

Introduction to European Business Law

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Module 3 (intellectual property)

A glossary of key terms and a summary of case notes from week 3



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These notes were prepared by Penny Parker for personal private use only, for others who are taking this MOOC course. Please feel free to comment or submit corrections to pennyparker@me.com.

3 step test – this is the process in article 5(5) of the Information Society Directive (2001/29) to determine whether you can use copyrighted material without the owner's consent. I'm not exactly sure what the 3 steps are. The article simply says the exceptions and limitations in the above articles 5(1) to 5(4) only apply "in certain special cases which do not conflict with a normal exploitation of the work or other subject-matter and do not unreasonably prejudice the legitimate interests of the rightholder." So probably the 3 steps are 1. Find an exception that applies in articles 5(1) to 5(4), 2. Make sure your use doesn't conflict with the normal exploitation of the work, and 3. Make sure it doesn't unreasonably prejudice the legitimate interests of the rightholder.

"A posteriori" invalidity or revocation -- "a posteriori" is a Latin phrase meaning "from the later". An "a posteriori invalidity or revocation" refers to the possibility of losing your trademark right after it has already been registered, for example due to lack of use for over 5 years. It's covered in article 14 of the Trademark Directive (2008/95) and simply states in general terms "Where the seniority of an earlier trade mark which has been surrendered or allowed to lapse is claimed for a Community trade mark, the invalidity or revocation of the earlier trade mark may be established a posteriori."

Administrative case law -- this usually refers to case decisions by administrative agencies or specially created administrative courts. In this week's materials the point was made that many important trademark decisions take place at this administrative level and bear watching. With respect to the Community-wide trademark system, these administrative decisions are made by OHIM – the Office for Harmonisation of the Internal Market.

Applied art – "the application of design and decoration to everyday objects to make them aesthetically pleasing". [from Wikipedia] For purposes of the materials this week, the point was made in the Industrial Design lectures that if none of the registration options work for you, you might consider instead registering the design as applied art or a work of artistic craftsmanship under applicable Copyright laws. But one should be aware that EU member states have a widely different attitude towards copyright protection for product appearances.

Berne Convention -- the Berne Convention for the Protection of Literary and Artistic Works – a comprehensive range of minimum rights. Designed to guarantee minimum protections to authors. 168 member states including all members of the EU. Berne Convention, article 2, protects copyright in literary and artistic works. The expression "literary and artistic works" includes every production in the

literary, scientific and artistic domain, whatever may be the mode or form of its expression, for example books; dramatic works; choreographic works; musical compositions with or without words; cinematography; works of drawing, painting, architecture, sculpture, photography; works of applied art, illustrations, maps, plans and sketches.

Biotechnical inventions – very little harmonization of EU member state patent laws has taken place. The one exception is the Directive on Biotechnological Inventions, 98/44/EC. On the basis of the Directive, member states must protect biotech inventions under national patent law, and adjust their national patent laws when taking account of the provisions of this Directive. The objective of the Directive is to clarify the distinction between what is patentable and what is not. It particularly seeks to confirm that the human body at the various stages of its formation and development, and processes for cloning human beings and for modifying the germ-line genetic identity of human beings, may not be regarded as patentable inventions. Inventions which are new, involve an inventive step and are susceptible of industrial application are patentable even if they concern a product consisting of or containing biological material. Biological material which is isolated from its natural environment or produced by means of a technical process may also be the subject of an invention.

Common name – the term used when a trademarked name loses its distinctiveness and becomes a common name for a particular product. Such as “googling”. It can also be referred to as “degenerating” into a common name, or becoming a generic name for something. It is grounds for revocation of a trademark license under terms of article 12(2)(a) of the Trademark Directive (2008/95).

Community design – this refers to the special process available to apply for a community-wide design registration rather than an individual design on a country-by-country basis. This community design means that the company can protect the design throughout the whole EU with just one application. In this case the company gets a unitary community right on the basis of Council Regulation 6/2002 of 12 December 2001 on community designs. It is valid for five years from date of filing and can be renewed in blocks of 5 years, up to a maximum of 25 years.

Computer program – computer programs can be copyrighted, including computer games. They are covered by Directive 2009/24/EC on the legal protection of computer programs. They were mentioned only briefly in the lecture. There is apparently quite a bit of case law on them. Article 1 of the Directive states that “1. ... Member States shall protect computer programs, by copyright, as literary works within the meaning of the Berne Convention for the Protection of Literary and Artistic Works. For the purposes of this Directive, the term ‘computer programs’ shall include their preparatory design material. 2. Protection in accordance with this Directive shall apply to the expression in any form of a computer program. Ideas and principles which underlie any element of a computer program, including those which underlie its interfaces, are not protected by copyright under this Directive. 3. A computer program shall be protected if it is original in the sense that it is the author's own intellectual creation. No other criteria shall be applied to determine its eligibility for protection.”

Convergence – this is the idea that many technical developments are merging into the same devices or processes in the world today and this poses extreme problems for adapting laws and creating new ones. This is a general and modern problem in law that may be illustrated by the use of a smartphone, a device which is no longer only used for distance communication. A smartphone can also operate as a computer, a computer game console, a television set, and a radio, to mention only some of its potential uses.

Copyright -- Copyright protects original works in the fields of literature, artistic & scientific work, for an exclusive, limited time period. Like other intellectual property rights, copyright is based on the principle of territoriality. This means the copyright is protected by national laws. There is no community wide copyright. But the laws of the various states are quite similar, as result of the harmonization made possible through the Berne Convention. Sources of copyright law include national

laws, the Berne Convention, the TRIPS Agreement, and several EU Directives which address portions of the copyright field, the most notable perhaps being the Information Society Directive, 2001/29. The related rights have also been harmonized to a certain extent by the Rome Convention for the Protection of Performing Artists, Producers of Phonograms and Broadcasting Organisations and various EU Directives.

As noted earlier, there are a large number of EU Directives covering copyright. There's not a single, unified directive or regulation. It's more like a patch work of directives covering different subjects.

- 93/83/EEC – on the coordination of certain rules and related rights, applicable to satellite broadcasting and cable re-transmission
- 96/6/EC – on the legal protection of databases
- 2001/29 – on the harmonization of certain aspects of copyright and related rights in the information society
- 2001/84/EC – on the resale right for the benefit of the author of original work of art.
- 2004/48 – on the enforcement of intellectual property rights
- 2006/115 – on rental rights and lending rights, and certain rights related to copyright in the field of intellectual property
- 2006/116/EC – on the term of protection of copyright and certain related rights (“Term Directive”)
- 2009/24/EC – on the legal protection of computer programs
- 2011/77/EC – amending the Term Directive (2006/116) on the term of protection of copyright and certain related rights
- 2012/28/EC – on certain permitted users of or from works

Copyright duration -- The protection under the Information Society Directive is valid for 70 years after the creator's death. If there were several creators, then the death of the last creator. If unknown, then 70 years from date of publication. If publication unknown, then 70 years from date of creation. Can not be extended. Comes into automatic existence. Without need to register or file something. Related rights are shorter, usually 70, 50 or 25 years, calculated from the date of publication or public communication of the object protected.

Cross border networks – a network that operates or impacts more than one country. In the realm of copyright, there is a protection for computer programs, including computer games and databases, both of which are used to a large extent in cross-border networks. Consequently there are several decisions from the European Court of Justice that deal with computer programs and databases. Some of the issues that have been discussed are how a computer program is to be protected. And when the use of a database in one jurisdiction may lead to infringing effect in another. See also the Dataco case in the case summary notes below, which involves the cross border impact of a database on live football match information.

Databases -- A database, according to the relevant Directive (Article 1(2) of 96/9) “is a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means.” See also the Dataco case in the case summary notes below.

Degeneration – this refers to the problem of a trademark losing its protection because the term has become generic or a common name for the product as a whole. This is usually a threat only to notoriously well-known trademarks, but it may also be an issue when a new product is introduced on the market. This was the case with windsurfing, and similarly, almost happened with rollerblades. During the first years after the introduction of inlines, which is the actual name of the product, among many users the term rollerblades became the common name for the product. The important lesson for

a proprietor to avoid degeneration, is to be careful and observant as to how a trademark is being used, both in spoken and written language.

Design – According to European design laws, the design of a thing is “the appearance of the whole or a part of a product resulting from the features”. And the product is an industrial or handcrafted item. From Wikipedia: “A design is defined as ‘the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation’.” We learned in the lectures this week that a person who wishes to protect a design can either:

1. File an application with an individual country, with the national laws being harmonized by the Directive 98/71
2. Apply for a community design under Council Regulation 6/2002 of 12 December 2001, which permits a single application being filed, a unitary right
3. Choose to use the short term rules for unregistered designs that are also covered under Regulation 6/2002,
4. Register the design under copyright laws as a work of applied art or work of artistic craftsmanship (but member state laws are not harmonized in that realm), or
5. Register the design under the Hague system which is international in scope, covering 62 territories by filing a single application.

Design Directive – Directive 98/71. It harmonizes national laws and is identical substantively to the Design Regulation covering the community design.

Design Regulation – Regulation 6/2002 on community design. This covers the special unitary design protection that covers the entire EU by filing a single application.

Design registration duration -- A national register design, or registered community design is valid for five years from the date of filing. But it can be renewed in blocks of five years, up to a maximum of 25 years. [An unregistered design is valid for three years from the date on which it was made available to the public within the EU. The protection cannot be extended after three years.]

Destroy patentability -- To get a patent is quite costly. If a company cannot afford to patent an invention, there's a possibility to disclose the invention to the public so that no one else can obtain a patent for it either. The important thing here is to have proof of it being made available to the public, so you destroy the patentability of the invention by others.

Disclosure, proof of prior use – this is the method of destroying patentability of another party's registration, but it is also important to recognize that some intellectual property laws give a grace period to file for certain protections. In these fields you need to show not only use prior to the other company's registration, but prior to their actual use, taking into account that they may have filed within a grace period. Grace periods like this are available under design rules (still possible to register within 12 months of disclosure) and patent applications under the Paris Convention (can file in additional countries up to 12 months after filing in the initial country; all such applications have claim priority from the date of first application).

Distinctive character – this is one of the prerequisites for a trademark registration. “A sign must be capable of distinguishing a good or a service, and this is, in other words, to have a distinctive character.” This is a bit confusing because the requirement for a community design is “individual character.” One of the ungraded quiz questions included both concepts made it clear that the correct answer is that trademarks must have “distinctive character” but designs must have “individual character.” The two concepts seem essentially the same to me, but apparently not. From a blog article on distinctiveness in trademark law: “The approach of the European Courts on the distinctiveness of

trade marks has fluctuated over time. EU case law has laid down guidelines for distinctiveness which require consideration of the goods and services in respect of which registration is sought, as well as the understanding which the relevant public has of the trade mark.” I came across a Lund University masters thesis on the issue of individual character and designs which said “According to the individual character test the design will have individual character when it produces an overall different impression on the informed user.” [masters thesis of Mikas Miniotas, p.1

<http://lup.lub.lu.se/luur/download?func=downloadFile&recordId=1554965&fileId=1563502>

Double identity – this refers to one of three rules determining when an act is an infringement of a trademark under Article 5 of the Trademark Directive. The other two rules are likelihood of confusion and extended protection. The double identity rule provides the proprietor with the right to prevent any sign that is identical to a trademark for goods or services and that is identical with those for which the trademark is registered, article 5(1)a. In other words, the infringer is using the same trademark for the same goods – identical in two respects. This provision aims at preventing obvious situations of counterfeiting, and such actions are usually rather easy to judge. One example is the Arsenal case summarized in the case notes below, where a street vendor was selling Arsenal team football scarves outside the Arsenal stadium, infringing on Arsenal’s own officially trademarked clothing.

