

## THE EUROPEAN IP BULLETIN

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## SUMMARY OF CONTENTS

## PAGE NO.

### HOT TOPICS

#### 1. THE HOUSE OF LORDS WAKES UP: KIRIN AMGEN V HOECHST

1

The House of Lords has given a detailed explanation of the relationship between the European Patent Convention and national laws and the applicability of the doctrine of equivalents, as well as product-by-process claims.

#### 2. SABAF SPA V MFI: ASCERTAINING INVENTIVENESS IN CASE OF AGGREGATION OF INVENTIONS

2

The House of Lords laid down the test to be followed for ascertaining the inventive step, in case of an aggregation or juxtaposition of inventions within a single patent. It was also held that the seller of goods situated outside UK, who sells goods to a party in UK and makes arrangements for its importation to UK, cannot be held to be liable as an importer for infringement of the patent.

### COPYRIGHT

#### 3. FIRST VICTORY IN UNPRECEDENTED LEGAL BATTLE AGAINST MUSIC FILES UPLOADERS IN THE UK

3

The British Phonographic Industry Limited has been granted a court order forcing internet service providers to disclose the names and addresses of 28 music files-swappers, in an unprecedented case in the UK. This represents the commencement of a litigation programme against the major uploaders of music files in this country.

#### 4. MOSCOW COURT DISMISSES COPYRIGHT LAWSUIT FILED BY AUTHORS OPPOSING FREE ONLINE LIBRARY

4

This judgment in favour of the digital library once again highlights the issue of the liability of online service providers for the publication of digital copyright works. The defendants were hosts and were found not to be liable for the actions of the online libraries. The authors should have filed the suit against the author of the digital library.

#### 5. "WHO WANTS TO BE A MILLIONAIRE" – VULNERABLE TO PLAGIARISM?

4

The issue in this case is whether the format of the television show "Who Wants To Be A Millionaire?" infringes the copyright in pre-existing works by three individuals. The High Court's ruling, dismissing two applications for summary judgment issued by the show's producers, effectively paves the way for two of the writers to challenge the show's format by seeking to prove copyright infringement in their own works.

	<b>6. S.A. EMI MUSIC FRANCE V ASSOCIATION CLCV</b>	<b>5</b>
	On 30 September 2004, the Court of Appeal of Versailles confirmed an earlier decision of the Court of Nanterre which found that EMI Music France had to inform consumers, by means of labelling, that there could be limitations to their ability to listen to CDs or make copies of them.	
<b>PATENTS</b>	<b>7. CELLTECH V MEDIMMUNE INTERPRETING JURISDICTION CLAUSE IN IP LICENCING AGREEMENTS</b>	<b>6</b>
	The present Court of Appeal judgment is relevant to the interpretation of jurisdiction clauses incorporated into intellectual property licensing agreements. It demonstrates that the courts will interpret jurisdiction clauses broadly with reference to the commercial objectives of the parties.	
	<b>8. PHARMACIA ITALIA V GERMAN PATENT OFFICE: BETTER TREATING PEOPLE BEFORE ANIMALS</b>	<b>7</b>
	This judgment addressed the way the duration of a Supplementary Protection Certificate is to be calculated within the Community. More specifically, the meaning of the term 'medicinal product' in determining the first marketing authorisation was debated. The question was whether 'medicinal product' referred only to human use or whether veterinary purpose was also included.	
<b>TRADE MARKS</b>	<b>9. KWS SAAT V OHIM</b>	<b>8</b>
	This case considered the registration of a single colour as a trade mark.	
	<b>10. DISTINCTIVE CHARACTER : ABSOLUTE GROUND OF REFUSAL FOR ADVERTISING SLOGANS AS COMMUNITY TRADE MARK? ECJ IN OHIM V ERPO MÖBELWERK</b>	<b>8</b>
	The Court of Justice held that the OHIM Third Board of Appeal applied incorrect criteria in its judgment regarding distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94, namely the absence of an additional element of imagination or an additional element of originality.	
	<b>11. ECJ SHEDS LIGHT ON SHAPE TRADE MARKS</b>	<b>9</b>
	In <i>Mag Instrument Inc v OHIM</i> , the European Court of Justice has provided more precise guidance on the requirements shape marks must meet in order to be registered as trade marks.	

