

THE EUROPEAN IP BULLETIN

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INTELLECTUAL PROPERTY

1. IN THE UK NEW LEGISLATION EXTENDS THE RIGHT TO OPT-OUT OF TELEPHONE MARKETING TO CORPORATE SUBSCRIBERS

The Privacy and Electronic Communications (EC Directive) (Amendment) Regulations 2004 (the "Regulations") come into force on 25 June 2004. They extend The Privacy and Electronic Communications (EC Directive) Regulations 2003, which came into force on 11 December 2003, to allow *corporate* subscribers to register with a managed telephone register if they do not want to not to receive unsolicited telephone calls for direct marketing purposes. The register is known as the Corporate Telephone Preference Service (the "Corporate TPS").

Under the Regulations it is unlawful for someone in business (including charities or other voluntary organisations) to make unsolicited marketing telephone calls to a telephone number allocated to a corporate subscriber if that corporate subscriber has either told that business or organisation that they do not want to receive such calls or has registered with the Corporate TPS that they do not wish to receive such calls from any business or organisation.

A corporate subscriber includes corporate bodies such as a limited company in the UK, a limited liability partnership in England, Wales and N. Ireland or any partnership in Scotland. It also includes schools, government departments and agencies, hospitals and other public bodies.

All those in business (including charities and voluntary organisations) who make direct marketing telephone calls to corporate subscribers must comply with the Regulations.

Companies must verify and purge any data used for cold calling purposes as frequently as is necessary to ensure that nobody protected by the Regulations, who has registered with the Corporate TPS register 28 days or more previously, is contacted.

The Corporate TPS is administered by the Direct Marketing Association, but the Information Commissioner is the public body responsible for enforcing the Regulations.

2. THE IP VALUE OF BUSINESS PLANS: PROTECTION FOR THE ENTREPRENEUR

A business plan is rarely thought of as being valuable because of the protectable IP rights contained and embodied in it. While it is usually treated as confidential and disclosed through a non disclosure agreement, it is usually considered as the vehicle to get money and not intrinsically valuable in its own right. The basis of the value of the underlying ideas in a business plan is rarely analysed.

Recently in the English case of *Ball v Druces and Attlee (a firm)* [2004] EWHC 1402 (QB) what goes into a business plan had to be analysed to support an award of damages for professional

negligence against the defendant who were Mr Ball's former lawyers and who failed to protect his interests in the subject matter of the business plan.

Ball was co-founder of The Eden Project, an international award winning environmental tourist attraction near St. Austell, Cornwall England. He and his co-founder developed the concept of the Project in a long business plan which was used as the basis of getting funding. Ball and his co-founder, Smit, were the originators of the name and logo for the Eden Project, which, at the time of breach of duty had limited value and could have been superseded.

The business plan contained text and spreadsheets from accountant's architectural concepts from an award winning firm or architects, and a general structure from business structure advisors. The underpinning and concept originated from Mr Ball and his co-founder Mr Smit.

At an early stage of this now hugely successful Project, Mr. Ball retained Druces & Attlee to protect his position and to help establish an appropriate legal entity so that funding could be received. In January 1996, Druces & Attlee established the Eden Trust, which was the eventual recipient of the funding, but did so without protecting Mr. Ball's legal position, so that in terms of rewards from the Project, Mr. Ball's position changed from possessor of legal rights to a supplicant to the trust. See *Lakeview Computers Plc v Steadman (CA)* (Unreported, November 26, 1999). Some 2 years earlier the High Court had specifically declared that the trade mark rights belonged to the Eden Trust and not Mr Ball personally (*Jonathan Ball v The Eden Project Limited & The Eden Trust Chancery Division – 11/04/01 – Laddie J.*)

Under English trust law, on the founding of the Trust all of Mr Ball's rights in the business plan vested in the Trust, and his position became unprotected. He was at the mercy of the trustees who were legally bound not to reward past consideration.

