

THE EUROPEAN IP BULLETIN

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Hot Topics

1. EUROPEAN COMMISSION'S PROPOSAL TO AMEND DESIGNS DIRECTIVE

In order to increase competition, the [European Commission](#) has proposed to amend Directive 98/71 on the legal protection of designs by introducing a “repairs clause” and removing the Member States’ option of retaining design protection under national law for “visible” replacement parts.

The amendment will mainly affect the auto industry’s spare parts market as it will allow independent part manufacturers, not linked to auto manufacturers, to compete throughout the EU market for visible replacement parts, a market potentially worth €10 billion annually. However, other sectors such as domestic electrical appliances, sanitary appliances, motorbikes and watches will also be affected.

The proposal came after the realisation that the current situation, where nine Member States have opened up the spare parts market but sixteen others continue to extend design protection to visible spare parts, is unsatisfactory as it divides and distorts the Internal Market. In the automotive sector, there is a single market for new cars, but no single market for their spare parts. The consequence being that citizens are insecure as to whether or not, and in which Member State, the purchase of unofficial spare parts is lawful. In parts of the Community, they are also deprived of choosing between competing spare parts. In addition, producers of unapproved spare parts, especially Small and Medium Enterprises (SMEs), cannot use the advantages of a single market and are discouraged from generating investment and employment.

The aims of the proposal are therefore to harmonise the design regime in order to complete the Internal Market through a process of liberalisation, so as to increase competition and offer consumers greater choice as to the source of spare parts used for repair purposes.

The modification of the Directive will only affect external and visible spare parts, such as bonnets, bumpers, doors, lamps, radiator grilles, windscreens and wings, which are protected by a design right based on novelty and individual character. Parts that are not visible, on the other hand, like engine parts or mechanical parts, are not covered by the amendment. In addition, the modification does not concern component parts at the initial manufacturing and production stage of a complex product, that is the so-called “primary market”, but only the “secondary market” or “aftermarket” for spare parts.

The proposal has raised concerns that reducing auto manufacturers’ revenue could force them to raise new car prices or discourage them from investing in research and innovation. However, according to the Commission, the negative effect of the proposal should not be over-estimated as the rewards from the exclusive rights in the primary market are quite sufficient to encourage investment in design.

If adopted, the proposal will significantly alter the scope and enforcement of design rights. In particular, it may circumvent, at least for external spare parts, many of the complex issues arising from “must

fit” exceptions to design rights.

2. LAUNCH OF IP EUROPE WEBSITE

A new website, [IP Europe](#), has been launched intended to improve inventors' and SMEs' awareness within the European business community, and to provide them with some basic advice on how and when to use the industrial property system to optimum effect for commercial advantages.

The project is sponsored by the European Commission Enterprise Directorate-General, and co-financed within the fifth framework programme of the European Community. The project team consists of representatives of national patent offices, including the UK Patent Office, the French Institut National de la Propriété Industrielle, the Swedish Patent and Registration Office and the Industrial Property Office of the Czech Republic, as well as the Icelandic Research Council, and the British Library and Technology Enterprise Kent.

[IP Europe](#) is the result of a two-year consultation between the project team members to find ways to simplify access to IP information in Europe for inventors and SMEs, and to help them find the best way to capitalise on their patents, trade marks and designs in Europe.

The website provides a selection of customer-friendly guides, services and information to advise inventors and SMEs on how to use the industrial property rights system, what the best mode of protection for their inventions is, and how to use industrial property databases to find information generated by the industrial property rights systems. In addition, it offers inventors and SMEs the possibility to use a central contact, within a network of National Patent Offices, for all industrial property services and information. Finally, it contains basic information about patents and licensing, as well as the costs of patenting inventions, and, registering trade marks and industrial designs at National and European level.

Copyright

3. NOMINET CELEBRATES DATABASE COPYRIGHT CASE VICTORY

[Nominet](#), the registry for .uk internet domain names has won its court case in Australia in relation to copyright infringement and breach of Australian fair trade law by two businessmen.