## Hot Topics

### 1. THE HOUSE OF LORDS WAKES UP: KIRIN AMGEN V HOECHST

After a decade of refusing to take any patent cases, the House of Lords took two; *Kirin Amgen v Hoechst Marion Rousell* [2004] UKHL 45 and *SABAF v MFI*. Judgment was handed down respectively on 21 October and 14 October 2004. The former is more important than the latter. In each case the judgment was unanimous, and the leading judgment was given by Lord Hoffman who was formerly a Patents Court Judge and has been involved as a barrister in IP cases, and is still actively involved in IP professional issues.

#### **There Is No European Doctrine of Equivalents**

The Court reviewed the decisions and writings of the leading judges in Germany and the Netherlands, and concluded that there is no room in the European Patent Convention and conformed national laws for a doctrine of equivalents. The message is quite clear; the claim means what it says and you cannot construe into the claim what is not there. The claim states what the patentee claims as his monopoly, and what is not claimed is disclaimed.

It is not permissible, and the Court observed this to be the normal position in the UK, Germany and the Netherlands, to look at the prosecution file, or to second guess what was in the mind of the draughtsman in his negotiations with the patent office.

The decision then set out the basis on which claims are to be construed having regard to Section 69 EPC and its Protocol. It held first how they are not to be construed; that is by taking the old English common law approach of narrow or forensic construction, or by taking the old continental European approach of the claims in which the claims were construed as point of departure in determining the inventive achievement disclosed by the specification as a whole.

Instead the Court said that claims are to be construed by reference to the words used, giving them the widest meaning they are reasonably capable of having, but no wider. They are to be given a purposive construction in accordance with the construction of all documents including statutes and contracts. Construction of a claim has to be viewed through the eyes of the skilled addressee. The question to be asked is what the claims mean to the skilled addressee.

Normally the answer will come back - exactly what they say, but there are occasions, often but not exclusively where numerical or geometrical limits are used, where the claim means an approximation to those limits to the skilled reader. In the classic English case of *Catnic Components* which was about the interpretation of the vertical in a claim to the construction of a steel lintel for reinforcing door and window openings, that word was to be construed through the eyes of a builder or constructor and not through the eyes of a mathematician. The Court observed that most of the cases where strict language of the claims has not been observed relate to quasi mathematical limits, where the word "about" can be interpolated when construing how a man skilled in the art would construe the word or phrase.

#### **Product by Process Claims**

Under Article 64(2) EPC, embodied in English law as section 60(3) Patents Act 1977, it is an infringement to import a product made directly by the process claimed. The House of Lords said that product by process claims are unnecessary. If they claim only the product when made by the claimed process they add nothing to the process claim. If they seek to claim more widely than the process then the claim

has to be examined for sufficiency to see if it is enabled by the specification. Product by process claims are only acceptable where the process makes a new product because it is in some material way different from what was previously known. But where that is so, the product is new and can and should be claimed as such.

A new process for a known product does not make the product as such new, only the process, and any product by process claim which is dressed up to claim the product as such will be bad for lack of novelty.

#### **What Are the Lessons?**

The *Kirin Amgen* case puts a premium on good patent drafting. It is better to have fewer patents of good width than more patents of narrow width. It is worth having some wide claims which might be held invalid but where the litigation process and the existence of the claims might be a deterrent to competition. Where the pendulum has swung is that claim drafting should now concentrate on two series of claims; a narrow series to the strict invention and a wider series, which might not survive protracted litigation to exploring the boundaries of litigation. What is clear across Europe is that the patentee which has drafted his or her claims too narrowly can no longer rely on the court coming to his rescue with the doctrine of equivalents, however dressed up.

This issue is particularly applicable to the pharmaceutical and biotech industries, where monopolies are sought to be extended by new processes of manufacture. If the product of the process is not new, then the process should be claimed widely as well as narrowly, and if the product is new, it should be claimed as such.

It is worth pointing out that only two claims were in issue in *Kirin-Amgen*, 19 and 26, and although they were both found invalid and not infringed, the rest of the patent (the narrow claims) survived. The effect of the litigation appears to have been to keep the defendant off the market until about two months before the patent expired, so even though invalid and not infringed, the wide claims had real practical commercial utility.

After a 10 year drought of cases from the English House of Lords on patent issues, this is an important case affecting patenting strategy and litigation strategy, and needs to be considered as a seminal case.