Duration – duration of protection varies which each type of intellectual property right. The general rules are as follows:

- Trademarks can be perpetual, but must be renewed every 10 years and must continue to satisfy certain usage and distinctiveness requirements
- Copyrights can be protected for 70 years, with some shorter periods (25 years, 50 years) applying to some of the related rights
- Patents are normally granted for 20 years, subject to annual fees; an extension of up to 5 years is also possible under one of the alternative approaches, namely under EU Regulations 469/2009 and 1610/1996
- Registered designs can be protected for 5 years, but can be renewed in blocks of 5 years, up to a maximum of 25 years
- Unregistered designs can be protected up to 3 years under the EU Regulation on community designs

Enforcement Directive – Directive 2004/48 on the enforcement of intellectual property rights. Up until recently the enforcement of rights was not part of EU harmonisation. But in 2004, a directive regarding enforcement was signed and with severe delays in many member states implemented (for instance in Sweden implemented it in April, 2009). And this enforcement directive (2004/48) provides detailed rules regarding sanctions and other means to effectuate enforcement. The fact that enforcement rights are now within the realm of harmonized EU law will bring forward a development in case law from the Union courts that will be necessary to take into account when enforcement of intellectual property rights are at stake. Note that this directive pertains to all intellectual property rights. It came up in our materials this week in particular with regard to copyright and trademark.

EPC – European Patent Convention -- a multilateral treaty instituting the European Patent Organisation, with 38 contracting states. All EU member states are members of the EPC, plus several non-EU members. This treaty creates a single application, examination and registration procedure and provides a European patent which can then be designated to be filed as one or more individual national patents. It is not a community-wide patent. It should be distinguished in that regard from the new unitary patent system which will soon also be available in the EU, which will in fact be a community wide patent.

The EPC is administered by the European Patent Office in Munich. The EPC provides an autonomous legal system according to which European patents are granted. Once granted, it becomes separate

patents in the contracting states that the company has designated. A European patent, is after it's granted, basically subject to the same conditions, and has the same effect as a national patent.

Rules on infringement and invalidation procedures are set by national laws. Infringement and revocation is subsequently heard by local courts. The annual renewal fees for maintaining the patent also must be paid in each contracting state. So if the company chooses the domestic patent, they will only get a patent in that specific country. If the company chooses the European route, once granted, the patent is treated as a bundle of national patents.

EPO – European Patent Office – the administrative agency that grants applications under the European Patent Convention, located in Munich.

Ex parte – a Latin term meaning “from the party”. An ex parte decision is one decided by a judge without requiring all of the parties to the controversy to be present. The procedure for filing a patent under the European Patent Treaty (PCT) is an ex parte administrative procedure which ends up either in a grant or refusal of the patent being applied for.

Exhaustion doctrine -- the concept of exhaustion can apply to trademark, copyright, design and patent law; it is the idea that an owner of goods protected under one of these systems loses his right to control the commercial distribution and importing of his product once he has consented to putting the goods into the market for the first time; in the EU this means consenting to importing the goods into one member state is a consent to have the goods distributed and sold to all member states. It is also sometimes referred to as the first sale doctrine. Article 7.1 of the Trademark Directive states that “a trademark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the community under that trademark by the proprietor or with his or her consent.”

In copyright, this idea gets expressed as a limit to the distribution rights of a copyrighted work -- The author gets a distribution right under the Information Society Directive (2001/29) which is an exclusive right to authorize or prohibit any form of distribution to the public by sale or otherwise. This right is exhausted if the first sale or transfer of ownership in a community is made by the rights holder or with his or her consent. In other words, there is a community wide exhaustion of national distribution rights. The exhaustion takes place if a tangible copy, which has not previously been circulated, is put in commercial circulation in the market in one of the member states by the rights holder or with his or her consent.

A similar concept was also discussed in the design lectures. Here are my notes from that lecture: There are also very important rules on exhaustion of rights. These say that the right conferred by a community design is exhausted if the product has been put on the market in the community by the rights holder with his or her consent. That means that the rights holder, for example, cannot stop the resale of those specific goods that have been put on the market with his or her consent.

The trademark lecture then goes on to say that this may sound like a clear principle, and it is, but it is also a principle that may prove to be quite complicated to apply in practice. Actually I don't think it is that clear. In doing some reading of various sources on the web I got a better idea of how this works. A company with a patented or trademarked product for example might want to limit distribution of its product to certain markets. It may want to selectively introduce a product, to enhance its value. Under EU law it can't do that within the EU market, but it could limit distribution to other countries outside the EEA. Also, companies trying to crack down on counterfeit goods have an easier time chasing counterfeiters in markets where they haven't themselves ever distributed goods into the country, by simply bringing an action on an infringement of their distribution rights in that country rather than prove the actual goods in question are counterfeit, which is sometimes hard to do and requires detailed technical evidence.

There is also an exception to the trademark doctrine of exhaustion, called the “limitation on the limitation”. See that topic below in this glossary. Repackaging may also complicate the picture as to whether there really has been a consent or whether the repackaged product is really a different product – the point made in the lecture on this point was that the pharmaceutical industry often finds it necessary to change the packaging of a drug once it is being distributed to consumers; detailed requirements regarding the packaging, labeling, and disclosures come into play. In this branch, specific problems arise in relation to repackaging of medicine, which is an operation that is necessary for the consumer markets that need specific information in the local language. Yet in theory it is the same product, but the pharmaceutical companies would argue it is really a new product in practice.

Extended protection -- this refers to one of three rules determining when an act is an infringement of a trademark under Article 5 of the Trademark Directive. The other two rules are likelihood of confusion and double identity. From the video lecture: “The extended protection rule is to be found in article 5(2). It is a rule that is tailored for notoriously well known trademarks. Or, to put it differently, trademarks with a reputation. This rule has no prerequisite of likelihood of confusion. Thus it provides a stronger protection for the trademark that is covered by the rule. However, there is a prerequisite that the use in question without due course takes unfair advantage of or is detrimental to a distinctive character or the repute of the trademark. One could state that this is the only rule in trademark law that really protects reputation and goodwill.” However, I would disagree somewhat that this protection is only available to well-known or famous marks. In the Chevy case, summarized below, the point was made that the wording of the provision doesn’t require that a mark is famous or well-known, but need only be known to a significant portion of the public in the relevant territory.

Famous trademarks – are entitled to greater protection than other marks, if they have the potential to damage the reputation of the trademark owner. The rule of extended protection applies to this situation. The rule is to be found in article 5(2) of the Trademark Directive (2008/95). It is a rule that is tailored for notoriously well known trademarks. Or, to put it differently, trademarks with a reputation. This rule has no prerequisite of likelihood of confusion. Thus it provides a stronger protection for the trademark that is covered by the rule. However, there is a prerequisite that the use in question without due course takes unfair advantage of or is detrimental to a distinctive character or the repute of the trademark. One could state that this is the only rule in trademark law that really protects reputation and goodwill. See for example the Chevy case in the case notes below, where GM was able to stop a company from selling detergents and cleaning products under the Chevy name.

File an opposition – this most commonly can happen under a patent application, where any third party can file an opposition with the EPO against a granted patent within 9 months. (European Patent Convention Treaty). But opposition to a trademark registration is also possible (also sometimes called “objections”), as discussed in the Puma case summarized below, where Puma was challenging a filing that was similar to its “bounding feline” logo.

Fundamental rights – we learned this week that there are some important connections between IP law and fundamental rights. A balancing of interests is sometimes required. IP rights intersect with important areas of law, like freedom of speech, access to information, and making room for counter arguments. The fact that human rights are relevant in relation to IP rights was manifested already in the Universal Declaration of Human Rights which was adopted by the UN General Assembly on the tenth of December, 1948. Another example showing the relevance to view IP rights in a human right context is the inclusion of IP rights as fundamental rights in the EU Charter of Fundamental Rights of the European Union, article 17. Issues as to privacy and access to knowledge, become relevant in relation to file sharing, in copyright protection, as one example. Another example, where human rights may conflict with IP rights, not particularly related to IT, is access to health and patent protection for innovations in the pharmaceutical sector.

General court – trademark decisions can be litigated administratively, including with the OHIM, the General Court, and the ECJ. These cases deal with registration of trademarks, denial of registration and/or objections to a registration. According to Wikipedia: The General Court is a constituent court of the Court of Justice of the European Union. It hears actions taken against the institutions of the EU by individuals and member states, although certain matters are reserved for the ECJ. Decisions of the General Court can be appealed to the Court of Justice, but only on a point of law. Prior to the coming into force of the Lisbon Treaty on 1 December 2009, it was known as the Court of First Instance.

Generic – a trademark that has become generic has lost its distinctive character and has become a common name that the product is described by. This is usually a threat only to notoriously well-known trademarks, but it may also be an issue when a new product is introduced on the market (inline skates became known as rollerblades). The important lesson for a proprietor to avoid degeneration into a generic mark, is to be careful and observant as to how a trademark is being used, both in spoken and written language.

Geographic names – normally trademarks can not include geographic names, but there can be an exception where a geographic name has acquired a secondary meaning associated with a particular source of goods. See, e.g., the Chiemsee case summarized in the case notes where Windsurfer Chiemsee tried to prevent others from using the Chiemsee brand to sell outdoor clothing even though Chiemsee was the name of a well known lake in Bavaria, Germany. “It follows that a geographical name may be registered as a trade mark if, following the use which has been made of it, it has come to identify the product in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings. Where that is the case, the geographical designation has gained a new significance and its connotation, no longer purely descriptive, justifies its registration as a trade mark.”

Good will -- the established reputation of a business regarded as a quantifiable asset and calculated as part of its value when it is sold. In this week’s materials we learned that good will was occasionally protectable through trademark law for “well known marks” (see the extended protection rule) but otherwise not. One could state that this is the only rule in trademark law that really protects reputation and goodwill. But this favorable output is only afforded to famous marks. For not so famous marks, a protection for good will is mainly to be found in other fields of law. And one example would be the marketing regulations.

GPI – EPO’s Global Patent Index – a searchable database maintained by the European Patent Office. You can use the Global Patent Index (GPI) to carry out low-cost, expert searches on the state of the art and legal issues. You can also use it to gather competitive intelligence, for example by performing competitor/technology watches and basic statistical analyses. Updated weekly on Fridays.

Grace period -- grace periods are available under design rules (still possible to register within 12 months of disclosure) and patent applications under the Paris Convention (can file in additional countries up to 12 months after filing in the initial country; all such applications have claim priority from the date of first application). There is also a right to file an opposition to a patent grant within 9 months under the European Patent Convention System but I’m not sure that would technically be called a grace period.

