the determination of jurisdiction.

The subsequent wording of paragraph 2 applies *mutatis mutandis* to designs.

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<sup>10</sup>This will be the case more often than not. Where infringement is concerned, such assignment of jurisdiction presupposes the existence of contractual relations between the parties to the dispute.

5. Layout-designs (topographies) of integrated circuits

Article 11 of the Law of 29 December 1988 on the legal protection of topographies of semi-conductor products provides that proceedings for protection of the exclusive rights afforded by the said Law and compensation for infringements of those rights shall be governed by the relevant provisions of the legislation on patents, for invention.

Reference is therefore made to point 4 above.

**2. Which persons have standing to assert IPRs? How may they be represented? Are there requirements for mandatory personal appearances before the court by the rightholder?**

(a) General rules

Any person entitled to bring an action, who has an interest in so doing, may lay the matter before the competent authority, either for a ruling on the merits, or in order to request provisional measures.<sup>11</sup>

Without going into detail, it may be recalled that the right to take part in court proceedings is governed by public international law.<sup>12</sup>

In proceedings before the district court sitting in civil cases and before the higher courts (Court of Appeal and Court of Cassation together constituting the Superior Court of Justice), parties are required to be represented by counsel (Article 61 of the Code of Civil Procedure). Parties may appear in person before the Justice of the Peace and the district court sitting as a commercial court (Article 9 of the Code of Civil Procedure).

In all cases, the court may even order, *ex officio*, the appearance in person of the parties or of one them (Article 269 *et seq.* of the Code of Civil Procedure). It may require private or public-law corporations to appear in the person of their qualified representatives (Article 273-1 of the Code of Civil Procedure).

However, the rightholder may not appear as a witness if he is a party to the proceedings (Article 274 of the Code of Civil Procedure).

(b) Specific rules

1. Copyright and neighbouring rights

The amended Law of 29 March 1972 on Copyright provides that any copyright holder who fulfils the conditions laid down by the law may exercise his rights in legal proceedings. In accordance with Article 48, copyright may of course be exercised by an organization, provided that it has been granted the necessary authorization by the competent Ministry.

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<sup>11</sup>Adage: "No interest, no action".

<sup>12</sup>Article 7 of the Civil Code: "The exercise of civil rights is not dependent on citizenship, which is acquired and maintained only in accordance with the constitutional law".

## 2. Trademarks

### Action for infringement

Actions for infringement may in principle be brought only by the proprietor of a mark (Article 13 of the Uniform Benelux Law on Marks).

Paragraph 5 of Article 13.A of the Uniform Law specifies that the proprietor may institute proceedings for damages or for surrender of the profits obtained on behalf of the licensee.

The licensee, for his part, also has the right to bring proceedings in certain cases. For the purpose of obtaining compensation for damage suffered directly or to obtain a proportional share of the profits obtained by the defendant, a licensee shall be entitled to intervene in proceedings for damages or for surrender of profits instituted by the proprietor of the mark (Article 11.D of the Uniform Law). A licensee may also institute such proceedings independently if he has been authorized to do so by the proprietor of the mark.

In addition, under Article 13*bis*, paragraph 4, a licensee shall be entitled, subject to authorization by the proprietor of the mark, to intervene in proceedings to establish ownership of movables that have infringed his rights and of objects that have served to produce such movables, as well as in proceedings to have such movables destroyed or rendered unusable.

As regards collective marks, reference should be made to Article 26 of the Uniform Benelux Law on Marks, referred to above, which provides that:

"The right to institute legal proceedings for the protection of a collective mark shall exclusively accrue to the proprietor of such mark.

The regulations for use and control may, however, confer on persons to whom the use of the mark has been granted the right to bring a claim jointly with the proprietor or to become party to any action or to intervene in any proceedings instituted by or against the latter.

Likewise, the regulations for use or control may also provide that the proprietor, acting alone, may assert the individual interests of the users of the mark and may incorporate in his claim for indemnification the specific damage sustained by one or more of them."

### Action for nullity

A distinction should be made according to whether the action for nullity is based on grounds of incurable nullity or curable nullity.

If the action is based on grounds of incurable nullity, any interested party may take action (Article 14.A of the Uniform Law).

Where the action is based on grounds of curable nullity - existence of a prior right - the action may be instituted by the holder of the prior right or by any other interested party, provided that the holder of the prior right is joined to the proceedings (Article 14.B of the Uniform Law).

These rules are also applicable to collective trade marks.

### Action for revocation

Any interested party may bring an action for revocation of a mark on grounds of lapse of normal use (Article 14.C of the Uniform Law).

#### 3. Patents

Article 77 of the Law of 20 July 1992 provides that:

- "1. Any action for infringement shall be brought by the proprietor of the patent.
2. However, the beneficiary of an exclusive right of exploitation may, unless the licensing contract provides otherwise, institute proceedings for infringement if, after being given notice, the owner of the patent does not institute such proceedings.

The patentee is entitled to intervene in the proceedings for infringement instituted by the licensee under the previous paragraph.

