



THE EUROPEAN IP BULLETIN

Issue 4, August 2003

SUMMARY OF CONTENTS

PAGE No.

HOT TOPICS

1. HAVE A BREAK – THE HOUSE OF LORDS REFERS TO THE ECJ IN THE KIT KAT CASE 1

Rohan Massey of the London Office reports on the latest ruling in the long running Kit Kat case. On 25 July the House of Lords in *Société des Produits Nestlé S.A. and Mars UK Limited* referred a question to the ECJ regarding whether the distinctive character of a trade mark may be acquired following the use of that mark in conjunction with another mark.

2. ADOPTION OF NEW COPYRIGHT BILL IN GERMANY 1

Kathrin Tauber of the Munich Office discusses the changes to German copyright law brought about by the Bill on Copyright in the Information Society. The provisions of the Bill see a number of changes to the current German Copyright Act (*Urheberrechtsgesetz*), most of which address the need to adapt copyright law for the digital era.

3. HOUSE OF LORDS COMMENTS ON NEED FOR TRADE MARK USE 3

In *R v Johnstone* [2003] UKHL 28, the House of Lords decided whether the fact that the defendant's activities do not amount to civil trade mark infringement is a defence to criminal trade mark infringement under section 92 of the Trade Marks Act 1994.

4. THE TRIALS OF TRADE MARK USE 4

The Court of Appeal handed down judgment in *Arsenal Football Club Plc v Matthew Reed* [2003] EWCA Civ 96 on 21 May, following an appeal by the claimants against the decision of the High Court of 12 December 2002.

5. REPORT OF THE COMMISSION ON INTELLECTUAL PROPERTY RIGHTS : THE UK GOVERNMENT RESPONSE 7

The UK Government has given its official response to the final report of the Commission on Intellectual Property Rights.

GENERAL IP

6. PROTECTED DESIGNATION OF ORIGIN : PARMA HAM AND GRANA PADANO CHEESE 8

Maintaining the quality and reputation of Grana Padano cheese and Parma ham justifies the rule that the product must be grated or sliced and packaged in the region of production.

7. SWEDISH CRACKERBREAD TO BE RE-BRANDED 27 YEARS AFTER IT WAS LAUNCHED 9

Wasa, a subsidiary of the Italian bakery group Brilla, was ordered by a Swedish court to re-brand one of its most famous products, Moraknaecke, almost three decades after it was first launched.

8. THIRD COUNTRY AGREEMENT IS PERMISSIBLE 9

In *Budejovický Budvar v Rudolf Ammersin GmbH*, C-216/01, Opinion of the Advocate General, following an action between a Czech brewery and an Austrian beer distribution company, the European Court of Justice is examining the protection of a mere geographical indication 'Bud'. Precisely it has to consider if an international agreement between a Member State and a third country falls under Art. 307 EC. The Advocate General proposes that such agreement is permissible.

9. THE EUROPEAN COMMISSION SELECTS EURID TO MANAGE THE .EU 11

The European Commission has taken steps towards the establishment of the .eu Top Level Domain (TLD) by selecting EURID (the European Registry for Internet Domains) as the official Registry for the .eu domain.

10. DATA PROTECTION NOTIFICATION –SCAM UPDATE 11

Rohan Massey of the London Office reviews an interim hearing showing the Office of Fair Trading continuing to crack down on fraudsters holding themselves out as official organisations administering the Data Protection Act.

11. WITHDRAWAL OF MARKETING AUTHORISATION MAY NOT ENTAIL AUTOMATIC WITHDRAWAL OF PARALLEL IMPORT LICENSE 12

Paranova Oy v Lakemedelsverket, C-113/01, ECJ [reference by supreme administrative court, Finland]

COPYRIGHT

12. COURT ORDER MADE AGAINST UNKNOWN PERSON 13

In *Bloomsbury Publishing Plc and JK Rowling v Newsgroup Newspapers Limited* [2003] EWHC 1087 Ch, Laddie J held that court orders can be made against a person whose name is unknown where he can be identified by some other means.

PATENTS

13. SOYA PATENT RESTRICTED BY THE EPO 14

The Opposition Division of the EPO has decided to limit the scope of the so called “Soya” patent, bearing number EP 301 749 B1, after conducting a public hearing in the opposition proceedings.

TRADEMARKS

14. ECJ RULES COLOURS PER SE ARE REGISTRABLE IN LIMITED CIRCUMSTANCES **15**

In *Libertel Groep BV v Benelux-Merkenbureau*, C-104/01, the European Court of Justice held that colours *per se* that are not applied for by reference to a specific surface can be registered as trade marks, but only in limited circumstances.

15. ECJ RULES SOUNDS ARE REGISTRABLE **16**

In *Shield Mark BV v Joost Kist*, C-283/01, Opinion of the Advocate General, sounds are registrable as long as their representation is “clear, precise, self-contained, easily accessible, intelligible, durable and objective”. In the AG’s opinion, this is clearly fulfilled if a sound is represented on a score but generally not if it is represented by onomatopoeia or a nominative succession of musical notes. This determination however always belongs to the national court.

16. DOUBLEMINT REFUSED BY ADVOCATE GENERAL **18**

In *OHIM v Wrigley Jr Co.*, C-191/01, Opinion of the Advocate General. After an application for a CTM for the mark “doublemint” was refused by OHIM, but then allowed by the CFI, OHIM appealed to the ECJ. The Advocate General has now issued his opinions suggesting the application should be dismissed.

17. REGISTRAR’S OBJECTIONS UPHOLD **19**

In *Dyson Ltd v Registrar of Trade Marks*, [2003] EWHC 1062 (Ch), Dyson appealed to the High Court against the decision of the hearing officer in an *ex parte* hearing not to grant a trade mark on grounds of acquired distinctiveness against an examiner’s objection under ss.3(1)(a)-(c) and s.3(2)(b).

1. HAVE A BREAK – THE HOUSE OF LORDS REFERS TO THE ECJ IN THE KIT KAT CASE

On 25 July the House of Lords in *Société des Produits Nestlé S.A. and Mars UK Limited* referred a question to the ECJ regarding whether the distinctive character of a trade mark may be acquired following the use of that mark in conjunction with another mark.

The ruling was in response to an appeal by *Société des Produits Nestlé S.A.* who had tried to register the phrase “HAVE A BREAK” in class 30. In the 1970’s Nestle, through its predecessors, had registered the slogan “Have a break...have a Kit Kat” and the name KIT KAT in class 30. It had also tried to register the phrase “HAVE A BREAK” as a separate mark. The application for “HAVE A BREAK” was refused and the appeal dismissed by Whitford J in March 1983. In 1994, the Trade Marks Act was passed implementing EU legislation providing for a community trade mark. Nestle made a further application for the registration of “HAVE A BREAK” in 1995.

