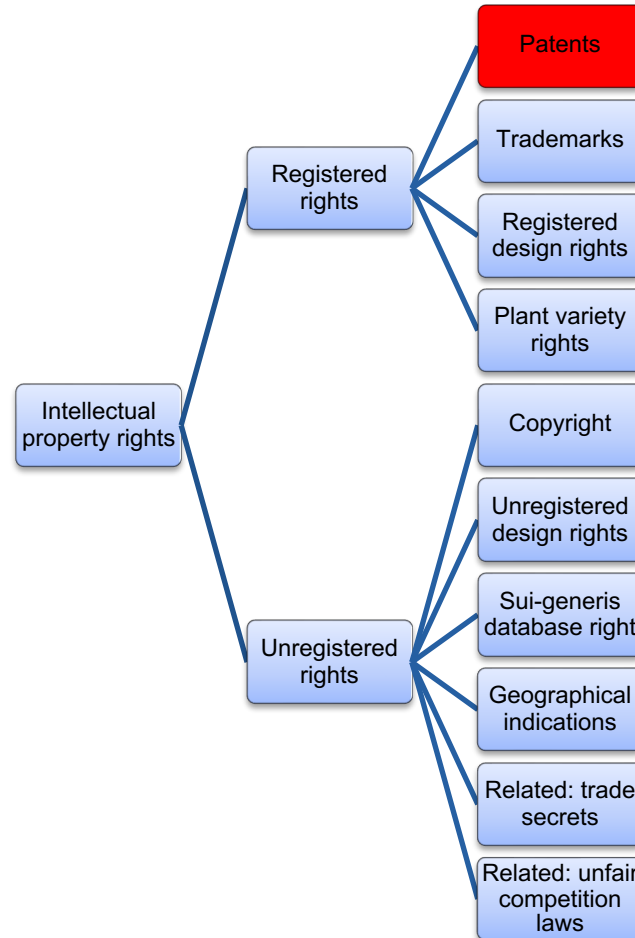




Intellectual Property: An Introduction

Module 03: Rights Conferred by Intellectual Property

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I. Patents

1. Rights

- A patent protects an invention by giving the owner of the patent the right to prevent anyone from commercially making or using the invention without her consent

Article 8 Swiss Patent Act

- (1) The patent confers on its proprietor the right to prohibit others from commercially using the invention.
- (2) Use includes, in particular, manufacturing, storage, offering, placing on the market, importing, exporting and carrying in transit, as well as possession for any of these purposes.
- (3) Carrying in transit may only be prohibited if the proprietor of the patent is permitted to prohibit importation into the country of destination.

■ Exclusive right

- Right to prevent third parties from commercially exploiting an invention without authorization
- What is infringement?
 - Making use of a patented product or process without the consent of the patent owner
 - Making, offering, putting on the market, importing or stocking the product
 - Making, offering, putting on the market, importing or stocking a product directly obtained from a protected process
 - Using a process or offering the process for use
 - Infringement is determined by the national courts or by the Unified Patent Court (once it enters into force)
 - What constitutes infringement in one country may differ from other countries
 - Patent proprietors can claim damages and other remedies from alleged infringers

■ How is infringement determined?

Claims

- Define the features of the invention = matter for which protection is sought
- Description and drawings are used to interpret the claims

Extent of protection

- Everything that is literally covered by the claims
- May also encompass equivalents



Infringement occurs when the infringing product possesses all the features of the claimed invention

Example:



PAPER-FIX produces scissors with eye rings covered by plastic in Italy and sells them in the UK



Are PAPER-FIX infringing HAIRY-CUT's patent?



HAIRY-CUT has a UK patent claiming cutting means with two eye rings



■ How is infringement determined?

Is PAPER-FIX infringing
HAIRY-CUT's patent?

1. Generally speaking, production and sale are acts of infringement.



2. **UK:** Yes. The scissors are within the extent of protection.



3. **Italy:** No. HAIRY-CUT do not have a patent in Italy. PAPER-FIX and others can freely produce insulated scissors (provided no one else has a patent there → perform patent search!)

Cutting means
with two eye
rings

HAIRY-CUT's
UK patent



PAPER-FIX
sell
in UK



Scissors with
plastic eye rings



What about the garden shears imported into
the UK by SHEAR-MAN?

UK: No. The shears do not have eye rings.
They are outside the extent of protection.

