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Provisional text

JUDGMENT OF THE COURT (Fifth Chamber)

23 November 2023 (*)

(Reference for a preliminary ruling – Intellectualpropertyrights – Directive 2014/26/EU – Collective management of copyright and relatedrights – Collective management organisation – Directive 2004/48/EC – Measures, procedures and remediesnecessary to ensure the enforcement of intellectualpropertyrights – Article 4 – Personsentitled to seek the application of the measures, procedures and remediesprovided for in Directive 2004/48/EC – Collective management organisationauthorised to carry out extended collective licensing – Standing to bringproceedings for the defence of intellectualpropertyrights)

In Case C-201/22,

REQUEST for a preliminary ruling under Article 267 TFEU from the Korkeinoikeus (Supreme Court, Finland), made by decision of 15 March 2022, received at the Court on 15 March 2022, in the proceedings

Kopiostory

V

Telia FinlandOyj,

THE COURT (Fifth Chamber),

composed of E. Regan, President of the Chamber, Z. Csehi, M. Ilešič (Rapporteur), I. Jarukaitis and D. Gratsias, Judges,

Advocate General: M. Szpunar,

Registrar: A. Calot Escobar,

havingregard to the written procedure,

after considering the observations submitted on behalf of:

- Kopiostory, by S. Lapiolahti and B. Rapinoja, asianajajat,
- Telia FinlandOyj, by M. Manner, asianajaja,
- the Finnish Government, by M. Pere, acting Agent,
- the Polish Government, by B. Majczyna, actingas Agent,
- the European Commission, by S.L. Kalėda, J. Samnadda and I. Söderlund, actingas Agents,

after hearing the Opinion of the Advocate General at the sitting on 11 May 2023,

gives the following

Judgment

- Thisrequest for a preliminary ruling concerns the interpretation of Article 4(c) of Directive 2004/48/EC of the EuropeanParliament and of the Council of 29 April 2004 on the enforcement of intellectualpropertyrights (OJ 2004 L 157, p. 45, and corrigenda OJ 2004 L 195, p. 16, and OJ 2007 L 204, p. 27) and Articles 17 and 47 of the Charter of FundamentalRights of the European Union ('the Charter').
- 2 The requesthasbeen made in proceedingsbetweenKopiostory and Telia FinlandOyj ('Telia') concerning the retransmission by Telia of televisionbroadcaststhatallegedlyinfringe copyrights of the authorsrepresented by Kopiosto.

Legal context

European Union law

Directive 2004/48

- Recitals 3, 10 and 18 of Directive 2004/48 state:
- '(3) ... withouteffectivemeans of enforcingintellectualpropertyrights, innovation and creativity are discouraged and investment diminished. Itisthereforenecessary to ensurethat the substantivelaw on intellectualproperty, whichisnowadayslargely part of the *acquis communautaire*, isappliedeffectively in the [European] Community. In thisrespect, the means of enforcingintellectualpropertyrights are of paramountimportance for the success of the internal market.

. . .

(10) The objective of this Directive is to approximate legislative systems so as to ensure a high, equivalent and homogeneouslevel of protection in the internal market.

. . .

- (18) The personsentitled to requestapplication of [the] measures, procedures and remedies [provided for in this Directive] should be notonly the rightholdersbutalsopersonswhohave a directinterest and legal standing in so far aspermitted by and in accordance with the applicablelaw, whichmay include professionalorganisations in charge of the management of those rights or for the defence of the collective and individualinterests for whichthey are responsible.'
- 4 Chapter I of thatdirective, entitled 'Objective and scope', includes, inter alia, Article 1, entitled 'Subjectmatter', whichprovides:
- 'This Directive concerns the measures, procedures and remediesnecessary to ensure the enforcement of intellectualpropertyrights. For the purposes of this Directive, the term "intellectualpropertyrights" includes industrial propertyrights.'
- 5 Article 2 of that directive, entitled 'Scope', provides, in paragraph 1 thereof:
- 'Withoutprejudice to the meanswhich are or may be provided for in Community or national legislation, in so far asthosemeansmay be more favourable for rightholders, the measures, procedures and remediesprovided for by this Directive shallapply, in accordance with Article 3, to anyinfringement of intellectual property rights as provided for by Community law and/or by the national law of the Member State concerned.'
- 6 Chapter II of that directive, which comprises Articles 3 to 15 thereof, is entitled 'Measures, procedures and remedies'.
- Article 3 of Directive 2004/48, entitled 'General obligation', provides:
- '1. Member States shallprovide for the measures, procedures and remediesnecessary to ensure the enforcement of the intellectual property rights covered by this Directive. Those measures, procedures and remedies shall be fair and equitable and shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.
- 2. Thosemeasures, procedures and remediesshallalso be effective, proportionate and dissuasive and shall be applied in such a manneras to avoid the creation of barriers to legitimate trade and to provide for safeguardsagainsttheirabuse.'
- 8 Article 4 of that directive, entitled 'Personsentitled to apply for the application of the measures, procedures and remedies', readsas follows:
- 'Member States shallrecogniseaspersonsentitled to seekapplication of the measures, procedures and remediesreferred to in this chapter:
- (a) the holders of intellectual property rights, in accordance with the provisions of the applicable law;
- (b) allotherpersonsauthorised to use those rights, ... in so far aspermitted by and in accordance with the provisions of the applicable law;
- (c) intellectualpropertycollectiverights-management bodies which are regularlyrecognisedashaving a right to represent holders of intellectualpropertyrights, in so far aspermitted by and in accordance with the provisions of the applicablelaw;

