



# THE EUROPEAN IP BULLETIN

Issue 11, April 2004

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## **INTELLECTUAL PROPERTY**

### **1. EC COMMISSION RULES AGAINST MICROSOFT FOR ABUSE OF ITS DOMINANT POSITION**

On 24 March the Commission announced its decision to rule against the software giant Microsoft for abuse of its dominant position in the Common Market.

Commissioner Mario Monti rejected a last minute settlement proposal by Microsoft. The Commission held that Microsoft intentionally restricts the interoperability of its Windows software with non-Microsoft servers and, through tying its operating system to Windows Media Player, the company is leveraging its monopoly in the software market and extending it to other markets.

The Commission ordered Microsoft to disclose all information necessary to achieve full interoperability of Windows with non-Microsoft servers and to offer PC manufacturers a version of Windows without Windows Media Player. The Commission also levied a fine of €497.2 million on Microsoft. The Commission has also decided to appoint a monitoring trustee to oversee the complete disclosure of the interface and ensure that the two versions of Windows have the same level of performance. Soon after the announcement of the decision, Microsoft announced its intention to appeal before the European Court of First Instance and a lengthy judicial battle is expected.

Although the European case mirrors the US case against Microsoft, the decision of the Commission goes beyond the agreement between Microsoft and the US Department of Justice for example, in respect of interoperability, the European Commission's requests for disclosure of certain protocols on the removal of code and bundling liability were not sought in the US.

The decision affects Microsoft's business model as it attempts to block Microsoft's strategy of expansion through the desktop to other areas of the software market. By bundling its Explorer software with its Windows operating system Microsoft restricted the early commercialisation of Netscape in the Internet browser market. Similarly, by bundling Media Player with its operating systems, Microsoft sought to cut the early lead of Real Player. Microsoft's aim was to establish the latest version of Windows media player as the standard for digital downloading of films and music, thus undermining the competition from companies such as Apple and Real Networks. Even now Microsoft could gain a strong position in the area of encoding films and songs and the sale of digital rights management software to media companies if enough consumers choose their product.

With regard to competition law, this case raises issues of whether it is appropriate to apply traditional competition law principles in cases involving new technologies, especially in respect of the software industry. Traditionally any company with a market share of 40% or more is likely to be regarded as a dominant player. However, competition law also takes into account the ways in which a market works and the interchangeability of products. New technologies can move into the market faster than is the case in more traditional industries for example, much software can be downloaded through the Internet and

therefore companies trying to promote software products do not need to engage themselves in costly processes of distribution, thus lowering the cost of entry of newcomers into the software market. Finally the case also raises issues of inter-jurisdictional applicability, since software is a global business and the EC is the second largest market for software in the world.

## **COPYRIGHT**

### **2. OWNERSHIP OF COPYRIGHT IN RESEARCH PARTNERSHIPS : CYPROTEx DISCOVERY v UNIVERSITY OF SHEFFIELD**

On 1 April 2004, Lord Justice Potter delivered the appeal judgment in *Cyprotex Discovery v University of Sheffield* [\[2004\] EWCA Civ 380](#).

The University of Sheffield had created a number of computer-based algorithms to assist research and development in the pharmaceutical industry, the Simcyp Project. The University sought to develop the project for commercial exploitation which required outside funding (in the form of sponsorship from pharmaceutical companies) and outside expertise (in the form of a programmer to develop a user interface for the underlying algorithms). Sponsors were to receive preferential licensing rights and input into development of the underlying data to which the algorithms would be applied.

Cyprotex, through one of its employees, Dr Edwards, provided the computer programming expertise and also received sponsorship rights in the program. Initially, this was the subject of an informal agreement whereby the University employed a programmer from Cyprotex, and a later formal written sponsorship agreement was entered into by the parties and a number of sponsoring pharmaceutical companies. Although Cyprotex was to contribute funding under the sponsorship agreement, this was informally understood to be off-set by the provision of Dr Edwards' services.