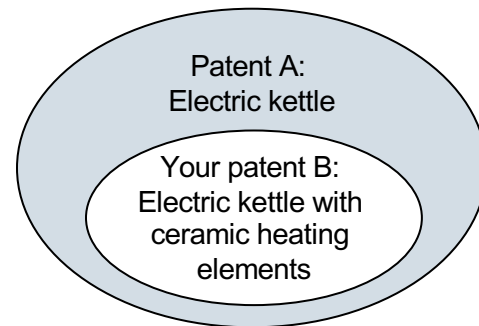
■ Exclusive right

— Not a right to use

- The use of a patented invention may require permissions from public authorities (environmental protection, health risks, work safety etc.)
- The use of a patented invention may infringe prior intellectual property rights
 - Example: dependent inventions

Article 36 (1) Swiss Patent Act

If a patented invention cannot be used without infringing a prior patent, the proprietor of the later patent has the right to a non-exclusive license to the extent required to use his invention, provided that the invention represents an important technical advance of considerable economic significance in relation to the invention that is the subject-matter of the prior patent.



- Patents are limited to the country/territory in which the patent was granted (territoriality principle)
- Patents are “commercial tools”
 - Commercialization and exploitation
 - Licensing and cross-licensing
 - Blocking patents
 - Out of court settlements – including licensing or cross-licensing – may be a viable alternative to patent litigation for both parties
 - Reputation building
 - However, often, patents are not used at all

I. Patents

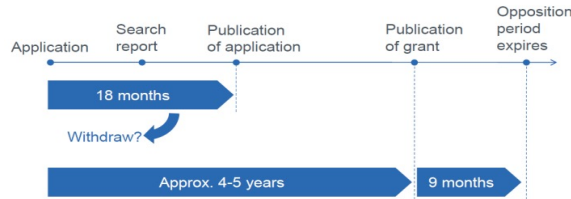
2. Remedies

- Types of available remedies will depend on the different applicable national laws, but typically include
 - Interim or preliminary injunctions (immediate termination of infringing activities)
 - Final or permanent injunctions (permanent termination of infringing activities)
 - Destruction/surrender of infringing products
 - Recovery of damages

■ Relationship between the EPO and national courts after an EPC patent has been granted

— EPO

- Opposition procedure: within 9 months after publication, third parties can oppose the granting of the patent. This can lead to the revocation of the patent
- Limitation and revocation: The patent owner himself may request the limitation or revocation of his patent
- Payment of patent renewal fees



— National courts

- Infringement proceedings: national patent is enforced by national court
- Invalidity proceedings: if a third party wants to challenge a patent originating from the EPO later than 9 months after its publication (opposition procedure, see above), it must initiate separate court proceedings in each country where the patent has effect

→ EPC patent is no “unitary” European patent

- How is infringement of a patent determined?
 - Infringement if features of the alleged infringing device are covered by the claims of the respective patent
 - Courts determine whether infringement occurred
 - In each country where patent has been registered and alleged infringement took place → territoriality of patent infringement proceedings
 - With reference to applicable national law
 - The extent of protection may go beyond that which is literally covered by the claims, as interpreted or construed by the court, and may encompass also the *equivalents* to the invention covered by the claims

- How is infringement of a patent determined?
 - Infringement typically based on acts that undermine the right of the patent proprietor to prevent third parties'
 - Direct use of the invention, such as
 - making, offering, or putting the protected product on the market,
 - using the protected product,
 - importing or stocking the protected product for these purposes,
 - using the protected process,
 - offering, putting on the market, using, or importing or stocking a product obtained directly by a protected process

- How is infringement of a patent determined?
 - Infringement typically based on acts that undermine the right of the patent proprietor to prevent third parties'
 - Indirect use, such as
 - Supplying or offering to supply a person, without authorization, with means that enable this person to put the protected invention into effect, when the third party knows, or it is obvious in the circumstances, that these means are suitable and intended for putting that invention into effect

■ What defenses are available when a person is accused of infringement?