Mr. Ball was later removed from the Project and subsequently started litigation against the Eden Trust on the grounds that he had not been properly compensated for his work since 1994. When that settled, as the rights had passed to the Trust, he sued Druces & Attlee for negligence and an issue became whether Mr Ball had significant intellectual property rights arising out of the business plan which represented protectable IPR.

The Defendant argued the limit of the protection was to a name and logo which Mr Ball had devised, but which, without the funding were of no real value. The trial judge had little difficulty in rejecting that narrow assertion. He held that the intellectual property rights in the business plan consisted not merely of the name and logo, but copyright in drawings for which Mr Ball would have obtained an exclusive licence to use for the purpose for which they were intended, and more particularly, the intangible property and material gathered over the 15 months in which they were engaged on the

project. Their creative ideas and work embodied the business plan, the knowledge of the design team and others, and was intended to be confidential.

The outlines of the idea were released for public consumption to gain support but the details were not revealed. This very substantial amount of work and energy by the co-founders amounts to confidential material such as that described by Lord Greene M.R. in *Saltman Engineering Company v Campbell Engineering Company [1948] 65 RPC 203*. What makes material which may be available to every one confidential is the manner in which its use and assembly has been perceived and created by its maker. Such a person has “used his brain and thus produced a result which can only be produced by somebody who goes through that same process.” *Saltman at 215*.

Accordingly it was held that even though a great deal of the work was done by others, Mr Ball as the originator and co-ordinator of the business plan (with Mr Smit) was entitled to all rights in the whole, and those who contributed were held to have given an unwritten exclusive licence to Mr Ball (and Mr Smit) which entitled them to them benefit of the whole value of the Business Plan.

Mr Ball was awarded about £2.1 million against his former lawyers, before credits for monies already received.

3. HUNGARIAN IP LAW: BEYOND NATIONAL FRONTIERS AFTER EU ACCESSION

There have been some recent amendments to Hungarian legislation that relate to trade marks and designs.

The legislative changes were necessitated by the automatic extension of the Community Trade Mark and Community Design Regulations to include Hungary following its accession to the EU on 1 May 2004. The fifth enlargement of the European Community is significant for the EU intellectual property rights system because of the widened geographical scope of community rights in intellectual property.

The main modifications in the Hungarian Trade Mark and Geographical Indication law are:

- substantive examination of trade mark applications by the Hungarian Patent Office has been narrowed to absolute grounds for refusal only;
- an opposition system has been introduced into Hungarian trade mark law to allow holders of prior right to oppose new applications ;
- exhaustion of rights has become EU-wide;
- applicants are allowed to file a request for termination of trade mark protection owing to non-existence of the previous owner ; and
- new chapters incorporating provisions for the extension of community trade mark regulation, and regarding the grant

and protection of geographical indications and designations have been added.

For design law, the following amendments have taken place:

- the concept of “Availability of Design” has been defined
- limitations on design protection have been defined in context of where a repair is required to be carried out on a design protected-product, or where a person has a prior right in a design;
- the scope of infringement remedies has been broadened to include the cooperation by custom authorities in preventing goods from reaching the market where they are in violation of design rights; and
- provision for invalidation of a design granted to a person not entitled to file an international application.

These amendments undertaken by Hungary in its domestic law ensure a more harmonised and uniform approach in the field of intellectual property rights across the EU.

4. GRIGGS V EVANS: ARE FOREIGN IPRs SUBJECT TO EQUITIES RECOGNISED BY THE ENGLISH COURTS?

On 12 May, Mr Peter Prescott QC delivered his judgment in *R Griggs Group Ltd & Ors v Evans & Ors* [\[2004\] EWHC 1088 \(Ch\)](#).