The sponsorship agreement contained two competing clauses relating to ownership of intellectual property rights:

*The first clause provided that "all inventions, improvements and/or discoveries ...which are conceived and/or made by one or more members or other agents of the university acting either on their own or jointly with one or more employees of the sponsors in performance of the Programme of Research and relating to its objectives...shall belong in the first instance to the University".*

*The second clause provided that "Rights to inventions, improvements and/or discoveries relating to the Programme of Research made solely by employees of the Sponsors shall belong to each Sponsor respectively".*

The first instance judge held that, given the factual circumstances and relationships between the parties, the correct position was that Dr Edwards' work fell within the meaning of the first clause. His reasons were that Dr Edwards' work was not "related to" the programme but was the program itself and that the work was not "solely" done by Dr Edwards. The judge also relied on the unreal commercial effect of the sponsorship agreement for the University if Cyprotex had retained

ownership under the second clause. The judge rejected the University's argument that Dr Edwards was acting as "other agent" of the University under the informal agreement on the basis of the entire agreement and the no-agency clauses in the sponsorship agreement.

On appeal, the judge's decision and interpretation of the sponsorship agreement was upheld. Furthermore, the University's agency argument was held to be correct since the sponsorship agreement did not reflect the true position of the parties and did not preclude a separate relationship of agency between them.

The parties had sought to set out their relationship by inclusion of Cyprotex in the sponsorship agreement, even though the nature of Cyprotex's involvement was very different to that of the other sponsors by virtue of the contribution of expertise of Dr Edwards. This case demonstrates the need for parties to clearly identify their respective capabilities, contributions and intentions in research agreements as well including clauses to deal with ownership of IP rights. This must be done at the earliest opportunity in the light of the services and expertise offered and the aims of the particular collaboration. The use of inappropriate contractual mechanisms for the sake of convenience needs to be avoided.

### **3. DIRECTOR AND WRITER IN COPYRIGHT SPOTLIGHT**

Pam Brighton, the former director of "Stones in his Pocket", which is currently playing in the West End and has become a worldwide success, is claiming joint copyright ownership of the play.

Pam Brighton is suing the play's writer, Marie Jones, claiming that she was not given due credit for her work on the script, which was originally written and produced by the Dubbeljoint Theatre in 1996, and redrafted by Jones three years later.

Brighton's counsel, Keith Garnett QC said Brighton and Jones had worked together on the play in 1996 and had agreed on the plot and the title of the play and on the fact that the play would be a two-hander in which actors would play a number of different roles.

Brighton claims that she wrote some of the opening scenes herself, and made several other suggestions to Jones, who later used them in the script. Because of this, Brighton claims to be the joint author, with Jones, of the script, and the author of the notes that were used in the play.

In addition, while Jones has given the Dubbeljoint theatre a royalty payment of £30,000 and an undertaking that it will be properly credited, the company is now seeking an account of further royalties due and wants an inquiry as to damages. Both these claims were, however, contested by Jones, who said she would "vigorously defend" Pam Brighton's claim for a share of the profits of the show .

This dispute is the latest example of the importance of putting in place contractual provisions governing ownership of the rights arising out of any collaboration. Ideally, this should be done at the outset, although

this may not always be practical, particularly with informal collaborating. Nevertheless, it should be addressed as soon as practical, and especially before any success is added, as wealth and glory have a nasty habit of distorting people's memories. Although it might be considered by some to be rude or distasteful, it's far more pleasant than bringing legal proceedings after the event.

#### **4. PROTECTION OF TECHNICAL DRAWINGS: ULTRA MARKETING V UNIVERSAL COMPONENTS**

On 12 March 2004, Lewison J delivered judgment in *Ultra Marketing v Universal Components* [2004] EWHC 468 (Ch).