Nestlé’s 1995 application was opposed by Mars UK Ltd. Mars was successful in its opposition on the ground specified in s.3(1)(b) of the Trade Marks Act 1994, namely that the mark was “devoid of any distinctive character”.

The appeal to the House of Lords by Nestlé was brought in order to determine whether the mark “HAVE A BREAK” is “devoid of any distinctive character” for the purposes of s.3(1)(b) and if so, whether the mark HAVE A BREAK had “acquired a distinctive character as a result of the use made of it” prior to the application under the Act

The Lords found that neither the Hearing Officer nor the Court of Appeal had erred in their consideration of the law and that, on the facts of the case, Nestlé had failed to show that the phrase “HAVE A BREAK” was inherently distinctive under Section 3(1)(b). Also, when used as a stand-alone phrase, without the phrase “...have a Kit Kat”, “Have a Break” did not have the distinctiveness required to meet the provisions of s. 3(1) of the Act to enable it to be registered as a trade mark.

The Lords concurred that if the ECJ rule is in the affirmative in answering the question referred, then it will be necessary to set aside the prior decisions in this matter, and to remit the matter to a different Hearing Officer to re-evaluate the evidence in the light of the preliminary ruling. However, if the ruling is in the negative, then the conclusions of the Hearing Officer and the Judge were correct as a matter of law, and the appeal based on acquired distinctiveness will also fail.

2. ADOPTION OF NEW COPYRIGHT BILL IN GERMANY

In April 2003 the German Parliament adopted the Bill on Copyright in the Information Society (the “Bill”). The Bill implements the EU Directive on the harmonization of certain aspects of copyright and

related rights in the information society (2001/29/EC) and the WIPO Internet Treaties (WIPO Copyright Treaty and WIPO Performances and Phonograms Treaty). The provisions of the Bill see a number of changes to the current German Copyright Act (*Urheberrechtsgesetz*), most of which address the need to adapt copyright law for the digital era. The Bill is currently being discussed by the German Upper House (*Bundesrat*).

The Bill creates a new exclusive right regarding public use of a copyright protected work which is counterbalanced by the implementation of limitations regarding the use of a copyright protected work without explicit consent of the author.

One of the most debated issues arising from the Bill was the right for individuals to make and retain a private copy of a copyright protected work and the need to limit copyright protection on works being used for the benefit of science and education. The Directive requires that there must be a limitation on the right of individuals to make and retain private copies of copyright protected work. In order to incorporate this provision the German legislator had to modify the current liberal provisions of the Copyright Act. The Bill still permits the making of private copies of copyright protected work, but this right is significantly limited by section 95(a) of the Bill which allows right holders to use copy protection measures to protect their copyright. To strengthen the rights holders' position any avoidance or circumvention of the copy protection measures applied to a copyright work may result in heavy punitive fines.

Another controversial issue arises from section 52 of Bill, which establishes a new limitation on copyright protection if the exploitation of the work is for the benefit of science and education. According to section 52 teachers and scientists can make copies of articles and parts of books available, to a limited audience, for the purpose of education or science. The limited audience provision does not permit publication or circulation on the internet or unrestricted reproduction on an intranet. Publishers of scientific works have widely criticised this provision as it appears to be an unjustified interference with the property rights of the authors and editors. The result of the criticism is that section 52 is only planned to be introduced for a test period until the end of 2006.

The new Bill promotes the harmonisation of copyright within the European Union. As the Directive established clear principles for domestic copyright legislation in the Member States the German implementation of the new Bill of Copyright does not contain any surprises. Nevertheless, as a result of entering the digital age there are still some important legal issues which need to be addressed, namely: the legitimacy of using Peer-to-Peer file swapping services; and clarification on the lawfulness of making copies of illegal resources. For these reasons the German Upper House has called for further restrictions to be imposed on the right of the individual to make and retain private copies of copyright protected work; copies made from pirate material for private use are to be forbidden. Finally, to address concerns regarding the growth of piracy and the commercial distribution of illegal copies of copyright works the Upper House is also considering a restriction on the

sale of equipment capable of creating copies.

3. HOUSE OF LORDS COMMENTS ON NEED FOR TRADE MARK USE

In *R v Johnstone* [2003] UKHL 28, the House of Lords decided whether the fact that the defendant's activities do not amount to civil trade mark infringement is a defence to criminal trade mark infringement under section 92 of the Trade Marks Act 1994. To answer this question the House of Lords considered whether use of a registered mark as a trade mark (i.e. to denote the origin of the goods or services that bear the mark) is necessary for civil infringement under section 10. In reaching the conclusion that trade mark use *is* necessary, their Lordships' opinions conflict with the ruling of the Court of Appeal in *Arsenal v Reed* [2003] EWCA Civ 96, who, in a ruling delivered one day before *Johnstone* decided that trade mark use is *not* necessary.

Mr Johnstone had been found guilty of criminal trade mark infringement under section 92 of the Trade Marks Act after "bootleg" CDs (unauthorised recordings made during a live concert) that bore the trade marks of various musical artists had been found at his home. The trial judge considered that section 92 was a "stand alone" provision so questions of civil liability were irrelevant to criminal infringement. Therefore, Johnstone was denied the opportunity to argue in his defence that there could be no criminal infringement without civil infringement and that because he had used the trade marked name of the musical artist to *describe* the performer who was featured on the CD, rather than to indicate the CD's trade origin he had a civil defence under section 11(2)(b).

The House of Lords rejected the trial judge's approach, holding that in order for criminal infringement to be found, civil infringement must first have taken place. Parliament cannot have intended to criminalise conduct that could otherwise be lawfully done and that does not infringe the proprietor's rights. Additionally, the requirement that the defendant's conduct must be done "without the consent of the proprietor" of the mark, assumes that the proprietor would otherwise be able to object to the defendant's activities. Similarly, section 92(5), states that a reasonable belief in non-infringement is defence to criminal infringement. This would make no sense if civil infringement was irrelevant to the criminal provisions. Finally, if the section 92 applied to situations outside the definition of civil infringement this would effectively grant the proprietor of the mark a wider range of rights than he is granted under Articles 5 to 7 of Directive 89/104, which would be at odds with the harmonising aim of that Directive.