In December 2003 the High Court held (reported at [\[2003\] EWHC 2914 \(Ch\)](#)) that the claimants, who manufactured “Dr. Martens” footwear, were the beneficial owners of the copyright in an advertising logo designed by the first defendant, Mr Evans. The claimants had commissioned Evans to design the logo but had omitted to execute a formal copyright assignment. Evans subsequently purported to assign the copyright to the second defendants, Raben Footwear, a competitor of the claimants. Peter Prescott QC (sitting as a deputy judge) held that there was an implied term in the contract that Evans would assign the copyright to the claimants, and that they were therefore the owner of the copyright in equity. He also held that because Raben Footwear had notice of the facts giving rise to the claimant’s prior equitable interest that they should be ordered to assign the copyright to the claimants.

Prior to drawing up his order, counsel for the defendants questioned whether the deputy judge had the power to make orders affecting the ownership of foreign intellectual property. The defendants admitted that the court could compel the assignment of British copyright, but denied that it could do so with respect to non-British copyrights. If the court upheld this argument, it would mean that the claimants would have to take individual actions in every Berne Member country in order to perfect its title. Peter Prescott QC, aware of the significance of the challenge raised, undertook a lengthy analysis of the complex legal issues involved.

The deputy judge first considered his jurisdiction to make orders that affect foreign property *per se*. As regards foreign lands, the House of

Lords in *British South Africa Company v Companhia de Moçambique* [1893] AC 602 had held that the English Courts generally have no jurisdiction to try a question relating to the ownership of foreign land. Counsel for the defendants argued that the principle applied, by analogy, to the present case. Peter Prescott QC distinguished that case on the basis that it concerned rights *in rem*, whereas the claimant's equitable claim arose from a right *in personam* against the second defendant, i.e. that it would be unconscionable for Raben Footwear to assert title under an assignment when it had notice of the claimant's prior equitable interest.

Next, the deputy judge considered two early cases - *Norris v Chambers* (1861) 29 Beav 246 and *Deschamps v Miller* [1908] 1 Ch 856 - which on their face seemed to support the defendant's contention. They held that English courts do not give effect to equitable interests in foreign land that are raised against a third party who has purchased land with notice of prior equitable interests. Peter Prescott QC respectfully opined that private international law has evolved since these decisions, and that it was now open for an English court to assert its equitable jurisdiction against purchasers with notice of prior equitable interests.

Next, the application of these principles to intellectual property was addressed. The judge emphasised that intellectual property was of a different character to land, and that it was therefore open to the court to adopt a novel approach. The defendants raised *Tyburn Productions Limited v Conan Doyle* [1991] Ch 75 in their favour. It involved an application for a declaration that an original film featuring the "Sherlock Holmes" and "Dr Watson" characters did not infringe any intellectual property rights in the United States of the defendant, the one time owner of the by then expired Conan Doyle copyrights. The court refused to make a declaration on the basis that it was precluded from entertaining questions relating to the title of foreign intellectual property rights. The judge distinguished that case on the basis that the present case concerned not the *existence* of foreign intellectual property rights, but the court's equitable *in personam* jurisdiction against a purchaser with notice of equities.

In finding for the claimants, Peter Prescott QC held that it would not be a breach of international comity to order Raben Footwear to assign the foreign copyrights in the logo to the claimants. As a general principle, the *in personam* equitable jurisdiction of English courts entitles them to make such an order. Only where it could be shown that the laws of a foreign country extinguish that equity (which was not shown in this case) would the court decline to exercise this jurisdiction.

Where there is a cross-border European dimension to an intellectual property dispute, the Brussels and Lugano Conventions will normally guide litigants as to the appropriate forum. For instance, Article 16(4) thereof provides that in proceedings concerning the *registration or validity* of patents, trade marks, designs or other similar rights requiring registration, that the country of registration shall have exclusive jurisdiction. The conventions also contain rules for the

appropriate forum in *infringement proceedings* (see also *Pearce v Ove Arup Partnership Limited* [1999] FSR 525). It would seem, however, that common law rules apply to jurisdictional issues that arise in *ownership disputes*.