In 1976 Thomas Scott drew a picture incorporating pips in a frame for an un-illuminated sign. In 1989 a company called WASP began, with Mr Scott's consent, producing frames incorporating the pips (GAP500) which were indirectly derived from the 1976 drawing. Mr. Scott made the drawings for the GAP500 which became the product called "Ultraframe". It was decided at a preliminary hearing (*Ultra Marketing (UK) Ltd and others v Universal Components Ltd* [2002] EWAC 2285 (Ch) that Mr. Scott was not the owner of the copyright in GAP500, the copyright instead being owned by SPS, the company for whom he was working, and for whom WASP was a customer.

Universal Components sued WASP for patent infringement and Mr. Scott subsequently sued for infringement of the copyright in his 1976 drawings claiming that his drawing of 1976, his GAP500 drawing, and samples of Ultraframe were supplied to Universal Components.

Universal Components claimed, and the Judge agreed, that only the GAP500 drawings were received. However, this did not deter Mr Scott from bringing proceedings for indirect copying of the 1976 drawings on which the 1987 drawings were based.

However, the Judge stated that whilst Mr. Scott's 1976 drawing was original and artistic, thus protected by copyright, copyright protects only its artistic characteristics and not for the technical idea that it embodies. The Judge held that the idea had not been copied by Universal Components as the idea itself was of such simplicity that it would have needed to have been copied exactly before the copying could be said to amount to a substantial part of the work. In this case, they were not copied at all, let alone exactly. Consequently, copyright was not infringed.

The practice issue is that although not successful in this case due to the specific facts, the notion of indirect copying emphasises the need to know the propriety basis of any artistic or other protected work used in a commercial undertaking.

## **PATENTS**

#### **5. ONCE BITTEN NOT TWICE SHY: ROCKWATER V TECHNIP FRANCE**

On 1 April 2004, the Court of Appeal delivered its judgment in *Rockwater v Technip Offshore* [2004] EWCA Civ 381.



The patent in this case related to a method and a device for laying flexible pipes offshore, especially in very deep sea. The key claims for the purposes of this appeal were claim 1 (method claim) and claim 3 (device claim). Rockwater, which made the vessel *Toisa Perseus*, was sued by Technip, the patentee, for patent infringement in a suit alleging that Rockwater's vessel falls within the device claim of Technip's patent. Rockwater counterclaimed for revocation of the patent on ground of lack of novelty and obviousness.

The patent in this case had already been the subject of previous litigation. The previous litigation was brought by Technip under its former name, Coflexip. In that case Coflexip had sued [Stolt](#) for patent infringement. The findings in *Coflexip v Stolt* determined some of the Claim constructions and the inventive concept. The parties in the present case accepted all the points as determined previously by the Court of Appeal. Thus, the court in this case only had to look at the construction of the phrase '*last means for guiding the flexible conduit*', as it had substantial bearing on the outcome of this case and was not determined in the earlier case. It also had to reassess the inventive concept in relation to the new prior art which was disclosed in this case. Likewise, the new prior art had a bearing upon the concept of obviousness.

The court first defined the concept of 'the skilled man' and 'common general knowledge' in this case and accepted Laddie J's exposition of the general background as it was not challenged. Then the court went on to examine whether the *Toisa Perseus* falls within claim 3, and construed the phrase 'last means for guiding the flexible conduit' to mean last significant guidance for the flexible conduit which was provided by the tensioning means. The court relied upon the principles laid down in the *Catnic* case in reaching its purposive construction of the claim and held that Rockwater's vessel indeed falls within Claim 3 of patent. On the issue of novelty, the court reiterated the test laid down in the case of *General Tire v Firestone Tire* before holding that the prior art did not destroy the novelty of the patent because there were no clear and unambiguous directions which could impeach the novel concept of patent. The court reached a similar conclusion in favour of the patentee for non-obviousness, based on the test laid down in the *Windsurfing* case. It held that 'why was it not done before' is a powerful consideration when considering obviousness, particularly when all the components of a combination have been long and widely known, which can tilt the balance in favour of non-obviousness of the patent.