(d) professional defence bodies which are regularly recognised as having a right to represent holders of intellectual property rights, in so far aspermitted by and in accordance with the provisions of the applicable law.'

Directive 2014/26/EU

- 9 Recitals 8, 9, 12 and 49 of Directive 2014/26/EU of the EuropeanParliament and of the Council of 26 February 2014 on collective management of copyright and relatedrights and multiterritorial licensing of rights in musical works for online use in the internal market (OJ 2014 L 84, p. 72) state:
- '(8) The aim of this Directive is to provide for coordination of national rules concerning access to the activity of managing copyright and relatedrights by collective management organisations, the modalities for their governance, and their supervisory framework, ...
- (9) The aim of this Directive is to lay down requirementsapplicable to collective management organisations, in order to ensure a high standard of governance, financial management, transparency and reporting. ...

. . .

(12) This Directive, whileapplying to all collective management organisations, ... doesnot interfere with arrangements concerning the management of rights in the Member States such as individual management, the extended effect of an agreement between a representative collective management organisation and a user, i.e. extended collective licensing, mandatory collective management, legal presumptions of representation and transfer of rights to collective management organisations.

. . .

- (49) ... Finally, itisalso appropriate to requirethatMember States haveindependent, impartial and effective dispute resolution procedures, via bodies possessing expertise in intellectual propertylaw or via courts, suitable for settling commercial disputes between collective management organisations and users on existing or proposed licensing conditions or on a breach of contract.'
- 10 Article 3(a) of that directive, entitled 'Definitions', provides:

'For the purposes of this Directive, the following definitions shall apply:

- (a) "collective management organisation" means any organisation which is authorised by law or by way of assignment, licence or any other contractual arrangement to manage copyright or rights related to copyright on behalf of more than one rightholder, for the collective benefit of those rightholders, as its sole or main purpose, and which fulfils one or both of the following criteria:
- (i) itisowned or controlled by itsmembers;
- (ii) itisorganised on a not-for-profit basis'.
- 11 Under Article 35 of that directive, entitled 'Dispute resolution':

- '1. Member States shallensurethat disputes between collective management organisations and users concerning, in particular, existing and proposed licensing conditions or a breach of contract can be submitted to a court, or if appropriate, to another independent and impartial dispute resolution body wherethat body has expertise in intellectual property law.
- 2. Articles 33 and 34 and paragraph 1 of this Articleshall be without prejudice to the right of the parties to assert and defendtheir rights by bringing an action before a court.'