In essence, this case holds that the equitable *in personam* jurisdiction of English courts entitle them to compel the transfer of foreign copyrights, which are purchased with notice of a prior equitable interest, to the equitable owner. By so holding, Peter Prescott QC, departed from earlier case law, relating to foreign land. It remains to be seen whether this decision will apply to a situation where a foreign registered intellectual property (e.g. patents or trade marks) is acquired by a purchaser with notice of equities. If evidence is adduced that foreign authorities grant priority to registered transfers, even where a purchaser is on notice of earlier interests, it may decline to exercise its *in personam* jurisdiction.

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5. COLLECTIVE SOCIETY OF MUSIC IN THE INFORMATION SOCIETY

The European Commission has warned sixteen national organisations that collect royalties on behalf of music authors that their so-called Santiago Agreement, which aims at simplifying the licensing of music to be used online by allowing them to grant “one-stop shop” copyright licences, may be in breach of European Union competition rules.

Following a need expressed by online content providers to get a worldwide license from one collecting society, some of the major collecting societies including those of UK ([PRS](#)), France ([SACEM](#)), Germany ([GEMA](#)), the Netherlands ([BUMA](#)), Switzerland ([SUISA](#)) and most other societies of the European Economic Area, have signed the so-called Santiago Agreement in October 2000. The aim of the Agreement was to give an answer to the digital challenge in the field of licensing and distribution by allowing national organisations that collect royalties to grant “one-stop shop” copyright licenses.

The Agreement provides that licenses can be granted to content providers who are responsible for deciding or approving the content of the database, the licensor being the society of the country where they have their actual and economic location. Once a license has been granted by a society, content providers no longer need to obtain another authorisation from another society. The license granted is a worldwide license, which provides content providers with the legal certainty they need to carry out their activity.

The Commission, however, considers that the territorial exclusivity afforded by the Santiago Agreement to each of the participating societies is not justified by technical reasons and is irreconcilable with the world-wide reach of the Internet. Whereas the European Commission said it strongly supports the “one-stop shop” copyright licences and acknowledges the need to ensure adequate copyright protection and enforcement, it also believes that developments in online-related activities should be accompanied by an increasing

freedom of choice by consumers and commercial users throughout Europe as regards their service providers. Indeed, in its press release, the European Commission said that the Santiago Agreement would result in a “lock up of national territories, transposing into the Internet the national monopolies the societies have traditionally held in the offline world”.

The collecting societies now have two and a half months and a half to reply to the Commission's objections. They will also have the possibility to request a hearing where they will be able to submit their arguments directly to the representatives of their national competition authorities.

6. IRISH COPYRIGHT ACT AMENDED TO PREVENT INFRINGEMENT ACTION AGAINST NATIONAL LIBRARY

The Irish Government has brought emergency legislation before the Irish Parliament to prevent the possibility of the Irish National Library being sued for copyright infringement in the course of displaying manuscripts of James Joyce's work.

James Joyce set his odyssey in a day chronicle of the comings and goings of Leopold Bloom, *Ulysses*, on 16 June 1904. 2004 marks the centenary of that day, and as part of the events to celebrate this date, the Irish National Library planned an [exhibition](#) of more than 500 sheets written by Joyce, including drafts of eight episodes of *Ulysses* and proofs of *Finnegans Wake*. However, the Joyce estate, which holds copyright in Joyce's writings until 2011, warned the library that it could be infringing Joyce's copyright. The warning follows threats by the estate to the national television operator and the Government that the estate would sue for any infringement of its copyright that took place during the centennial celebrations.

Faced with this threat of legal action, the Government has brought the Copyright and Related Rights (Amendment) Bill 2004 before the Irish Parliament. The Bill alters the Irish [Copyright Act 2000](#) in a way that, according to an explanatory memorandum to the legislation, “will remove any doubt as to the right of any person to place literary or artistic works protected by copyright or copies thereof on public exhibition without committing a breach of copyright”.