As a result, the House of Lords had to determine whether civil infringement had taken place. As the first step in its reasoning, the court had concluded that use as a trade mark (i.e. in order to indicate the trade origin of the goods or services on which the mark is used) is required for civil infringement. In reaching this conclusion, the House of Lords interpreted the ECJ's ruling in *Arsenal v Reed* very differently from the Court of Appeal in its judgment in *Arsenal v Reed*. The House of Lords emphasised that the ECJ statement that the essential function of a trade

mark is to guarantee the identity of the origin of the marked goods or services by enabling the consumer or end user to distinguish the goods or services from those with another origin without any possibility of confusion, and claimed that the ECJ had thought that the scope of the trade mark proprietor's rights under Article 5(1)(a) of Directive 89/104 was coterminous with the function of registered trade marks. In other words, the proprietor can only control use of his mark that affects the function of his mark, that is the ability to indicate the origin of the goods or services on which it is used and that only use by a third party to indicate origin can affect that function. The English statute should be construed in accordance with the EU ruling and therefore, according to the House of Lords, trade mark use is required under sections 10(1) to (3). Whether trade mark use has taken place is a question of fact to be judged through the eyes of the average consumer of the goods in question. Regarding the trade marked name of a performer on music CDs, trade mark use will *not* have taken place if the name is exclusively an indication of the name of the performer whose music is on the disc and is unlikely to be understood as indicating any other connection between the performer and the disc because the use of the mark will be *descriptive* of the contents of the disc. Consumers' perceptions of the performer's name are a question of fact for every case, although their Lordships indicated that where the work on the CD is protected by performers' rights, consumers may attribute the control that they would expect performers to exercise over their recordings to those performers' rights, rather than to the use of the trade mark.

The failure of the trial judge to take these considerations into account made the conviction unsafe. However, the House of Lords also considered the defence to criminal infringement under section 92(5), holding that this applies not only to situations where the defendant has a reasonable belief that his activities do not infringe a trade mark, the existence of which he is aware, but also to instances where his belief that he is not infringing stems from a reasonable belief that no relevant trade mark is registered. Finally, the court held that the evidentiary burden, where the defendant must raise an issue sufficient to require the prosecution to disprove it does not violate the presumption of innocence under Article 6(2) of the ECHR as it is applied to criminal trade mark infringement. States can derogate from the presumption of innocence if they can show a compelling reason for doing so. Such a reason can be shown when it comes to counterfeiting and allied activities because of the difficulty and importance of combating counterfeiting and the ease with which a defendant can raise an issue about his honesty.

4. THE TRIALS OF TRADE MARK USE

The Court of Appeal handed down judgment in *Arsenal Football Club Plc v Matthew Reed* [2003] EWCA Civ 96 on 21 May, following an appeal by the claimants against the decision of the High Court of 12 December 2002. Overruling that decision the Court of Appeal found for the claimants and held (1) that there was no requirement that use of a sign be trade mark use for trade mark infringement under the Trade Marks Act 1994 ("1994 Act") section 10(1); and, (2) that trade mark use was not even the relevant consideration under the law. However, on 22 May 2003, the House of Lords concluded the opposite in the criminal

case *Regina v Johnstone* [2003] UKHL 28 (22 May) that, “Non-trade mark use is not within section 10(1) to (3)”. (See above).

Arsenal concerned the sale of scarves and other merchandise by the defendant that bore representations of the Arsenal signs “Arsenal”, “Arsenal Gunners”, “Crest Device”, “Cannon Device”, all registered as trade marks. The claimants brought an action for passing off (which was dismissed) and trade mark infringement.

At first instance, the court had held that the presence of the Arsenal signs on the defendant’s goods would be perceived “as a badge of allegiance, loyalty or affiliation to those to whom they are directed. They would not be perceived as indicating trade origin”

Would non-trade mark use be sufficient for trade mark infringement? The court opined that if non-trade mark use was sufficient for infringement, serious inconsistencies would arise within the 1994 Act. That, in itself, was a strong indication that only trade mark use would amount to infringement of the rights of the proprietor. However, the court in *British Sugar Plc v Robertson & Sons Ltd* ([1996] RPC 281) had held that trade mark use was not essential for infringement and that decision was approved in the Court of Appeal’s provisional view in *Philips Electronics Ltd v Remington Consumer Products* [1999] EWCA Civ 1340 (5 May 1999).

The court therefore made a reference to the European Court of Justice (“ECJ”) for a preliminary ruling under Article 234EC. Was it a defence to a claim of infringement of a registered trade mark, that a third party’s use of an identical sign for identical goods was not trade mark use (*i.e.* indicating a connection in the course of trade between the goods and the trade mark proprietor)? If so, would a use which would be perceived as a badge of support, loyalty or affiliation to the trade mark proprietor provide a sufficient connection?

The ECJ stated that the essential function of a trade mark was to guarantee the origin of the marked goods to the consumer; that was a guarantee that all the goods bearing the trade mark had been manufactured or supplied under the control of a single undertaking which was responsible for their quality; and, that the exclusive right granted to a trade mark proprietor under article 5(1)(a) of the Directive was to enable him to ensure that the trade mark could fulfil its functions, particularly its essential function. So only a use which was liable to jeopardise that guarantee of origin could be restrained by the trade mark proprietor. However, the ECJ found that, *in the circumstances of the case*, the use of the Arsenal signs on the defendant’s merchandise did create the impression that there was a material link in the course of trade between the goods concerned and Arsenal FC. That impression was not dispelled by the defendant’s advertising that his goods were “unofficial”: some customers might still think the goods originated with the claimant. In those circumstances, the use by the defendant of the Arsenal signs on his goods was liable to affect the guarantee of origin of the goods, and the trade mark proprietor must be able to prevent that use. It was immaterial that in the context of that use the sign was perceived as a badge of support for or loyalty or affiliation to the proprietor of the

mark.

At the resumed proceedings, the court summarised the ECJ's analysis of the law, noting that the exclusive right under Article 5(1)(a) was conferred for the purpose of protecting the essential function of the trade mark, its guarantee of origin, and only for that purpose. It appeared to the court that the ECJ had found, "that where the defendant's use of a mark is not intended by him, or understood by the public to be a designation of origin, there can be no infringement because such use does not prejudice the essential function of the registered mark". On that basis the ECJ should have answered the court's first question in the affirmative: non-trade mark use was a defence in an action for trade mark infringement. Importantly, the court held that the ECJ had made findings of fact contrary to those of the court: in particular, that the defendant's use was trade mark use in that it created the impression of a material link between the goods and the trade mark proprietor. It was not within the ECJ's jurisdiction on an Article 234 reference to make such findings and the court could not cede a jurisdiction to the ECJ which it did not have. Those findings would not be applied. The court therefore applied its understanding of the ECJ's analysis of the law to the facts found at trial and found for the defendant.

The Court of Appeal held that the court had misinterpreted the ECJ's analysis of the law. The reference to the ECJ was based on the view that infringement depended on whether the use complained of was trade mark use. The ECJ had concluded that that was not the relevant consideration. The registration of a trade mark gave the proprietor a property right. The material consideration, which the court had not dealt with, was whether the use complained of was liable to damage that property right or be "likely to affect or jeopardise the guarantee of origin which constitutes the essential function of the mark." That did not depend on whether the complained use was trade mark use.