As the patent was subjected to an earlier litigation, a number of practice issues arise from the decision of this case:

- If the claims were already construed in some respects and the inventive concept was also determined in an earlier case, the inventive concept can be applicable in the later case involving different parties, subject to a consensus between the parties in this regard.
- The patent, once held valid in earlier proceedings, is not unimpeachable in the latter case involving different parties, and can be challenged on the basis of different evidence of prior art. If the occasion does arise, the court will revisit the questions of novelty and



non-obviousness of the patent in question.

- Prior art lacking clear and unambiguous instructions in relation to a device claim will not impeach the novel concept of the patent.

In assessing obviousness, 'why was it not done before' is a powerful consideration, particularly when all the components of a combination have been long and widely known, which can tilt the balance in favour of non-obviousness of the patent.

## **6. COLLATERAL USE OF PATENT EVIDENCE: DENDRON V REGENTS OF UNIVERSITY OF CALIFORNIA**

On 16 March 2003, Justice Laddie delivered his judgment in *Dendron v University of California* [\[2004\] EWHC 589 \(Pat\)](#).

This dispute involves parallel invalidity proceedings in the United Kingdom, The Netherlands, Germany, the European Patent Office and the United States, relating to a patent involving equipment for placing a special metallic coil within a weak artery to avoid it from bursting. Dendron challenged the patent, which was granted to University of California, on the ground of prior use.

In support of its contention, Dendron intended to use evidence obtained under orders of the UK and US courts in the other proceedings. The court had to rule on two aspects: whether there is any implied restriction on the right of Dendron to use the evidenced compiled from witnesses by the English court order evidence; and whether the lawyers in the German and Dutch proceedings were entitled to see the disclosed documents which were to be put before the witnesses in the American proceedings.

While dealing with the UK evidence which was obtained pursuant to a letter of request under EC Regulation 1206/2001 (Regulation) which relates to co-operation between national courts with regard to civil evidence, the court looked at the question of restriction upon collateral use of evidence from the perspective of both the Regulation and that of the common law. It held that the Regulation seeks to facilitate the taking of evidence within the courts of Member States and only governs civil and commercial matters. Article 1 of the Regulation holds that the evidence can only be used for judicial proceedings. Therefore, the Regulation allows a limited use and any use of the evidence outside that limitation is prohibited, unless the permission of the requesting court or the person or parties from whom the evidence is being sought is given. Thus the Regulation put restrictions on the collateral use of evidence by Dendron. On this construction such evidence could not be used in opposition proceedings before the European Patent Office, as that is essentially a non-judicial proceeding.

On the issue of common law, the court held that unless modified by the [Civil Procedure Rules](#) (CPR), there exists an implied obligation not to use, without the permission of the court or the consent of the witness, evidence obtained by compulsion under letters of request for proceedings other than the one before the court. [CPR 34](#), which deals with evidence under compulsion, is not a definitive code in relation to collateral use of such evidence. Thus, Dendron does not enjoy an

automatic right to use the evidence obtained in all proceedings; it is instead subject to the discretion of the court or the consent of witnesses. While dealing with the evidence which was obtained via the US courts, it held that under common law the same considerations would apply.

Since there has been no consent of the witnesses put on record, the court had to use its discretion whether to allow the request of Dendron to use the evidence for collateral purposes in other proceedings. On reaching its conclusion, the court relied on the case of *SmithKline Beecham* and held that to allow the evidence to be used for collateral purposes one has to see whether the release of the material from the restriction would serve the ends of justice. Each case has to be decided on its own facts. Following these principles, the Court ruled that the UK evidence obtained by Dendron could be used in German and Dutch proceedings but not before the EPO proceedings. However, with regard to the US evidence, the court refused to allow the evidence to be used, despite the US court order being expressly directed to obtaining evidence for all proceedings.

This was because the court felt that the material was unlikely to have significant impact, but in any event, could be obtained by an application directly to the Dutch or German proceedings.