Such an amendment should not be necessary in the UK since it is made clear in [s.19\(3\)](#) of the Copyright, Designs and Patents Act 1988 that showing a work in public is only infringement with regard to copyright in a sound recording, film or broadcast. This implicitly discounts the possibility that showing a manuscript in public would be classed as an infringement of copyright in the underlying literary work.

PATENTS

7. EPO REVOKES MYRIAD BREAST CANCER PATENT

[The European Patent Office](#) (EPO) reported on 18 May 2004 that following a public hearing, the opposition division at the EPO had

decided to revoke European patent [EP 699 754](#), known as the “Myriad/Breast Cancer”. The patent had been granted to the US company Myriad Genetics Inc., The University of Utah Research Foundation, and the United States of America in January 2001, and related to a “method for diagnosing a predisposition for breast and ovarian cancer in a human subject” on grounds that it did not meet the requirements of the [European Patent Convention](#) (“EPC”).

Oppositions to the patent were filed with the EPO in October 2001 by a number of parties including French research organisation [Institut Curie](#), the [Assistance publique – Hôpitaux de Paris](#), the [Institut Gustave Roussy](#), the [Belgian Society for Human Genetics](#) and the Associazione Angela Serra per la Ricerca sul Cancro. They had been contesting the monopoly imposed by the excessively wide-ranging claims of the patent since the patent was granted in 2001.

The main arguments of the opponents to the patent was that the invention was not novel under the provisions of the European patent law and that it could jeopardise the development of research and the identification of new tests and diagnostic methods in breast cancer research. After rejecting the claims made by Myriad Genetics, the Opposition Division of the EPO found that the grounds for opposition prejudiced the maintenance of the patent and revoked the patent on the grounds of lack of inventiveness under Article 56 EPC which provides that patents should not be granted if, having regard to the state of the art, they are obvious to the person skilled in the art.

The ruling of the Opposition Division will be published within the next two to six months. Myriad Genetics will then have two months to challenge the ruling in front of the EPO’s technical board of appeal. Whereas the Opposition Division is composed of three patent examiners and a legal expert, the Technical Board of Appeal should consist of three technically qualified members and two legally qualified members.

The ruling is a victory for scientists who oppose the patenting of human genes. According to the Curie Institut, it will pave the way for further research growth and development of new tests for diagnosing predispositions for breast and ovarian cancer.

8. COMMISSION WELCOMES COUNCIL AGREEMENT ON DIRECTIVE ON COMPUTER-IMPLEMENTED INVENTIONS

On 19 May 2004, the European Commission published a press release [IP/04/659](#) welcoming the Council of Ministers agreement of a "common position" on the proposed Directive on computer-implemented inventions (including but not limited to software patents)

Computer related inventions are essential tools for businesses and the backbone of practically every industry. The question of intellectual property protection for computer-implemented inventions is therefore of significant importance to the general and hi-tech business community as well as to the competitiveness of Europe as a territory .

The term "computer-implemented invention" (which is not used by computer professionals) was introduced by the European Patent Office in May 2000 in appendix 6 of the trilateral conference. The term as defined in the EPO's Trilateral Appendix 6 and in the Directive refers to any invention the performance of which involves the use of a computer, having a feature(s) which are realised by means of a computer program(s). This definition is broad and consequently the directive has implications outside the computer industry. For example, it will cover software applications in consumer electronics, telecoms, broadcasting, domestic appliances, transport, medical devices, drug design, biochips and bioinformatics, to name a few.

Article 52 (2)(c) of the European Patent Convention excludes "computer programs as such" from patentable subject matter. The exclusion only affects computer programs in their abstract form and the EPO has in practice granted many patents on software and computer implemented inventions (since the EPC came into force in 1978, more than 30,000 software-related patents have been granted), by narrowly interpreting this exclusion.

The Directive was intended to harmonise the way in which national patent laws deal with the patentability of computer-implemented inventions, but ill-informed critics argued the draft wording was vague enough to legitimise wider software patents, which would lead to patent wars dominated by large corporations.