3. The proprietor of a licence of right, a compulsory licence or an ex officio licence, as defined in Articles 56, 62 and 63, may institute proceedings for infringement if, after being given notice, the proprietor of the patent does not institute such proceedings.
4. Any licensee is entitled to take part in proceedings for infringement instituted by the patentee, in order to obtain redress for damage personally sustained."

#### 4. Industrial designs

The proprietor of a design may bring an action for infringement (Article 14 of the Uniform Designs Law).

A licensee may, jointly with the proprietor, claim compensation for any damage sustained by him as a result of the infringement of exclusive title (Article 13.4 of the Uniform Law).

Any interested party may invoke the nullity of a design deposit (Article 15 of the Uniform Law).

There is no compulsory requirement for the right holder to appear in person before the court (cf. general rules).

### **3. What authority do the judicial authorities have to order, at the request of an opposing party, a party to a proceeding to produce evidence which lies within its control?**

Article 188 of the Code of Civil Procedure provides that documents put forward by a party must be produced spontaneously. If the documents are not produced, the court may be requested informally to order that they be made available and to impose a coercive fine on the party in default. The court may even (Article 189) refuse to give consideration to documents which have not been made available at the proper time.

If, in the course of the proceedings, a party intends to put forward an authentic act or a private document to which it is not a party or a document in the possession of a third party, it may request the judge dealing with the case to order that a copy be issued or that the act or document be produced.

**4. What means exist to identify and protect confidential information brought forward as evidence?**

Luxembourg law contains no specific provisions guaranteeing protection of confidential information. The judicial authorities must therefore have regard to Article 43.1 of the TRIPS Agreement.

Article 191 of the Code of Civil Procedure and the relevant case law<sup>13</sup> make it clear that it lies within the court's discretion to decide as to the confidentiality of information to be included in the ruling. Consequently, it may order an extract of a document to be issued or produced.

**5. Describe the remedies that may be ordered by the judicial authorities and criteria, legislative or jurisprudential, for their use:**

- **Injunctions;**
- **damages, including recovery of profits, and expenses, including attorney's fees;**
- **destruction or other disposal of infringing goods and materials/implements for their production;**
- **any other remedies.**

1. INJUNCTIONS

(a) General rules

Article 21 of the Law regulating certain commercial practices and sanctioning unfair competition of 27 November 1986, as amended by the Law of 14 May 1992, provides that:

"The President of the District Court Division dealing with a commercial case at the request of any individual, a professional group or a consumer organization represented on the price board shall order the cessation of acts contrary to the provisions of Articles 1 to 20 of this Law."

Such proceedings on the merits, also known as action for suspension, are instituted and tried in the same way as urgent proceedings, but with no right of opposition.

(b) Specific rules

1. Trademarks

The action for suspension referred to under (a) is not applicable to infringements of trademarks.

However, this exclusion does not extend to cases of unlawful use of a trademark falling short of infringement (i.e. cases covered by Article 13A.1(c) and (d) of the Uniform Law).

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<sup>13</sup>Tb lux 14 July 1987, case 158/87.

2. Patents

Article 79.3 of the Law of 20 July 1992 provides that the President of the Court may, at the request of any person authorized to bring an action for infringement under the said Law, issue an interim order requiring any person against whom strong evidence of infringement exists provisionally to cease the activity considered as constituting infringement.

Moreover, Article 80.4(a) provides that "if the action for infringement is recognized as well founded, the District Court shall order the infringer or, if need be, more than one infringer jointly and severally: (a) to cease the infringement;".

3. Industrial designs

Article 14.5 of the Uniform Benelux Designs Law provides that "acts which would only constitute infringement of a design may not be the subject of an action under the legislation on unfair competition".

2. DAMAGES, INCLUDING RECOVERY OF PROFITS, AND EXPENSES, INCLUDING ATTORNEY'S FEES

(a) General rules

Pursuant to Articles 1382 and 1383 of the Civil Code, the court may order anyone who causes damage to another to provide compensation (damages), irrespective of whether the damage was caused by fault or by negligence.

This fundamental principle obviously applies also in IPR infringement cases.

As regards costs and expenses, Article 130 of the Code of Civil Procedure provides that the losing party will be ordered to pay the costs, unless a specific and reasoned court decision leaves another party to bear all or part of the costs. There are five categories of costs: bailiff's fees, registry fees, taxes and duties, lawyer's fees and consultant expert fees.

Article 133-1 of the Code provides that "where it appears inequitable to leave one party to bear expenditure it has incurred that is not included in the costs, the court may order the other party to pay an assessed sum". This provision covers attorney's fees in particular.

(b) Specific rules

1. Copyright and neighbouring rights

The procedure and method of compensation are those of the ordinary law relating to liability for negligence. The court may therefore order the infringer to pay damages to the holder of the right by way of compensation for the damage caused.

Moreover, Article 46 of the amended Law of 29 March 1972 on Copyright stipulates that, in the event of any violation of the provisions on the resale royalty right, "the acquirer and the law officials may be held jointly liable for damages which shall inure to the benefit of the persons entitled to the resale royalties".