Graphic representation – one of two prerequisites for a particular mark or sign to be eligible for trademark registration. Article 2, Trademark Directive (2008/95). The other prerequisite is distinctive character. In order to facilitate effective competition, it is necessary to have open and searchable trademark registries, so that other actors, competitors can investigate if a sign may cause confusion in the market. This is one of the prevailing arguments in favor of the prerequisite that a trademark must be graphically represented. There must be a possibility to visualize the trademark so that others can take the trademark into consideration when planning their marketing strategies. In a majority of cases,

it is easy to represent the trademark graphically, in word, figures, packaging, etc. But modern trademark law embraces new ways to identify goods and services by the use of music, sound, videos, & movements in general. And there are new forms of trademarks, sound marks, and movement marks just to mention some examples. These new types of marks pose problems in relation to graphical representation. We saw this problem in the proposed “olfactory trademark” case in Ralf Sieckmann, summarized below in the case summaries. The Court concluded did not have a valid trademark because he could not graphically represent it. The court concludes that “Article 2 of the [Trademark] Directive must be interpreted as meaning that a trade mark may consist of a sign which is not in itself capable of being perceived visually, provided that it can be represented graphically, particularly by means of images, lines or characters, and that the representation is clear, precise, self-contained, easily accessible, intelligible, durable and objective.” Mr. Sieckmann’s efforts to provide graphic representations were pretty comical:

“Trade mark protection is sought for the olfactory mark deposited with the Deutsches Patent- und Markenamt of the pure chemical substance methyl cinnamate (= cinnamic acid methyl ester), whose structural formula is set out below. Samples of this olfactory mark can also be obtained via local laboratories listed in the Gelbe Seiten (Yellow Pages) of Deutsche Telekom AG or, for example, via the firm E. Merck in Darmstadt. $C_6H_5-CH=CHCOOCH_3$.” Mr. Sieckmann also submitted with his registration application an odour sample of the sign in a container and stated that the scent was “usually described as balsamically fruity with a slight hint of cinnamon.”

Grounds for refusal – grounds for refusal to register a trademark can be found in articles 3 and 4 of the Trademark Directive (2008/95). Grounds for refusal or revocation of an existing trademark are in article 13. Grounds for refusal include: failure to satisfy the prerequisites of distinctive character and graphic representation; descriptive or geographic names; common or generic names; a sign that aims broadly speaking at fulfilling a technical function; terms that are deceptive or contrary to accepted principles of morality or public policy.

Hague system – one of the options for a company who wants to file a patent application is to do so in the Hague system which has a broader reach than any of the EU alternatives. The Hague System is an international registration. This System provides a solution for registered designs in over 62 territories through filing one single international application.

Independent creation defense – a defense to an unregistered design protected under the Trademark Regulation 6/2002 is that proof that another has independently come up with the same created design will always be a defense in an infringement case.

Individual character – a design must have “individual character” to be accepted for registration as a community design (the other requirement is that it be new). This is a bit confusing because the requirement for a trademark is “distinctive character” but the requirement for a community design is “individual character.” One of the ungraded quiz questions included both concepts & made it clear that the correct answer is that trademarks must have “distinctive character” but designs must have “individual character.” The two concepts seem essentially the same to me, but apparently not. A design has individual character “if the overall impression it produces on the informed user differs from the overall impression produced by any other previous designs.” In assessing individual character, the degree of freedom of the designer during development process must also be taken into consideration.

Industrial applicability -- one of three requirements in Article 52 of the European Patent Convention for an idea to be patentable. The other two requirements are novelty and inventive step. An invention is considered industrial applicable, if it can be produced or utilized in any kind of industry.

Industrial design – for our purposes an industrial design is the same as a design. The term “industrial” is apparently simply an effort to make it clear that these designs are intended to be put into commercial use. They are not purely aesthetic designs.

Information Society Directive – Directive 2001/29. This Directive has played a role in several of the cases and legal discussions this week. Its full title is “on the harmonization of certain aspects of copyright and related rights in the information society”, adopted 22 May 2001. Total of 10 pages. The first 5 pages consist of 61 separate recitals. The Directive itself starts on page 6. It covers the following:

1. Scope
2. Reproduction right
3. Right of communication to the public of works and right of making available to the public other subject-matter
4. Distribution right
5. Exceptions and limitations
6. Obligations as to technical measures
7. Obligations concerning rights-management information
8. Sanctions and remedies
9. Continued application of other legal provisions
10. Application over time
11. Technical adaptations
12. Final provisions
13. Implementation
14. Entry into force
15. Addresses

Infringement – violation of an intellectual property right of an owner, such as musical, literary, or artistic works. In patent law, infringement is mostly a matter of national laws. In industrial design law, infringement acts are set out in the Directive and Regulation. The Trademark Directive covers infringement in Article 5. Copyright law seems to be a mix of national and EU legislation, a patchwork.

Inter alia – a Latin phrase meaning “among other things.” You see it often in case name descriptions or in lists of items in a court decision where the court is including only some of the items from a Directive or Regulation, because others aren’t relevant for purposes of the decision.

Intermediary service provider – this is the concept in section 4 of Directive 2000/31 which gives protection to internet service providers who can remain “neutral” and “unaware” of infringing content on their sites. In the Google France case, this issue came up for Google because some of its advertisers were paying for keyword searches that infringed registered trademarks. The court decided that the question of whether Google was an intermediary service provider and therefore not liable for the actions of its advertisers until it has been notified of infringing conduct, was a question for the national court to determine based on the criteria in Section 4. “Accordingly, in order to establish whether the liability of a referencing service provider may be limited under Article 14 of Directive 2000/31, it is necessary to examine whether the role played by that service provider is neutral, in the sense that its conduct is merely technical, automatic and passive, pointing to a lack of knowledge or control of the data which it stores.”

International Preliminary Examination Authority (IPEA) – this is the agency under the WIPO Patent Cooperation Treaty that conducts a preliminary examination of a patent application and issues a centralized grant, although the patent itself is not issued. It must then be registered in the countries where a national patent is being sought.

International Searching Authority (ISA) – this is the agency under the WIPO Treaty who conducts the central search when an application is first filed, and issued a written opinion on the patentability of the invention.

Invention -- An invention is the discovery or creation of a new material or product, a new process, a new use for any existing material, or any improvements of any of these (European Patent Convention).

Inventive step – one of three requirements in Article 52 of the European Patent Convention for an idea to be patentable. The other two requirements are novelty and industrial applicability. An invention is considered as involving an inventive step if, having regard to the state of the art, it's "not obvious to a person skilled in the art." The person skilled in the art should be presumed to be a skilled practitioner in the relevant field of technology, who possesses average knowledge and ability, and is aware of what was common general knowledge in the art at a relevant date. In order to assess inventive step, the European Patent Office has developed a "problem and solution" approach which has three main stages. See below for a description of the "problem and solution" approach.

IP – intellectual property

ISP liability – internet service providers face liability for the actions of their customers and advertisers if they are unable to qualify as an "intermediary service provider" within the meaning of article 14 of Directive 2000/31 (the electronic commerce directive). See also Pablo Baistrocchi, "Liability of Intermediary Service Providers in the EU Directive on Electronic Commerce, 19 Santa Clara High Technology L. J. 111 (issue 1, article 3) (2002). Available at: <http://digitalcommons.law.scu.edu/chtj/vol19/iss1/3>

Keyword advertising – this is the practice of linking keywords in search engines to advertising that is displayed on the search results page. This is the primary way that Google, Yahoo and other search engines receive revenue. See the Google France case summarized below on the trademark infringement implications of keyword advertising.

Know how – practical knowledge on how to accomplish something. Wikipedia: In the context of ... intellectual property, know how is a component in the transfer of technology in national and international environments, co-existing with or separate from other IP rights such as patents, trademarks and copyright and is an economic asset. I haven't seen know-how come up explicitly in this course yet, but someone raised it in the discussion forum so I thought I would add it to this glossary. Also trade secrets have been mentioned briefly as an alternative to seeking patent protection and know-how is closely related to trade secrets. Again, from Wikipedia: The inherent proprietary value of know-how lies embedded in the legal protection afforded to trade secrets in general law, particularly, 'case law'. Know-how, in short, is 'private intellectual property'. ... A trade secret may be defined as: information, that is secret (not absolutely so), there is intent to keep it secret, it has industrial, financial or trade application and it has economic value."

Likelihood of confusion -- this refers to one of three rules determining when an act is an infringement of a trademark under Article 5 of the Trademark Directive. The other two rules are double identity and extended protection. The second and more problematic rule is article 5(1)b regarding likelihood of confusion. Under this provision a proprietor may prevent any sign where there exists a likelihood of confusion on the part of the public, and this includes the likelihood of association between the sign and the trademark. There is much case law on what constitutes likelihood of confusion and association. See for example the Chiemsee and Puma cases in the case notes below.

Limitations – limitations are exceptions or limits on the protections provided in various intellectual property laws. The introductory lecture this week identified it as a crucial skill to be aware of these

exceptions and know how there are applied in the different areas. Among the discussions this week, it was noted that

- the European Patent Treaty does not address limitations and exceptions (one must refer instead to domestic law)
- in copyright law the Information Society Directive 2001/29 has harmonized limitations and exceptions; This directive provides for a list of exceptions and limitations to the rights of reproduction and communication to the public. Some exceptions only apply to the reproduction right. Member states have the option of providing additional limitations. E.g., for scientific & educational purposes, for the benefit of public institutions such as libraries, news reporting, quotations, for use by persons with disabilities, public security, administrative & judicial proceedings.
- Limitations and exceptions to exclusive rights play a much greater role in copyright than other areas of intellectual property law. They balance the rights and interests of authors to protection of their intellectual property with interests of third parties to gain access to the work and to fundamental human rights.
- Limitations in trademark law are in articles 6 and 7 of the Trademark Directive, the principal ones being exhaustion, descriptive and geographic names, the right of a person to use his or her own name and address, and generic/common names

Limitation to the limitation – this refers to the exception to the exhaustion doctrine under trademark rights. Complications may arise due to the fact that Article 7 of the Trademark Directive (2008/95) also includes a limitation to the limitation. In subparagraph 2, it is stated that paragraph 1 “shall not apply where there exists legitimate reasons for the proprietor to oppose further commercialization of the goods, especially when the condition of the goods is changed or impaired after they have been put on the market.” The repackaging aspect of pharmaceuticals may be one example of legitimate reasons to oppose further commercialization, until different packaging has been prepared that complies with local language requirements. See also the repackaging topic in this glossary.

Literary and artistic works – protected by copyright under article 2 of the Berne Convention. The expression “literary and artistic works” includes every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, for example books; dramatic works; choreographic works; musical compositions with or without words; cinematography; works of drawing, painting, architecture, sculpture, photography; works of applied art, illustrations, maps, plans and sketches.

Moral rights -- the rights of a copyright owner to object to distortion, mutilation or other modification of his work, even after it has been sold to a buyer, also including other derogatory action in relation to, the work, which would be prejudicial to his honor or reputation. According to the ungraded quiz we had on this module, moral rights do not include the right to object to the destruction of a work. Moral rights are not harmonized under EU law in any directives. The main source for them is Article 6 Bis of the Berne Convention.

Natural law -- this is one of the classic arguments used to justify the patent protection system, namely that thinking that an inventor should have a natural right to the product of his or her mental labor.