The new draft of the software patents directive dismisses many controversial changes made by the European Parliament in its first reading. The result is a reasonable text not far from what has been recent European practice.

The European Commission welcomed Council agreement on the Directive on patentability of computer-related inventions. However, there remain some differences in principle between the parties involved, in particular the Council and European Parliament. These differences mainly relate to exceptions from patentability for computer-implemented inventions. The Parliament which has been influenced by minority lobby groups wanted wide exclusions covering the use of patented technology for interoperability and data handling. Whereas the Commission and Council believed that adequate provisions were included and that anything more went beyond what was required to set the right balance between rewarding inventors for their efforts and allowing competitors to build on these inventions.

The Directive will now be sent back to the European Parliament for another vote there in the autumn. If the Parliament still disagrees with the new draft of the Directive, it has to have a majority of all Ministers of the European Parliament to pass its amendments.

9. CELLTECH V MEDIMMUNE: 'INFRINGEMENT' IN GERMAN PATENT LAW DEFINED BY ENGLISH COURTS

On 19 May 2004, Laddie J delivered his judgment in the case of *Celltech R & D Ltd. V Medimmune Inc.* [\[2004\] EWHC 1124 \(Pat\)](#).

In this case, the claimant Celltech claimed royalties from Medimmune under a patent licence under which Medimmune was obliged to pay royalties on products made or sold which, but for the licence, would infringe a valid claim of the licensed patents. The patent licence related to the creation of a set of "rules" of general application for guiding a choice of amino acid sequences. These sequences are used for making hybrid antibodies which have good antigen binding properties without inducing the human body to reject antibodies produced by mice.

The defendant's product, instead of using a *donor residue* (mice amino acid) at H23 as mentioned in the patent specification and claim, used a residue found in human antibody. The issue under contention was whether Medimmune's selling and manufacturing of an antibody preparation for treatment of respiratory illness in babies and young children infringed Celltech's patent and therefore made Medimmune liable to pay royalties. This issue, as per the terms of licence agreement, had to be decided by English Courts applying German Patent Law.

After reviewing the expert evidence, the Court identified the following principles of German patent law from the decision of the German Supreme Court "Bundesgerichtshof" in the *Formstein* case:

- It is for the Court to construe the patent and to decide the issue of infringement, viewing the patent through the eyes of a notional skilled, but un inventive addressee.
- The first step in determining an infringement is to construe the "semantic" meaning of the claims taking into account that figures, dimensions and numerical items are able to delimit the scope of protection. If the defendant's product or process falls within those limits, there is infringement.
- Otherwise, the next step is to determine how far away from the semantic meaning, if at all, the scope of protection extends. For this purpose, a three-stage test adopted by the German Supreme Court in *Custodial II* (which is similar to, but not identical to *Improver* questions) is applicable. This is:
 - Does the offending device or process work in the same way as, and by equivalent means to, the patent? And, if so;
 - Would it be obvious to the notional addressee that the variant is equivalent? And, if so;
 - Would the person skilled in the art consider the different embodiment with its modified means as being the specific equivalent solution, keeping in mind the semantic content of the technical teaching protected in the patent claim?
- German patent law does not allow the patentee to correct

mistakes made by him, if he has imposed a clear limit on his monopoly, even though such limitation is recognised as being unnecessary or based on mistaken science by the notional addressee.

Thus, under German law, a device that would work in the same way and by equivalent means is not an infringement if the notional addressee concludes from the teaching in the patent that the patentee intended to exclude variants in general or in particular. Holding the third limb of the test to be determinative in the present case, the Court found the defendant's product a variant outside the scope of protection of the patent. In particular the defendant's residue is from a human antibody, unlike the mouse amino acid specified in the patent claim.