– Typical defenses

- There is no infringement because the act falls outside the patent claims
- There is no infringement because the act is non-infringing, e.g. the rights conferred by a patent generally do not extend to
 - Acts done privately and for non-commercial purposes
 - Acts done for experimental purposes relating to the subject matter of the patented invention (→ patent limitations)
- There is no infringement because the patent is invalid, i.e. the alleged infringer can take legal action to challenge the validity of the patent
 - Note: If the patent is found invalid, the patent may be cancelled (revoked)
 - Note: In some countries, invalidity is not a valid defense, but is subject to a separate proceeding (“bifurcated” patent litigation system in Germany)
- There is no infringement because the rights conferred by the patent have expired (→ patent limitations)

I. Patents

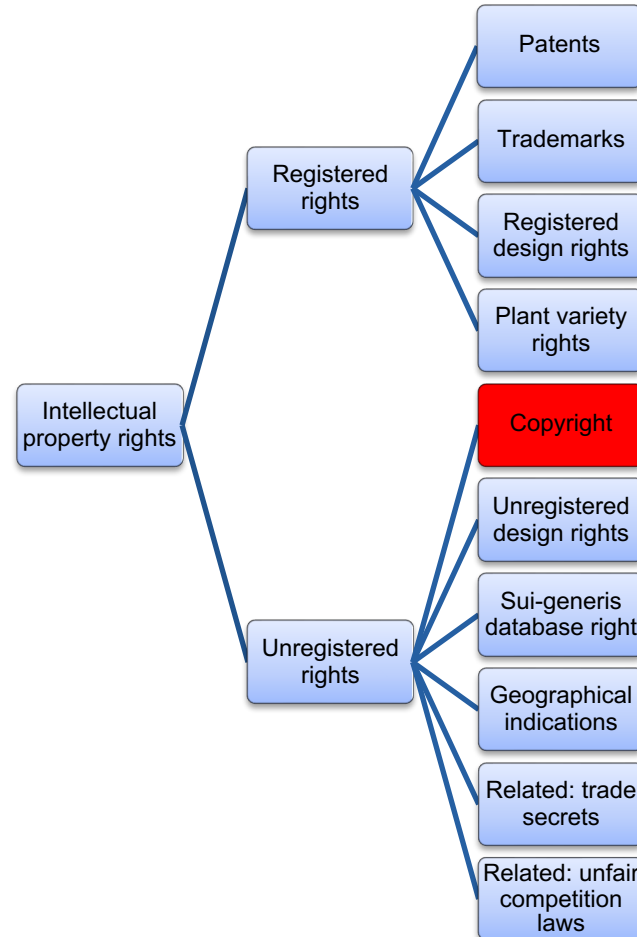
3. License & Transfer

■ Licensing patents

- Principal means to authorize the use of patents
- Contracts → private law agreed by the parties
- Main elements
 - Parties
 - Subject matter
 - Scope
 - Royalties
 - Warranties

■ Transferring patents

- Selling patents is possible → permanent transfer of ownership



II. Copyright

1. Rights

■ Copyright

Section 16 U.K. Copyright, Designs and Patent Act 1988

(1) The owner of the copyright in a work has, in accordance with the following provisions of this Chapter, the exclusive right to do the following acts in the United Kingdom

- (a) to copy the work (see section 17);
- (b) to issue copies of the work to the public (see section 18);
- (ba) to rent or lend the work to the public (see section 18A);
- (c) to perform, show or play the work in public (see section 19);
- (d) to communicate the work to the public (see section 20);
- (e) to make an adaptation of the work or do any of the above in relation to an adaptation;

[...]

(3) References in this Part to the doing of an act restricted by the copyright in a work are to the doing of it

- (a) in relation to the work as a whole or any substantial part of it, and
 - (b) either directly or indirectly;
- and it is immaterial whether any intervening acts themselves infringe copyright.

■ Copyright

— Economic rights

- Reproduction
 - Including derivative works (adaptation)
- Distribution
- Rental
- Performance and display
- Broadcast
- Making the work available to the public
 - Including Internet communications

■ Copyright

— Economic rights

— Moral rights

- Scope
 - Right to claim authorship
 - Right to object to distortions, mutilations or other modifications
 - Publication right
- Protection in Continental European “droit d’auteur” countries typically high
 - Only limited protection in the U.S. for visual artists
 - Reason for different protection level: natural rights versus utilitarian justification
- In some “droit d’auteur” countries, moral rights can neither be waived nor transferred
 - Problem: ghost writer



■ Copyright

- Economic rights
- Moral rights
- Neighboring rights
 - In addition to original creators, many copyright systems grant rights to
 - Performers
 - Phonogram & film producers
 - Broadcasting organizations
 - In many European copyright systems, these rights are separate from copyright (“neighboring rights”); they differ from copyright in length and scope.
 - In the U.S., some of these rights are granted as part of normal copyright