The last paragraph of Article 37 of the amended 1972 Law provides that "in the case of acts that give rise to monetary receipts, the President may order the sequestration of the monies by a bailiff appointed by him".

2. Patents

Article 80.4(b) of the Law of 20 July 1992 provides that, if an action for infringement is recognized as well-founded, any infringer shall be ordered to pay damages to compensate for the damage caused to the plaintiff.

3. Trademarks

Article 13.A.3 of the Uniform Law provides that, without prejudice to the application of the ordinary law on civil liability, the proprietor of a mark may, by virtue of his exclusive right, claim indemnification for any damage sustained by him as a result of unlawful use of the mark.

It should be noted that Article 12.A *in fine* stipulates that "damages can on no account be awarded for facts which occurred prior to filing".

Moreover, Article 13.A.4 of the Uniform Law gives the proprietor of a mark the option of instituting proceedings for surrender of the profits derived by the infringer from unlawful use of the mark together with submission of the relevant accounts. The Law provides that "the court shall refuse the petition if it holds that the use was not made in bad faith or that the circumstances of the case do not call for such sentence".

4. Industrial designs

Article 14.2 of the Uniform Law provides that the proprietor of a design deposit may claim compensation for any damage caused to him by unlawful use of his design, if such use occurred after publication of the deposit, sufficiently disclosing the characteristics of the design, unless the infringer was aware of the deposit's existence.

3. DESTRUCTION OR OTHER DISPOSAL OF INFRINGING GOODS AND MATERIALS/ IMPLEMENTS FOR THEIR PRODUCTION

1. Copyright and neighbouring rights

Articles 37 *et seq.* of the amended Law of 29 March 1972 on Copyright provide for the seizure of infringing works, also called seizure-description.

Under this procedure, copyright owners may, after obtaining authorization, upon application, from the President of the Court of First Instance at the place where the infringement occurred, arrange for one or more court-appointed experts to make a surprise visit to the premises of the infringer in order to draw up a description of the allegedly infringing objects or of the acts of infringement and the implements that served directly for the performance of those acts.

The President may use the same order to forbid the holders of infringing objects to part with them, assign a custodian to the premises where the said objects are stored, or even place the objects under seal.<sup>14</sup>

2. Patents

Points 1 and 2 of Article 79 of the Law of 20 July 1992 provide that:

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<sup>14</sup>See the reply to question No. 12.

- "1. Persons authorized to institute proceedings for infringement pursuant to Article 77<sup>15</sup> may, on request, be authorized by the President of the District Court to arrange for one or more sworn experts appointed by the President to draw up a detailed description of allegedly infringing objects and of the instruments used to commit the alleged infringement, irrespective of the identity of the owner of the said objects and instruments.
2. The persons in question may, by virtue of the same order of the President or a subsequent order, be authorized to arrange for a bailiff, assisted by one or more previously appointed experts, to attach the objects and instruments referred to in paragraph 1 (...).

Custody of the aforesaid objects and instruments may be entrusted to a custodian appointed by the President."

Article 81 of the Law of 20 July 1992 lays down the confiscation procedure, as follows:

- "1. At the request of the injured party, and provided that the measure proves necessary to uphold the ban on continued infringement, the court may order the confiscation, on behalf of the plaintiff, of manifestly infringing objects in the possession of the infringer on the date of entry into force of the ban, and, where appropriate, of the facilities or means specifically intended to commit the infringement.

Account shall be taken of the value of the infringing objects in the calculation of the compensation awarded to the beneficiary of the judgement.

2. Confiscation for the benefit of the plaintiff may be ordered even if the objects in question have been attached on the strength of a writ of execution, or if the defendant is bound by bankruptcy procedure or other collective liquidation arrangements.
3. At the request of the injured party, and provided that the measure proves necessary, the court may order the destruction, at the cost of the infringer, of manifestly infringing objects and of the instruments, facilities or means specifically intended to commit the infringement.
4. The confiscation for the benefit of the plaintiff provided for in paragraph 1 may relate wholly or in part to immovable property, despite non-registration of the claim at the mortgage registry."

### 3. Trademarks

Article 13*bis*.1 of the Uniform Law provides that "the proprietor of a mark shall be entitled to claim ownership of any movable assets that have infringed his right or of goods that have served to produce such assets, or to demand that they be destroyed or rendered unusable. Such claim may also be asserted with regard to the amounts of money presumed to have been obtained as a result of the infringement of the right in the mark. The petition shall be rejected if the infringement was not made out in bad faith".

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<sup>15</sup>See above, the reply to question No. 2, point (b), 3.

Paragraph 2 of the same Article stipulates that the provisions of domestic law relating to withholding measures and enforcement of court decisions shall be applicable.

#### 4. OTHER REMEDIES

##### Publication of rulings

Pursuant to Article 1036 of the Code of Civil Procedure, the courts may order publication of their rulings. The full text or extracts of such rulings shall be published in newspapers designated by the court, at the expense of the infringer.