10. THE END OF THE ITALIAN TORPEDO

Last December, in *BL Macchine Automatiche v Windmoeller und Hoelscherthe*, the [Italian Supreme Court](#) ruled against the use of the "Italian Torpedo" technique in cases of patent infringement. The decision of the Court was made public last month.

The "Italian Torpedo" was a defensive technique that used one of the basic principles of jurisdiction in European civil cases litigation. Article 21 of the Brussels Convention establishes that, when two or more parties are involved in procedures related to the same action in courts of more than one state, the later case shall stay until the first court has expressed its findings.

Italian patent litigation cases can take up to seven years. For this reason companies looking to tie up pan-European litigation could file a suit in Italy for a negative declaratory judgment as a defensive strategy for patent infringement. Once a court accepted the petition, any potential case in another European country would be delayed until the Italian decision was given. This system made some companies unwilling to send a warning letter for patent infringement, for fear of triggering a "Torpedo". Some multinational companies even excluded Italy in their European patent applications or withheld their product from the Italian market.

In the *BL Macchine* case, the Italian Supreme Court reversed the Italian court's traditional acceptance of the "Torpedo" technique. The Supreme Court held that because the plaintiff is trying to show non-infringement there is, by definition, a denial that any tort has actually been committed. As a result, the procedure cannot be used to prevent an action for tort in another jurisdiction.

This decision should encourage entry into the Italian market and improve the enforceability of patents in other EU countries.

TRADE MARKS

11. KAMBLY SA SPÉCIALITÉS DE BISUITS SUISSES V INTERSNACK KNABBER-GEBÄCK GMBH & Co KG

The case concerned the trade mark Goldfish, in English and German. It had been registered by K in 1960, but had not been properly used in the UK. When IS applied for an essentially similar mark in 1989, it was blocked by K. So it applied to clear the register of K's marks for 5 years non use, and succeeded in 1997. The 5 year period encompassed the date of application of IS mark.

Next K opposed IS' application on a number of grounds, including that IS was not the proprietor of the trade mark because of a licensing agreement between K and IS. That was disposed of by a finding of the hearing officer that the license was void under Article 81(1) of the EC Treaty. This was not appealed, and is an object lesson as to why licences need to be carefully drafted, and be in conformity with EU law.

There were a number of other grounds which failed and the opposition was rejected and the trade mark registered in IS name.

K appealed, and having replaced its trade mark agents, sought to adduce new grounds and additional evidence. After IS refused to consent to the additional evidence being admitted, the matter came to court on a preliminary issue.

The additional evidence related to the allegation that there had been some user of the mark by K immediately before IS's application in US Commissaries on US military bases. Concomitant application to amend the ground of opposition were made.

The only explanation of the earlier failure to raise the new ground was given by an assistant solicitor in the appellant's lawyer's firm "This point could have been raised earlier, but was not, because, I understand, its force was not appreciated."

The judge had no hesitation in rejecting the application to amend and to adduce further evidence. He said the application was deficient, insufficient and should have been fully supported by a witness statement from the client. It was also not allowable in principle as an appeal is a rehearing, and fresh evidence would be required from IS even if K were content not to adduce further evidence.

The evidence of the earlier use was held as inadmissible on the ground of issue estoppel, on the basis that the issue of non use had been conclusively decided in the earlier proceedings and could not now be reopened. The judge also held that 5 years non use was equivalent to common law abandonment of a trade mark, and that all rights in the first owner were extinguished up to the period on which the non use ended.

Having denied K the right to amend on the substantive ground of issue estoppel, and resurrected abandonment, the judge then considered whether the evidence should be refused on procedural

grounds and held that it should. He relied on an old case of Ladd v Marshall which he said is now indicative rather than binding and as subsequent interpreted by Pumfrey J in Wunderkind TM [2002] RPC 45. In summary if the evidence was available at the date of the hearing below, it will not subsequently be admitted on appeal, and if it was not available it will not be admitted unless the application has a very good excuse why it could not be found, and its admission will make a material difference to the result.

