



THE EUROPEAN IP BULLETIN

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1. SPAM AND COOKIES – NEW UK PRIVACY LEGISLATION

It is estimated that spam accounts for approximately 60% of all email traffic sent over the internet. In the EU alone the annual cost of spam to internet users is €10 billion in wasted time and costs. On 11 December the new anti-spam legislation, the Privacy and Electronic Communications (EC Directive) Regulations 2003 SI 2003 No. 2426 came into force in the UK. The Regulations implement the EU Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector.

The Regulations give individual consumers using the phone, fax and internet more control over how their personal details are used, meaning that companies will not be able to send unsolicited emails or text messages to consumers, unless the recipient has agreed in advance to receive them, or has an ongoing business relationship with the company, subject to certain conditions. Business-to-business direct marketing by electronic means is not yet affected by the new legislation - this may change by 2005 - but all electronic direct marketing or promotional material must be identifiable as such, include accurate sender and contact details, as well as means by which the recipient can opt-out of receiving further material.

At present only 6 EU Member States have implemented the Directive. When implemented by all the Member States the new legislation (with criminal penalties) should provide a comfort zone for Europeans not wishing to receive European originating spam. The problem is that the majority of spam originates outside the EU from countries, including the US, without adequate regulation in this area. As the new legislation can only be enforced against people residing in the EU it is toothless against the torrent of externally originated spam emails promoting cures for baldness, cheap mortgages, get-rich-quick-schemes and sex aids that, uninvited, flood inboxes every day.

Although aimed primarily reducing the amount of spam currently sent and received in Europe, the Regulations cover all marketing or promotional material sent electronically whether by email, text message, faxes or telephone. The Regulations also cover the use of "cookies," or electronic identifying programs which are commonly used on internet web sites. Use of these must now be overt with companies informing the user about the use of cookies and the information they collect as well as providing an opportunity for the user to reject or disable the cookies. Failure to inform can result in a fine.

Within 24 hours of the Regulations coming into force the Information Commissioner's Office, the body empowered with

enforcing the Regulations in the UK, had received a high volume of complaints regarding not only spam, but also telephone calls and text messages. The Information Commissioner's Office has the power to take offenders to court on completion of an investigation, but will only investigate spam complaints from users who complete a form found on its site at <http://www.informationcommissioner.gov.uk>. For those seeking immediate relief from the daily bombardment of spam this may seem a slow and onerous process, but their frustration pales to insignificance when viewed against the Herculean task faced by the group of 10 people at the Information Commissioner's Office responsible for policing, investigating and, hopefully, prosecuting the spammers.

Despite the high volume of complaints at present there are no prosecutions pending. When the Information Commissioner does take action it will be interesting to see if the maximum fine, £5,000 in a trial before a magistrate, or an unlimited fine in a trial before a jury, for those breaching the Regulations is seen as a deterrent or merely a business cost in what is a lucrative and, until now, under regulated market.

2. WHEN IS AN EXCLUSIVE LICENCE NOT AN EXCLUSIVE LICENCE?

Whether or not a contractually-based obligation of confidence in know-how existed between the parties was considered in the recent case of *Centria v (1) Corus UK Ltd (2) Sigma Coatings Sa (3) Sigma Coatings Ltd* [2003] EWCH 2395 (Ch). The case highlights the fact that parties to an agreement must not only use the correct wording and precise drafting to achieve their commercial objectives, but also must construct other aspects of the agreement in accordance with those objectives.

The action concerned an agreement purporting to grant a licence on terms including "the perpetual and exclusive right to use anywhere in the world the Shared Know-How" (the Know-How Clause). However, on the facts of this case it was held that the parties had not considered the licence to be exclusive. This construction of the licence was then used to rebut a claim that the claimant retained a world-wide right to use of the know-how.

The licence referred to a number of other documents which detailed a complex relationship between the parties beginning with a sale agreement dated 1991 between three unrelated parties by which one party, RC, sold part of its business to a second party, DUE. However RC had continuing licences with a UK company, HER UK, in relation to the use of the technology. HER UK was purchased by the first defendant. That part of the business of which had been divested under this agreement to DUE was subsequently acquired by the claimant. The second defendant

historically supplied RC with paint product involving the technology and continued to supply the first defendant on transfer of the business. In order to clarify the position regarding intellectual property an IP licence was entered into by the parties. It was this licence that contained the clauses at issue.