Furthermore the ECJ had not made findings of fact that were inconsistent with those of the court. The ECJ's concern was whether the complained use was liable to jeopardise the guarantee of origin of the trade mark not whether that use was trade mark use. So, even though the use by the defendant of the Arsenal signs on the merchandise would be perceived as a badge of allegiance, loyalty or affiliation (which was not a trade mark use in the judgment of the court), it did not mean that the use was not liable to jeopardise the guarantee of origin of the trade mark. The court should have followed the ECJ's ruling and found for Arsenal. The Court of Appeal also overruled the court's conclusion that Mr Reed's use was not trade mark use and indicated that it would have found differently on the issue of passing off.

However, in *R v Johnstone*, an appeal to the House of Lords, concerned a prosecution under the criminal provisions of the 1994 Act, the House of Lords came to the same conclusion on the ECJ's analysis of the law in Arsenal as the court at first instance. This is a very strong indication that, despite the Court of Appeal's ruling, trade mark use remains the relevant consideration in determining trade mark infringement. Mr Reed has indicated that he will seek permission to appeal to the House of Lords.

5. REPORT OF THE COMMISSION ON INTELLECTUAL PROPERTY RIGHTS: THE UK GOVERNMENT RESPONSE

The UK Governments has given its official response to the final report of the Commission on Intellectual Property Rights (“CIPR”), which it established in 2001. Broadly, the response is very supportive of the CIPR report, agreeing with many of their conclusions, and acknowledging that patents may not always be beneficial for development of less established economies.

In September 2002 the CIPR released the report “Integrating Intellectual Property Rights and Developmental Policy” which had been initiated as a result of a commitment in the government’s second White Paper on International Development entitled: “Eliminating World Poverty: Making Globalisation Work for the Poor” (December 2000). The CIPR declared that the internationally-mandated expansion of intellectual property rights was unlikely to generate significant benefits for most developing countries and likely to impose costs, and a number of recommendations were presented. In May 2003 the government published its response to the CIPR report “The UK Government Response to the Report of the Commission on Intellectual Property Rights - Integrating Intellectual Property Rights and Development Policy”. Responding to the CIPR report point by point the response addresses the following issues: general development; health; agriculture and genetic resources; traditional knowledge and geographical indications; copyright, software and the internet; patent reform; institutional capacity; and governance of international agreements. Broadly, the response by the government is very supportive of the CIPR report, agreeing fully with the majority of their conclusions. A few issues are discussed here.

In relation to intellectual property and the promotion of development, the government agrees with, amongst other things, the CIPR’s recommendation that there is a need for incentive policies in developed countries to promote technology transfer, for instance tax breaks for companies that license technology to developing countries.

Regarding health, the CIPR and the government agree on a number of issues, including the need for public intervention in combating diseases of developing countries either directly, e.g. through public funding or tax incentives to encourage private sector research, or through stimulating private-public partnerships. It was also agreed that much more needs to be done to increase access to essential medicines and that patented drugs should move freely throughout the developing world to encourage competition and provide access to lower cost drugs.

With respect to agriculture and genetic resources, it was agreed that developing countries should not provide patent protection for animals and plants, as is allowed under Article 27.3(b) of TRIPS, because of the restrictions patents may place on use of seed by farmers and researchers. Rather they should consider different forms of *sui generis* rights.

The UK government believes that intellectual property rights can play a

vital role in the course of the development process for developing countries. It agrees with the CIPR that intellectual property right regimes can and should be tailored to take into account individual country's circumstances within the framework of international agreements such as TRIPS.

The government committed itself to continuing to monitor the operation of the patent system and consider how improvements in the rules, nationally and internationally, might address any concerns, particularly as they might affect developing countries.

6. PROTECTED DESIGNATION OF ORIGIN: PARMA HAM AND GRANA PADANO CHEESE

Maintaining the quality and reputation of Grana Padano cheese and Parma ham justifies the rule that the product must be grated or sliced and packaged in the region of production.

On May 20th, 2003, the European Court of Justice (ECJ) gave two long-awaited rulings on the Protected Designations of Origin ("PDOs") of Parma ham and Grana Padano cheese

In the Parma ham case *Consorzio del Prosciutto di Parma and Salumificio S. Rita SpA v Asda Stores Ltd and Hygrade Foods Ltd*, C-108/01, the Consorzio del Prosciutto di Parma brought proceedings against Asda and Hygrade for slicing and packaging Parma ham outside the Italian northern region. The Italian producers, who do not object to the slicing of a Parma ham in front of a customer's eyes at a delicatessen counter, wished Asda and Hygrade to cease their activities, on the ground that they were contrary to the rules for the PDO applicable to Parma ham.

In the Grana Padano case *Ravil SARL v Bellon Import SARL and Biraghi SpA*, C-469/00, the Italian company Biraghi, which is one of the producers of Grana Padano cheese in Italy, and the French company Bellon, which is the exclusive importer and distributor of Biraghi products in France, sued Ravil, a company which imports, grates, pre-packages and distributes Grana Padano cheese in France, to cease distribution of Grana Padano cheese, arguing that it is a condition of the PDO that the use of the Grana Padano name is subject to the condition that the grating and packaging are done in the region of production.

The court found that the grating of cheese and the slicing of ham and their packaging constitute important operations which may damage the quality and authenticity and consequently the reputation of the protected designation of origin (PDO) if those requirements are not complied with. The specifications for Grana Padano cheese and Parma ham define checks and detail strict operations in order to preserve the reputation of those two products.

The court pointed out that the PDOs of those products would not be protected in the same way by an obligation imposed on operators outside the region of production to inform consumers by appropriate labelling that grating, slicing and packaging have taken place outside that region.

As a consequence the Court ruled that maintaining the quality and reputation of Grana Padano cheese and Parma ham justified the rule that the product must be grated or sliced and packaged in the region of production.

However, the Court found that the protection conferred by a PDO does not normally extend to operations such as grating, slicing and packaging the product. The Court stated that those operations are prohibited to third parties outside the region of production only if that is expressly laid down in the specification of the PDO. Indeed, as the Court pointed out, the specification determines the extent of the uniform protection which the 1992 Regulation establishing Community protection for designation of origin and geographical indications for agricultural products and foodstuffs confers within the Community.

7. SWEDISH CRACKERBREAD TO BE RE-BRANDED 27 YEARS AFTER IT WAS LAUNCHED

Wasa, a subsidiary of the Italian bakery group Barilla, was ordered by a Swedish court to re-brand one of its most famous products, Moraknaecke, almost three decades after it was first launched.

The Swedish Market Court (Marknadsdomstolen), a specialised court that handles cases related to the Competition Act as well as cases involving the Marketing Act and other consumer and marketing legislation has given the crackerbread giant Wasa a year to come up with an alternative name for Moraknaecke, which is one of its leading products.

Despite Wasa's argument that Moraknaecke is a well-known brand name and not a reference to the cracker's origins, the court found that the name Moraknaecke could mislead consumers regarding the origin of the crackers since they were not produced in the Dalarna region, where the Mora town is situated. Thus, after many efforts to create and build the Mora brand and many years of marketing, Wasa will have to find a new name for Moraknaecke.