It this case the evidence sought to be adduced was not only available to K, but was contradicted by evidence from another of K's witnesses, and because of the finding of issue estoppel, would have made no difference even if admitted.

In summary the practitioner should investigate thoroughly for the first tribunal, and bring all of the evidence before the first tribunal. Failure to appreciate the value of evidence before the first tribunal is not reason to have it admitted on appeal. However, it may be ground for a professional negligence action subject to causation, which would be missing in this case because the evidence was inadmissible.

12. VIOLIN-MAKER'S DESCENDANT WINS CASE TO PROTECT STRADIVARI NAME

A seventh generation descendant of the Italian violin-maker Antonio Stradivari has successfully stopped an estate agent from using Stradivari as part of its title.

Antonio Stradivari lived and worked in Cremona from 1644 to 1737, where he produced violins, cellos and violas. Antonia Stradivari lives in Cremona and is a children's theatre director. She is also the only one of the violin maker's descendants to still be using the unusual Stradivari name and has become angry at the proliferation of companies using her and her ancestor's name in the course of their business.

"Companies ripping off the name are springing up like mushrooms, to the point where my ancestor will be turning in his grave" she has said. She claims that the use of the name for companies such as a cat and dog breeding business, a furniture company and a shop selling "prosciutto Stradiveri" is a "dishonour" to the legendary maestro.

In response to the growth in the use of the Stradivari name, she has successfully brought a test case against an estate agent calling itself Immobiliare Stradivari Snc. The regional court found that she could protect her own name whether or not she was a descendant of the violin-maker and ordered Immobiliare Stradivari Snc to pay her costs. Now Ms Stradivari has said that she will bring similar action against anyone else using her name. However, she is happy for certain uses that she considers an honour to continue, such as the naming of boats and sports centres after the violinist. Some have claimed that she is motivated by a desire to be able to charge a fee for using the

name. She denies that this is her reason for pursuing the action and has said that she just wants to put a stop to her name being improperly used.

This case raises fundamental questions over the scope of protectable interests and relief granted. Ms Stradivari, with apparently no trading reputation, appears to have obtained exclusive rights to the Stradivari name. It is difficult to reconcile this decision with the protection afforded by trade marks or even passing off and it will be interesting to see whether the decision is followed or upheld on appeal.

13. COCO DEMER V CHANEL

On 10 May 2004, the Chancery Division delivered its appeal judgment in *Coco De Mer v Chanel* [\[2004\] EWHC 992 \(Ch\)](#).

The issue in this case relates to one of the tests to be applied in deciding whether a mark is capable of distinguishing the goods of one undertaking from those of another undertaking. This is the fundamental test for registrability of a trade mark in the UK under the Trade Marks Act 1994.

The question arose whether the trade mark Coco de Mer, for erotica goods and perfume, was sufficiently distinct to the earlier trade mark of Chanel, 'Coco', for luxury perfume. The parties agreed that the goods were to a large extent identical for applying the statutory test. The issue became a matter of likelihood of confusion.

Counsel for Coco de Mer explained that the name was a species of palm tree in the Seychelles. The design of the mark represented the nut which grows from the female plant as well as resembling a female bottom and genitalia. He claimed that the device representing this nut was an intrinsic part of the mark.

Patten, J found that COCO was a strong mark and was closely associated with Chanel and that most consumers know nothing of the reproductive activities of palm trees. He further determined that Coco de Mer was not a distinct enough mark even when the device was included. "The strength of the COCO element creates that association with the result that consumers would in [the view of the court] wrongly believe that the respective goods (which are identical) come from the same or economically linked undertakings. There is, therefore, a likelihood of confusion and the opposition [by Chanel] succeeds under Section 5(2)(b)".

The practice issues are very straightforward:

- If you want to use a similar mark or name, ensure that it is not for similar goods
- If you have similar goods, ensure that the mark is truly distinctive. Bring evidence of distinctiveness in fact

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