The claimant alleged that it was able to take a transfer of the full benefit of the exclusive Shared Know-How anywhere in the world since DUE was entitled to transfer the entirety of these rights on the purchase of the business by the claimant. As a result the claimant complained that the defendants were breaching the confidentiality in the know-how by continued operation of the technology.

The case turned on the interpretation of Bud's right to transfer the know-how, which under a separate clause of the licence was non transferable by the licensee except "the right to transfer the rights to use the Shared Know-How within the American Territories" (the American Clause). The claimant argued that the American Clause, expressly limiting the right to transfer, related only in instances where the object of that transfer was a company resident within the American Territories, but that the American Clause was not a blanket limitation barring the transfer of the world-wide rights to the know-how.

The Court considered the only plausible explanation put forward by the claimant for this construction: the licence was said to be "perpetual and exclusive", on which basis RC was clearly alienating itself from the use of the technology. However, if UD were to disappear the know-how to the technology would "wither on the vine" at least in respect of territory outside the American Territories since there was no mechanism to deal with those rights outside that geographical area. The rights could only be retained within the American Territories.

The claimant argued that their construction of American Clause was the only way to make sense of the commercial intention of the parties. The Court decided however that the only way to interpret the agreement sensibly in light of the commercial reality was that the licence was not an exclusive licence and therefore that the claimant had no argument to undermine the clear intention of the American Clause to limit any transfer to rights to the technology in the American Territories. Thus the claimant could only have purchased from UD rights to the technology within the American Territories.

The Court said that RC had on-going licence obligations with companies such as HHR UK which meant it was in no position to provide UD with an exclusive licence. Further RC and UD appeared to accept through continued use of the technology by both that RC intended to continue to deal with the technology.

Internal to the agreement the dealing was described as a licence, not an assignment that would have been simpler to construct contractually. This was supported by the direct agreement between the parties to share improvements in the technology developed by either party.

The Court rejected the claimant's submission that UD could be seen to be stepping into RC's shoes. RC did not contemplate giving up its rights as licensor to existing subsidiaries. Further the linguistics of the claimant's construction of the American Clause could not be supported.

3. FADE – THE BRIGHT COPY-PROTECTION SYSTEM

a new system of software copy-protection, FADE, has been developed by Macrovision, a Californian company that specialises in digital rights management and the British games developer Codemasters.

FADE represents a new and somewhat radical anti-copying strategy. While traditional protection software disables the functionality of illegally copied software, the radical difference with FADE is that users initially have unfettered use of the illegally software. The development being that with use FADE begins to corrupt the illegal copies. The degrading process is slow initially cars no long steer, guns cannot be aimed and footballs fly away into space then the illegal copy ceases to work. FADE's creators believe that if they can hook users of illegal software during first use then when FADE renders the illegal software inoperable the user will be forced to buy a legal copy of the material.

FADE exploits the system for error correction that computers adopt to read scratched CD-ROMs or DVDs. Software protected by FADE contain fragments of "subversive" code which look like scratches. The bogus scratches are carefully arranged in a pattern that the game's master program will look for. If the pattern of abrasions is detected, the game plays with no trouble. However, if the disk is copied, the error-correction system of the computer will automatically delete the fake scratches. As the game is played, the master program can identify it as a fake when it fails to detect that preset pattern. Instead of switching off the program and preventing it from play at all, FADE will slowly disable it.

The use of FADE will be displayed during game installations, saying "Original discs don't FADE" in order that players who experience problems will be aware that their CD is potentially an illegal copy.

Next year, Macrovision plans to release a DVD movie protection system called Safe DVD, which will use a similar technique to

make copied discs stop playing at a key point in the movie's plot.