■ Copyright

- Who owns the rights?
 - Author
 - “Monkey selfie” not copyrightable
 - Co-authorship
 - Works created in the course of employment



II. Copyright

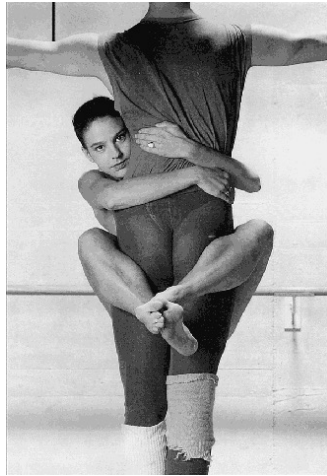
2. Remedies

- Similar to patent law: types of available remedies will depend on the different applicable national laws, but typically include
 - Interim or preliminary injunctions (immediate termination of infringing activities)
 - Final or permanent injunctions (permanent termination of infringing activities)
 - Destruction/surrender of infringing products
 - Recovery of damages

■ Please note

– Originality & casual connection

- Similar work that is created independently does not qualify as an infringement
- Subconscious copying and indirect copying versus plagiarism
- Example: “Klammerpose” (Court of Appeals Cologne, 1999)



■ Please note

— Literal and non-literal reproduction

- Copies of parts of works can still constitute an infringement
- Reproduction must cover a part of the work that fulfills criteria for copyright protection (typical problems: copies in Internet routers, idea/expression dichotomy)

■ Examples: Infringement of

— Reproduction right

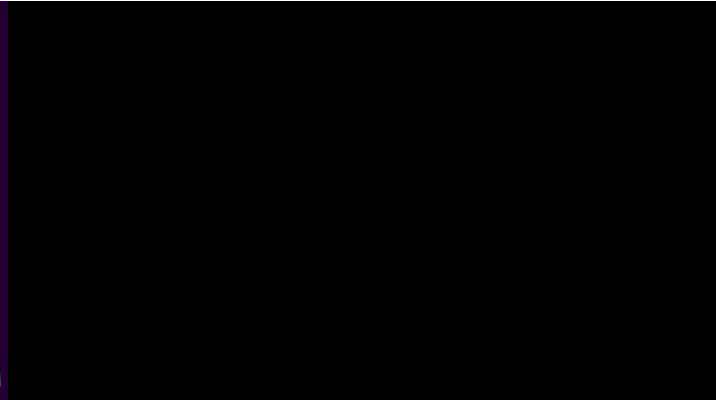
- Primary infringement: copying, issuing copies, distribution, rental
- Secondary infringement: dealing with copies

— Making available to the public

- Primary infringement: uploading content to a P2P file-sharing network without authorization of the rights holders
- Secondary infringement: operating a P2P file-sharing network?

■ Examples: Infringement of

- “Got to Give It Up” (Marvin Gaye) v. “Blurred Lines” (Robin Thicke & Pharrel Williams)
- “Ex Nihilo” (Frederick Hart) v. The Devil’s Advocate (with Keanu Reeves & Al Pacino)



■ Enforcement: importance of copyright collecting societies

— Rationale

- Hard to monitor distributed infringement activities → scale efficiencies in enforcement
- Buyers prefer one place where they can acquire licenses from multiple copyright owners → collecting societies can be a one-stop shop for licenses

— Situation in Switzerland: SUISA for music, ProLitteris for literature and visual arts, SSA for dramatic works, SUISSIMAGE for audiovisual works and SWISSPERFORM for all neighboring rights

— Challenges for collecting societies due to the Internet and Digital Rights Management

- Other enforcement tools
 - Criminal law provisions
 - Customs enforcement / border control

II. Copyright

3. License & Transfer

- Questions of copyright licenses are often subject to national contract laws
- In some “droit d’auteur” countries, copyright as such cannot be transferred (because of the moral rights component)
- Problem: how to grant licenses for novel, unknown uses?

■ Scenario 1

- You would like to use a musical composition protected by copyright as background music for your website. You bought the music as a sound recording. Do you need permission from the relevant right-holders to use the work? Who do you need to contact?

■ Questions

- When do you need to get permission to use a work?
- Can economic rights be transferred?
- Can moral rights be transferred?
- Whom should you contact?