The case was brought in the Federal Court of Australia by Nominet against Chesley Rafferty and Bradley Norrish and three of their companies (Diverse Internet Pty Ltd, Internet Payments Pty Ltd and Seychelles-based UK Internet Registry Ltd). The action followed Nominet's discovery, in January 2003, that Nominet's "WHOIS" database, which contains the registrant's of .uk domain names, had been under data mining attack. The defendants harvested the details of thousands of .uk domain holders and subsequently sent out bogus invoices to 50,000 registrants under the name "UK Internet Registry". Such was the scale of their activity that Nominet was forced to suspend access to the database for several hours.

Rafferty and the three companies admitted guilt prior to the hearing

leaving the trial to proceed against Norrish only.

The Judge termed the invoices as "nothing less than deceitful". He held that Norrish had both authorised copyright infringement and engaged in misleading conduct, stating that "it lies beyond the limits of credulity to suppose that Mr Norrish" was not aware of what was going on since "he was in the scheme with Mr Rafferty."

Nominet was pleased with the result. It has indicated that it will now pursue all of the above parties for costs and damages together with additional damages based on the flagrancy and extent of the copyright infringement.

This case shows that although the "WHOIS" database is publicly and freely available, it is still subject to copyright and as such its use is still subject to the terms and conditions set down by the relevant registry.

4. GERMAN DRAFT COPYRIGHT LAW TO INTRODUCE LEVY ON REPROGRAPHIC EQUIPMENT

On September 9 2004, the German Ministry of Justice published its [draft copyright law](#) which, among other things, seeks to introduce a levy on reprographic equipment.

New technologies, especially digital technology, have presented many issues which have to be addressed by the law and various laws have been passed recently to accommodate these changes. The draft copyright law seeks to introduce a levy on media and equipment used to make and store copyright protected works. Under the draft, the manufacturers of such equipment would be expected to negotiate with the right holders, through collective management agencies, as to a fee to be paid on the equipment. These fees would be levied on equipment used to make substantial copies. The draft further provides for mediation in case the parties fail to agree on the fees payable.

In addition to creating this levy system on reprographic equipment, the draft law will also allow digital rights management systems to charge individuals for copying. According to the Ministry of Justice, this will not amount to double payment as the two systems will complement each other. The Ministry of Justice further states that the fee is not expected to substantially increase the price of the equipment.

Other notable features of the draft law include the automatic exploitation of works in media and the new use of the work that was not known at the time the law was passed. Storage equipment likely to be affected includes computers and other sound, audio, audio-visual and data carriers and reprographic equipment. With the fee levied on the equipment, the private end user will in effect pay for the use of works accessed and stored by their equipment. It should not be seen as an extra fee for the use of copyright protected works.

The introduction of the levy on reprographic equipment will ensure that right holders are compensated for the substantial reproduction of their works in the private realm. What constitutes substantial copying will be determined by market research. There is bound to be some resistance from both copyright users and manufacturers of the equipment.

Patents

5. PATENT LITIGATION MAKES ITS WAY INTO INTERNET AND RELATED TECHNOLOGIES

There has been a recent upsurge of intellectual property litigation in the technology sector, particularly in relation to internet and allied technologies. Patent lawsuits are increasingly seen as lucrative options by companies. The trend started with the payment of \$225m to settle a suit over parallel instruction computing technology by Intel to Intergraph.

Recently BTG, an intellectual property commercialisation firm, started legal proceedings against amazon.com, Barnesandnoble.com and two other internet companies for infringing its patents related to the tracking of users on World Wide Web. BTG had purchased these patents from Infonautics after undertaking comprehensive research about the commercial and industrial utility of these patents. Since a number of internet trading companies like Amazon were using the patented technology, BTG saw the patents as a future source of revenue. However, having failed to convince the companies to either license or buy the technology, BTG filed suits against them for patent infringement, and claimed unspecified amount of damages. Earlier this year, BTG also initiated suits against Microsoft and Apple for a patent related to a web-enabled software update.