There is only one specific provision concerning the publication of rulings, and it relates to patents. Article 80.5 of the 1992 Law provides that "(...) the court may authorize the publication of the ruling or of an extract therefrom in one or more newspapers, at the expense of the infringer or infringers".

As far as other IPRs are concerned, Article 1036 of the above-mentioned Code of Civil Procedure will be applied.

##### Return of infringing goods

Once infringing goods have been sold, they belong to the purchaser and the court cannot order the infringer to take them back. On the other hand, it can order him to write to his clients to inform them of the existence of a court ruling.

##### Penalty payments

Under the terms of Article 2059 of the Civil Code<sup>16</sup>, "at the request of one party, the judge may sentence the other party, if the main sentence has not been satisfied, to pay a sum of money known as a penalty payment, though without prejudice to any damages that may be adjudged. However, a penalty payment may not be imposed in the event of a previous sentence to pay a sum of money".

With regard to patents, Article 80.5 of the 1992 Law expressly provides that "the suspension order may be accompanied by a pecuniary penalty".

##### Communication of commercial data

With regard to trademarks, Article 13bis.5 of the Uniform Benelux Law provides that "at the request of the proprietor of a mark, the court may order the person who has infringed his right to supply to the proprietor all information at his disposal with respect to the origin of the objects that have infringed the mark and to communicate to him all relevant data".

**6. In what circumstances, if any, do judicial authorities have the authority to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the goods or services found to be infringing and of their channels of distribution?**

See answers to questions 3 and 5.

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<sup>16</sup>Article introduced in the wake of the Benelux Convention of 26 November 1973 on a uniform law on penalty payments.

**7. Describe provisions relating to the indemnification of defendants wrongfully enjoined. To what extent are public authorities and/or officials liable in such a situation and what "remedial measures" are applicable to them?**

If the complainant cannot substantiate his allegations, he will as a rule be required to pay the costs of the proceedings.

Pursuant to Article 6-1 of the Civil Code, "any act or any fact which, by virtue of the intention of the author, its purpose or the circumstances in which it took place, manifestly exceeds the normal exercise of a right, shall not be protected by law, shall involve the responsibility<sup>17</sup> of its author and may give rise to an action for suspension in order to prevent continuation of the abuse."

The State, as right holder, is treated in the same way as a private individual in the context of civil proceedings. Article 1 of the Law of 1 September 1988 on the civil liability of the State and of public authorities goes so far as to state that "the State and other public law entities shall be liable, each within the framework of its public service functions, for any damage caused by the defective functioning of their services, both administrative and judicial, subject to the force of *res judicata*. However, when it is inequitable, having regard to the nature and purpose of the act giving rise to the damage, to leave the citizen to bear the damage sustained, compensation shall be due even in the absence of proof of defective functioning of the service, provided that the damage is specific and exceptional and that it cannot be attributed to a fault of the part of the injured party".

**8. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.**

Article 130 of the Code of Civil Procedure provides that: "the losing party shall in all cases be liable for costs". The court is, however, empowered to order whatever part of the costs it deems appropriate against one or the other party, provided that various claims have been asserted in the course of proceedings, in the light of which the court has not found entirely for one or the other party.

Under Article 131-1, the court may even grant a case-preparation allowance to one party for expenditure not included in court costs.

It is therefore not possible to identify rules or to provide precise information on the cost and duration of proceedings, since they depend entirely on the approach selected by the parties, the nature and the complexity of the case, the persons involved, etc.

**B. Administrative procedures and remedies**

By way of introduction, it should be noted that the rules of administrative procedure must ensure respect for the citizen's right to a fair hearing, by facilitating citizen participation in administrative decision-making to the fullest extent possible.

**9. Reply to the above questions in relation to any administrative procedures on the merits and remedies that may result from these procedures.**

Pursuant to Articles 93-95 of the Constitution, disputes concerning civil rights, and intellectual property rights in particular, fall within the exclusive competence of the courts.<sup>18</sup>

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<sup>17</sup>Article 1382 *et seq.* of the Civil Code.

<sup>18</sup>cf. Article 15 of the Uniform Designs Law and Article 14 of the Uniform Benelux Law on Marks.

However, there may be cases where the Administrative Court (at first instance) or the Council of State (at second instance) is called upon to make a ruling on an appeal to set aside an administrative decision concerning an intellectual property right. The administrative courts shall nevertheless have no jurisdiction to rule on a claim where their examination of the matter would entail a pronouncement as to the existence or the scope of an intellectual property right.

Indeed, as in the matter of copyright the Minister of the Economy is competent to grant authorization to bodies exercising copyright on behalf of more than one author or one successor in title, the Administrative Court will have jurisdiction, on the basis of the ordinary law, to monitor the lawfulness of the granting or refusal of authorization.

Article 2 of the Law of 7 November 1996 provides that "the Administrative Court shall rule on appeals based on lack of jurisdiction, abuse or improper exercise of authority and violations of the law or of formal requirements designed to protect private interests against all administrative decisions concerning which no other remedy is admissible under the laws and regulations."