■ Answers

- When do you need to get permission to use a work? A work cannot be used without the permission of the author or right-holder, unless an exception or limitation applies
- Can economic rights be transferred? Economic rights may be licensed
- Can moral rights be transferred? Moral rights always stay with the author
- Whom should you contact? You should contact the publisher, the recording company, the performers and/or the relevant collective management organization

■ Scenario 2

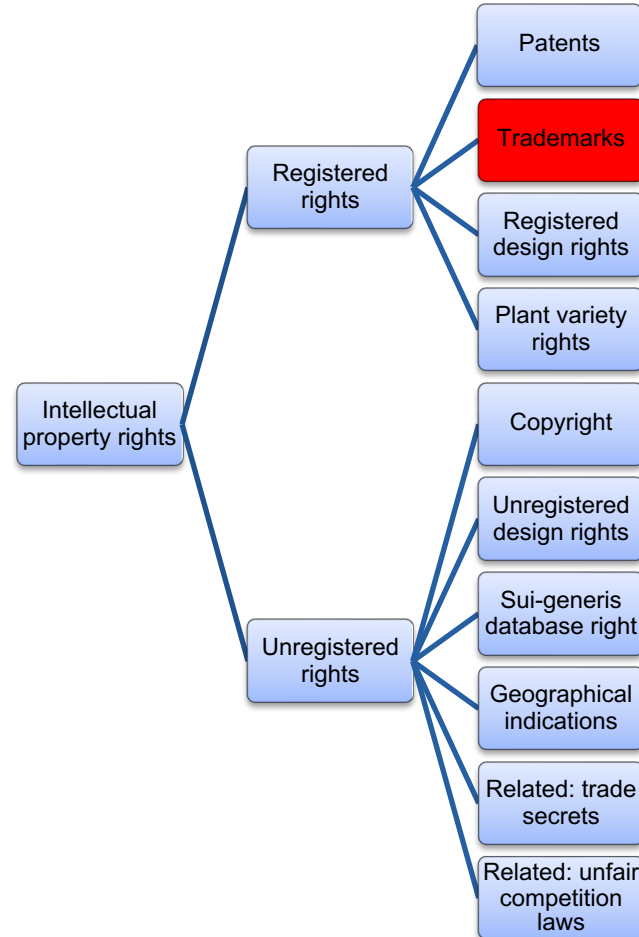
- You are the producer of a cinema movie which has been disseminated without your consent on the Internet through a file-sharing system. What can you do to enforce your rights?

■ Questions

- What are the special problems associated with copyright infringement on the Internet?
- What steps can you take?
- Are ISPs liable?
- What measures can you take to protect your works from future infringement?

■ Scenario 2: Answers

- What are the special problems associated with copyright infringement on the Internet? Websites are located in one country, but accessible worldwide
- What steps can you take? Send a cease and desist letter and ask the ISP to disable access to or remove the infringing content; sue the end user (?)
- Are ISPs liable? Some ISPs are exempted from liability
- What measures can you take to protect your works from future infringement? Apply technical protection measures (?); adapt your business strategy (?)



III. Trademarks

■ Exclusive Rights

Article 9 EU Community Trademark Regulation

- (1) The registration of an EU trade mark shall confer on the proprietor exclusive rights therein.
- (2) Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the EU trade mark, the proprietor of that EU trade mark shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any sign where:
 - a) the sign is identical with the EU trade mark and is used in relation to goods or services which are identical with those for which the EU trade mark is registered;
 - b) the sign is identical with, or similar to, the EU trade mark and is used in relation to goods or services which are identical with, or similar to, the goods or services for which the EU trade mark is registered, if there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;
 - c) the sign is identical with, or similar to, the EU trade mark irrespective of whether it is used in relation to goods or services which are identical with, similar to or not similar to those for which the EU trade mark is registered, where the latter has a reputation in the Union and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the EU trade mark.