This trend provides new insight into the internet-related technology paradigm, its commercialisation and the corresponding role of intellectual property. It mirrors the overall status of innovation within the field. People have run out of new ideas and have started looking at old ideas and ways of exploiting them. Patent holders are becoming more aware of the hidden commercial value of their patents in internet technologies, and are ready to force big companies into litigation. This is a warning sign for major internet-based trading companies and other corporate users to be vigilant and respectful of patents on internet and related technologies owned by other firms or else they will be sued for the infringement of associated intellectual property rights.

6. DOES SCIENCE REDUCE THE RISK OF INCONSISTENT FINDINGS?

Proceedings were brought by DSM Anti-Infectives BV ("DSM") against subsidiaries of GlaxoSmithKline Beecham plc ("GSK") <http://www.bailii.org.uk/ew/cases/EWCA/Civ/2004/1199.html>. The Court of Appeal's decision on 10 September 2004 allowed the English proceedings to continue.

The case concerned the use of two strains of bacteria known as 'AnnexVII' and SC7. These strains are used in the manufacture of potassium clavulanate in order to supply manufacturers of co-amoxiclav with a more powerful antibiotic than amoxicillin. The bacteria are used by DSM (in Sweden) and GSK (in the UK) to produce the base product clavulanic acid. DSM settled previous proceedings with GSK permitting its own use of 'AnnexVII', whilst GSK retained confidentiality and patent rights in SC7. The settlement was governed by English law with exclusive jurisdiction of English courts and was without prejudice to GSK exercising rights in the US.

However, further proceedings were commenced in the US where GSK claimed to have found products from two US manufacturers produced

from SC7 potassium clavulanate. GSK claimed improved tests for identifying product from SC7. DSM was joined to the US proceedings for supplying the companies with SC7 potassium clavulanate. After a short delay DSM commenced proceedings in the UK requesting a declaration from the English courts that it was using 'AnnexVII' not SC7. GSK applied for stay of the English proceedings submitting that the agreement did not relate to the exercise of its rights in the US. Having established the relevance of the contractual position, the court had to exercise its discretion.

The court decided that under the contract

- DSM's claim was 'in connection with the agreement' (being construed widely) – it obliged GSK not to sue DSM for use of Annex VII, and
- DSM was not prevented from resolving such a claim before the English courts merely because of the jurisdiction issues in the US proceedings.

GSK argued that exclusive jurisdiction could be overridden because of the risk of inconsistent findings in the US court. The court considered this GSK's best point however noted that GSK itself claimed certainty in the tests for identifying use of their strain. Given that the identification of the strain used was the prime issue in both cases the risk was reduced. The party to lose in the first case would be estopped from arguing the opposite in the other case. Therefore the contract should be resolved as envisaged.

The Court of Appeal expressed clear views on how the cases should be resolved. It agreed that the US action would effectively give worldwide relief to GSK if it went against DSM as DSM would be estopped from claiming otherwise elsewhere. It doubted whether GSK should get jurisdiction before the US court to decide which strain was used as the contract referred to US 'rights' not issues of ownership of strain allegedly used in Sweden. Further it called for a speedy trial in the English proceedings before a specialist patent judge. These views suggest that whilst on principle a scientific analysis forming the basis of two disputes should produce the same result, the court remains nervous that the best possible analysis should be had of scientific results to avoid inconsistent findings.

7. NOVARTIS AND INSTITUTE OF MICROBIOLOGY AND EPIDEMIOLOGY V. COMPTROLLER GENERAL

On the 7th September 2004, the Advocate General gave his [opinion](#) before the European Court of Justice in *Novartis AG University College London and Institute of Microbiology and Epidemiology v. Comptroller-General of Patents*, Case C-207/03, and *Ministre de l'économie v. Millenium Pharmaceuticals Inc*, Case C-252/03.

This opinion related to the way the duration of a Supplementary Protection Certificate (SPC) is to be calculated within the European Economic Area (EEA). The main issue was whether an authorisation to market granted by a State authority which was not part of the EEA but was one that enjoyed a special custom agreement with one of the EEA Member States, was to be taken into consideration when assessing the duration of the SPC.

Two questions were referred to the ECJ by the High Court of England and Wales and by the Cour Administrative de Luxembourg:

- Is a marketing authorisation granted in Switzerland, which is automatically recognised in Liechtenstein, an EEA Member State, the first authorisation to place a medicinal product on the market when calculating the SPC?
- Is a competent authority within the EEA obliged to rectify an incorrectly assessed duration within a SPC?