Negative rights – these are rights to prevent others from using the protected property. A consequence of that would be that there is an embedded need to act if you want the protection to be effective, and with that follows a need to be aware of different instruments, as to enforcements.

Novelty -- one of three requirements in Article 52 of the European Patent Convention for an idea to be patentable. The other two requirements are inventive step and industrial applicability. The requirement of novelty is quite strict. To be novel, the invention must be absolutely new, and it can therefore not form part of the world-wide state of the art. It must be world-wide new. Everything made

available to the public by means of written or oral description, or by use or in any other way, before the date of filing of the European patent is not considered new.

OHIM – the Office of Harmonization in the Internal Market. They are the first level of administrative decision making in reviewing an application for trademark registration. If they refuse a registration it can be appealed to the general court and ultimately to the ECJ.

Olfactory mark -- in theory this is a trademark that has a distinctive smell or odor. The Sieckmann case, summarized below, said in theory such a mark might be protectable, but only if it can satisfy the graphic representation prerequisite of the Trademark Directive. However, Mr. Sieckmann was not able to come up with a satisfactory graphic representation for the court's purposes and was not able to register his olfactory mark.

Opposition – opposition to a patent granted under the European Patent Convention system may be filed within 9 months of the grant. Opposition to trademark applications may be filed with OHIM or the domestic trademark office, depending on where the registration was filed.

Originality – some of the court cases refer to the originality criteria of the copyright laws but this seems to be the same thing as the intellectual creation requirement. The ungraded quiz question on this point indicated the correct answer was “the criteria for getting the work protected by copyright is originality in the sense that it is its author's own intellectual creation.”

Ownership -- Under EU law the author of the work is the owner except for computer programs created in the course of the author's employment, which is regulated. Member states' laws differ when it comes to copyright for employers in general. For example some member states give the ownership to the employer; in others, the employer must have a contract with the employee to get the copyright; in others it is not possible to transfer the ownership to the employer. Similar issues probably come up in the other areas of intellectual property but this issue was not mentioned in connection with them in this week's materials.

Patent – A patent is a set of exclusive rights granted by a state to an inventor or assignee for a limited period of time in exchange for detailed public disclosure of an invention. An invention is a solution to a specific technological problem and is a product or a process. We learned this week that a company considering patent protection has several options, including to:

- File in a domestic patent office under domestic law
- File in the European Patent Office in Munich under the European Convention
- File under the World Intellectual Property Organisation's Patent Co-operation Treaty
- Once the process becomes available (which should be soon), you could file for a new unitary patent under the European Convention
- You can elect not to file for a patent, but to prevent others from filing, you could decide to do a pre-emptive public disclosure so the product becomes unpatentable by anyone else
- You decide to protect your know-how or idea under basic trade secret law
- If it's a biotech invention, you can file under that Directive, under the various national laws

Some subject matters, are not regarded as patentable inventions. These include

- discoveries,
- scientific theories,
- mathematical methods,
- aesthetic creations,
- schemes, rules, and methods for performing mental acts,
- playing games or doing business,

- programs for computers
- and even presentations of information.
- Inventions where the commercial exploitation would be contrary to "ordre public" or morality.
- Plant and animal varieties which are essentially biological processes for the production of plant or animals. This provision shall not apply to microbiological processes, or the products thereof.
- Methods for treatment of the human or animal body
 - by surgery or therapy,
 - and diagnostic methods practiced on the human or animal body.
 - but this provision does not apply to products, in particular substances or compositions for use in any of these methods.

Patent duration -- under the European patent system, the patent duration will be 20 years, calculated from the application and subject to annual fees. A prolongation of the time is possible on the basis of EU Council Regulations 469/2009 and 1610/1996. The supplementary protection can be at maximum five years.

Patentable criteria -- The requirements in Article 52 EPC provide that the patentable invention must possess novelty, inventive step, and industrial applicability.

PCT – the Patent Co-operation Treaty of 1970. This is the WIPO treaty, not the European treaty.

Person skilled in the art – under the European Patent Convention System, an application must disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art. An invention is considered as satisfying the requirement of having an inventive step if, having regard to the state of the art, it is “not obvious to a person skilled in the art.” The person skilled in the art should be presumed to be a skilled practitioner in the relevant field of technology, who possesses average knowledge and ability, and is aware of what was common general knowledge in the art at a relevant date. A skilled person test is also part of the 3-part problem and solution approach to evaluating an application (“considering whether not the claimed invention starting from the closest prior art and the objective technical problem, would have been obvious to the skilled person”).

Phonogram – According to Wikipedia “The term phonogram is used to refer to any sound recording: under the Rome Convention, it must be composed exclusively of a sound recording, although some national laws protect film soundtracks with the same measures to the extent that they are not also protected by other rights. The producers of phonograms, that is the person who makes the recording rather than the person who performs, has the right to prevent the direct or indirect reproduction of the recording (Art. 10 Rome Convention, Art. 2 Geneva Phonograms Convention). The reference to phonogram came up in two places in this week’s materials: The Rome and WIPO Conventions that expressly mention phonogram producers, and the Berne Convention copyright treaty, which includes phonogram producers in the “related rights” section of protection. According again to Wikipedia: The Conventions (Art. 14 Rome; Art. 4 Geneva) set a minimum term of protection of producers' rights of twenty years from the end of the year in which the phonogram was first published (or from its creation for unpublished recordings): the TRIPS Agreement (Art. 14.5) extended this minimum to fifty years from the end of the year in which the recording was made. The term of protection in the European Union is fifty years from the end of the year in which the phonogram was first published, or from the end of the year of its creation for unpublished recordings (Art. 3(2), Directive 93/98/EEC).

Photos -- photographs are copyrightable as original works of art if they have the requisite level of intellectual creation; if not they are “unoriginal” photos which still have the protections under the “related rights” section of copyright laws. The EU Term Directive (2006/116, amended by 2011/77) says that member states must protect only original photos by copyright, and unoriginal photos by

related rights. In the *Painier* case, summarized below, the court identified some of the elements that would give a photo sufficient intellectual creation to qualify as original copyrighted works.

“[A] portrait photograph can, in accordance with that provision, be protected by copyright if, which it is for the national court to determine in each case, that photograph is an intellectual creation of the author reflecting his personality and expressing his free and creative choices in the production of that photograph.... the photographer can make free and creative choices in several ways and at various points in its production. In the preparation phase, the photographer can choose the background, the subject’s pose and the lighting. When taking a portrait photograph, he can choose the framing, the angle of view and the atmosphere created. Finally, when selecting the snapshot, the photographer may choose from a variety of developing techniques the one he wishes to adopt or, where appropriate, use computer software.”

Preliminary questions -- The reference for a preliminary ruling is a procedure exercised before the Court of Justice of the European Union. This procedure enables national courts to question the Court of Justice on the interpretation or validity of European law.

Privacy – privacy is included in the Charter of Fundamental Rights and sometimes comes into play in the intellectual property field. One example out of several, is when Internet service providers refuse to reveal the identity of file sharers that have been using their service, with the argument that the information is personal and that an exposure of information would infringe privacy. Simultaneously, proprietors are arguing that information should be revealed due to the fact that their property rights are being infringed, and that their fundamental property rights should prevail. In the concluding lecture a brief comment is also made that copyright and privacy are now closely linked in an information technology context.

Problem and solution approach – in order to evaluate the requirement of “inventive step” in a patent application, the European Patent Office uses the so-called problem-and-solution approach. The problem and solution approach contains three main stages, namely 1. determining the closest prior art, 2. establishing the objective technical problem to be solved, and 3. considering whether not the claimed invention starting from the closest prior art and the objective technical problem, would have been obvious to the skilled person.

Product appearances – copyright protection for product appearances is also possible but unpredictable under EU law. There is no EU-wide directive on the topic and the member states have widely different attitudes toward the protectability of product appearances. Nonetheless it came up in the second industrial design lecture this week as a possible alternative to filing for a registered community design or relying only on the unregistered community design provisions of EU law.

Related rights – related rights is a concept in copyright protection that refers to a secondary or “neighboring” set of rights that are available to some works that are otherwise not eligible for full copyright protection. The EU Term Directive (2006/116, amended by 2011/77) says that member states must protect only original photos by copyright, and unoriginal photos by related rights. Wikipedia: There is no single definition of related rights, which vary much more widely in scope between different countries than authors' rights. The rights of performers, phonogram producers and broadcasting organisations are certainly covered, and are internationally protected by the Rome Convention ... signed in 1961. Within the European Union, the rights of film producers (as opposed to directors) and database creators are also protected by related rights, and the term is sometimes extended to include the *sui generis* rights in semiconductor topologies and other industrial design rights. A practical definition is that related rights are copyright-type rights that are not covered by the Berne Convention.

Renewal – patent protection requires annual renewal fees but this does not extend the duration beyond 20 years. Design rights require renewals every 5 years, up to a maximum of 25 years. Trademarks must be renewed every 10 years.

Repackaging – repackaging can raise the issue of whether a product has actually changed and is a different product. This can be important under the doctrine of exhaustion where once a product has been released to a market it can not be stopped by the proprietor. Repackaging may complicate the picture as to whether there really has been a consent to distribute that product into the market or whether the repackaged product is really a different product – the point made in the lecture on this issue was that the pharmaceutical industry often finds it necessary to change the packaging of a drug once it is being distributed to consumers; detailed requirements regarding the packaging, labeling, and disclosures come into play. In this branch, specific problems arise in relation to repackaging of medicine, which is an operation that is necessary for the consumer markets that need specific information in the local language. Yet in theory it is the same product, but the pharmaceutical companies would argue it is really a new product in practice and the doctrine of exhaustion should not apply.

Revocation – revocation is mostly a term used in trademark law. Article 12 of the Trademark Directive contain the grounds for revocation, including degeneration into common or generic name, lack of continuous use for 5 years,

Rome Convention – Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations, entered into force in 1961 by members of BIRPI (the predecessor organization to WIPO). The Convention extended copyright protection for the first time to authors of works captured as physical manifestations in media such as phonograms, audiocassettes or DVDs.

Satellite broadcasting – satellite broadcasting is part of Directive 93/83/EEC – on the coordination of certain rules and related rights, applicable to satellite broadcasting and cable re-transmission; it was also the subject of copyright infringement dispute in Football Association Premier League, a case that I've summarized below in the case notes section.

Signs – another term for “mark” or “trademark”

Single application – a single application covering multiple states is possible under the WIPO Patent Co-operation Treaty, the European patent system under the EPC, the new unitary procedure under the EPC when that becomes available, the Hague System for design registration, and the Community design process under EU Regulation 6/2002.

Skilled person – this term comes into play in considering the element of inventive step in patent eligibility. An idea is considered to have an inventive step if, having regard to the state of the art, it's “not obvious to a person skilled in the art.” The person skilled in the art should be presumed to be a skilled practitioner in the relevant field of technology, who possesses average knowledge and ability, and is aware of what was common general knowledge in the art at a relevant date. In order to assess inventive step, the European Patent Office has developed a “problem and solution” approach which has three main stages. See above for a description of the “problem and solution” approach.

Software – see computer program.

Sports bar entertainment – the problem of illegal pirating of live football match broadcasts was the subject of the Football Association Premier League case, summarized below. Sports bars were a common source of illegal decoding in the facts of the case.