COPYRIGHT

4. BELGIUM FOUND IN BREACH OF EU COPYRIGHT OBLIGATIONS

The Member States were obliged to implement Council Directive 92/100/EEC of 19 November 1992 on rental right and lending right and on certain rights related to copyright in the field of intellectual property, into their national laws by 1 July 1994. Article 1 of the Directive requires Member States to recognise that authors have the exclusive right to authorise the public lending of various copyright works. However, Article 5 allows states to derogate from this exclusive right if remuneration is made to the author. Belgium did recognise the lending right and created an exception under Article 23 of the Belgian *Loi relative au droit d'auteur et aux droits voisins* for "lending [that] is organised for an educational and cultural purpose by institutions recognised or organised officially for that purpose by the public authorities". Article 62 of the law allowed for authors to be remunerated in those circumstances and Article 63 stated that the King would fix the relevant amount by decree. However, no such decree was ever made and so no rate of remuneration was fixed for derogation cases. Belgium said that this was because of opposition to the lending right by the Belgian federated entities, which are responsible for cultural matters in Belgium. The European Commission brought this action claiming that Belgium had failed to fulfil its obligations under Articles 1 and 5 of the Directive.

The ECJ found in favour of the Commission. The Court rejected Belgium's argument that Articles 1 and 5 of the Directive were not precise enough to be incorporated into its national law, finding that where directive obligations are unclear, states must determine the relevant criteria in their own territory rather than just completely refusing to implement what is called for by the Directive. Additionally, Directive 92/100 authorised Member States to exempt certain categories of undertaking from paying but did not require them to do so. In so far as it was unclear which undertakings this authorisation applied to, the States should have not exempted any undertaking rather than completely failing to implement the relevant articles.

It was deemed irrelevant that, according to the Belgians, no remuneration was paid in France, Greece or Luxembourg among others. A State cannot justify its failure to perform its obligations under EU law by pointing to similar failings on the part of other Member States. The hostility of the federated entities also provided no excuse for the failure to implement because a Member State cannot rely on provisions, practices or circumstance in its internal legal order to justify a failure to comply with obligations and time-limits laid down by a Directive.

5. “1860” BRICK STRUCTURE: ABUSE OF DOMINANCE OR LEGITIMATE IPR REFUSAL?

The ruling of ECJ in the case of *IMS v NDC* C- 481/01 is expected in the near future and will establish the legal principles relating to the circumstances in which refusal by a dominant company to license its assets can be justified on the grounds of Intellectual Property Rights protection. The decision in this case is likely to have major ramifications both for dominant companies, as owners of IPR protected assets, and the competition in common market.

Companies such as IMS and Microsoft are certainly in favour of having high qualification levels and conditions being specified before they are ordered to part with their intellectual property under compulsory licensing. Supporting this view is the argument that if the levels are set too low then any innovative company may be discouraged from developing projects, since as the potential for compulsory licensing is increased, the company’s potential commercial gain will be reduced.

The present debate stems from IMS’ claim in Germany of copyright infringement of its “1860 brick structure” for collecting pharmaceutical sales data. This structure has become the national standard in the German pharmaceutical industry. It segments Germany into 1,860 geographical “bricks” each with at least four pharmacies. This avoids the German data protection law prohibition of providing sales information for individual pharmacies.

After blocking their use on the grounds of copyright infringement, IMS then refused to license use of the structure to two competitors, NDC Health of the US and Asyx of Belgium. In response, NDC approached the Commission alleging abuse of a dominant position and seeking an interim grant of a compulsory license by IMS. On the facts of the case the license was granted. The reasoning being that there was a risk of serious and irreparable harm to competition and intolerable damage to public interest of the licence was not granted

On an appeal by IMS, the decision to grant the licence was stayed by the CFI and ECJ and on 13 August 2003 the Commission reversed its earlier decision of July 2001 and rescinded the interim measures. The reasoning for this was that NDC’s circumstances had changed and NDC, having developed its own methods, had increased its market share.

The case is now once again in the news as Advocate General Antonio Tizzano has given his opinion to ECJ on this complex issue. The ECJ is presently seized of the matter with German

Courts seeking its ruling on the preliminary question of defining the scope of copyright protection granted to IMS on its bricks structure, and whether the refusal to NDC by IMS of using its methodology is justified on any grounds. The Advocate General has opined that refusal to grant compulsory licences of IP protected assets can constitute an abuse under certain circumstances. However, licenses can be granted to future licensees with onerous conditions like that they must have an intention of producing goods and services with different characteristics.