On the first issue, the Advocate General held that the purpose of [Regulation No 1768/92](#) was to obtain a harmonised extension of exclusivity, the duration of which was based on the first marketing authorisation obtained within the EEA. It was argued that an authorisation granted in Switzerland did not open the EEA market, and therefore could not be viewed as a first authorisation. However, because there is no relation between a marketing authorisation and the free movement of goods within the EEA market, the former being left to a Member State's authorities, this argument was held irrelevant. Therefore, a marketing authorisation provided by the Swiss authorities can constitute the first authorisation in the EEA because it allows the product to be marketed in Liechtenstein, an EEA Member State, irrespective of its free movement within the EEA.

In relation to the second issue, it was held that the competent authorities of the EEA Member States should be obliged to rectify any incorrect assessment of duration in a SPC. However, there were uncertainties over the correct procedure, and, also, over the fact that the application of that procedure within national law might affect the principle of legal certainty.

Accordingly, it can be seen that Regulation No 1768/92 addresses the issue of first marketability in order to have a standard for the harmonisation of the duration of the SPC, but does not intend to harmonise authorisation of marketability within the EEA market. Therefore, any means which allow a product to be marketed within one of the EEA Member States is to be considered as a first authorisation of marketability with respect to the Regulation.

Trade Marks

8. NICHOLS PLC V REGISTRAR OF TRADE MARKS

On 16 September 2004, the European Court of Justice (ECJ) gave its judgement in *Nichols plc v Registrar of Trade Marks*, [case C-404/02](#).

In 2001, Nichols Plc, a food and drinks company, applied for registration of the name 'Nichols' as a trade mark in respect of vending machines and food and drinks supplied by them. The UK Trade Marks Registry (The Registry) had refused the registration.

The Examiner had followed the Registry's guidelines and the mark was assessed by looking at how common the name was in the London telephone directory. It was decided that the name was phonetically similar to the common surname Nicholls, and as such it was too common to sufficiently distinguish the applicant from other traders. However, the application was accepted in respect of vending machines

due to the fact that it concerned a niche market. The decision was appealed to the High Court.

The High Court referred issues relating to Articles 3 and 6 of the [Trade Marks Directive 89/104/EC](#) to the ECJ. Article 3(1)(b) provides for registration to be refused to marks which are devoid of any distinctive character, and article 6(1) provides that a trade mark should not entitle the proprietor to prevent a third party from using, in the course of trade, his own name or address.

The ECJ said that the distinctive character of a mark was to be assessed in relation to (i) the goods or services involved and (ii) the perception of the relevant consumers, with a specific assessment in each case, and applying the same criteria to all categories of mark referred to in article 2 of the Directive, even in the case of a common surname. More stringent criteria for marks consisting of personal names based, for example, on a predetermined number of persons with the same name, or the number of undertakings engaged in the trade in question, or the prevalence or otherwise of the use of surnames in that trade, were therefore not to be applied. The Article 6(1)(a) limitation, which was for the benefit of operators with an identical or similar name, only took effect after the registration of the mark, that is, after its distinctive character had been established. That provision therefore could not be taken into account in the assessment of distinctive character before the mark was registered.

The ECJ's decision establishes that the assessment of surnames as trade marks do not fall under a different criteria of assessment and must come under the same umbrella of assessment for registrability as any other trade mark. The implication of this case is that the UK Registry will have to change its practice. However beyond this procedural effect, it is unlikely that the ruling will have an impact on the substance of individual applications. Unusual names may have an inherent advantage over more common ones but they will all have to be considered on a par in the registration process.

9. DISTINCTIVENESS TO BE VIEWED AS A WHOLE: ECJ IN SAT.1 V OHIM

On 16 September 2004, the ECJ gave its judgment in the case of *Sat.1 SatellitenFernsehen GmbH v OHIM*. [C-329/02 P](#).