Finnishlaw

- Paragraph 26 of tekijänoikeuslaki (404/1961) (Law on copyright (401/1961)) of 8 July 1961, asamended by lakitekijänoikeuslainmuuttamisesta (607/2015) (Lawamending the Law on copyright (607/2015)) of 22 May 2015 ('the Law on copyright'), whichisentitled 'Contractuallicence', provides, in subparagraph 1, that the provisions of the Law on copyright relating to contractuallicences are to apply to an agreement concludedbetween a user and the organisation, approved by the Ministry of Education and Culture, whichrepresents, in a specific sector, a number of authors of works used in Finland, for the use of authors' works fallingwithinthatsamesector. The approvedorganisationis deemed, in respect of that agreement, to be entitled also to represent other authors of works in the same sector. A license ewhohas obtained a contractual cencepursuant to that agreement may, under the terms specified in that agreement, use all the works of authors falling within the same sector.
- 13 Under Paragraph 26(4) of the Law on copyright, the arrangementslaid down by the organisation of the in subparagraph 1 of that paragraph with respect to the distribution of the remuneration for the reproduction, communication or transmission of works between the authors which it represents or to the use of the remuneration for purposes common to the authors are also to apply to the authors in the same sector referred to in subparagraph 1 whom the organisation does not directly represent.
- Paragraph 25 h of the Law on copyright, entitled 'Retransmission of radio or television broadcasting', provides, in subparagraph 1, that a work included in a radio or television broadcast may be retransmitted without modifying the broadcast, under a contractual licence, as provided for in Paragraph 26 of that law, in order to be received by the public at the same time as the original broadcast.

The dispute in the mainproceedings and the questions referred for a preliminary ruling

- 15 Kopiostois a collective management organisation within the meaning of Article 3(a) of Directive 2014/26, whichmanages and grantslicences on behalf of numerous authors on the basis of mandates conferred on it by those authors. Kopiostois also approved by the Ministry of Education and Culture as a contractual licensing organisation, within the meaning of Paragraph 26 of the Law on copyright, in particular as regards the retransmission of works included in a radio or television broadcast, within the meaning of Paragraph 25 h(1) of that law.
- 16 Telia operates a cable television network by whichbroadcasts of domestic free-to-air televisionchannels are transmitted to the public.
- On 24 January 2018, Kopiostoapplied to the markkinaoikeus (Market Court, Finland) for a declarationthat Telia hadretransmittedtelevisionbroadcasts, within the meaning of Paragraph 25 h of the Law on copyright, and that, in the absence of priorauthorisation on its part, thatretransmissioninfringed the copyrights of the authorsthatKopiostorepresents, primarily, as a

contractual licensing organisation and, alternatively, by virtue of the mandatesconferred on it by the copyright holders.

- 18 Telia challengedKopiosto's standing to bring an action for copyright infringement.
- By judgment of 18 June 2019, the markkinaoikeus (Market Court), inter alia, dismissedasinadmissibleKopiosto's claims alleging infringement of copyright on the ground thatKopiostowas notentitled to bring an infringement action in its own name on behalf of rightholders whom it represents as a contractual licensing organisation in the situations governed by Paragraph 26 of the Law on copyright. That court also took the viewthat Kopiostodid not have standing to bring an infringement action on behalf of rightholders who had granted it an administrative mandate and powers of attorney in respect of their rights.
- 20 Kopiostobrought an appeal againstthatjudgmentbefore the Korkeinoikeus (Supreme Court, Finland), whichis the referring court, claiming, primarily, that, because of its status as a contractual licensing organisation, ithas, asrequired by Article 4(c) of Directive 2004/48, a directinterest in bringingproceedings in the event of unlawful use of the works of authorswhomitrepresents and, in the alternative, thatithas, at the veryleast, the right to bringproceedings in respect of the unauthorised use of the works of authorswhose copyright itmanages on the basis of the mandates for management and representationconferred on it by thoseauthors.
- 21 Before the referring court, Telia submitsthat, as a contractual licensing organisation, Kopiostoisauthorised to grantlicences for the retransmission of television programmes and to collect the associated remuneration. By contrast, only the initial holder of the copyright concerned or the assignee of that copyright could bring an action for infringement of that copyright.
- The Korkeinoikeus (Supreme Court) maintains, in essence, that, in order to resolve the dispute in the mainproceedings, itisnecessary, in the absence of a relevantprovision of national law, to determine the conditions under which a collective management organisation, within the meaning of Article 3(a) of Directive 2014/26, may be regarded ashaving standing to seek the application of the measures, procedures and remedies referred to in Chapter II of Directive 2004/48. In particular, that court askswhether, for that purpose, it is sufficient, according to Article 4(c) of that directive, that a contractual licensing organisation has the general capacity to be a party to legal proceedings under national law and has the right to negotiate and grantsuch licences for the retransmission of television broadcasts on behalf of all rightholders in the sector in question, or whether standing to bring legal proceedings requires that that organisation be expressly entitled under national law to bring an action for infringement of the rights in question in its own name.
- 23 In thatregard, that court observes, first of all, that, in the judgment of 7 August 2018, *SNB-REACT* (C-521/17, EU:C:2018:639), the Court made that status subject to the conditionthat a body collectivelyrepresenting trade markproprietorsisregarded by national lawashaving a directinterest in the defence of suchrights and thatthatlawallowsit to bringlegalproceedings for thatpurpose, without, however, specifyingwhetherthat second conditionrefers to the general capacity of that body to bringlegalproceedingsas a party before a court, or whetheritrequiresthat national lawexpresslyprovidethat an extended collective licensing organisation is entitled to bring an action for copyright infringement, or otherwise allows it to do so.
- Next, the referring court considers that, in the light of paragraphs 34 and 35 of that judgment, itisnot clear whether Article 4(c) of Directive 2004/48 is to be interpreted as being intended to standardise what is to be understood by the 'direct interest', set out in recital 18 of Directive 2004/48, of an organisation to defend the rights of the rightholders whom it represents, or whether that is to be