This case formulates the following principles in respect of the collateral use of the evidence obtained by one of the parties pursuant to a letter of request made under EC regulation 1206/2001 and under Common Law:

- The Regulation has a limited purpose and any use of the evidence outside that limited purpose is prohibited save with the permission of the requesting court or the person or parties from whom the evidence is being sought.
- CPR 34 which deals with the evidence under compulsion is not a definitive code in relation to the issue of collateral use of evidence obtained under compulsion. A party therefore does not have an automatic right to use the evidence obtained from one court in all proceedings and collateral use of such evidence is subject to the discretion of court or the consent of witnesses.
- In exercising discretion in lifting the implied restriction on collateral use of the evidence, one has to see whether the release of the material from the restriction on collateral use would serve a purpose to meet the ends of justice, and each case has to be decided on its own.

This ruling is significant for cases involving intellectual property as the territorial nature of such rights means multi-jurisdictional litigation is not uncommon. This judgment restricts the extent to which evidence can be shared between lawyers in different territories acting for the same party in the same dispute, increasingly the logistical difficulties in bringing such disputes. This therefore highlights the importance in selecting the appropriate forum of force for bringing proceedings in the first place.

## 7. RUSSELL FINEX V TELSONIC

On the 17 March 2004, the High Court of Justice, Ch.D, gave its judgment in relation to an action for a declaration of non infringement in *Russel Finex Limited v Telsonic AG* [\[2004\] EWHC 474 \(Ch\)](#).

The main issue in the case was the construction of a patent claim and in particular, the application of the *Improver* test. The *Improver* test, *Improver v Remington* [1990] FSR 181, is used to assist in the understanding of the construction of a claim by providing a method to define its purposive construction. This is especially useful in patent litigation when the supposedly infringing entity does not fall within the literal wording of a claim.

The invention at stake was a mechanical device used for screening, filtering or sizing substances. This device includes a perforated screen attached to a source of ultrasonic vibrations that are used to assist the screen in filtering. The inventive concept ensures that the maximum energy provided by the vibrations is transferred to the screen, and in order to do so, a specific design is used. The case hinged upon the construction of a phrase in Claim 1 “that the resonator has rod-type resonators or at least one circular rod”.

Literal infringement was excluded, so the defendant argued that the patent was potentially infringed under a purposive construction of its claim. The *Improver* test was then considered, which consists of a set of three questions:

- i) Does the variant have a material effect upon the way the invention works? If yes, the variant is outside the claim. If no:
- ii) Would this (i.e. that the variant had no material effect) have been obvious at the date of publication of the patent to a reader skilled in the art? If no, the variant is outside the claim. If yes:
- iii) Would the reader skilled in the art nevertheless have understood from the language of the claim that the patentee intended that strict compliance with the primary meaning was an essential requirement of the invention? If yes, the variant is outside the claim.

The first question was replied in the negative and the second in the affirmative; and the issue therefore remained in the third. Referring to a previous judgment, *Merck & Co Inc v Generic (UK) Ltd* [2003] EWHC 2842 (Pat), the court reasoned that where the notional skilled reader cannot conclude, with reasonable confidence, that the patentee intended to cover a particular embodiment, then the embodiment is excluded from the Claim’s scope. The limitation of Claim 1 appeared to be arbitrary with regard to the effect of the invention; the notional reader would not know the reason for such a limitation, and therefore would be unable to decide that the embodiment in question was intended to be covered. The claimant was therefore entitled to a declaration of non infringement.

A practice lesson arising from the case is that it is important to draft claims with clarity because when the intention of the patentee cannot be clearly understood by the skilled reader, the claim is unlikely to prevail.

## TRADE MARKS

### 8. PASSING OFF: MCAHPINE VMCAHPINE

On 31 March 2004, the high court delivered a decision in *Sir Robert McAlpine v Alfred McAlpine* [\[2004\] EWHC 630 \(Ch\)](#).