SAT.1 (appellant) had filed its appeal against the decision of Court of First Instance (CFI) rejecting its application for setting aside the decision of Office of Harmonisation of Internal Market (OHIM). OHIM had earlier rejected the appellant's application to register the term 'SAT.2' as a trademark in respect of Classes 35, 38, 41 and 42 of Nice Treaty. The ground of refusal was that the term 'SAT' was the usual German and English abbreviation of a link to satellite broadcasting, the number '2' and the punctuation '.' are commonly used in the trade; thus the mark as a whole, constituted by these commonly used elements, was devoid of any distinctive character. On appeal the CFI upheld the decision of OHIM, although the ground of rejection was limited to Article 7 (1) (b) of Council [Regulation No. 40/94](#).

SAT.1 filed its appeal on the ground that the CFI had erred in law so far as:

- It interpreted the aim of Article 7 (1) (b) of Regulation No. 40/94. to keep signs available to be freely used by all; and
- It presumed that when a mark consists of elements which individually lack distinctive character, the mark as a whole also lacks distinctive character, and therefore, the assessment of the whole mark is irrelevant.

The ECJ agreed with the appellant and set aside the judgement of CFI, holding that:

- There is no presumption that a trade mark's elements that are individually devoid of distinctive character cannot, on being combined, produce an overall perception of distinctiveness to the average customer.
- There is no specific level of linguistic or artistic creativity or imaginativeness required before a trade mark can be registered. It is sufficient if the mark enables the relevant public to identify the origin of the goods or services, and to distinguish them from those of other undertakings.

This decision is in line with the positive approach adopted by ECJ in relation to the compound trade marks in the earlier case of *Baby-Dry* (C-383/99P *Procter & Gamble Company v OHIM*). This judgment significantly increases the range of trademarks that can be registered in the Community, especially in the telecommunications sector.

10. OPPOSITION PROCEDURE, ARTICLE 58 AND ARTICLE 108 OF REGULATION 40/94: METRO-GOLDWYN-MAYER LION CORP. v OHIM

On 16 September 2004, the CFI gave its judgment in the case of *Metro-Goldwyn-Mayer Lion Corp. v OHIM*. [T-342/02](#)

Metro-Goldwyn-Mayer-Lion Corp. (Metro-Goldwyn) brought the present action against the decision of the Third Board of Appeal of OHIM, which declared as inadmissible its appeal against the decision of Opposition Division relating to opposition proceedings between Moser Grupo Media SL (Moser Grupo) and Metro-Goldwyn.

Moser Grupo had filed an application for registration of a Community trade mark in respect of Classes 9, 16, 38, 39 and 41 of Nice Agreement. When the application was published, see the *Community Trade Marks Bulletin No. 16/1998*, Metro Goldwyn gave notice of opposition under Article 42 of the Regulation, in respect of the goods and services covered under the application. The opposition was based on its trade mark 'MGM' registered in Denmark, Finland, France, Germany, Italy, Portugal, Sweden, Benelux countries, Greece, United Kingdom and Austria, and also on Community trade mark application No. 141820. The Opposition Division upheld the opposition in respect of all the goods and services concerned, on ground of likelihood of confusion within the meaning of Article 8 (1) (b) of the [Regulation No. 40/94](#); however, it did not consider the earlier national trade marks in Austria, Greece and the United Kingdom, or the Community trade mark application.

Aggrieved with the decision, Metro-Goldwyn filed an appeal to incorporate such national rights within the refusal to the registration of Moser Grupo application in relation to the whole of European Union; but

it was rejected by the Third Board of Appeal on the ground that Metro-Goldwyn was not adversely affected by the decision of Opposition Division.

In the present appeal, Metro-Goldwyn claimed that non-consideration of its rights in Greece, Austria and the United Kingdom, as well as the application for registration of Community trade mark, has adversely affected it because it leaves open the possibility of conversion by Moser Grupo of its Community trade mark application into a national trade mark application pursuant to Article 108 of Regulation No. 40/94.