Such appeals are appeals for annulment, which are not administrative-law actions and can only aim at setting aside the disputed administrative decision. In other words, if the appeal is deemed formally admissible and found to be justified on the merits, the decision is set aside and the case is referred for a new decision to the authority with original jurisdiction, which must comply with the judgement given.

In contrast, as far as patents for invention are concerned, Article 91 of the Act of 20 July 1992 provides that refusal to issue such patents entitles the plaintiff to enter an appeal for variation of the decision before the Administrative Court. In such cases, the Administrative Court substitutes itself for the administration in order to take a decision in the place of the competent administrative authority.<sup>19</sup>

It follows implicitly from the above that, in the areas under consideration, Luxembourg law makes no provision for administrative fines.

This overview would be incomplete if it did not make clear that, before instituting proceedings in the Administrative Court, a citizen may always bring an appeal before the administration itself, with the request to reconsider its decision. Such appeals are known as applications for review (*recours gracieux*) when the citizen approaches the same authority which handed down the original decision, and as appeals to higher bodies (*recours hiérarchiques*) when the citizen submits the appeal to an authority of higher rank than the one which handed down the decision. This rule is moreover reproduced explicitly in Article 91 of the Law on patents for invention.

## II. PROVISIONAL MEASURES

### A. Judicial measures

#### **10. Describe the types of provisional measures that traditional authorities may order, and the legal basis for such authority.**

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<sup>19</sup>Article 3 of the Law of 7 November 1996 on the organization of administrative courts provides that the Administrative Court shall have substantive jurisdiction to hear appeals for variation of decisions in cases where such jurisdiction is assigned by specific laws.

It is the urgent applications judge who is competent to order provisional measures. Such measures are designed to remedy a state of conflict without however settling the substance of the dispute or establishing the rights of the parties.<sup>20</sup>

The President of the District Court is naturally competent to entertain urgent applications concerning disputes which are substantively within the competence of his court in civil or commercial cases. Indeed, emergency interim rulings by the President are a natural extension of the work of the court, and his jurisdiction is logically determined by that of the court sitting as a bench.

A law of 9 August 1993 introduced urgent proceedings before the Justice of the Peace (Article 14-1 of the Code of Civil Procedure).

Emergency interim orders are characterized by their provisional effect, by the absence of finality (*res judicata*) with regard to the merits, and by the fact that they are immediately enforceable, unless the judge has ordered a security to be paid.

Intervention by the urgent applications judge depends on two preconditions:

- Urgency, that is to say that immediate steps must be taken to prevent significant damage or even serious inconvenience. The plaintiff must act appropriately and show by his attitude that the matter is urgent;
- a lack of serious objections; a serious objection is one which the judge cannot unhesitatingly reject in a few words.

Mention should be made of the existence of evidentiary or preventive urgent proceedings (Article 254 of the Code of Civil Procedure), which do not require these two preconditions to be met. Such urgent proceedings cannot be instituted after a case has been referred to the trial judge.

As far as the procedure is concerned, Article 808 of the Code of Civil Procedure provides that "the application shall be referred by writ to a hearing held for that purpose on the day and at the time customarily appointed for urgent proceedings. However, if the case requires prompt action, the urgent applications judge may have a writ of summons issued either for a court hearing or for an open-door hearing in his own home, at the appointed time, even on holidays or traditionally non-working days (...)".

No minimum time-limit for entering an appearance is fixed in urgent proceedings. It lies with the judge to ensure that the time-limit is sufficient to enable the defendant or respondent to enter an appearance, to consult a lawyer if necessary and to prepare his defence in an appropriate manner.

The parties may appear in person and without representation by counsel. However, if they wish to be represented or assisted, only a lawyer may fulfil that function.

As regards the provisional measures that may be ordered by the urgent applications judge, they include any measure that is not final, such as:

- Orders forbidding use;

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<sup>20</sup>See Articles 806 *et seq.* of the Code of Civil Procedure.

- orders for the submission of accounts<sup>21</sup>;
- penalty payments<sup>22</sup>;
- expert reports;
- an advance on the surrender of profits<sup>23</sup>;
- publication of the decision.

Thus, with regard to patents, Article 79.3 of the Law of 20 July 1992 provides that the President of the Court may, at the request of any person authorized to bring proceedings for infringement under the said Law, issue an interim order for any person against whom there is strong evidence of infringement to cease provisionally the activity considered as constituting the infringement.

Reference is also made to the reply to question No. 5.3, with regard to the procedure of seizure in the event of infringement in the sphere of copyright and patents.

Lastly, reference should be made here to Article 13*bis*.2 of the Uniform Benelux Law on Marks, which stipulates that the provisions of domestic law relating to withholding measures and enforcement of court decisions and authentic acts shall be applicable. This provision should be read in conjunction with point 1 of the same Article 13*bis*, which provides for the claiming of ownership or the destruction of infringing goods. The latter measures are final and may not therefore be the subject of summary applications. However, in order to prevent the disappearance of goods that may be the subject of a deprivation-of-possession measure for the purpose of their destruction following substantive proceedings, it is necessary to order their preventive attachment. That is the purport of Article 13*bis*,2.