determined on the sole basis of national law. Norisit clear from Article 4(c) of Directive 2004/48, read in conjunction with recital 18 thereof, whether a collective management organisationhas a directinterest in defending intellectual property rights merely because it is entitled, by virtue of, on the one hand, the extended collective licence or, on the other hand, the mandates for management granted by the rightholders, to grantrights of use over works and to collect, on behalf of rightholders, the remuneration payable to the latter.

- Lastly, the referring court expresses doubts with regard, in particular, to the question of standing to bringproceedings on the basis of status as an extended collective licensing organisation, as to how Article 4(c) of Directive 2004/48 is to be interpreted in the light of, first, the protection of propertylaid down in Article 17 of the Charter and, secondly, the right to an effective remedy under Article 47 of the Charter. In that regard, the Korkeinoikeus (Supreme Court) states that, if the extended collective licensing organisation were to be regarded as having the right to bring an action for infringement in its own name, that could have the effect of limiting the holder 's right to bring an action him or herself. In that context, the question arises as to whether such an organisation 's standing to bringle galproceedings in the event of infringement of the rights of authors who have not assigned their exclusive rights must be regarded as constituting a disproportionate interference with those authors' entitlement to their copyright. That court states, however, that such an interference could be justified, in particular, in the light of the fact that collective management organisations are likely to intervene more effectively than the copyright holder him or herself.
- In those circumstances, the Korkeinoikeus (Supreme Court) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:
- '(1) With regard to contractual licensing organisationswhich collectively manage intellectual property rights, does the legal standing to defend those rights, which is conferred by Article 4(c) of Directive 2004/48, referonly to the general capacity to be a party to legal proceedings, or does it require a right expressly recognised by national law to bring legal proceedings in one's own name for the purposes of defending the rights in question?
- (2) In an interpretation based on Article 4(c) of Directive 2004/48, must the term "directinterest in the defence of the copyright of the rightholders whom it represents" be interpreted uniformly in all Member States as regards the right of a collective representation body within the meaning of Article 3(a) of [Directive 2014/26] to bring an action for copyright infringement in its own name where
- (a) itconcernsuses of works in respect of which an organisationisentitled, as a contractual licensing organisationwithin the meaning of the Tekijänoikeuslaki (Law on copyright), to grantextendedcollectivelicencesalsoallowing the licensee to use works by authors in thatsectorwhohavenotauthorised the organisation to managetheirrights;
- (b) itconcernsuses of works in respect of which the authorshaveauthorised the organisation to managetheir rights by contract or by way of a mandate, without the copyrights having been assigned to the organisation?
- (3) If the organisation, in its capacity as a contractual licensing organisation, is presumed to have a direct interest and legal standing to bring an action in its own name: in assessing standing to bringproceedings in the light of, where applicable, Articles 17 and 47 of the [Charter], what significance must be given to the fact that the organisation, as a contractual licensing

organisation, also represents authors who have not authorised it to manage their rights, and that the organisation's right to bring an action to defend the rights of such authors is not provided for by law?'