This case highlights the perennial tension between IPR protection and the Community's competition policy. Although the opinion of the Advocate General carries significant weight at the ECJ and is followed in some 80% of the cases, the substantive judgement of the Court is awaited with interest. Whatever the outcome of the case, it will undoubtedly have an effect on the law relating to refusal to supply, essential facilities and IPRs.

6. P2PUNITED LAUNCH MEMBER CODE OF CONDUCT

P2P United a group representing the peer-to-peer technology industry's leading companies and proponents, launched a code of conduct in September 2003 in order to improve the industry's image in the face of accusations of piracy and copyright infringement.

The code of conduct is divided into three sections, namely, installation and configuration, compliance with applicable law and user privacy, security and confidentiality.

By endorsing the code of conduct, the members of P2P agree to obtain the user's informed consent before installing or upgrading their software on the user's computer; to provide a method by which their software may be uninstalled by the user; and to require the user to confirm the folders containing the file material that the user wishes to make available to other users before, making such material available.

The members of P2P further agree to inform their users that the use of software for illegal activities, including infringement of intellectual property laws, is strictly forbidden and may subject the user to civil and criminal penalties. Also, they agree to provide their users with appropriate links to sources of information on copyright law and to comply with the Children's Online Privacy Protection Act.

Finally, they agree to establish and post on their website user privacy principles; to make available information regarding potential risk of inadvertent exposure to children of inappropriate content; to incorporate features into their software that enable

adults to restrict use of the software to designated members of their households; and not to disclose personal information about the user or the user's online activities to third parties unless required by the law to do so.

The Recording Industry Association of America (RIAA), who regularly launches lawsuits against P2P users, said the code of conduct was a positive step but that P2P United needed to go further and ensure that its member were more active in educating their users about the consequences of illegal file-sharing that is rampant on their networks, as well as the other risks these networks pose to personal privacy and security.

PATENTS

7. PATENT LITIGATION – A JOB FOR THE PROFESSIONALS

In *Cintec International Ltd v Parkes & Anr* [2003] the Patents Court considered the issues of granting remedy against various threats of patent infringement made by the defendants. The defendants stated to a potential customer that it would sue the claimant if the alleged infringements continued. This threat, among others, was actionable. However, as an essential element of the patents was missing there was no actual infringement.

The interest in this case is the illustration it provides on the perils of representing one's self in the highly complex world of a patent infringement lawsuit. Two individual defendants were sued by a corporate claimant, and chose to act as litigants in person instead of obtaining legal representation, despite contrary advice from the Judge.

In the ensuing case, the defendants raised several claims (to counter those of the claimants), which would not have been made had a professional representative been appointed. In particular, the defendants made unsuccessful claims of patent infringement; breaches of the Human Rights Act; perjury on the part of the claimant's witnesses; and an initial request that the judge stand down because he used to be a member of the claimant counsel's chambers. These and other issues, such as unpleaded allegations of infringement and the raising of additional embodiments at the last moment, lengthened the proceedings from an estimated two days to five days; and illustrate the disadvantages of not obtaining professional legal advice to advance one's case.

TRADE MARKS

8. ADIDAS SOLOMAN AG v FITNESS TRADING LTD

This is a case which concerns the limits of trade mark protection, and where it impinges on embellishment or commonplace design features which have to be open to everyone.

The Plaintiff, Adidas-Soloman and its Dutch licensee, Adidas

Benelux BV were owner and exclusive licensee of certain Benelux Trade marks, which consisted of 3 parallel vertical stripes of equal width which appear down the whole length of pieces of clothing; i.e. down the length of a sleeve or a pair of trousers, and which contrasts with the main colour of the clothing.

The Defendant's alleged infringement consisted of 2 parallel stripes of equal width which contrast with the main colour and which are applied to the side seams of the clothing.