Wasa's competitor, the family firm Leksandsbroed, which is actually based in the Dalarna region had been objecting to Wasa's use of the Mora name since 1970. Leksandsbroed chief executive Rune Joon who welcomed the court's decision noted that "a resort's good name and reputation belongs to everyone who lives and works there".

8. THIRD COUNTRY AGREEMENT IS PERMISSIBLE

Budejovický Budvar v Rudolf Ammersin GmbH, C-216/01, Opinion of the Advocate General

Following an action between a Czech brewery and an Austrian beer distribution company, the European Court of Justice is examining the protection of the geographical indication 'Bud'. It has to consider if an international agreement between a Member State and a third country falls under Art. 307 EC. The Advocate General has proposed that such

agreement is permissible.

An agreement between Austria and Czechoslovakia, dated 11th June 1976, conferred the protection of denominations of origin to agricultural and industrial products. The convention signed on the 7th June 1979 listed the products that are granted protection, beer being one of them, including denominations such as “Bud, Budejovické pivo, Budejovické pivo – Budvar, Budejovický Budvar”.

On the 1st January 1993, Czechoslovakia separated in two countries: the Czech Republic and Slovak Republic. The Czech Republic then officially assumed all multilateral and bilateral treaties that were in force (Constitutional law 4/1993). This was confirmed by Austria in a public statement that recognises such agreement through succession (BGB1 1997, III, 123, 31st July 1997).

Budejovický Budvar exports to Austria the Beer ‘Budweiser Budvar’. Ammersin, an Austrian company, placed on the market an American beer ‘American Bud’. The Oberster Gerichtshof (Austrian Supreme Court) held on 1st February 2000, that the import of the ‘American Bud’ violates the indication of origin ‘Bud’, and that this is not contrary to the EC treaty. However, a reference was made to the ECJ seeking clarification on various points concerning the agreement.

The appellation ‘Bud’ is an abbreviation of a Czech city Budweis, which has a tradition in brewing beer.

The opinion of the Advocate General makes the following points:

- i) Regulation 2081/92 on the protection of geographical indications and designations of origin, and Articles 28 EC and 30 EC, do not preclude the application of a bilateral agreement between a third country and a member state that grants absolute protection to a geographical indication designating the origin of a product, even though its qualities are not particularly tied to the origin. Also, it was emphasised that even if ‘Bud’ cannot be protected under Reg.2081/92, its protection is not necessarily precluded by means of bilateral agreement between a Member State and another country.
- ii) Articles 28 EC and 30 EC prevent such protection when it cannot be linked to the geographical origin, thereby according absolute protection, regardless of any risk of confusion.
- iii) The 1976 Vienna Treaty between Austria and Czechoslovakia falls under Article 307 EC, even though Austria has only recently made publicly official the Czech succession of the treaty in 1997, after Austria joined the EU.
- iv) However, Article 307 EC emphasises that the contracting member states have to insure the highest conformity to community obligations.

9. THE EUROPEAN COMMISSION SELECTS EURID TO MANAGE THE .EU

The European Commission has taken steps towards the establishment of

the .eu Top Level Domain (TLD) by selecting EURID (the European Registry for Internet Domains) as the official Registry for the .eu domain.

On May 22nd, 2003, the European Commission announced that it had chosen the non-profit making EURID consortium to run the .eu TLD. This decision is the latest step in the process of creating a new European TLD extension. EURID responded to the Call for Expression of Interest that was launched by the European Commission in August last year. After an evaluation of the bids by a panel of independent experts, EURID was designated as being the best choice to run the .eu registry.

Now that the official Registry has been selected, the Commission and Registry must take additional steps before the .eu domain will become available. According to EU Regulation No. 733/2002, which governs the establishment of the .eu country code TLD within the Community, some of the main tasks of EURID will be to organise, administer and manage the .eu TLD on the basis of principles of quality, efficiency, reliability and accessibility. Steps will also be taken to include .eu in the global Internet Domain Name System, managed by the Internet Corporation for Assigned Names and Numbers (ICANN). Finally, in consultation with the Member States and the Registry, the Commission will have to adopt public policy rules concerning the implementation and function of the .eu TLD and the public policy principles on registration. These rules will mainly deal with issues like speculative and abusive registrations of domain names (cyber squatting), protection of intellectual property rights, issues of language and geographical concepts and the extra-judicial settlement of conflicts.

It is expected that the .eu domain will be available by the end of this year.

10. DATA PROTECTION NOTIFICATION - SCAM UPDATE

As this interim hearing shows, the Office of Fair Trading is continuing to crack down on fraudsters holding themselves out as official organisations enforcing the Data Protection Act.

In early 2003, shortly after becoming Information Commissioner, Richard Thomas stated that one of his priorities was to crack down on companies and individuals profiting by using misleading advertising with regards to data protection notification services. On 7 August 2003 the High Court supported the Information Commissioner's stance and granted an injunction against Christopher Yewdall preventing him from being involved in any way with certain types of advertising. The injunction is a temporary measure pending judgment in the claim brought against him by the Office of Fair Trading.

It is alleged that Yewdall was involved with misleading advertisements relating to notification of data controllers with the Information Commissioner under the Data Protection Act 1998. The names used in the advertisements included: Data Protection Agency, Data Protection Agency Registrations, Data Protection Agency Services, National Registrations, Data Protection Registration and Data Protection

Registration Services.

The OFT received thousands of complaints from businesses regarding these advertisements, which it argues are misleading “because they give the impression they are from an official body, that businesses receiving them are under a legal obligation to register with the sender and that notification costs £95”.

11. WITHDRAWAL OF MARKETING AUTHORISATION MAY NOT ENTAIL AUTOMATIC WITHDRAWAL OF PARALLEL IMPORT LICENSE

Paranova Oy v Lakemedelsverket, C-113/01, ECJ [reference by supreme administrative court, Finland]

Interpreting Art. 101 of the Finnish Medicinal Products Law and Paragraph 4.3 of the Finnish Regulation 1/1997 on parallel imports, the Finnish Medicinal Products Agency (“the Agency”), decided that the withdrawal of marketing authorisation of a medicinal product by the holder amounted to automatic withdrawal of its parallel import license. However, the European Court of Justice has held that this decision violates the principle of free movement of goods under Art. 28 EC.

Suomen Astra Oy (“Astra”) owned the marketing authorisation in Finland for a medicinal product known as ‘Losec enterkapslar’ in capsule form, while Paranova Oy held its parallel import license. Subsequently, Astra revoked its license for capsules and filed for marketing authorisation for tablets of a variant, which was a therapeutic equivalent to the former drug. On withdrawal, the Agency served a notice to Paranova stating that since the parallel import license depended on a valid marketing authorisation which had ceased, their parallel import license was no longer valid. Paranova appealed this decision to the Supreme Administrative Court, claiming that the decision was incompatible with Art. 28 and 30 EC. The Court stayed the proceedings and referred to the European Court of Justice (“ECJ”) the question of whether it was compatible with Art. 28 and 30 EC for a national agency to decide that a parallel import license automatically gets revoked when the marketing authorisation has been withdrawn by the holder for reasons unconnected with the effectiveness or safety of the medicinal product and despite the fact that the product has valid marketing authorisations in other Member States.