In rejecting Metro-Goldwyn's claim to annul that part of Opposition Division decision, the CFI held that:

- The principle aim of opposition proceedings is to prevent Community trade marks being registered which are in conflict with earlier marks or rights. It gives undertakings an opportunity to challenge, by means of one procedural system, applications for Community trade marks which might give rise to likelihood of confusion with their earlier marks or rights, but not to settle pre-emptive potential conflicts at national level.
- The conversion of a Community trade mark application into a national trade mark application is merely optional for a Community trade mark applicant. Moreover, the conversion procedure does not confer applicants the right to have their applications registered by the competent national authorities. Thus, this present situation concerns a future and uncertain legal situation on which Metro-Goldwyn can not claim to have been adversely affected within the meaning of Article 58.
- The considerations of procedural economy require that, when the opposition can be upheld on the basis of a number of earlier national marks, it is not necessary to prolong the proceedings in order to wait until the Community trade mark of Metro-Goldwyn would be registered for rejecting the application. Suspension under Rule 26 of Regulation No 2868/95 is merely a discretion vested in favour of OHIM.
- There is no obligation on the Opposition Division, either expressly or impliedly, to give a decision on the opposition with the widest possible effects, namely a decision encompassing all the earlier national marks and the application for Community trade mark application by Metro-Goldwyn.

11. THE PROFESSIONAL GOLFER'S ASSOCIATION OF AMERICA V PROVISIONS LLC: IS CHARITY FAIR USE?

On 13 September 2004, WIPO Arbitration and Mediation Center delivered its decision in *The Professional Golfers' Association of America v Provisions LLC*, case No. D2004-0576.

This case is related to the use and registration of the domain name *ryder2004.com*. The main issues were whether (i) adding the date 2004 to the distinctive component of the Complainant's trademark (Ryder) created a distinctive new name, or whether it was confusingly similar to the Complainant's trademark (ii) the Respondent had any rights or legitimate interests in the domain name (iii) the Respondent had registered and was using the disputed domain name in bad faith.

The Complainant is an organisation promoting the game of golf, golf tournaments and golf related services in the United States. It markets a wide variety of golf-related products and services under the mark Ryder Cup, and is also a sponsor of the Ryder Cup Matches. The Complainant owns the trade marks 'Ryder Cup' in class 25 and 28 and 'Ryder Cup Matches' in class 41.

On 3 December 2003, the Respondent registered the disputed domain name, ryder2004.com. On 3 August 2004, the Complaint was filed with the WIPO Arbitration and Mediation Center.

The Complainant argued as follows:

The disputed domain name, ryder2004.com, is visually and aurally identical to the first word of the well-known Ryder Cup mark followed by the year of the next matches. Internet users who intend to visit one of the official PGA websites may intentionally, or even inadvertently, type ryder2004.com into the address bar of their web browser only to be misdirected to the Respondent's website. Thus the ryder2004.com domain name clearly is confusingly similar to the famous Ryder Cup marks.

The Respondent has no connection with the PGA or any PGA affiliate and has not been granted any form of license or consent to use the Ryder Cup marks in a domain name or in any other manner. Thus, it has no rights or legitimate interests in the ryder2004.com disputed domain name

The Respondent has never sought or obtained any trademark registrations for Ryder or Ryder Cup and, indeed, could never do so because the Ryder Cup mark belongs uniquely to, and is registered to, the Complainant. The Respondent has never made any non-commercial or fair use of the ryder2004.com domain name, without intending to mislead the public for commercial gain. Further, the Respondent has never been known by the disputed domain name ryder2004.com. The website associated with the ryder2004.com domain name merely acts to repackage and sell tickets and hospitality packages, which the Respondent is not authorised to do. Such a use demonstrates neither a *bona fide* offering of goods or services nor a legitimate interest. Even if Internet users do not immediately associate the Respondent with the Complainant, the Respondent nonetheless unfairly benefits from the good will associated with the Complainant's well-known Ryder Cup mark by misdirecting Internet traffic to its site. The Respondent thus intentionally co-opted the disputed domain name ryder2004.com to divert users to its site

On the first issue, the Respondent argued that the disputed domain name was not confusingly similar to the disputed domain name as Ryder Cup and Ryder Cup Matches are visually and aurally distinct from the disputed domain name ryder2004.com. However, the Panel was not persuaded by the Respondent's arguments. It found that the date 2004 was merely a descriptive add-on since it only gives us the year of the tournament, and every event that takes place during the year 2004 will be dated 2004. Thus, the only distinctive part of the

disputed domain name ryder2004.com was Ryder, which also is the distinctive component of the Complainant's trademark. Therefore, the disputed domain name was confusingly similar to the Complainant's trademarks.