There are 3 tests for infringement of a registered trade mark under the EC Trade Marks Directive (89/104/EC) which is a harmonising directive and which approximates the trade mark law of the EU member states for nationally granted trade marks. The exclusivity granted by registration has 3 features :

- Under Article 5(1) (a), where the goods and sign are the same as that registered, the right to prevent use of the identical sign;
- Under Article 5(1) (b) the right to prevent use of a sign which is identical to or similar to that registered on goods identical to or similar to those for which the mark is registered, provided there is a likelihood of confusion including a likelihood of association between the sign and the registered trademark.
- Under Article 5(2), whose adoption was not compulsory, the right to prevent the use of any sign which is identical to or similar to the registered trade for goods which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where that sign without due cause takes advantage or is detrimental to the distinctive character or repute of the trade mark.

Not all Member States of the EU have adopted the wider protection of Article 5(2), but a number of consequences flow from its adoption:

Where the mark has a sufficient reputation, the protection conferred by registration for goods identical or similar to those for which it registered cannot be narrower than those goods which are not similar. This was decided in *Davidoff* [2003] ECR I-389. Accordingly, marks with sufficient repute are also infringed where the infringing sign on identical or similar goods takes advantage of or is detrimental to the distinctive character or repute of the trade mark. Cases where there is no confusion or association (under Article 5(1)) but there is trading off (under Article 5(2)) the reputation of the registered mark will be rare.

The relevant public must find a link between the registered mark and the defendant's sign for the re to be infringement under Article 5(2).

However, where the national court finds as a fact that the alleged

sign (in this case the 2 stripes) is purely viewed by the public as embellishment, there is no infringement as the link of similarity between the allegedly infringing sign and the registered mark has not been established.

The practical lessons are:

- Non word marks are inherently more difficult to infringe than word marks, as the allegedly infringing sign may be design features or the like, and not a sign of origin at all.
- A trademark owner wishing to rely on the added protection of Article 5(2) for “similar” goods can do so if he established the necessary repute and the linkage in the mind of the public between the mark and the allegedly infringing sign, and the unfair advantage or detriment of the repute of the registered mark.
- Adidas failed on whether the alleged infringement was viewed by the public as more than a design embellishment.

9. OHIM v WM WRIGLEY COMPANY (DOUBLEMINT)

The issue in this case relates to one of the tests to be applied in deciding whether a word mark is capable of distinguishing the goods of one undertaking from those of other undertakings. This is the fundamental test for registrability of a trade mark under EU law. (See Article 4 of EC Regulation 40/94- the Community Trade Mark (CTM) Regulation and also under Article 1 of Directive 89/104/EC, the Trade Mark Directive).

All signs are registrable as a trade mark, except those [under the CTM Regulation] which:

- do not conform to the requirements of Article 4;
- are devoid of any distinctive character;
- consist exclusively of signs or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, value ...or other characteristics of the goods or service

These conditions of non-registrability apply even when the non registrability applies in only part of the EU. But they do not apply if distinctiveness arises through use.

The question which arose was the correct test to apply in law to determine if the mark DOUBLEMINT for chewing gum was capable of distinguishing the gum of one maker from those of another.

The correct test was held to be that a sign must be refused registration if at least one of its possible meanings designates a characteristic of the goods or services concerned.

In this case DOUBLEMINT was two conjoined English words (one language being sufficient to render a mark unregistrable). It

might have a primary use when used by other traders to designate a characteristic of their goods, and it had to be kept free for that purpose. There was no evidence that it had in fact become distinctive of Wrigley's gum. So the case was remitted to the European Court of First instance to review the facts on the basis of the ECJ's guidance as to the law.

The practice issues are:

- If you use a word mark which is semi descriptive of the character or some other attribute of the goods, the National Route for registration may be better than the CTM route, as the mark in at least some countries may get through to registration, where the language does not convey a utility for the product.
- Bring evidence of distinctiveness in fact.
- Bring evidence that the mark does not convey any features of the goods to a native speaker of the language of the mark. This is difficult as it an attempt to prove a negative.

It is worth pointing out that the finding was not that DOUBLEMINT was unregistrable for chewing gum; only that the CFI applied the wrong legal test.