Consideration of the questionsreferred

The first question

- By its first question, the referring court asks, in essence, whetherArticle 4(c) of Directive 2004/48 must be interpretedasmeaningthat, in addition to the conditionrelating to the directinterest in the defence of the rightsconcerned, recognition of the status of intellectualpropertycollectiverights-management bodies to request, in theirown name, the application of the measures, procedures and remediesprovided for in Chapter II of thatdirectiveissubjectsolely to the capacity of thoseorganisations to be a party to legalproceedings or whetheritrequires express recognition, in the applicablelaw, of thoseorganisations to bringlegalproceedings for the purposes of defendingintellectualpropertyrights.
- In thatregard, itshould be recalled, first of all, that the Court hasheldthatitisapparent from recital 18 of Directive 2004/48, in the light of whichArticle 4 thereof must be read, that the EU legislature intendedthatnotonly the holders of intellectualpropertyrights, butalsopersonswhohave a directinterest in the defence of thoserights and the right to bringlegal action, be recognised aspersonsentitled to seek the application of measures, procedures and remedies, provided for by that directive, in so far as the applicable law allows and in accordance with that law (judgment of 7 August 2018, SNB-REACT, C-521/17, EU:C:2018:639, paragraph 33).
- 29 Thosepersons are listed in Article 4(b) to (d) of thatdirective.

 Intellectualpropertycollectiverights-management bodies are referred to in point (c) of thatarticle, under whichMember States are to recogniseintellectualpropertycollectiverights-management bodies, which are regularlyrecognisedashaving a right to represent holders of intellectualpropertyrights, aspersonsentitled to seek the application of the measures, procedures and remedies referred to in Chapter II, in so far aspermitted by and in accordance with the provisions of the applicable law.
- The Court heldthatArticle 4(c) of Directive 2004/48 must be interpretedasmeaningthat the Member States are required to recognise a body collectivelyrepresenting trade markproprietorsas a personentitled to seek, in itsown name, the application of the remedieslaid down by thatdirective, for the purpose of defending the rights of those trade markproprietors, and to bringlegalproceedings, in itsown name, for the purpose of enforcingthoserights, on conditionthat the body isregarded by national lawashaving a directinterest in the defence of thoserights and thatthatlawallowsit to bringproceedings to that end (see, to thateffect, judgment of 7 August 2018, *SNB-REACT*, C-521/17, EU:C:2018:639, paragraph 39).
- 31 It follows that the capacity of an intellectual property collective rights-management body to seek, in itsown name, the application of the measures, procedures and remedies provided for in Chapter II of Directive 2004/48 is subject to the condition that that body is regarded by the applicable national legislation ashaving a direct interest in the defence of such rights and that that legislation authorises it to bring legal proceedings for that purpose.
- 32 Consequently, although an intellectual property collective rights-management body must necessarily have the capacity to be a party to legal proceedings in order to be recognised as having standing to seek, in its own name, the application of the measures, procedures and remedies provided for by that directive, such capacity cannot be sufficient on its own for that purpose.

- Moreover, giventhat the capacity to be a party to legalproceedingsis an ordinaryattribute of the legalpersonalityenjoyed, in principle, by collective management organisations, a differentinterpretationwoulddeprive the second condition set out in paragraph 39 of the judgment of 7 August 2018, *SNB-REACT* (C-521/17, EU:C:2018:639), of itseffectiveness.
- Next, asregards the questionwhetherrecognition of that capacity of an intellectual property collective rights-management body to seek, in its own name, the application of the measures, procedures and remedies provided for in Directive 2004/48 is subject to that capacity being expressly recognised in the applicable legislation, it should be recalled that Article 4(c) of that directive refers, in general terms, to the 'provisions of the applicable law'.
- 35 Such an expression does not necessarily mean that the capacity of intellectual property collective rights-management bodies to seek, in their own name, the application of the measures, procedures and remedies provided for in that directive is expressly recognised by a specific provision, since that standing to bring proceedings may result from general procedural rules.
- Thatinterpretationissupported by the objective of Directive 2004/48, whichis, asstated in recital 10 thereof, to ensure a high level of protection of intellectualproperty in the internal market (judgment of 17 June 2021, *M.I.C.M.*, C-597/19, EU:C:2021:492, paragraph 75 and the case-lawcited). To that end, Article 3 of thatdirectiverequiresMember States to provide for a minimum set of measures, procedures and remediesnecessary to ensure the enforcement of intellectualpropertyrights.
- Asisapparent from recital 18 of thatdirective, the EU legislature considereditdesirablethat, asnoted in paragraph 28 above, notonly the holders of intellectual property rights, but also collective management organisations, which, as a general rule, have financial and material resources enabling them effectively to bring legal proceedings in order to combatin fringements of those rights, be recognised as personsentitled to request the application of the measures, procedures and remedies provided for in that directive.
- 38 Consequently, a restrictive interpretation of Article 4(c) of Directive 2004/48 could, in the Member States that have notadopted a provision specifically governing the right of collective management organisations to bring proceedings, prevents uchorganisations from seeking, in their own name, the application of the measures, procedures and remedies provided for by that directive, which could diminish the effectiveness of the means put in place by the EU legislature in order to enforce intellectual property rights.
- 39 In the light of the foregoingconsiderations, the answer to the first questionisthatArticle 4(c) of Directive 2004/48 must be interpretedasmeaningthat, in addition to the conditionrelating to the directinterest in the defence of the rightsconcerned, recognition of the status of intellectualpropertycollectiverights-management bodies to seek, in theirown name, the application of the measures, procedures and remediesprovided for in Chapter II of thatdirectiveissubject to the standing of thoseorganisations to bringlegalproceedings for the purposes of defendingintellectualpropertyrights, whichmayresult from a specific provision to that effect or from general procedural rules.