Sui generis right – sui generis is a Latin phrase meaning “of its own kind” or “unique in its characteristics”. When used in connection with database protection this refers to the special right of protection granted to creators of databases under Directive 96/9, to prevent others from taking advantage of their work. See the Dataco case in the case summary notes below as well. The “sui generis right” allows the maker of the database to show “that there has been qualitatively and/or quantitatively a substantial investment in either the obtaining, verification or presentation of the contents to prevent extraction and/or reutilisation of the whole or of a substantial part, evaluated qualitatively and/or quantitatively, of the contents of that database.” (Chapter III, article 7, Directive 96/9).

Term Directive -- The Term Directive sets rules about duration of copyright and related rights in the member states. But it also says that member states must protect only original photos by copyright, and unoriginal photos by related rights. 2006/116/EC – on the term of protection of copyright and certain related rights (“Term Directive”), also amended by 2011/77/EC on the term of protection of copyright and certain related rights.

Trade secret -- information that is secret (not absolutely so), where there is intent to keep it secret, and it has industrial, financial or trade application, as well as economic value. See also know-how above in this glossary. Preserving your invention as trade secret rather than filing a patent was discussed briefly as one alternative approach to consider where filing a patent would be too cost prohibitive.

Trademark— Covered by Directive 2008/95/EC and Regulation 40/94. Most of the cases interpret provisions of Directive 89/104 but Directive 2008/95 is the codified version. From an EU perspective, trademark law was quick to become a focus. It was the first of the IP areas to be harmonized across the European Union. The first harmonization directive entered into force in 1989. And the Trademark Regulation, establishing a separate system of community trademarks was launched in 1994. Today both the Directive and Regulation are replaced by codified versions. But fact the remains, that since the beginning of the 1990's trademark law has been harmonized within the European Union.

Trademark duration -- trademark duration is perpetual as long as you renew it every 10 years and don't fall into any of the grounds for revocation. If you forget to renew the registration, your trademark will cease to exist.

Trademark Regulation – Regulation 40/94 established a separate system of community trademarks since 1994.

TRIPS Agreement -- During the World Trade Organisation (WTO) Uruguay Round multilateral negotiations (1986-1994), the European Union signed the agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). TRIPS is administered by the WTO. It sets down minimum standards for many forms of intellectual property, including copyright, trademark, and patents. Many of its provisions on copyright were copied from the Berne Convention. The TRIPS agreement generally has a more detailed level of protections than is available under the Berne Convention.

From Wikipedia: “The TRIPS agreement introduced intellectual property law into the international trading system for the first time and remains the most comprehensive international agreement on intellectual property to date. In 2001, developing countries, concerned that developed countries were insisting on an overly narrow reading of TRIPS, initiated a round of talks that resulted in the Doha Declaration. The Doha declaration is a WTO statement that clarifies the scope of TRIPS, stating for example that TRIPS can and should be interpreted in light of the goal "to promote access to medicines for all." Specifically, TRIPS requires WTO members to provide copyright rights, covering content producers including performers, producers of sound recordings and broadcasting organizations; geographical indications, including appellations of origin; industrial designs; integrated circuit layout-designs; patents; new plant varieties; trademarks; trade dress; and undisclosed or confidential

information. TRIPS also specifies enforcement procedures, remedies, and dispute resolution procedures. Protection and enforcement of all intellectual property rights shall meet the objectives to contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.”

Unified Patent Court – the court that will be created once the new Unitary Patent System comes into effect in the EU.

Unintentional infringements -- registered Community designs are protected from similar designs being used, even including unintentional infringements. But the unregistered community designs are only protected against intentional copying, and therefore, an independent creation will be a defense in an infringement case.

Unitary Patent – the type of Community-wide patent that will be available once the new patent system comes into effect in the EU.

Unregistered design – an unregistered design is protected for a period of 3 years under the terms of the Community design protections of Regulation 6/2002.

Use requirement – a trademark must continue to be used to remain eligible for protection. Article 12(1) of the Trademark Directive specifies that a trademark may be revoked if “within a continuous period of 5 years, it has not been put to genuine use in the Member State, in connection with the goods or services for which it is registered, and provided there are no proper reasons for non use.”

WIPO – the World Intellectual Property Organisation.

WIPO treaties – The WIPO Copyright Treaty and WIPO Performances and Phonograms Treaty (formerly Rome Convention) are both available to EU businesses and are implemented into EU law by the Information Society Directive 2001/29.

Works of artistic craftsmanship -- This is one of the categories available for copyright protection under the Berne Convention, and perhaps other sources. For purposes of the materials this week, the point was made in the Industrial Design lectures that if none of the registration options work for you, you might consider instead registering the design as applied art or a work of artistic craftsmanship under applicable Copyright laws. But one should be aware that EU member states have a widely different attitude towards copyright protection for product appearances.

CASE NOTES FROM WEEK 3

Copyright

- C- 5/08 – **Infopaq International A/S v. Danske Dagblades Forening** (2008). The case involved copyright infringement by an information aggregating business. The business in question had used a data capture process, compiling news updates from local Danish newspapers, converting them into digital files, and then compiling issue lists. The digital files were then destroyed once the data was captured. A customer who subscribed to their service would receive a list of articles by issue, together with an excerpt of 5 words before and 5 words after the relevant search term in each article (an 11 word excerpt). The court concluded that, assuming the underlying news article was an original intellectual work (an issue the national court was left to determine), the 11 word excerpt was an unpermitted “reproduction in part” under Article 2(a) of the Information Society copyright directive 2001/29. It also did not qualify for the “transient” exemption under Article 5(1) of that

directive.

- C-145/10 – **Painer v. Standard Verlags GmbH and Others** (2011). Ms. Painier was a freelance photographer specializing in photos in nurseries and day homes. She took several photographs of a young child Natascha K., designing the background, deciding the position and facial expression and producing and developing them. She put her name as the photographer on the photos. She sold the photographs but without conferring on third parties any rights over them and without consenting to their publication. The price she charged corresponded solely to the price of the prints. In 1998, when Natascha was 10 years old, she was abducted. The competent security authorities launched a search appeal in which the contested photographs were used. In 2006, Natascha managed to escape from her abductor. The defendants were news media publishers from Germany and Austria. Following her escape and prior to her first public appearance the defendants published the contested photographs in their newspapers, magazines and websites without indicating the name of the photographer or in some cases indicating a name other than Ms. Painier's as the photographer who took the pictures. They claimed they received the photos from a news agency without Ms. Painier's name on them, or with another name on them other than Ms. Painier's. Several of those publications also published a portrait, created by computer from the contested photographs, which, since there was no recent photograph of Natascha K. until her first public appearance, represented the supposed image of Natascha K. Ms. Painier sought an order to immediately cease the reproduction and/or distribution of the photos without her consent, and she also sought appropriate remuneration and damages.

“On a proper construction of Article 6 of Directive 93/98 harmonising the term of protection of copyright and certain related rights, a portrait photograph can, in accordance with that provision, be protected by copyright if, which it is for the national court to determine in each case, that photograph is an intellectual creation of the author reflecting his personality and expressing his free and creative choices in the production of that photograph. Once it has been determined that the portrait photograph in question is a work, its protection is no less than that enjoyed by any other work, including other photographic works.

As regards, first, the question whether realistic photographs, particularly portrait photographs, enjoy copyright protection under Article 6 of Directive 93/98, it is important to point out that the Court has already decided, in Case C-5/08 *Infopaq International* [2009] ECR I-6569, paragraph 35, that copyright is liable to apply only in relation to a subject-matter, such as a photograph, which is original in the sense that it is its author's own intellectual creation. As stated in recital 17 in the preamble to Directive 93/98, an intellectual creation is an author's own if it reflects the author's personality.

As regards a portrait photograph, the photographer can make free and creative choices in several ways and at various points in its production. In the preparation phase, the photographer can choose the background, the subject's pose and the lighting. When taking a portrait photograph, he can choose the framing, the angle of view and the atmosphere created. Finally, when selecting the snapshot, the photographer may choose from a variety of developing techniques the one he wishes to adopt or, where appropriate, use computer software.

Article 5(3)(e) of Directive 2001/29 on the harmonisation of certain aspects of copyright and related rights in the information society, read in the light of Article 5(5) of that directive, must be interpreted as meaning that media, such as newspaper publishers, may not, on their own initiative, use a work protected by copyright by invoking an objective of public security. However, it is conceivable that a newspaper publisher might, in specific cases, contribute to the fulfilment of such an objective by publishing a photograph of a person for whom a search has been launched. It must be a requirement that that initiative be taken, first, within the framework of a decision or action taken by the competent national authorities to ensure public security and, second, by agreement

and in coordination with those authorities, in order to avoid the risk of running counter to the measures taken by them, but it is not, however, necessary for a specific, current and express appeal to be made by the security authorities for a photograph to be published for the purposes of an investigation.”

For several reasons the court determines also that the newspapers can not use the defense of public security to justify their publication of the photos, although this issue is for the national courts to decide on a case by case basis depending on the facts. “[T]he media, such as, in this case, newspaper publishers, cannot be allowed to confer on themselves the protection of public security. Only States, whose competent authorities are provided with appropriate means and coordinated structures, can be regarded as appropriate and responsible for the fulfillment of that objective of general interest by appropriate measures including, for example, assistance with a search appeal. Such a publisher cannot, therefore, of its own volition, use a work protected by copyright by invoking an objective of public security.”

- C- 403/08 and C-429/08, joined cases – **Football Association Premier League and Others** (2008). The case involves the marketing and use in the UK of decoding devices which give access to the satellite broadcasting services of a broadcaster, are manufactured and marketed with the broadcaster’s authorization, but are used without permission outside the geographical area via foreign decoding devices. FAPL licenses broadcasting rights for live transmission of Premier League football matches on a territorial basis for 3 year terms. The rights are awarded to high bidders in an open competitive tender procedure. Licenses tend to be awarded per country on an exclusive rights basis, but could go to global or pan-European broadcasters if so bid.

The case involved interpretation of the Satellite Broadcasting Directive, the Information Society Directive, and several other directives not relevant for intellectual property rights purposes. I’ve included here several of the findings relating to these two Directives only:

“In order to protect the territorial exclusivity of all broadcasters, they each undertake, in their licence agreement with FAPL, to prevent the public from receiving their broadcasts outside the area for which they hold the licence. This requires, first, each broadcaster to ensure that all of its broadcasts capable of being received outside that territory – in particular those transmitted by satellite – are encrypted securely and cannot be received in unencrypted form. Second, broadcasters must ensure that no device is knowingly authorised so as to permit anyone to view their transmissions outside the territory concerned. Therefore, broadcasters are in particular prohibited from supplying decoding devices that allow their broadcasts to be decrypted for the purpose of being used outside the territory for which they hold the licence.

However, in the United Kingdom certain restaurants and bars have begun to use foreign decoding devices to access Premier League matches. They buy from a dealer a card and a decoder box which allow them to receive a satellite channel broadcast in another Member State, such as the NOVA channels, the subscription to which is less expensive than BSkyB Ltd’s subscription. Those decoder cards have been manufactured and marketed with the authorisation of the service provider, but they are subsequently used in an unauthorised manner, since the broadcasters have made their issue subject to the condition – in accordance with the undertakings set out in paragraph 35 of the present judgment – that customers do not use them outside the national territory concerned.”