■ Exclusive Rights

Article 9 EU Community Trademark Regulation

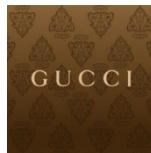
- (3) The following, in particular, may be prohibited under paragraph 2:
- a) affixing the sign to the goods or to the packaging thereof;
 - b) offering the goods, putting them on the market, or stocking them for those purposes under the sign, or offering or supplying services thereunder;
 - c) importing or exporting the goods under the sign;
 - d) using the sign as a trade or company name or part of a trade or company name;
 - e) using the sign on business papers and in advertising;
 - f) using the sign in comparative advertising in a manner that is contrary to Directive 2006/114/EC of the European Parliament and of the Council.
- (4) Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the EU trade mark, the proprietor of that EU trade mark shall also be entitled to prevent all third parties from bringing goods, in the course of trade, into the Union without being released for free circulation there, where such goods, including packaging, come from third countries and bear without authorisation a trade mark which is identical with the EU trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark.

The entitlement of the proprietor of an EU trade mark pursuant to the first subparagraph shall lapse if, during the proceedings to determine whether the EU trade mark has been infringed, initiated in accordance with Regulation (EU) No 608/2013 of the European Parliament and of the Council concerning customs enforcement of intellectual property rights, evidence is provided by the declarant or the holder of the goods that the proprietor of the EU trade mark is not entitled to prohibit the placing of the goods on the market in the country of final destination.

■ Exclusive Rights

— The owner of the trademark may prevent unauthorized use of

- Identical signs for identical goods/services
- Confusingly similar signs for similar products and services
 - Likelihood of confusion depends on
 - Similarity of goods and services
 - Similarity of signs
 - Benchmark for infringement depends on distinctiveness and brand awareness
 - European Court of Justice (2002): Arsenal Football Club v. Reed
- In case of a “famous” trademark (“trademarks with a reputation”, “well-known marks”), the use of any product can be forbidden → broader protection for famous trademarks



■ Infringement: Use as a mark

- Trademark infringement requires the use of the trademark “as a mark”
- A trademark is used “as a mark” if it is used in order to distinguish one’s own products/services from those of a competitor
 - Is Google “using” trademarks in its keywords-based advertising system?

The screenshot shows a Google search for "doubletree san diego". The search bar at the top contains the text "doubletree san diego" and a "Search" button. Below the search bar, it says "About 601,000 results (0.40 seconds)" and "Advanced search".

On the left side, there is a sidebar with "Everything" (Maps, Books, More) and a "Show search tools" link. Below this, the text "Main Search Results" is written with an arrow pointing to the organic search results.

The organic search results include:

- San Diego Hotels - Doubletree San Diego / Mission Valley Hotel, CA...** (with a star icon). Description: "Welcome to the stylishly hip Doubletree San Diego Hotel - Mission Valley. Our San Diego, CA hotel offers convenience to the finest sightseeing and ...". URL: "doubletree1.hilton.com/.../Doubletree...San-Diego.../index.do - Cached - Similar".
- Downtown San Diego Hotels near Zoo - Doubletree San Diego Airport...** (with a star icon). Description: "Step into a world of enjoyment at the Doubletree San Diego Hotel Downtown, a refreshing choice among San Diego, CA hotels. Plan your visit today and get ...". URL: "doubletree1.hilton.com/.../SANDWDT-Doubletree...San-Diego.../index.do - Cached - Similar". A link "Show more results from doubletree1.hilton.com" is also present.
- San Diego Hotel rooms and suites near Sea World | DOUBLETREE CLUB...** (with a star icon). Description: "Doubletree Club San Diego Hotel is on famous Hotel Circle Drive, near San Diego Convention Center, SeaWorld San Diego, San Diego Zoo, Gaslamp Quarter and ...". URL: "www.doubletreeclubsd.com/ - Cached - Similar".
- Driving Directions to Doubletree Club Hotel San Diego** (with a star icon). Description: "Driving directions to Doubletree Club Hotel San Diego and area map." URL: "www.doubletreeclubsd.com/directions_maps.php - Cached - Similar".
- Doubletree Hotel San Diego Downtown (San Diego, CA) - Hotel...** (with a star icon). Description: "★★★★☆ 55 reviews Doubletree Hotel San Diego Downtown, San Diego: See 55 traveler reviews, 13 candid photos, and great deals for Doubletree Hotel San Diego Downtown, ...". URL: "www.tripadvisor.com/Hotel_Review-g60750-d80291-Reviews-Doubletree_Hotel_San_Diego_Downtown-San_Diego_California.html - Cached - Similar".

On the right side, the text "Paid Search Results" is written with an arrow pointing to the sponsored links.