The second question

40 By its second question, the referring court asks, in essence, whetherArticle 4(c) of Directive 2004/48 must be interpretedasmeaningthatMember States are required to

recognisethatintellectualpropertycollectiverights-management bodies which are regularlyrecognisedashaving a right to represent holders of intellectualpropertyrightshave a directinterest in seeking, in theirown name, the application of the measures, procedures and remediesprovided for in Chapter II of that directive in the event that the existence of a directinterest in the defence of the rightsconcerned in respect of those bodies does not follow from the applicable national legislation.

- 41 Itshould be borne in mind that the concept of 'directinterest', whichdoesnotappear in Article 4 of Directive 2004/48, isreferred to in recital 18 of that directive, from which it is apparent that the EU legislature intended that not only the holders of intellectual property rights, but also persons who have a direct interest in the defence of those rights and the right to bring legal action, be recognised as persons entitled to seek the application of the measures, procedures and remedies provided for by that directive, 'in so far as permitted by and in accordance with the applicable law'.
- Thus, whileArticle 4(a) of Directive 2004/48 providesthatMember States are to recognise, in any event, holders of intellectualpropertyrightsaspersonsentitled to seekapplication of the measures, procedures and remediesreferred to in Chapter II of thatdirective, Article 4(b) to (d) each state thatitisonly in so far asispermitted by, and in accordance with, the provisions of the applicablelawthatMember States mayrecogniseotherpersons, aswellascertainspecific bodies, ashavingthatsame standing (judgment of 7 August 2018, *SNB-REACT*, C-521/17, EU:C:2018:639, paragraph 28).
- In thatregard, the Court statedthat the reference to the 'applicablelaw' made in Article 4(c) of Directive 2004/48 must be understoodssreferring to both relevant national legislation and EU legislation, as appropriate (see, to that effect, judgment of 7 August 2018, SNB-REACT, C-521/17, EU:C:2018:639, paragraph 31).
- Therefore, as the Advocate General observed in point 52 of his Opinion, in order to answer the second question, itisnecessary to establishwhether the provisions of EU lawcurrently in force recognise the existence of a directinterest of collective management organisations in the defence of intellectual property rights.
- 45 In thatregard, first, asisapparent from paragraphs 41 and 42 above, that directive, in so far asitrefers, for that purpose, to the applicable legislation, does not itself governwhether a collective management organisation has a direct interest in the defence of intellectual property rights.
- Thatinterpretationissupported by the *travauxpréparatoires* for thatdirective, from whichitisapparentthat the EU legislature abandoned the idea of harmonising the standing to bringproceedings of the bodies referred to in Article 4(c) of thatdirective. While the EuropeanCommission's initialProposal for a Directive of the EuropeanParliament and of the Council on measures and procedures to ensure the enforcement of intellectualpropertyrights (COM(2003) 46 final) envisaged imposing an obligation on Member States to recognise collective management organisations as being 'entitled to apply for the application of the measures and procedures and to initiate legal proceedings for the defence of those rights or of the collective or individual interests for which they are legally responsible', that approach was ultimately rejected in favour of a reference to the applicable legislation.
- 47 Secondly, althoughArticle 35(1) of Directive 2014/26, read in the light of recital 49 thereof, requiresMember States to have in place dispute-resolutionproceduresbetweencollective management organisations and users that are independent, impartial and effective, in particular via

courts, the factremainsthat, asisapparent from recitals 8 and 9 of that directive, the objective of that directive is not to govern the conditions under

which those organisations may bringle galproceedings, but to coordinate national rules concerning access to the activity of managing copyright and related rights, the modalities for their governance, and their supervisory framework, and to ensure a high standard of governance, financial management, transparency and reporting by such organisations. It cannot therefore be held that the purpose of that provision is to govern the question of the direct interest of collective management organisations in the defence of intellectual property rights.