10. PROPOSAL TO AMEND THE CTM REGULATION

At the beginning of 2003 the Presidency of the European Union instigated proposals by the European Commission to put forward possible amendments to the Community Trade Mark Regulation ("CTMR") in a number of areas. This went to consultation through the UK Patent Office ("the Office") and to the European Parliament ("the Parliament"), both procedures ending during the middle of this year. The proposals entered the political phase in the week beginning 3 November.

The results of the UK consultation demonstrate broad agreement with the proposals though the Office has maintained that a more flexible CTM search under Article 39 CTMR be retained. The Commission had proposed abolishing the search. Meanwhile the Parliament, in its advisory capacity, proposed amendments to some of the issues raised by the Commission and added a further proposal on the amendment of Article 8(5) CTMR to take account of the protection of geographical indications of origin. This additional proposal was not caught by the UK consultation and has been incorporated into the Commission's proposal by a late proposal of the Presidency in September. Unfortunately the timing has meant that the proposal for amendment to Article 8(5) CTMR, now incorporated into the overall proposal has not been given public nor official consultation. Its fate will be the subject only of political discussions.

Significant amendments to the Regulation now proposed include:

a) New grounds for refusal for registration to take account of the protection of geographical designations of origin generally and for wines specifically (Articles 7(1)(j) & (k));

b) The refusal of protection for trade marks where there is an earlier geographical indications with a reputation notwithstanding that the goods of the application are dissimilar to those of the indication (Article 8(5));

c) Introduction of a separate, optional search (Article 39);

powers to OHIM to revise or revoke its own decisions (Articles 60, 60a & 77a);

d) Creating an enlarged Board of Appeal to oversee the Boards of Appeal and introducing powers for decisions to be taken by single members of the Boards (Article 130).

Other issues in the Regulation concern reciprocity (Article 5), division of applications (Article 44a), continuation in proceedings (Article 78a), costs (Article 81) and formal requirements for conversion (Articles 109/110).

The Office remains particularly concerned with two of the proposed amendments, that on the search mechanism and the protection of geographical indications.

With respect to the amendment to Article 39 CTMR the Commission originally proposed abolishing the search completely. The Office's consultation revealed concerns that some proprietors found the search useful though others, particularly smaller entities, found that the search merely represents further costs. Possible ways around this would be to make the search optional. However, the UK would like the system to be made more flexible, perhaps to allow selective searching with a more flexible fee structure.

With respect to the amendment to Article 8(5) CTMR this adds the words "earlier...geographical indication". There is, however, no definition of what "earlier" means, whether it takes account of trade mark priority and whether it is the filing date or publication date of the indication that is relevant. There is also concern that the proper place for inclusion of this protection is in the Regulation on Geographical Indications No (EEC) 2081/92 ("Regulation 2081/92") since the concept of similarity/dissimilarity of goods is not found in Regulation 2081/92 (see Article 13a). Further concern centres on the clear extension of protection to geographical indications represented by this wording. Regulation 2081/92 does provide for protection of the reputation of the indication where another name "exploits" that reputation. The effect of the proposed amendment prevents

registration of a trade mark that is to the “detriment” of that indication. There is no parallel prevention of the use of the trade mark.

The Parliament’s proposal on Article 8(5) CTMR was justified on the basis that it provided legal certainty to the relationship between trade marks and indications. The wording provides only legal uncertainty. This extends to some other proposed amendments made (for example with respect to the powers of the Boards of Appeal to take a decision through a single individual). The results of the political process of implementing the proposed amendments must be watched closely to avoid legislation that will create additional costs for the proprietors of CTMs.