The ECJ, relying on *Ferring (Case C-172/00, [2002] ECR I-6891)*, held that cessation of validity of a parallel import license following the withdrawal of the marketing authorisation violates Art. 28 EC, but may be justified to protect public health under Art. 30 EC.

The ECJ held that the primary objective of the Council Directive 65/65/EEC, as amended, on proprietary medicinal products, was to safeguard public health. Since no evidence was shown that marketing authorisation in the present case was withdrawn to protect public health and the product was in fact being marketed legally in other Member States under marketing authorisations, the ECJ, applying the proportionality test, held that Art. 30 EC requires the Member States to

prohibit imports of products from other Member States to restrict what is necessary in order to achieve the aims concerning protection of health that are legitimately pursued. Furthermore, with regard to safety of health in Finland of an imported product without marketing authorisation in Finland, the ECJ considered the 'Note for Guidance on Procedure for Competent Authorities on the Undertaking of Pharmacovigilance Activities', published by European Agency in 1995, whereby the Member States have set up a database and which require them to, *inter alia*, report adverse reactions and safety data relating to medicinal products. The ECJ held that, since protection of public health was not in question, the interpretation of a national law stating that mere withdrawal of marketing authorisation would entail withdrawal of parallel import license could not be justified under Art.30 EC and was, therefore, contrary to Art. 28 EC.

Thus, a parallel import license may survive without its marketing authorisation in a Member State if the withdrawal has not been due to the drug's effectiveness or safety.

COPYRIGHT

12. COURT ORDER MADE AGAINST UNKNOWN PERSON

In *Bloomsbury Publishing Plc and JK Rowling v Newsgroup Newspapers Limited* [2003] EWHC 1087 Ch, Laddie J held that court orders can be made against a person whose name is unknown where he can be identified by some other means.

Tight security was put in place to prevent any leaks of the plot of the latest Harry Potter novel, *Harry Potter and the Order of the Phoenix*, before its 21st June 2003 publication date. Nevertheless, a number of copies somehow escaped from the print-works where it was being produced. Two were found in a field and returned to the publisher by *The Sun* newspaper. However, at the time of the trial it seemed that at least one other copy was at large because an anonymous person contacted various tabloid newspapers (who did not accept the offer) by telephone and offered to sell them chapters of the book. The book had probably been stolen so, ordinarily, the Court would have been quite willing to grant an injunction against the caller to preserve confidentiality and to prevent the infringement of copyright and the conversion of stolen property. However, the caller could not be identified as he refused to give personal details and made his calls from a call-box.

Nevertheless, Laddie J agreed to grant a "John Doe" order against "The person (or persons) who have offered the publishers of *The Sun*, *The Daily Mail* and the *Daily mirror* newspapers a copy of the book *Harry Potter and the Order of the Phoenix* by JK Rowling." He identified four factors that must be satisfied before a court can grant an interlocutory injunction: (1) the claimant must have a good arguable case against the defendant; (2) the order must be in terms that clearly state what the defendant can and cannot do; (3) it must be possible to identify the defendant against whom the order is sought and (4) the order will only be effective against a person who, when made aware of the terms of the order, will understand that it applied to him.

The last two factors are potentially problematic when the name of the person who is the subject of the order is unknown. However, these difficulties are not insurmountable. Usually the defendant's name is the most convenient way of identifying him so that he knows he is the subject of the injunction. Nevertheless, an injunction can be made against a person whose name is unknown, as long as he can be identified clearly enough by other means e.g. by reference to his alias or photograph. In fact, the third and fourth factors are satisfied in any situation where (i) the order is directed at particular wrongdoers and their accomplices and (ii) the targets would understand that the injunction is directed at them. In this case, the defendant could be identified by his works (that is, the offering of the book to the newspapers) and would know that he was the target of the order.

The granting of orders against anonymous people is not unprecedented. Laddie J point to *EMI Records v Kudhail* [1985] FSR 36, where an order was made against a named individual and other unnamed individuals engaged in the same activity, *Tony Blain Pty Ltd v Splain* [1994] FSR 497 where an order was granted against certain unknown individuals who sold unauthorised merchandise outside concert locations and freezing orders, which are often made against third parties that are not identified at the time the order is made.

PATENTS

13. SOYA PATENT RESTRICTED BY THE EPO

The Opposition Division of the EPO has decided to limit the scope of the so called "Soya" patent, bearing number EP 301 749 B1, after conducting a public hearing in the opposition proceedings.

The patent already exists in United States of America, Canada, Australia and twelve states of Europe. The opponents against the patent were companies Syngenta Participations and Pioneer Hi-Bred, the environmental protection agency, Rural Advancement Foundation International and another.

Agracetus filed the patent application in July 1988, which after its substantive examination, was granted by the EPO in March 1994. In 1996 Monsanto acquired Agracetus and the patent was transferred to Monsanto.

The contested patent describes a method of genetically engineering plants, in particular soyabean plants but also its seeds and tissues. Additional genetic information is introduced by means of particle mediation into cells that grow into modified soyabean plants, which transmit these new characteristics in a stable manner to their progeny. The patentee claimed novelty in deliberate transformation of soyabean and other useful plants through genetic engineering.

The Opposition Division has, though yet to publish the reasoned decision, held that the granted patent lacks the requirement for sufficient disclosure under Art. 83 of the European Patent Convention and thus has limited the patent only to soyabean plants, and not generally to any kind of plant. Monsanto has an option to appeal the decision before the EPO's Technical Board of Appeal.

14. ECJ RULES COLOURS PER SE ARE REGISTRABLE IN LIMITED CIRCUMSTANCES

In *Libertel Groep BV v Benelux-Merkenbureau* Case C-104/01 the European Court of Justice held that colours *per se*, which are not applied for by reference to a specific surface, can be registered as trade marks, but only in limited circumstances.

Libertel applied to the Benelux Trade Mark Office for a trade mark for telecommunication-related goods and services. In the space on the application form for describing the trade mark, Libertel had placed an orange rectangle and the word “orange”, but had not referred to any colour code. The Office refused the application, saying that without proof of acquired distinctive character, the colour was devoid of distinctive character. Libertel appealed this decision and eventually the case reached the Hoge Raad der Nederlands, which referred various questions about the distinctiveness of colours to the ECJ.

1. Registrability of colours under Article 2 of Directive 89/104

The ECJ felt it could not decide the Hoge Raad’s questions on distinctiveness under Article 3 without considering whether colours are capable of constituting a trade mark under Article 2.