**11. In what circumstances may such measures be ordered *inaudita altera parte*?**

Under the evidentiary urgent procedure, the case may be referred to the judge by means of an application, and this usually rules out any adversarial hearing before the measure is ordered.

Provisional measures may also be ordered even if the respondent party has not been heard, if the latter failed to appear despite receipt of due notice to do so.

**12. Describe the main procedures for the initiation, ordering and maintenance in force of provisional measures, in particular relevant time-limits and safeguards to protect the legitimate interests of the defendant.**

1. The seizure-description procedure in respect of copyright and patents

In order to prevent unfair seizures, the judge may require the plaintiff to deposit a security<sup>24</sup>, in which case the relevant order is issued only upon receipt of proof of deposit of the security.

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<sup>21</sup>See above the reply to question No. 5.2, point (b), 3.

<sup>22</sup>Article 811-2 of the Code of Civil Procedure expressly provides that the urgent applications judge may issue orders for the payment of pecuniary penalties.

<sup>23</sup>See above, the reply to question No. 5.2, point (b), 3.

<sup>24</sup>Article 39 of the 1972 Law on copyright; Article 79.4 of the 1992 Law on patents for invention.

With regard to copyright, Article 42 of the 1972 Law stipulates that "a copy of the record of the description shall be sent by the experts by registered mail and with the least possible delay to the person on whom, and the person on whose behalf, the order was served".

The following Article, Article 43, provides that "if, within eight days following the date of the aforementioned mailing as evidenced by the postmark, or following the date of the sequestration of receipts, there has been no summons before the court within the jurisdiction of which the description was drawn up, the order shall lapse automatically and the holder of the objects described or of the monies sequestered may apply for the delivery to him of the original description record, together with an injunction prohibiting the plaintiff from using or publishing the description, without prejudice to any claims for damages".

With regard to patents, Article 79.5 provides that "the President shall fix the duration of the effects of measures taken under paragraphs 1, 2 and 3, which may not exceed a period of three months from personal service of the order or service at the home address of the person concerned. Failing initiation of an appeal to the court by the plaintiff within the prescribed time-limit, the description or seizure shall be automatically void, without prejudice to the damages that may be claimed where appropriate. If the plaintiff has entered an appeal before the court within the prescribed time-limit, the President may extend the duration of the effects of the seizure and provisional suspension orders for successive periods that may not exceed three months in each case".

**13. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.**

The proceedings are usually conducted expeditiously. They may last a few weeks, or even a few days.

With regard to their cost, cf. the reply to question 8.

B. Administrative measures

**14. Reply to the above questions in relation to any administrative provisional measures.**

See the reply to question 9.

III. SPECIAL REQUIREMENTS RELATED TO BORDER MEASURES

**15. Indicate for which goods it is possible to apply for the suspension by the customs authorities of the release into free circulation, in particular whether these procedures are available also in respect of goods which involve infringements of intellectual property rights other than counterfeit trademark or pirated copyright goods as defined in the TRIPS Agreement (footnote to Article 51). Specify, together with relevant criteria, any imports excluded from the application of such procedures (such as goods from another member of a customs union, goods in transit or *de minimis* imports). Do the procedures apply to imports of goods put on the market in another country by or with the consent of the right holder and to goods destined for exportation?**

**16. Provide a description of the main elements of the procedures relating to the suspension of the release of goods by customs authorities, in particular the competent authorities (Article 51), the requirements for an application (Article 52) and various requirements related to the duration of suspension (Article 55). How have Articles 53 (security or equivalent assurance), 56 (indemnification of the importer and of the owner of the goods) and 57 (right of inspection and information) been implemented?**

**17. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost. How long is the validity of decisions by the competent authorities for the suspension of the release of goods into free circulation?**

**18. Are competent authorities required to act upon their own initiative and, if so, in what circumstances? Are there any special provisions applicable to ex officio action?**

**19. Describe the remedies that the competent authorities have the authority to order and any criteria regulating their use.**

The provisions of EC Council Regulation 3295/94 on border measures are directly applicable to the Grand-Duchy of Luxembourg, as they are to all member States of the European Union.

#### IV. CRIMINAL PROCEDURES

**20. Specify the courts which have jurisdiction over criminal acts of infringement of IPRs.**

Article 1 of the Criminal Code defines three types of punishable act: crime, offence (*délit*) and minor offence (contravention). The second type in particular is relevant to intellectual property matters. Violations of the specific laws governing intellectual property rights are usually "délits", which are dealt with by the District Court, criminal section (Article 179 of the Code of Criminal Procedure).

The police courts have jurisdiction over offences that have been removed from the ambit of the law relating to misdemeanours (Article 137).

**21. In respect of which infringements of which intellectual property rights are criminal procedures and penalties available?**

1. Copyright and neighbouring rights

Article 29 of the Law of 29 March 1972, as amended, clearly establishes that "any wilful or fraudulent violation of copyright shall constitute the offence of infringement". It goes on to stipulate that "any one who knowingly sells infringing articles or displays them for sale, stocks them for the purpose of sale, imports them or circulates them on the territory of Luxembourg for commercial purposes, shall be guilty of the same offence".