In this case, the claimant and the defendant are both well-known construction companies. Sir Robert McAlpine claimed that Alfred McAlpine, after some 70 years of using the word “Alfred” to distinguish it and its activities from those of Sir Robert McAlpine, was liable for passing off by re-branding itself in October 2003 to describe itself simply as “McAlpine”, though the corporate name of the defendant company remained the same.

The essence of the claim was that by using the name McAlpine without a distinguishing feature, there was a misrepresentation to the effect that the services being provided or offered are those of, or associated, with Sir Robert McAlpine, or alternatively it was a misrepresentation that there was only one owner of the reputation and goodwill attaching to the McAlpine name.

The claimant was therefore seeking an injunction restraining the defendant from carrying on its business without the addition of the name Alfred in substantially equal prominence or some other adequate distinguishing name, or otherwise passing off his services for those of the claimant.

Both parties recognised the shared goodwill in the name McAlpine and each recognised that it couldn’t prevent the other from using it. Until Alfred McAlpine’s re-branding neither used it without using Robert or Alfred as a distinguisher. In addition, Mr Justice Mann found that the use of the name “McAlpine”, in the construction industry field, was equally capable of referring to Robert or to Alfred, and as a consequence, if used by Alfred McAlpine, in relation to its business, then that would be capable of being a misrepresentation.

It was held that the shared rights to goodwill in the name “McAlpine” could be damaged by the co-owner, Alfred McAlpine, abandoning its distinguishing prefix where such an action amounted to a misrepresentation.

This unusual case illustrates the flexibility of passing off rights compared with trade mark rights. In cases where the defendant has the right to use part of the claimants trade mark, whether by virtue of the own-name defence or otherwise, the law of passing off can provide a remedy.

### 9. CTM EXCLUSIVE RIGHT: COMPASS PUBLISHING V COMPASS LOGISTICS

On 24 March 2004, Mr Justice Laddie passed judgment in the High Court of Justice in *Compass Publishing v Compass Logistics* [\[2004\] EWHC 520 \(Ch\)](#).

The case at issue concerns the overlap between Community Trade Marks (CTM) and national trade marks. Art 9 of [Council Regulation \(EC\) No](#)

[40/94](#) on the Community Trade Mark provides that a CTM shall confer exclusive rights therein to the proprietor.

The Claimant alleged that its CTM and UK trade marks in respect of the word mark 'COMPASS' registered in 1996 had been infringed by the Defendant, who alleged that the UK and CTM registrations relied upon by the Claimant were invalid and should be revoked. The Defendant claimed to have traded under the name 'Compass Logistics' since 1995. During most of that time both the Defendant and the Claimant claimed never to have heard of the other. There was also no suggestion of any confusion existing in the market place.

In assessing the invalidity claim of the Defendant, Mr Justice Laddie held that the locality in which a mark is used should be viewed from an EU perspective. Any mark used within a part, but not all, of the EU may be regarded as local. Mr Justice Laddie noted that in an expanding EU market, there are likely to be a myriad of unregistered rights in trade marks and signs that could potentially invalidate later CTM registrations. He said if this was allowed to happen it would frustrate the objective of securing CTM rights. The question of how significant an unregistered mark must be before it can prevent registration of a CTM altogether was also raised.

It was held that a mark should be considered to have mere local significance if its geographical reputation is restricted to substantially less than the whole of the EU and that, from the perspective of the EU market in the specific services or goods in question, the mark is of little significance. In other words, a company operating only in the UK may have acquired significant goodwill and reputation in the UK to bring a passing off action, but not have significant recognition at an EU level to prevent the registration of or invalidate a potentially conflicting CTM.

The Defendant's invalidity claim therefore failed and the Claimant succeeded.

## **10. OWN NAME DEFENCE: IBM V WEB-SPHERE**

On 17 March 2004, the High Court of Justice delivered judgement in *IBM v Web-Sphere Ltd* [\[2004\] EWHC 529 \(Ch\)](#). This decision proves that the 'own name' defence, as attempted by the Defendant, does not apply when a company changes its name to suit the registered trade mark of another's product which it wants to imitate.