The Court confirmed that the joint declaration made by Council of the European Union and the Commission (OHIM OJ No 5/96 p. 607) in which they stated that Article 2 did not exclude colours from registration, was not binding, leaving the ECJ to decide the issue.

The Court identified three requirements under Article 2. The colour must be: (i) a sign; (ii) capable of graphic representation and (iii) capable of distinguishing the goods or services of one undertaking from those of other undertakings.

Colour is normally a simple property of things but, depending on the context in which it is used, may constitute a sign.

A graphic representation must represent the sign visually and must be clear, precise, self-contained, easily accessible, intelligible, durable and objective. A colour sample e.g. on a piece of paper is not durable and so does not satisfy Article 2, although there may be some media that enable a colour to be reproduced in a permanent form. A verbal description of a colour is graphic, as it is made up of words which are made up of letters, but, depending of the facts, it may not meet all the other graphic representation requirements. However, if a colour sample together with a verbal description is unsatisfactory, this may, depending on the facts, be remedied by adding a reference to an internationally recognised colour code. Colours are also capable of distinguishing and thus may be registrable under Article 2 because they can, in principle, convey specific information about the origin of the goods or services for which they are used, although they seldom do so.

2. The need to keep colours free for other traders to use

In assessing the distinctiveness of a colour, regard should be had to the need for other traders to make use of the colour in the interests of free competition. Although this is a general principle in the assessment of distinctiveness in trade mark law, it is particularly important for colours because there are a limited number of colours available, meaning that a small number of registrations for certain goods or services could exhaust the entire range of colours available, which would have anti-competitive repercussions. Additionally, the greater the number of goods or services for which a colour is applied for, the more likely the registration is to come into conflict with other traders' interests. The interests of other traders must be considered during the registration stage, and not be left to be considered when they are raised as a defence to infringement actions because the EU trade mark system is one of review prior to registration, and not *a posteriori* review.

3. Can a colour be distinctive within the meaning of Articles 3(1)(b) and 3(3)?

A trade mark is distinctive if it distinguishes the goods or services on which it is used from those of other undertakings, having regard to whether it is used in the trade as a badge of origin and the perception of the public. Although the public are used to seeing word and figurative marks as denoting origin, consumers are not accustomed to seeing colours as indicating origin because they are not used to identify origin in current commercial practice. Therefore, colours per se are not distinctive except in exceptional circumstances e.g. where colour is only claimed for a very restricted number of goods in a very specific market. However, colours can acquire distinctiveness after the normal process of familiarisation with the relevant public has taken place. In assessing the acquired or inherent distinctiveness of colours, the competent authority must carry out its assessment by reference to the actual situation in the case (and not in the abstract), taking into account all of the circumstances and any use that has been made of the mark.

15. ECJ RULES SOUNDS ARE REGISTRABLE

Shield Mark BV v Joost Kist, Case C-283/01, Opinion of the Advocate General

Sounds are registrable as long as their representation is "clear, precise, self-contained, easily accessible, intelligible, durable and objective". In the AG's opinion, this is clearly fulfilled if a sound is represented on a score but generally not if it is represented by onomatopoeia or a nominative succession of musical notes. The determination of registerability vests in the national court.

Two months ago, Advocate General Colomer delivered his opinion in the *Shield Mark* case. The Dutch Supreme Court asked two questions as regards the registrability of sounds as trade marks in a preliminary ruling procedure: can a sound fulfil the requirements of trade mark registrability, and if so in which form must the registration be made?

Facts

Shield Mark registered the first few notes of “For Elise”, the famous piano piece by Beethoven, and the sound of a cockerel’s crow to distinguish some of its products. It is suing Mr Kist in Holland for trade mark infringement since the latter has used these two signs for similar products.

The mark constituted by the piano piece is represented by the nine notes on score. The registration also includes verbal marks describing the sound mark in such terms: “consisting in the nine first notes of For Elise”. Another mark is represented in a nominative succession of notes: “E, D sharp, E” etc. The cockerel’s crow mark is registered under the denomination “Kukelekuuuuu” with the following mention: “sound mark constituted by an onomatopoeia imitating a cockerel’s crow”.

Opinion of AG Colomer

The AG first comments that the legal concept of a mark covers two requirements: capability to differentiate and capability of being represented graphically.

As sounds are capable of distinguishing goods or services, they can in principle be admitted as marks. Since Article 2 of the Trade Mark Directive has not excluded sounds, Member States are not allowed to exclude sounds from trade mark registrability, as long as the two above conditions are fulfilled. The AG notes that no Member States expressly excludes sounds from trade mark registrability. Even if some Member States do not mention it expressly in their legislation, administrative practice has long admitted such registrations.

As regards the graphical representation of acoustic signs, the AG relies on the line of reasoning he developed in his opinion in the *Sieckmann* case, which concerns the registrability of smells ([2003] ETMR 37). The representation must be “clear, precise, self-contained, easily accessible, intelligible, durable and objective”.

He compares music and sounds with language. Language is oral and writing is its graphical representation. National courts need to decide for themselves whether the “drawing” of an acoustic sign satisfies the objectives of the Community lawmaker when he legislated on the requirement of graphical representation. However, the AG believes the graphical representation on a score is clear, precise, complete, durable, objective and easily accessible. The fact that it is not intelligible to all persons is not problematic since it is sufficient that musicians can read it. On the contrary, the written description of a sound lacks precision and clarity. Nonetheless the AG leaves the door open: there may be sounds which are capable of being represented graphically and meet the test set out above and it will be for national judges to determine this in each case.

The AG makes an interesting digression at the end of his opinion. He states that he resents the possibility that through a trade mark, an individual can secure a monopoly on natural signs. He equally resents the fact that a registrant can appropriate indefinitely a creation, which has now fallen in the public domain and belongs to the cultural common heritage, to distinguish his/her products or services while the author’s

heirs cannot benefit anymore from the exclusivity copyright affords.

In conclusion, while smells are clearly not registrable, sounds are as long as their representation is “clear, precise, self-contained, easily accessible, intelligible, durable and objective”. In the AG’s opinion, this is clearly fulfilled if a sound is represented on score but generally not if it is represented by onomatopoeia or a nominative succession of musical notes.

16. DOUBLEMINT REFUSED BY ADVOCATE GENERAL

OHIM v Wrigley Jr Co., C-191/01, Opinion of the Advocate General

In *OHIM v Wrigley Jr Co.*, C-191/01, Opinion of the Advocate General, after an application for a CTM for the mark “doublemint” was refused by OHIM, but then allowed by the CFZ, OHIM appealed to the ECJ. The Advocate General has now issued his opinions suggesting the application should be dismissed.