“Where sequential fragments of a film, musical work or sound recording (in this case frames of digital video and audio) are created (i) within the memory of a decoder or (ii) in the case of a film on a television screen, and the whole work is reproduced if the sequential fragments are considered together but only a limited number of fragments exist at any point in time:

- (a) Is the question of whether those works have been reproduced in whole or in part to be determined by the rules of national copyright law relating to what constitutes an infringing reproduction of a copyright work, or is it a matter of interpretation of Article 2 of [the Copyright Directive]?
- (b) If it is a matter of interpretation of Article 2 of [the Copyright Directive], should the national court consider all of the fragments of each work as a whole, or only the limited number of fragments which exist at any point in time? If the latter, what test should the national court apply to the question of whether the works have been reproduced in part within the meaning of that Article?"

Is a copyright work communicated to the public by wire or wireless means within the meaning of Article 3 of [the Copyright Directive] where a satellite broadcast is received at a commercial premises (for example a bar) and communicated or shown at those premises via a single television screen and speakers to members of the public present in those premises? [Answer: yes]

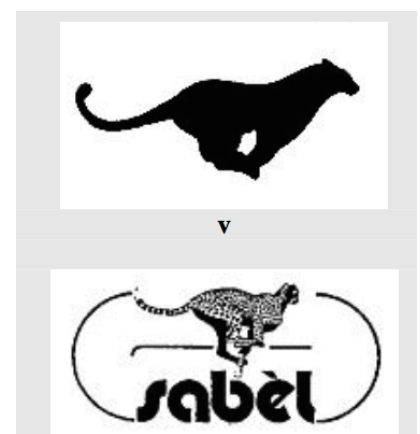
FAPL cannot claim copyright in the Premier League matches themselves, as they can not be classified as works. To be so classified, the subject matter would have to be original in the sense that it is its author's own intellectual creation (citing Infopaq). Sporting events cannot be regarded as intellectual creations classifiable as works within the meaning of the Copyright Directive. That applies in particular to football matches, which are subject to rules of the game, leaving no room for creative freedom for the purposes of copyright. Nonetheless, sporting events, as such, have a unique and, to that extent, original character which can transform them into subject-matter that is worthy of protection comparable to the protection of works, and that protection can be granted, where appropriate, by the various domestic legal orders. [Member states can enact national legislation permitting protecting sporting events by virtual of protection of intellectual property. The relevant EU directive expressly envisages this as a possibility.]

Therefore, if the national legislation concerned is designed to confer protection on sporting events – a matter which it is for the referring court to establish – European Union law does not preclude, in principle, that protection and such legislation is thus capable of justifying a restriction on the free movement of services such as that at issue in the main proceedings. [However, an outright ban on sale or import of foreign decoding devices goes too far; less restrictive means must be used]

"Consequently, the answer to the question referred is that Article 2(a) of the Copyright Directive must be interpreted as meaning that the reproduction right extends to transient fragments of the works within the memory of a satellite decoder and on a television screen, provided that those fragments contain elements which are the expression of the authors' own intellectual creation, and the unit composed of the fragments reproduced simultaneously must be examined in order to determine whether it contains such elements."

Communication to the public within the meaning of article 3(1) of the Copyright Directive: per the Berne Convention, this "concept encompasses communication by loudspeaker or any other instrument transmitting, by signs, sounds or images, covering ... a means of communication such as display of the works on a screen." Therefore "the concept of communication must be construed broadly, as referring to any transmission of the protected works, irrespective of the technical means or process used." ... "Accordingly, it must be held that the proprietor of a public house effects a communication when he intentionally transmits broadcast works, via a television screen and speakers, to the customers present in that establishment."

Case law: Trade Mark Law



- C 251-95 – **Puma** (1997). The question was whether a new trademark to be registered by the Dutch company SABEL infringed on the existing trademark of the German company Puma on the grounds of likelihood of confusion.

Puma lodged opposition to the registration of the mark on the ground, in particular, that it was the proprietor of the pictorial mark depicted above, which was of earlier priority and registered in Germany, *inter alia* for “leather and imitation leather, goods made thereof (bags) and articles of clothing.” The registration application by Sabel had indicated its mark was to be used *inter alia* for goods “in classes 18 ‘Leather and imitation leather, products made therefrom not included in other classes; bags and handbags’, and 25 ‘Clothing, including tights, hosiery, belts, scarves, ties/cravats and braces; footwear; hats’.”

The German Patent Office concluded there was no resemblance between the two marks and rejected Puma’s opposition. Puma then appealed to the Federal Patents Court which partially upheld its opposition and ruled that there was a resemblance between the two marks with respect to SABEL’s goods in classes 18 and 25, which it regarded as being identical or similar to the goods on the list of articles covered by the Puma mark. SABEL then appealed for annulment of the decision refusing its application. The German Bundesgerichtshof then ruled in Sabel’s favor, concluding that there was no likelihood for confusion between the two marks. But it raised a question for the ECJ to determine whether EU law was stricter than was being applied under the German criteria, because of the ambiguous wording in the Directive 89/104. Specifically, was the fact that there was a “mere association” between the two “bounding feline” logos enough to reject Sabel’s registration?

“The Bundesgerichtshof seeks to ascertain the importance to be accorded to the semantic content of the marks (in the present case, a ‘bounding feline’) in determining the likelihood of confusion. That difficulty is occasioned, in particular, by the ambiguous wording of Article 4(1)(b) of the Directive, in terms of which the likelihood of confusion ‘includes the likelihood of association with the earlier trade mark’. The question therefore arises for the national court whether the mere association which the public might make between the two marks, through the idea of a ‘bounding feline’, justifies refusing protection to the SABEL mark in Germany for products similar to those on the list of articles covered by Puma’s priority mark.”

“That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive — ‘... there exists a likelihood of confusion on the part of the public ...’ — shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.

In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public.

However, in circumstances such as those in point in the main proceedings, where the earlier mark is not especially well known to the public and consists of an image with little imaginative content, the mere fact that the two marks are conceptually similar is not sufficient to give rise to a likelihood of confusion.”

Therefore the court concludes that the Sabel trademark is not confusingly similar to the Puma trademark and the Sabel registration application can be approved.

- C 108-97 and C 109-97 – **Windsurfing Chiemsee** (1999). The case concerns the interpretation of the prohibition of “geographical indications of origin” in a trademark under the Trademark Directive 89/104. In this case “Chiemsee” was the name of a lake in Germany, the largest lake in Bavaria. It is a common tourist destination and surfing is one of the activities that are popular there. The Windsurfing Chiemsee mark was being used for the sale of sportswear. The goods bear the designation ‘Chiemsee.’ Between 1992 and 1994, Windsurfing Chiemsee registered that designation in Germany as a picture trade mark in the form of various graphic designs, in some cases with additional features or words such as ‘Chiemsee Jeans’ and ‘Windsurfing Chiemsee Active Wear’.



I'm not sure which of these trademarks were at issue but I've inserted a few in this case summary that I was able to find on the Internet.

The German registration authorities regarded the word Chiemsee as a geographical description which is not capable of registration as a trade mark. However, they have allowed the various particular graphic representations of the word Chiemsee and the additional accompanying features to be registered as picture marks.

The defendants, Mr. Huber and Mr. Attenberger, each sell sports clothing such as t-shirts and sweat shirts in different shops in the area. The clothing bears the designation ‘Chiemsee’ but it is depicted in a different graphic form from that of the trademarks which identify the Windsurfing



Chiemsee products. Windsurfing Chiemsee challenged the use by Mr. Huber and Mr. Attenberger claiming that, notwithstanding the differences in graphic representation, there was a likelihood of confusion with its use of the designation ‘Chiemsee’ which it claims the public is familiar and which has been in use since 1990.

“As regards, more particularly, signs or indications which may serve to designate the geographical origin of the categories of goods in relation to which registration of the mark is applied for, especially geographical names, it is in the public interest that they remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response.”

After discussing the pro's and con's of permitting geographic names to be included in some trademarks, the court concludes in this case that

“the registration of geographical names is not prohibited solely where the name designate places which are, in the mind of the relevant class of persons, currently associated with the category of goods in question; ... where there is currently no association in the mind of the relevant class of persons between the geographical name and the category of goods in question, the competent authority must assess whether it is reasonable to assume that such a name is, in the mind of the relevant class of persons, capable of designating the geographical origin of that category of goods; in making that assessment, particular consideration should be given to the degree of familiarity amongst the relevant class of persons with the geographical name in question, with the characteristics of the place designated by that name, and with the category of goods concerned; [and] it is not necessary for the goods to be manufactured in the geographical location in order for them to be associated with it.”

Next the court concludes that a sign may, through use, acquire a distinctive character which it initially lacked and thus be registered as a trademark. “It follows that a geographical name may be registered as a trade mark if, following the use which has been made of it, it has come to identify the product in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings. Where that is the case, the geographical designation has gained a new significance and its connotation, no longer purely descriptive, justifies its registration as a trade mark.”

“In determining whether a mark has acquired distinctive character following the use made of it, the competent authority must make an overall assessment of the evidence that the mark has come to identify the product concerned as originating from a particular undertaking, and thus to distinguish that product from goods of other undertakings. In that connection, regard must be had in particular to the specific nature of the geographical name in question. Indeed, where a geographical name is very well known, it can acquire distinctive character under Article 3(3) of the Directive only if there has been long-standing and intensive use of the mark by the undertaking applying for registration. *A fortiori*, where a name is already familiar as an indication of geographical origin in relation to a certain category of goods, an undertaking applying for registration of the name in respect of goods in that category must show that the use of the mark both long-standing and intensive is particularly well established.”

“In assessing the distinctive character of a mark in respect of which registration has been applied for, the following may also be taken into account: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations.”

So it was going to be up to the national court to decide the final conclusion but from the above description of criteria it would appear that Windsurfing Chiemsee might have a valid claim that its trademark was broad enough to prevent the other retailers from using the name in their clothing sales.

- C 375-97 – **Chevy** (1999). The case involves the protection against the use of a trademark on non-similar products and services where a trademark has a known reputation. General Motors is the proprietor of the Benelux trademark ‘Chevy’ registered for use with motor vehicles. GM has sued for injunction to restrain Yplon from using the sign ‘Chevy’ to designate detergents or cleaning products on the ground that such use entails dilution of its own trademark and thus damages its advertising



CHEVY TRUCKS

function. GM maintains that its mark ‘Chevy’ is a trademark of repute within the meaning of the relevant Benelux law. Yplon is claiming that GM has not shown that its trademark has a ‘reputation’ within the meaning of that law. The issue then is what is meant by the phrase “has a reputation” in Article 5(2) of the Trademark Directive 89/104 (which was implemented in the relevant local Benelux legislation).

GM claims the requirement is simply that the trademark must be known by the public, but not to the extent that it is “well known” within the meaning of Article 6 bis of the Paris Convention. There is no requirement in the Trademark Directive that the trademark must be “well known” in this sense.