Article 32 of the same Law defines as a similar offence "any wilful or fraudulent affixation on a literary or artistic work of the name of the author, or of any distinctive sign adopted by him to identify his work (...)".

Article 35 further provides that "the provisions of Title I of the Criminal Code (...), entrusting the courts and tribunals with the evaluation of extenuating circumstances shall apply to the offences provided for in this Law".

2. Patents

The 1992 Law on patents provides for no criminal procedures or penalties.<sup>25</sup>

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<sup>25</sup>This is in accordance with Article 61 of the TRIPS Agreement, which provides for mandatory criminal procedures and penalties to be applied only in cases of trademark counterfeiting or copyright piracy.

3. Trademarks

The criminal provisions on marks are contained in the Law of 28 March 1883 on trademarks (Article 14 *et seq.*).<sup>26</sup>

Article 3 of the Law of 7 December 1966 approving the Benelux Convention Concerning Trademarks, signed at Brussels on 19 March 1962, and introducing into domestic legislation the Uniform Benelux Law on Marks annexed to the Convention, provides that the provisions of the aforementioned Law of 28 March 1883, as well as all other domestic statutes or regulations on the subject, which are at variance with the Uniform Law and the implementing regulations enacted pursuant to Article 2 of the Convention, shall be repealed at the time of entry into force of the aforesaid Law and regulations.

The criminal provisions of the Law of 28 March 1883 are not at variance with the Uniform Law and the implementing regulations thereunder and are consequently still in force.<sup>27</sup>

4. Industrial designs

There are no specific criminal provisions on this subject.

**22. Which public authorities are responsible for initiating criminal proceedings? Are they required to do this on their own initiative and/or in response to complaints?**

Article 16 of the Code of Criminal Procedure provides that the public prosecutor's office "shall conduct criminal proceedings and require enforcement of the law".

The public prosecutor's office acts either on its own initiative or in response to complaints by injured parties.

The prosecution department applies the principle of discretionary prosecution. According to this principle, it is not obliged to institute criminal proceedings and may decide to discontinue a case for reasons of public interest. As a rule, however, proceedings are instituted.

The public prosecutor's office may proceed by issuing a direct summons to a hearing (this being the rule for minor offences) or by referring the case to the investigating judge. Such referral is mandatory for crimes.

As regards copyright, Article 34 of the Law of 29 March 1972 provides that "violations of this Law other than those referred to in Article 32 may only be prosecuted on a complaint by the person alleging injury".

With regard to trademarks, Article 19 of the Law of 28 March 1883 provides that "criminal proceedings for enforcement of the penalties laid down in this Law may be taken only on a complaint by the injured party (...)".

**23. Do private persons have standing to initiate criminal proceedings and, if so, who?**

Article 1 of the Code of Criminal Procedure provides that the injured party may also initiate a public prosecution.

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<sup>26</sup>The Uniform Benelux Law contains no criminal provisions.

<sup>27</sup>See the note by the prosecution department of the Luxembourg District Court, of 6 June 1996.

There are several ways in which this can be done.

Firstly, pursuant to Article 56 of the Code of Criminal Procedure, "any person alleging injury caused by a crime or an offence may make a complaint and bring an action for damages before the competent investigating judge". The complaint merely serves to report the facts to the prosecuting authority, and the latter is always free to exercise discretion with regard to the expediency of prosecution.

Secondly, the injured party may use the direct summons procedure, in which case it acts in lieu of the prosecuting authority and itself directly summons the alleged offender to appear before the trial court. This procedure cannot be used in criminal cases.

In the matter of copyright, anyone protected by the law may take proceedings: the author or owner of the copyright, as well as agents or assignees of rights, including collective management companies and anyone exercising all or some of the rights concerned (publisher, etc.).

**24. Specify, by category of IPR and type of infringement where necessary, the penalties and other remedies that may be imposed:**

- **Imprisonment;**
- **monetary fines;**
- **seizure, forfeiture and destruction of infringing goods and materials and implements for their production;**
- **other.**

Preliminary observation

The rates set for the fines discussed below must be multiplied by an inflation-adjusted coefficient, which varies according to the date of the legislation (or the amended Article of the Criminal Code) which stipulates the fine.

Accordingly, the amount of the fines provided for by the amended Law of 28 March 1972 on copyright and by the Law of 23 September 1975 on neighbouring rights should be multiplied by 20.

A multiplier of 400 should be used in the case of fines provided for by the Law of 28 March 1883 on trademarks.

1. Copyright and neighbouring rights

Copyright

See Section VII of the amended Law of 29 March 1972 on copyright.<sup>28</sup>

Article 30:

"The offences referred to in the preceding Article<sup>29</sup> shall be punished with a fine of 2,501 francs to 100,000 francs.

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<sup>28</sup>See also the reply to question No. 21.

<sup>29</sup>See reply to question 21 for the text of Article 29.