Wrigley applied for the registration of the word ‘Doublemint’ as a CTM. It was refused on the grounds that it consists of two words that may serve in trade to designate the characteristic of the good, Art. 7(1)(c) of the CTMR. Although the Office First Board of Appeal dismissed Wrigley’s appeal against the examiners the Court of First Instance held that the word ‘Doublemint’ was not exclusively descriptive as it comprises numerous meanings, depriving it of any descriptive function for the purposes of Art. 7(1)(c) CTMR. The term could not be refused registration, OHIM has brought an appeal against that decision.

The AG addresses what he perceives as two flaws in the appeal judgement:

- (i) A trade mark may not be registered if it “consists exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or service concerned”, Art. 7(1)(c). Considering this, the CFI held that ‘Doublemint’ could not be characterised as exclusively descriptive, and the mark therefore fell outside Art. 7(1)(c).

“Exclusively” in that provision qualifies the verb “consist”, therefore referring to the elements composing the mark and not to their capacity to designate characteristics. Thus, for a registration to be precluded under Article 7(1)(c), all the elements must have such a descriptive capacity; but it is not necessary that they can have no other, non-descriptive, meaning. In other words, if all components of a mark are descriptive, the mark will not necessarily be saved by alternative, non-descriptive meanings.

- (ii) Considering the association between double and mint, the CFI held that it has several meaning, making “Doublemint” ambiguous and suggestive, and not capable of assuming a descriptive function.

This view assumes that any multiplicity of possible semantic

combinations automatically makes it impossible for any term to designate a characteristic of the product. This interpretation of Art. 7(1)(c) appears wrong, as a general proposition, to the AG. The number of semantic combinations referred to by the CFI is limited in this case, and none of them is obscure as a chewing gum characteristic.

Considering *Baby-Dry*, Wrigley argued that the combination “Doublemint” is elliptical and resists intuitive grammatical analysis. However, the AG believes “Doublemint” does not use the same inversion as “Baby-Dry”, and it is not structurally or syntactically unusual to place the qualifier “double” before the characteristic “mint”. “Baby-Dry” introduced unusual syntactical features that significantly add to the lexical terms used in its composition, “Doublemint” does not.

Consequently, the Advocate General believes that OHIM’s appeal should be upheld, and the ruling of the CFI overturned.

17. REGISTRAR’S OBJECTIONS UPHELD

Dyson Ltd v Registrar of Trade Marks, [2003] EWHC 1062 (Ch)

Dyson appealed to the High Court against the decision of the hearing officer in an *ex parte* hearing not to grant a trade mark on grounds of acquired distinctiveness against an examiner’s objection under ss.3(1)(a)-(c) and s.3(2)(b) of the Trade Marks Act 1994.

In 1993, Dyson Ltd began manufacturing the Dual Cyclone, a bagless vacuum cleaner where the dirt is collected in a chamber that is made of clear plastic, thus allowing the user to see the vacuumed dirt. On 10th December 1996, Notetry Ltd (owned by James Dyson) applied for trade marks in respect of class 9 that were assigned to Dyson on the 5th February 2002. All applications sought to represent the transparent bin of the vacuum cleaner; only two of them were kept. They were then objected to under ss.3(1)(a)-(c) and s.3(2)(b). On 23rd July 2002, in an *ex parte* hearing, the applications were refused, as there was held to be no grounds of acquired distinctiveness.

A first issue of the case was whether the appeal should be conducted as a re-hearing or a review of the *ex-parte* hearing before the registrar. The appellants pointed out that in most appeals from decisions of the Registrar in *ex parte* proceedings to determine registrability under s.3, the general practice is to conduct the appeal on a re-hearing basis. It was also stressed that a hearing officer is not an independent tribunal, and Art. 6 of the European Convention for the Protection of Human Rights & Fundamental Freedoms provides that everyone is entitled to a fair hearing by an independent and impartial tribunal. Thus it would be unjust not to conduct a re-hearing. However, under CPR r 52.11(1), an appeal is supposed to be limited to a review of a lower court unless the court considers the contrary. A re-hearing should be exercised in rare cases. Considering the facts of the case, it appeared unnecessary to conduct the appeal on a re-hearing basis. It was held that Art.6 does not compel the Court to a re-hearing, and the decision is left to the Court.

At issue was the provision that under ss.3(1)(a)-(c) of the Trade Marks

Act 1994 consideration for inherent distinctiveness would require demonstration of the fact that the clear bin also conveys an indication of a single origin to the average consumer, considering all vacuum cleaners that use this feature. Dyson failed to establish that the clear bin was simply not descriptive of the machine being bagless. It is not the function of a trade mark to create a monopoly in new developments in technology. The objection by the registrar was therefore upheld.

The court also considered the issue of acquired distinctiveness that was raised during the *ex parte* hearing. The difficulty with this issue was defining what is required during the monopoly period, beyond association of the product with the actual manufacturer, to achieve trade mark status. It was envisaged in *Philips v Remington* that even without actual promotion of the sign as a trade mark, a *de facto* monopoly that leads to the recognition of the goods as those of a single origin could produce the necessary degree of distinctiveness. What is required to cross that threshold is unclear, and Patten J referred this issue to the ECJ for clarification.

ACKNOWLEDGEMENTS

McDermott, Will & Emery would like to acknowledge the invaluable contribution to the Bulletin made by the following individuals at the Queen Mary Intellectual Property Research Institute:

Andrew Bennett, Alan Cunningham, Estelle Derclaye, Alison Firth, Malcolm Langley, Florian Lerverve, Aditya Nagarsheth, Anthony Robinson, Ilanah Simon, Daphne Zografos.

MORE ABOUT THIS ISSUE

The first article in this issue, which is on the latest ruling on the Kit Kat case, was written by Rohan Massey, one of our London IP lawyers. If you would like to know more about any of the issues raised in this piece please do not hesitate to contact him on rmassey@europe.mwe.com.

Kathrin Tauber is an associate in our Munich office, and wrote the article on the adoption of the new Copyright Bill in Germany. If you would like clarification on any of the issues she raises, please feel free to contact her on ктаuber@europe.mwe.com.

MWE EUROPEAN IP CONTACT DETAILS

LONDON

Larry Cohen
Partner

Direct Line: 020 7577 6909
Email: lcohen@europe.mwe.com

Duncan Curley
Partner

Direct Line: 020 7575 0316
Email: dcurley@europe.mwe.com

MUNICH

Boris Uphoff
Partner

Direct Line: +49 89 12712 170
Email: buphoff@europe.mwe.com

DÜSSELDORF

Thomas Hauss
Partner

Direct Line: +49 211 3003 210
Email: thauss@europe.mwe.com

© Copyright 2003
McDermott, Will & Emery.

The material in this publication may be reproduced, in whole or in part, with acknowledgement of its source and copyright. "The European IP Bulletin" is intended to provide information of general interest in a summary manner and should not be construed as individual legal advice. Readers should consult with their McDermott, Will & Emery lawyer or other professional counsel before acting on the information contained in this publication. "The European IP Bulletin" may be considered advertising under the rules regulating the legal profession.