The sponsored links include:

- Sponsored links**
- Doubletree Official Site**: "Book a Doubletree in San Diego, CA. Our Best Rates. Guaranteed." URL: "Doubletree.Hilton.com/SanDiego".
- Doubletree Golf Resort**: "Enjoy weekend getaway specials in sunny San Diego. Book online, save." URL: "SanDiegoNorth.com".
- Doubletree San Diego**: "Near La Jolla & Del Mar, Dining, Wi-Fi, Resort Pool, Military Rates." URL: "www.sandiegodoubletreehotel.com".
- Doubletree San Diego**: "Save on Hotels, Motels & Resorts. Call 1-817-333-5105 Or Book Online." URL: "www.HotelReservations.com".
- Doubletree San Diego**: "Save on Hotels, Motels & Resorts. Call 1-800-276-7415 or Book Online." URL: "www.Hotels-and-Discounts.com".

At the bottom right of the sponsored links section, it says "See your ad here >".

■ Principles of speciality: classification

- The scope of protection of a trade mark is limited to those goods and services applied for
- Similar trade marks can coexist peacefully in the market if they refer to different products
- Classification systems are used in order to easily identify the goods and services which a trade mark has been applied for.



- Trademarks with a reputation: broader scope of protection
 - Beyond the limitations of the principle of speciality
 - Without likelihood of confusion
 - The contested use of the sign must be capable of taking unfair advantage of, or be detrimental to, the distinctiveness or repute of the earlier mark, including
 - Blurring, that is, detriment to the distinctiveness of the mark;
 - Dilution by tarnishing or detriment to the repute of the trade mark; and
 - free-riding, that is, taking unfair advantage of distinctiveness or reputation

■ Infringement: Examples

- Commercial use: offering a product for sale or advertising, bearing a sign identical with or confusingly similar to a registered trademark
- Hershey Chocolate

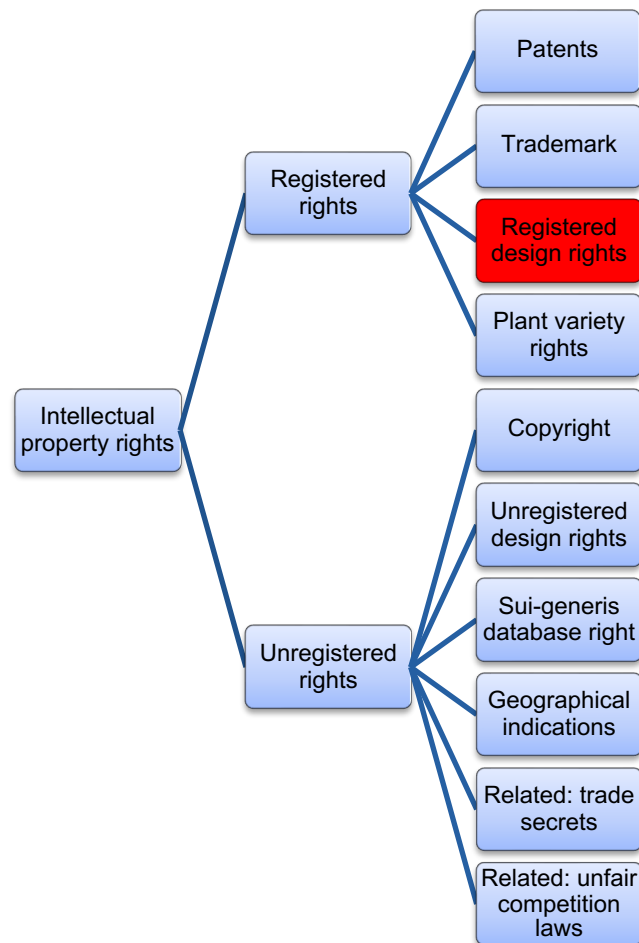


- Opel v. Autec (European Court of Justice 2007)



“Mercedes
Cleaning
Service”





- The design right owner has the exclusive right to prohibit the
 - Making
 - Offering for sale
 - Putting on the market, importing/exporting
 - Stockinga product in which the design is incorporated
- Scope of protection
 - “Any design which does not produce on the informed user a different overall impression” (Article 10 Community Design Regulation, Article 9 Design Directive)
 - In assessing the scope of protection, the degree of freedom of the designer developing the design must be taken into account



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The slides incorporate material from the European Patent Office's IP teaching kit,
which has been modified for this course.