11. CFI PROVIDES RESTITUTIO IN INTEGRUM GUIDANCE

Classen Holding v OHMI - International Paper Company (BECKETT EXPRESSION) T-71/02

The doctrine of *restitutio in integrum*, in Article 78 of Regulation No. 40/94, allows people, having dealings with OHIM who have missed their deadlines through circumstances beyond their control to file the relevant documents outside the deadline within two months on payment of the relevant fee. In this case the appellant had missed its deadline of 7 February 2000 because its representative was ill on the day the document (a written statement setting out the grounds of an appeal against an Opposition Division decision) had to be sent in. Furthermore, this had escaped the attention of his secretary because of her heavy workload, even though she had a sophisticated system for monitoring trade mark application deadlines. The written statement was finally filed on 10 February 2000. The appellant also did not file its *restitutio in integrum* claim until more than two months after 7 February on 29 May 2000. OHIM argued that the cause of the non-compliance with the deadline was removed once the representative returned to work on 10 February and that the two months should have commenced from that date. However, the applicant argued that the two months only began once it had been informed by OHIM of the problems with its application on 26 April 2000 and that it had implicitly filed for *restitutio in integrum* by filing its written statement late.

The CFI rejected the applicant’s arguments. The cause of the non-compliance (OHIM had not denied that the representative’s illness was an acceptable reasons for non-compliance) was removed once the representative returned to work. At that point he could have discovered that the written statement was late and therefore the two months also began to run from that date. The fact that the secretary had a complex system for monitoring deadlines which she continually checked also militated against the success of the claim because she should have noticed that deadline was

imminent.

The two-month period for lodging the *restitutio in integrum* claim began to run from the date at which the impediment to compliance was removed, and not from the date on which OHIM notified the applicant that its appeal was late. Such an interpretation would have been manifestly contrary to Article 78(2). Additionally, Regulation No. 40/94 does not oblige OHIM to send the letters.

There could be no *restitutio in integrum* claim implicit in a statement of appeal to OHIM since it was clear from the wording of Articles 78(1) and (3) of Regulation No. 40/94 that an application for *restitutio in integrum* must be made by a separate act, distinct from the act by which the appeal is brought. Additionally, an application for *restitutio in integrum* is deemed to only be filed once the separate fee for re-establishment of rights is paid.

Since the written statement was filed out of time, it was inadmissible. As a result, the entire appeal against the Opposition Division's decision was inadmissible because such a statement is a precondition to an appeal's admissibility under Article 59 of Regulation No. 40/94.

12. KIK'S "EQUALITY OF COMMUNITY LANGUAGES" PRINCIPLE REJECTED BY ECJ

Kik v OHIM C-361/01 P

On 15 May 1996 the Applicant submitted an application for registering Community word trade mark "KIK" to the OHIM pursuant to Regulation No 40/94. In her application, which was in Dutch, the Applicant indicated Dutch as a second language. By a decision of 20 March 1998 the application was dismissed by an examiner on the ground that a formal condition of indicating English, French, German, Italian or Spanish as a second language was not satisfied by the Applicant.

The examiner was upheld by both the OHIM Board of Appeal and the Court of First Instance. Sadly, by the time the appeal to the ECJ had been filed, Mrs Kik (who was a well known and highly regarded figure in the Dutch trade mark community) had died, and the appeal was pursued by her estate on her behalf.

The Applicant mainly argued that the entire language regime established by Article 115(2) to (6) of Regulation No 40/94 amounts to discrimination on grounds of language and indirectly, therefore, of nationality, which is incompatible to Article 6 of the EC Treaty. Hence, the regulation should be declared unlawful. It was further contended that proper interpretation of Article 115(3) itself was evident of this differential treatment, and the non-

availability of the right to choose any of the eleven languages is contrary to the principle of equality of languages as prevalent in EC law.

The Court said that several references relating to use of languages in European Union Treaty cannot be regarded as evidencing a general principle of Community law conferring a right on every citizen to have a version of anything that might affect his interests drawn up in his language in all circumstances. The principle of equality of languages does not exist either in Article 248 of EC treaty or Court's case-law.

The choice of five languages mentioned in the regulation is based on pragmatic considerations and strikes the necessary balance between the interests of economic operators (opposition, revocation and invalidity proceedings) and the public interest in terms of the cost of proceedings. Also, the court held that use of a second language in this context cannot adversely affect the legal interests of an applicant for a Community trade mark registration and differential treatment that might result from its use is minimal and proportionate to the operating needs of the Office.

The appeal was dismissed with costs awarded in favour of OHIM.

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