On the second issue, the Respondent argument was that it was making a fair use of the disputed domain name not for commercial gain as permitted by paragraph 4(c)(iii) of the Uniform Domain Name Dispute Resolution Policy (UDNDRP). The Respondent based this on the fact that it has been classified by the United States Internal Revenue Service as a charitable organisation. The Respondent reasoned that, since it devolved some of its profit onto charitable causes, it was free to use the trademarks it needed to generate income. The Panel found there was no basis for the Respondent's contentions on fair use. It held that a charitable organisation is assumed to be running a business that makes money, and therefore the activities could not be held as fair use notwithstanding the use made of the benefits. Further, under paragraph 4(c)(iii) of the UDNDRP, the ultimate destination of the profits was not an issue.

On the last issue, although the Panel did not find that the Complainant demonstrated its trademark to be as strong as it had implied, it agreed that the Respondent's conduct in this case squarely violated the bad faith provisions at paragraph 4(b)(iv) of the UDNDRP. The Panel held that the Respondent was using the Complainant's Ryder trademarks in the disputed domain name, ryder2004.com, to attract members of the public who would be looking for the Complainant. The Respondent was then attempting to sell tickets and other services to the golf events the Complainant had organised, all for the Respondent's commercial gain. Further, the Respondent was well aware of Complainant's rights at the time it registered the disputed domain name.

The domain was ordered to be transferred to the complainant.

Using another's trade mark and/or identity in a domain to derive income is a commercial use under the UDNDRP, and does not constitute a Non-commercial fair use of a protected term. What the charitable organisation does with the money after it makes it is not a relevant concern.

12. APPLIED MOLECULAR EVOLUTION V OHIM

On 14 September 2004, the CFI delivered its judgment in *Applied Molecular Evolution Inc. v OHIM*, [CFI case T-183/03](#).

This case raised the issue of the application of Article 7(1)(c) of [Regulation No 40/94](#) which provides a ground for absolute refusal of the registration of a trade mark if the mark is held to be descriptive of its related trade. The way descriptiveness is assessed was contested.

On 31 March 2000, the applicant requested the registration of the mark 'Applied Molecular Evolution' in class 42 of the Nice Agreement. Registration was refused on 28 November 2001. This decision was appealed by the applicant and the appeal was dismissed. The applicant further appealed to the CFI.

Descriptiveness of a sign is assessed in two ways, first, by considering

the related trade, and second, by addressing the understanding the relevant section of the public has of the mark.

As a first plea, the applicant contested the way the relevant public was defined, arguing that it should encompass fewer specialists such as economic operators. However, the court held that the public has to be knowledgeable, particularly well informed customers, and that in considering the intended use of the sign, the economic operators would necessarily be knowledgeable.

Secondly, the applicant argued that 'Evolution' has different meanings and that one of them was contrary to what was assessed, being a gradual random change instead of a direct and targeted optimising of a molecule, which is part of the applicant's trade. Again, it was held that a sign must be refused registration whenever at least one possible meaning characterises the trade.

In its third plea, the applicant opposed the fact that the Board provided a definition of 'Molecular Evolution' without any evidence of that assertion, and emphasised that its trade covered more services. The CFI held that the definition was appropriate and the term sufficiently common place. Also, that the absolute ground of refusal only requires one of the meanings to be descriptive of one of the aspects of the trade.

The final plea related to the use of the term 'Applied' which was said to blur the meaning of the mark as a whole. The court found that 'Applied' means a practical application, which increased the descriptiveness, and coincided with the syntax of English.

The claims were dismissed and the applicant ordered to pay the costs.

The court's decision means that, in cases where there are absolute grounds for refusal, only one of the potential meanings needs to be descriptive in relation to only one aspect into which an applicant is trading. Furthermore, association of terms could lower the descriptiveness when it is inconsistent with the syntax of its related language.

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