- 48 In those circumstances, it must be heldthat EU lawdoes not govern the conditions in which a collective management organisation must be regarded as having a direct interest in the defence of intellectual property rights and that the 'provisions of the applicable law' referred to in Article 4(c) of Directive 2004/48 refer to the national law of the Member States.
- In thatregard, itshould be borne in mind that the Court hasheldthat the Member States are required to recognise an intellectual property collective rights-management body as a personentitled to seek the application of the measures, procedures and remedies provided for by that directive, and to bringle galproceedings for the purpose of enforcing such rights where, in particular, that body is regarded by national lawashaving a direct interest in the defence of those rights. Consequently, it is for the national courts to determine whether such a body has, under the applicable national law, a direct interest in the defence of the rights of the proprietors whom it represents, bearing in mind that, in the absence of that condition, no such recognition obligation is incumbent on the Member State concerned (see, to that effect, judgment of 7 August 2018, SNB-REACT, C-521/17, EU:C:2018:639, paragraphs 34, 36 and 38).
- 50 In the light of the foregoingconsiderations, the answer to the second questionisthatArticle 4(c) of Directive 2004/48 must be interpretedasmeaningthat, as EU lawcurrently stands, Member States are notrequired to recognise that intellectual property collective rights-management bodies which are regularly recognised as having a right to represent holders of intellectual property rights have a directinterest in seeking, in their own name, the application of the measures, procedures and remedies provided for in Chapter II of that directive in the event that the existence of a direct interest in the defence of the rights concerned in respect of those bodies does not follow from the applicable national legislation.

The thirdquestion

- By itsthirdquestion, the referring court asks, in essence, what significance must be given, in assessing standing to bringproceedings in the light of, whereapplicable, Articles 17 and 47 of the Charter, to the fact that the organisation concerned, as a contractual licensing organisation, also represents authors who have not authorised it to manage their rights and that the organisation 's right to bring an action to defend the rights of such authors is not provided for by law.
- 52 Asisapparent from itswording, asformulated by the referring court, thatquestionisraised in the event that a collective management organisationisconsidered to have a directinterest and standing to bringproceedings in itsown name in disputesconcerning rightscovered by extended licenses.
- As the Advocate General observed in point 65 of his Opinion, such a premissdoesnotexist in the present case. First, asstated in paragraph 48 above, the EU legislation currently in force doesnotestablish, for collective management organisations, the existence of a directinterest in seeking, in theirown name, the application of the measures, procedures and remedies referred to in Chapter II of Directive 2004/48. Secondly, itisapparent from the order for reference that the standing

of thoseorganisations to bringproceedingsisgoverned, in Finnishlaw, neither by a specific provision to that effect of the applicable national legislation or by general procedural rules.

In those circumstances, in view of the answergiven to the second question, there is no need to answer the third question.

Costs

55 Sincetheseproceedings are, for the parties to the mainproceedings, a step in the action pendingbefore the referring court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, otherthan the costs of those parties, are notrecoverable.

On those grounds, the Court (Fifth Chamber) hereby rules:

1. Article 4(c) of Directive 2004/48/EC of the EuropeanParliament and of the Council of 29 April 2004 on the enforcement of intellectualpropertyrights

must be interpretedasmeaningthat, in addition to the conditionrelating to the directinterest in the defence of the rightsconcerned, recognition of the status of intellectualpropertycollectiverights-management bodies to seek, in theirown name, the application of the measures, procedures and remediesprovided for in Chapter II of that directive is subject to the standing of those organisations to bringlegal proceedings for the purposes of defending intellectual property rights, which may result from a specific provision to that effect or from general procedural rules.

2. Article 4(c) of Directive 2004/48

must be interpretedasmeaningthat, as EU lawcurrently stands, Member States are notrequired to recognise that intellectual property collective rights-management bodies which are regularly recognised as having a right to represent holders of intellectual property rights have a direct interest in seeking, in their own name, the application of the measures, procedures and remedies provided for in Chapter II of that directive in the event that the existence of a direct interest in the defence of the rights concerned in respect of those bodies does not follow from the applicable national legislation.

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* Language of the case: Finnish.