The convicted party shall be sentenced to confiscation of infringing works or objects and of plates, moulds or matrices and other implements that have directly served to commit such offences."

Article 31:

"In the case of a performance or recitation given in breach of copyright, the proceeds may be seized by the judicial police as being objects derived from the offence and shall be awarded to the plaintiff as constituting part of the damages due to him, but solely in proportion to the share that his work represented in the said performance or recitation."

Article 32:

"Any wilful or fraudulent affixation on a literary or artistic work of the name of the author, or of any distinctive sign adopted by him to identify his work, shall be punished with imprisonment for a term of three months to two years and a fine of 2,501 francs to 20,000 francs, or with one of those penalties only.

Confiscation of the infringing objects shall be ordered in all cases.

Those who knowingly sell the objects designated in the first paragraph or display them for sale, stock them for the purpose of sale, import them or circulate them on the territory of Luxembourg for commercial purposes shall be liable to the same penalties."

Article 33:

"Article 191 of the Criminal Code is replaced by the following provisions:

'Any person who either affixes or causes to be affixed, by addition, excision or any alteration whatsoever, on manufactured articles the name of a manufacturer other than the one who is the author thereof, or the business style of a factory other than that of the manufacturer, shall be punished with imprisonment for a term of one month to six months and a fine of 2,501 to 50,000 francs or with one of those penalties only.

The same penalty shall be imposed on any merchant, factor or retailer who has knowingly displayed objects marked with fictitious or altered names for sale or imported or circulated such objects.'"

Neighbouring rights

Article 15 of the Law of 23 September 1975:

"Wilful or fraudulent infringements of the rights referred to in this Law shall be punished with a fine of 5 to 100,000 francs and a term of imprisonment of one to six months, or with one of those penalties only. In the event of a further conviction within five years, the penalties shall be doubled.

Those who knowingly import copies of phonograms made without the consent of their producer, or distribute them to the public, hold them in their possession or display them for sale on the territory of Luxembourg, shall be liable to the same penalties.

Confiscation of counterfeit discs and of articles that were used or intended to commit the offence, even when they are not considered to be the property of the convicted person, shall be ordered against the latter. (...)"

2. Trademarks

Article 14 of the Law of 28 March 1883 on trademarks:

"A sentence to a term of imprisonment of eight days to six months and to a fine of 26 francs to 2,000 francs, or to one of these penalties only, shall be imposed on:

- (a) Anyone who has infringed a trademark and anyone who has made fraudulent use of a counterfeit trademark;
- (b) anyone who has fraudulently affixed to or made to appear on products they have produced or in which they trade a trademark belonging to another, whether by addition, excision or any alteration whatsoever;
- (c) anyone who has knowingly sold, placed on sale or circulated products bearing a counterfeit trademark or a trademark fraudulently affixed to them."

In the event of a further conviction within five years, the sentence shall be one of one year's imprisonment and a fine of Lux F 4,000 francs, or one of these penalties only. (Article 16)

Article 17 of the same Law:

"All or some of the products bearing a counterfeit or fraudulently affixed trademark, together with the instruments and implements used specifically to commit the offence, may be confiscated if they are the property of the convicted person." (Article 17)

Unfair competition

Article 23 of the Law of 27 November 1986 regulating certain commercial practices and sanctioning unfair competition provides that "any failure to comply with the injunctions or prohibitions set out in a decision not subject to appeal or challenge under Article 21<sup>30</sup> shall be punished with a fine of 10,000 to 2 million francs.<sup>31</sup>"

The same Article makes the same penalty applicable to "anyone who, in the exercise of his activities after having incurred a suspension or prohibition order, commits for a second time within a period of five years from the last judicial decision not amenable to appeal or challenge: (1) an act of unfair competition of the same type or (2) a similar breach of the provisions of Articles 1 to 15."

Article 24 of the above-mentioned Law states that the provisions of Book 1 of the Criminal Code and those relating to extenuating circumstances shall be applicable to offences covered by the said Law. It adds that "confiscation of assets involved in the offence shall be optional."

**25. Describe provisions governing the length and any cost of proceedings. Provide any available data on the actual duration of proceedings and their cost, if any.**

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<sup>30</sup>See the reply to question No. 5.1(a).

<sup>31</sup>These amounts should be multiplied by four.

With regard to the cost of criminal proceedings, it is not possible to provide a general reply.

As regards the length of proceedings, the right to initiate criminal proceeding is usually extinguished by prescription. The prescription period depends on the seriousness of the offence: five years for offences (délits) (Article 92 of the Criminal Code) and two years for minor offences (contraventions) (Article 93 of the Criminal Code).

A prescription period may be interrupted only by measures of investigation or steps in criminal proceedings. A new period starts to run following interruption.

It should be noted that the actual duration of the proceedings will depend (as in civil cases) on the complexity of the case, the attitude of the parties and the court's case-load. Pursuant to Article 6 of the Human Rights Convention, the proceedings must be completed within a reasonable time/without undue delay. If therefore a particular case is considered to have exceeded a reasonable duration, the court may declare the case closed.