The court points out that the phrase in question has slightly different meanings in the different languages. “The German, Dutch and Swedish versions use words signifying that the trade mark must be ‘known’ without indicating the extent of knowledge required, whereas the other language versions use the term ‘reputation’ or expressions implying, like that term, at a quantitative level a certain degree of knowledge amongst the public. That nuance, which does not entail any real contradiction, is due to

the greater neutrality of the terms used in the German, Dutch and Swedish versions. Despite that nuance, it cannot be denied that, in the context of a uniform interpretation of Community law, a knowledge threshold requirement emerges from a comparison of all the language versions of the Directive.”

The court concludes the phrase “known” or “reputation” does not mean a fixed percentage but does mean it must be known to a significant part of the public.

“It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation ‘in the Member State’. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation ‘throughout’ the territory of the Member State. It is sufficient for it to exist in a substantial part of it.

As far as trade marks registered at the Benelux Trade Mark Office are concerned, the Benelux territory must be treated like the territory of a Member State, since Article 1 of the Directive regards Benelux trade marks as trade marks registered in a Member State. Article 5(2) must therefore be understood as meaning a reputation acquired ‘in the Benelux territory’. For the same reasons as those relating to the condition as to the existence of a reputation in a Member State, a Benelux trade mark cannot therefore be required to have a reputation throughout the Benelux territory. It is sufficient for a Benelux trade mark to have a reputation in a substantial part of the Benelux territory, which part may consist of a part of one of the Benelux countries.”

- C 273-00 – **Ralf Sieckmann** (2002). The case involves olfactory signs and the requirement that a sign must be capable of being represented graphically to be a protected trademark. Mr. Sieckmann submitted a trademark application for a mark that was to be used in advertising, business management and several other service categories. In the section of the application where the mark must be reproduced and graphically represented, he wrote:

“Trade mark protection is sought for the olfactory mark deposited with the Deutsches Patent- und Markenamt of the pure chemical substance methyl cinnamate (= cinnamic acid methyl ester), whose structural formula is set out below. Samples of this olfactory mark can also be obtained via local laboratories listed in the Gelbe Seiten (Yellow Pages) of Deutsche Telekom AG or, for example, via the firm E. Merck in Darmstadt. $C_6H_5-CH=CHCOOCH_3$.” Mr. Sieckmann also submitted with his registration application an odour sample of the sign in a container and stated that the scent was “usually described as balsamically fruity with a slight hint of cinnamon.”

The German Patent and Trademark Office refused the application on the grounds that the proposed mark could not be graphically represented and also did not have a distinctive character. Mr. Sieckmann appealed. The German patent court (Bundespatentgericht) found that distinctive character was satisfied, but there were doubts as to whether an olfactory mark could satisfy the requirement of graphical representation. It therefore referred the matter to the ECJ for interpretation of the graphical representation requirement in Article 2 of the Trademark Directive (89/104).

“[T]he essential function of a trade mark is to guarantee the identity of the origin of the marked product or service to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish that product or service from others which have another origin and that, for the trade mark to be able to fulfil its essential role in the system of undistorted competition which the EC Treaty seeks to establish, it must offer a guarantee that all the goods or services bearing it have been manufactured or supplied under the control of a single undertaking which is responsible for their quality.”

The court concludes that “Article 2 of the Directive must be interpreted as meaning that a trade mark may consist of a sign which is not in itself capable of being perceived visually, provided that it can be represented graphically, particularly by means of images, lines or characters, and that the representation is clear, precise, self-contained, easily accessible, intelligible, durable and objective.”

“The purpose of Article 2 of the Directive is to define the types of signs of which a trade mark may consist. That provision states that a trade mark may consist of particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging ... Admittedly, it mentions only signs which are capable of being perceived visually, are two-dimensional or three-dimensional and can thus be represented by means of letters or written characters or by a picture.

However, as is clear from the language of both Article 2 of the Directive and the seventh recital in the preamble thereto, which refers to a list [of] examples of signs which may constitute a trade mark, that list is not exhaustive. Consequently, that provision, although it does not mention signs which are not in themselves capable of being perceived visually, such as odours, does not, however, expressly exclude them.

In those circumstances, Article 2 of the Directive must be interpreted as meaning that a trade mark may consist of a sign which is not in itself capable of being perceived visually, provided that it can be represented graphically. That graphic representation must enable the sign to be represented visually, particularly by means of images, lines or characters, so that it can be precisely identified.”

However, in the second question presented, the court concludes that none of the suggested ways in which an olfactory mark might be graphically represented are satisfactory, leaving open the question of whether there might be some other way to meet this requirement, although none is suggested. “As regards a chemical formula, as the United Kingdom Government has rightly noted, few people would recognise in such a formula the odour in question. Such a formula is not sufficiently intelligible. In addition, as that Government and the Commission stated, a chemical formula does not represent the odour of a substance, but the substance as such, and nor is it sufficiently clear and precise. It is therefore not a representation for the purposes of Article 2 of the Directive.

In respect of the description of an odour, although it is graphic, it is not sufficiently clear, precise and objective.

As to the deposit of an odour sample, it does not constitute a graphic representation for the purposes of Article 2 of the Directive. Moreover, an odour sample is not sufficiently stable or durable.

If, in respect of an olfactory sign, a chemical formula, a description in words or the deposit of an odour sample are not capable of satisfying, in themselves, the requirements of graphic representability, nor is a combination of those elements able to satisfy such requirements, in particular those relating to clarity and precision.

In the light of the foregoing considerations, the answer to the second question must be that, in respect of an olfactory sign, the requirements of graphic representability are not satisfied by a chemical

formula, by a description in written words, by the deposit of an odour sample or by a combination of those elements.”

• C 206-01 – **Arsenal Football Club v. Matthew Reed**

(2002). The case concerns the scope of protection granted to a trademark owner under Article 5(1)(a) of the Trademark Directive. Mr. Reed had been selling and offering for sale scarves marked in large lettering with the word ‘Arsenal’, a sign that had been registered by the Arsenal club for those and other goods. [note: the scarf below is from Arsenal’s official goods; it is not the scarf that Mr. Reed sold]



Arsenal FC is a well-known football club in the English Premier League, nicknamed the Gunners, and has for a long time been associated with two emblems, a cannon device and a shield device. In 1989 it registered as trademarks the words Arsenal and Arsenal Gunners and the cannon and shield emblems for a class of goods comprising articles of outer clothing, articles of sports clothing and footwear. Arsenal FC designs and supplies its own products or has them made and supplied by its network of approval resellers.

Since 1970 Mr. Reed has sold football souvenirs and memorabilia, almost all marked with signs referring to Arsenal FC, from several stalls located outside the grounds of Arsenal FC's stadium. He was able to obtain from KT Sports, licensed by Arsenal FC to sell its products to vendors around the stadium, only very small quantities of official products. In 1991 and 1995 Arsenal FC had unofficial articles of Mr. Reed's confiscated. A large sign in Mr. Reed's stall reads as follows: “The word or logo(s) on the goods offered for sale, are used solely to adorn the product and does not imply or indicate any affiliation or relationship with the manufacturers or distributors of any other product, only goods with official Arsenal merchandise tags are official Arsenal merchandise.”

In view of the circumstances in the main proceedings, the [UK] High Court dismissed Arsenal FC's action in tort (‘passing off’), essentially on the ground that the club had not been able to show actual confusion on the part of the relevant public and, more particularly, had not been able to show that the unofficial products sold by Mr. Reed were all regarded by the public as coming from or authorised by Arsenal FC. In this respect, the High Court observed that it seemed to it that the signs referring to Arsenal FC affixed to the articles sold by Mr. Reed carried no indication of origin.”

The question submitted to the ECJ was whether it was enough under the EU Directive that Arsenal simply show that Mr. Reed was using its mark on similar goods, or whether it had to establish that the use in question must affect or be liable to affect one of the functions of its trademark. Here Mr. Reed was claiming that the scarves with the Arsenal logo on them were simply a show of local support and should be permitted.

“The proprietor may not prohibit the use of a sign identical to the trade mark for goods identical to those for which the mark is registered if that use cannot affect his own interests as proprietor of the mark, having regard to its functions. Thus certain uses for purely descriptive purposes are excluded from the scope of Article 5(1) of the Directive because they do not affect any of the interests which that provision aims to protect, and do not therefore fall within the concept of use within the meaning of that provision (see, with respect to a use for purely descriptive purposes relating to the characteristics of the product offered, Case C-2/00 *Hölderhoff* [2002] ECR I-4187, paragraph 16).

In this respect, it is clear that the situation in question in the main proceedings is fundamentally different from that in *Hölterhoff*. In the present case, the use of the sign takes place in the context of sales to consumers and is obviously not intended for purely descriptive purposes.

Having regard to the presentation of the word Arsenal on the goods at issue in the main proceedings and the other secondary markings on them ... the use of that sign is such as to create the impression that there is a material link in the course of trade between the goods concerned and the trade mark proprietor.

That conclusion is not affected by the presence on Mr. Reed's stall of the notice stating that the goods at issue in the main proceedings are not official Arsenal FC products Even on the assumption that such a notice may be relied on by a third party as a defence to an action for trade mark infringement, there is a clear possibility in the present case that some consumers, in particular if they come across the goods after they have been sold by Mr. Reed and taken away from the stall where the notice appears, may interpret the sign as designating Arsenal FC as the undertaking of origin of the goods."

Case law: Information Technology Aspects

- C-236-08 to C-238-08 – **Google France** (2010). These are 3 joined cases, C-236/08 Google France v. Louis Vuitton, C-237/08 Google France v. Viaticum and C-238/08 Google France v. CNRRH (this is a shortened version of the case names; there are several more related parties named in each case). The dispute concerns the display on the Internet of advertising links on the basis of keywords corresponding to trademarks.

"Vuitton, which markets, in particular, luxury bags and other leather goods, is the proprietor of the Community trade mark 'Vuitton' and of the French national trade marks 'Louis Vuitton' and 'LV'. It is common ground that those marks enjoy a certain reputation. At the beginning of 2003, Vuitton became aware that the entry, by internet users, of terms constituting its trade marks into Google's search engine triggered the display, under the heading 'sponsored links', of links to sites offering imitation versions of Vuitton's products. It was also established that Google offered advertisers the possibility of selecting not only keywords which correspond to Vuitton's trade marks, but also those keywords in combination with expressions indicating imitation, such as 'imitation' and 'copy'. Vuitton brought proceeding against Google with a view, inter alia, to obtaining a declaration that Google had infringed its trade marks."



Similar claims were made by Viaticum which is the proprietor of the French trade marks 'Bourse des Vois', 'Bourse des Voyages' and 'BDV', registered for travel arrangement services. In the third case, Mr. Thonet is the proprietor of the French trade mark



'Eurochallenges', registered for, inter alia, matrimonial agency services. CNRRH is a matrimonial agency and holds a license, granted by Mr. Thonet.

The Court determines that whether Article 5(a)(a) of the Trademark Directive 89/104 and Article 9(1)(a) of the Trademark Regulation 40/94 do not apply to permit prevention of an alleged infringement against Google because Google is not acting "in the course of trade" while providing its keyword search. "That conclusion is not called into question by the fact that that service provider is paid by its clients for the use of those signs. The fact of creating the technical conditions necessary for the use of a sign and being paid for that service does not mean that the party offering the service itself uses the sign. To the extent to which

it has permitted its client to make such a use of the sign, its role must, as necessary, be examined from the angle of rules of law other than Article 5 of Directive 89/104 and Article 9 of Regulation No 40/94, such as those referred to in paragraph 107 of the present judgment.”