The case at issue refers to the registration of a Community Trade Mark and an unregistered mark which came into existence after the CTM application had been filed but before it had been granted. Art 9 (3) of [Council Regulation \(EC\) No 40/94](#) on the Community Trade Mark provides that rights conferred by CTM registration prevail against third parties from the date of publication of the registration. Art 9 (1) also provides that a CTM shall confer exclusive rights therein to the proprietor.

IBM applied to register 'WEBSPHERE' as a CTM for computer software and communications services in May 1998 and the registration was granted in April 2000. The Defendant, a provider of services

connected to the internet, changed its name from PUBLIWEB under which it had been incorporated to WEB-SPHERE in June 1999.

IBM found out about the Defendant's name change and in July 2000 requested that they stopped using 'Web-Sphere'. The Defendant refused and distributed leaflets stating that IBM had made threats towards it and acted in restraint of trade. It also claimed that the name was not lawfully trade marked by IBM. IBM then launched infringement and malicious falsehood proceedings against the Defendant.

The identity of the two signs, together with the identity of the goods on which they were used meant that infringement was found. The Defendant's attempts to rely on the 'own name' defence failed because the name change had only taken place after IBM had launched its WEBSPHERE product. Thus, there was a strong inference that the way in which the Defendant's company name had been chosen was not in accordance with honest practices.

However, the malicious falsehood claim failed. While the statements made by the Defendant in its leaflets were untrue and malicious, it wasn't possible to establish that any damage had been caused to IBM because the Defendant's leaflets only had a very limited circulation which was not comparable to the reach and quality of IBM's advertising.

#### **11. DISTINCTIVE CHARACTER: SAT.1 SATELLITEN FERNSEHEN v OHIM**

The German telecommunications company Sat.1 Satelliten Fernsehen GmbH had applied to register SAT.2 for a wide range of services in classes 35, 38, 41 and 42. OHIM had refused registration for all of these services because it believed the mark fell foul of both Art7(1) (b) and (c) for being both devoid of any distinctive character (b) and descriptive (c) for the services in so far as they refer to satellite or satellite television.

On appeal to the Court of First Instance of the ECJ, the CFI upheld refusal, but under only under (b).

Sat 1's interest in appealing this decision further is therefore to argue that the mark does not fall foul of (b) since otherwise the mark will not qualify for registration. And this matter provides practitioners with much needed insight into the development of separate tests for each of these subsections.

The CFI had held that because SAT was the usual German and English abbreviation of a link to satellite broadcasting and numbers such as 2 were commonly used in the trade, as was the "." the whole mark consisted of elements each of which was capable of being commonly used in the trade and was therefore devoid of any distinctive character.

Advocate General Jacobs's option is that the CFI did indeed get the test wrong.

First, the CFI had been wrong to think that the aim of (b) is to keep signs available to be freely used by all; this is the test under (c) but not (b).

Second, the CFI was wrong to conclude that because numbers such as 2 were in common use, they therefore lack distinctive character; whilst a descriptive element commonly used in trade for the presentation of goods or services is very likely also to lack distinctiveness, that reasoning cannot be extended automatically to non-descriptive elements, such as the numeral 2. The Advocate General went on to say that there is no inherent reason why numerals should not distinguish the products of different suppliers.

Third, the CFI was wrong to have concluded that a mark which consists exclusively of elements which individually lack distinctive character gives rise to a presumption that the mark as a whole also lacks distinctive character; the CFI had failed to assess the distinctive character of SAT.2 as a whole.

#### **ACKNOWLEDGEMENTS**

McDermott, Will & Emery would like to acknowledge the invaluable contribution to the Bulletin made by Angel Adrian, Lucas Arrivillaga, Afegieme Komolafe, Malcolm Langley, Florian Leverage, Rajesh Sagar and Daphne Zografos from the Queen Mary Intellectual Property Research Institute, University of London.

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