“Article 5(1)(a) of Directive 89/104 and Article 9(1)(a) of Regulation No 40/94 must be interpreted as meaning that the proprietor of a trade mark is entitled to prohibit an advertiser from advertising, on the basis of a keyword identical with that trade mark which that advertiser has, without the consent of the proprietor, selected in connection with an internet referencing service, goods or services identical with those for which that mark is registered, in the case where that ad does not enable an average internet user, or enables that user only with difficulty, to ascertain whether the goods or services referred to therein originate from the proprietor of the trade mark or an undertaking economically connected to it or, on the contrary, originate from a third party; an internet referencing service provider which stores, as a keyword, a sign identical with a trade mark and organises the display of ads on the basis of that keyword does not use that sign within the meaning of Article 5(1) of Directive 89/104 or of Article 9(1)(a) and (b) of Regulation No 40/94.”

The question of whether Google is an intermediary service provider within the meaning of Section 4 of Directive 2000/31 and therefore not liable for the actions of its advertisers until it has been notified of infringing conduct, is a question for the national court to determine based on the criteria in Section 4. “Accordingly, in order to establish whether the liability of a referencing service provider may be limited under Article 14 of Directive 2000/31, it is necessary to examine whether the role played by that service provider is neutral, in the sense that its conduct is merely technical, automatic and passive, pointing to a lack of knowledge or control of the data which it stores.”

- C 324-09 – **L’Oreal v. eBay** (2011). The dispute concerned the sale without L’Oreal’s consent, of L’Oreal products on the online marketplace operated by eBay. In addition to the Trademark Directive and Trademark Regulation, the court also looked at the Directive on electronic commerce (2000/31).

L’ORÉAL

“[I]t is not disputed that eBay, by choosing keywords corresponding to L’Oréal trade marks in Google’s ‘Ad Words’ referencing service, caused to be displayed, each time that there was a match between a keyword and the word entered in Google’s search engine by an internet user, a sponsored link to the site www.ebay.co.uk. That link would appear in the ‘sponsored links’ section displayed on either the right-hand side, or on the upper part, of the screen displayed by Google. Thus, on 27 March 2007, when an internet user entered the words ‘shu uemura’ – which in essence coincide with L’Oréal’s national word mark ‘Shu Uemura’ – as a search string in the Google search engine, the following eBay advertisement was displayed in the ‘sponsored links’ section: ‘Shu Uemura. Great deals on Shu uemura. Shop on eBay and Save! www.ebay.co.uk’.”

“In its judgment, the High Court of Justice notes that eBay has installed filters in order to detect listings which might contravene the conditions of use of the site. That court also notes that eBay has developed, using a programme called ‘VeRO’ (Verified Rights Owner), a notice and take-down system that is intended to provide intellectual property owners with assistance in removing infringing listings from the marketplace. L’Oréal has declined to participate in the VeRO programme, contending that the programme is unsatisfactory.”

“[I]t is important to recall, ... that the exclusive rights conferred by trade marks may, as a rule, be relied on only as against economic operators. Indeed, for the proprietor of a trade mark to be entitled to prevent a third party from using a sign identical with or similar to his trade mark, the use must take place in the course of trade ... Accordingly, when an individual sells a product bearing a trade mark through an online marketplace and the transaction does not take place in the context of a commercial activity, the proprietor of the trade mark cannot rely on his exclusive right as

expressed in Article 5 of Directive 89/104 and Article 9 of Regulation No 40/94. If, however, owing to their volume, their frequency or other characteristics, the sales made on such a marketplace go beyond the realms of a private activity, the seller will be acting ‘in the course of trade’ within the meaning of those provisions.

The court decides against eBay on the question of linking trademarked names to its keyword advertising, stating that “the proprietor of a trade mark is entitled to prevent an online marketplace operator from advertising – on the basis of a keyword which is identical to his trade mark and which has been selected in an internet referencing service by that operator – goods bearing that trade mark which are offered for sale on the marketplace, where that advertising does not enable reasonably well-informed and reasonably observant internet users, or enables them only with difficulty, to ascertain whether the goods concerned originate from the proprietor of the trade mark or from an undertaking economically linked to that proprietor or, on the contrary, originate from a third party.”

The court concludes that the question of whether eBay can qualify as a neutral “intermediary provider”, avoiding liability for infringing offers on its website, within the meaning of Articles 12 to 15 of Directive 2000/31 is a factual determination for the local court to decide, commenting that where “the operator has provided assistance which entails, in particular, optimising the presentation of the offers for sale in question or promoting those offers, it must be considered not to have taken a neutral position between the customer-seller concerned and potential buyers but to have played an active role of such a kind as to give it knowledge of, or control over, the data relating to those offers for sale. It cannot then rely, in the case of those data, on the exemption from liability referred to in Article 14(1) of Directive 2000/31.”

The Court also examined eBay’s awareness of the infringing materials as a factor in determining liability. “Where the operator of the online marketplace has not played an active role within the meaning of the preceding paragraph and the service provided falls, as a consequence, within the scope of Article 14(1) of Directive 2000/31, the operator none the less cannot, in a case which may result in an order to pay damages, rely on the exemption from liability provided for in that provision if it was aware of facts or circumstances on the basis of which a diligent economic operator should have realised that the offers for sale in question were unlawful and, in the event of it being so aware, failed to act expeditiously in accordance with Article 14(1)(b) of Directive 2000/31.”

- **C-5/08 – Infopaq International A/S v. Danske Dagblades Forening (2009).** The case involved copyright infringement by an information aggregating business. The business in question had used a data capture process, compiling news updates from local Danish newspapers, converting them into digital files, and then compiling issue lists. The digital files were then destroyed once the data was captured. I reported on the copyright aspects of the case above under the copyright section of these notes. However, the technology aspects of the decision concerned the “automated process consisting in the scanning and then conversion into digital files followed by electronic processing of that file”, and the differences in a manual process and an automated process in compiling this type of information.

“[I]t is not disputed in this case that consent from the rightholders is not required to engage in press monitoring activity and the writing of summaries consisting in manual reading of each publication, selection of the relevant articles on the basis of predetermined search words, and production of a manually prepared cover sheet for the summary writers, giving an identified search word in an article and its position in the newspaper. Similarly, the parties in the main proceedings do not dispute that genuinely independent summary writing per se is lawful and does not require consent from the rightholders. Nor is it disputed in this case that the data capture process described above involves two acts of reproduction: the creation of a TIFF file when the printed articles are

scanned and the conversion of the TIFF file into a text file. In addition, it is common ground that this procedure entails the reproduction of parts of the scanned printed articles since the extract of 11 words is stored and those 11 words are printed out on paper.”

However it was the automation of these activities and the special fact of capturing words before and after a search term that brought the process into the realm of potential infringing activity. The court concluded that “an act occurring during a data capture process, which consists of storing an extract of a protected work comprising 11 words and printing out that extract, is such as to come within the concept of reproduction in part within the meaning of Article 2 of Directive 2001/29, if the elements thus reproduced are the expression of the intellectual creation of their author; it is for the national court to make this determination.”

Another problem for Infopaq was the transient copying of materials in the scanning process, and then the manual deletion of those files after the issue compiling was finished. The problem was, it was up to human intervention to make sure to destroy all of these files and this could not be assured in the process that Infopaq used. The court’s reasoning included in part the principle of legal certainty: “Legal certainty for rightholders further requires that the storage and deletion of the reproduction not be dependent on discretionary human intervention, particularly by the user of protected works. There is no guarantee that in such cases the person concerned will actually delete the reproduction created or, in any event, that he will delete it once its existence is no longer justified by its function of enabling the completion of a technological process.”

- C 173/11 – **Dataco** (2012). The dispute involved use of a database relating to football league matches in progress. The parties included Football Dataco Ltd, the Scottish Premier League, the Scottish Football League, PA Sport UK and Sportradar. The claim was that Sportradar was infringing a sui generis right of Football Dataco to the Football Live database. A database, according to the relevant Directive (Article 1(2) of 96/9) “is a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means.” The sui generis right allows the maker of the database to show “that there has been qualitatively and/or quantitatively a substantial investment in either the obtaining, verification or presentation of the contents to prevent extraction and/or reutilisation of the whole or of a substantial part, evaluated qualitatively and/or quantitatively, of the contents of that database.” (Chapter III, article 7, Directive 96/9).

“Football Live is a compilation of data about football matches in progress (goals and goalscorers, yellow and red cards and which players were given them and when, penalties and substitutions). The data is said to be collected mainly by ex-professional footballers who work on a freelance basis for Football Dataco and Others and attend the matches for this purpose. Football Dataco and Others submit that the obtaining and/or verification of the data requires substantial investment and that the compilation of the database involves considerable skill, effort, discretion and/or intellectual input.”

Sportradar GmbH is a German company which provides results and other statistics relating inter alia to English league matches live via the internet. The service is called ‘Sport Live Data’. The company has a website, betradar.com. Betting companies which are customers of Sportradar GmbH enter into contracts with the Swiss holding company Sportradar AG, which is the parent company of Sportradar GmbH. Those customers include bet365, a company incorporated under the law of the United Kingdom of Great Britain and Northern Ireland, and Stan James, a company established in Gibraltar, which provide betting services aimed at the United Kingdom market. The websites of both those companies contain a link to betradar.com. When an internet user clicks on the ‘Live Score’ option, the data appears under a reference to ‘bet365’ or ‘Stan James’ as the case may be. The referring court concludes that members of the public in the United Kingdom clearly form an important target for Sportradar.”

The question considered by the Court was where “a party uploads data from a database protected by the *sui generis* right under Directive 96/9/EC ... onto that party’s web server located in Member State A and in response to requests from a user in another Member State B the web server sends such data to the user’s computer so that the data is stored in the memory of that computer and displayed on its screen” does it violate the *sui generis* rights under Directive 96/9/EC and has the unauthorized extraction occurred in state A or state B or in both states?

The Court first notes that “the objective of the *sui generis* right established by the European Union legislature, that concept must, in the general context of Article 7, be understood broadly, as extending to any act, not authorised by the maker of the database protected by the *sui generis* right, of distribution to the public of the whole or a part of the contents of the database (see Case C-203/02 *The British Horseracing Board and Others* [2004] ECR I-10415, paragraphs 45, 46, 51 and 67). The nature and form of the process used are of no relevance in this respect.”

The Court concludes, and agrees with the national court that Football Live “is a database within the meaning of Article 1(2) of Directive 96/9 which satisfies the material conditions under Article 7(1) of that directive, ... that Football Dataco and Others are entitled to protection by the *sui generis* right of the Football Live database; and the data which was the subject of the sendings at issue in the main proceedings was previously uploaded by Sportradar from that database.”

On the conflict of laws issue the Court concludes that the violation has occurred in the state where the claim is protected. This means at least in Member State B where the intention is to provide information to target members of the public in that State, but possibly also in Member State A where the database is located – depending on the factual criteria, an issue to be decided by the local court, applying EU criteria.