#### **2. SABAF SPA V MFI: ASCERTAINING INVENTIVENESS IN CASE OF AGGREGATION OF INVENTIONS**

In its first decision in a decade, the House of Lords pronounced on the issue of mere collocation in *Sabaf SpA v MFI Furniture Centres Ltd.* [2004] UKHL 45.

Sabaf SPA (Sabaf) was the owner of a UK patent for a domestic stove burner. Though the patent expired on 11 June 2001, Sabaf brought infringement proceedings against Meneghetti Spa (Meneghetti) and MFI, alleging that they had imported products into the UK during the lifetime of the patent and hence, were liable to pay damages. Meneghetti counterclaimed that the patent was invalid. The invention in dispute consisted of three units which can be combined to provide a gas burner of very low height for using in flat hobs. This combination embodied three known features, but which were put together for the first time.

At first instance, Justice Laddie held that the patent was invalid on the grounds that the invention was merely an aggregation of the three different features, which were individually obvious having regard to the prior art relevant to each of the features.

## Copyright

Further, the fact that they interacted with each other so as to produce a new or combined effect was not relevant as it had not been claimed in the patent specification. Therefore, although Meneghetti had imported the invention, it was held that no infringement resulted due to invalidity of the patent.

On appeal, the Court of Appeal found that the patent was valid, but held that Meneghetti had not imported the goods into the UK so as to constitute an infringement of the patent. Therefore, the case went to the House of Lords.

In relation to the validity of the patent, the Court held that where a claim contains integers which are themselves known and used for the purpose for which they are known and there is no claimed synergy from the combination, the claim will be invalid as being obvious. In the patent in question, each feature was performing the function for which it was known, and there was no synergy claimed between the features. Therefore, it was held to be a mere collocation, and unpatentable.

The House of Lords also examined the question as to when a person is an importer for the purpose of the statutes on infringement, Patents Act 1977 [Section 60\(1\)](#). It held that this work has its common sense meaning, that is to say the person who brings the goods into the UK. It is a question of title and legal possession. The person who makes the arrangements to ship the goods is not the importer unless he or she also retains title when the goods enter the UK. Therefore, although Meneghetti manufactured the goods in Italy, it did nothing to import goods into the UK in contravention of section 60(1).

This case warns that if known integers are put together without some synergistic advantage, the patent will be unlikely to survive an obviousness attack.

### **3. FIRST VICTORY IN UNPRECEDENT LEGAL BATTLE AGAINST MUSIC FILES UPLOADERS IN THE UK**

On 14 October 2004, the British Phonographic Industry Limited ([BPI](#)) won the first round in a legal battle against music file-swappers.

BPI, the recording industry trade association which represents the majority of UK record companies, has been granted a court order requiring internet service providers (ISPs) to disclose to it, within 14 days, the names and addresses of music files uploaders.

The case was brought in the English High Court by BPI against 28 users of peer-to-peer networks such as Kazaa, BearShare and WinMX for alleged illegal uploading, making thousands of music files in these networks available to share with other users. BPI sought damages for copyright infringement and injunctions to prevent these users from continuing to upload music files onto peer-to-peer networks.

The action followed announcement of the beginning of a litigation programme against the major uploaders of music files of BPI's members onto peer-to-peer networks. The litigation programme was adopted after a public awareness campaign informing UK internet users of the illegal activity behind peer-to-peer networks and a warning campaign involving the dispatch of thousands of instant messages to the principal uploaders advising them to stop uploading material if they did not want to face legal action.

This litigation programme, which has just begun in the UK, is one part of an ongoing international campaign that started in the USA in 2003 and is now being extended to 6 European countries: Austria, Germany, Denmark, Italy, France and UK. The

campaign is being coordinated on an international level by the International Federation of the Phonographic Industry (IFPI), and will continue with new actions against major uploaders in these European countries and other countries that may join the initiative. BPI has already announced that it will persevere with legal actions against file sharers, and that these actions will become a commonplace.

The order granted by the court represents an important step in the fight against illegal file-sharing. It helps to clarify the strategic role of ISPs in the identification of peer-to-peer users and demonstrates the courts' position regarding illegal uploading. This case is also demonstrative of the legal strategies that the European music industry has begun to adopt in order to reduce illegal dissemination of music files in file-sharing networks, clearly indicating that it will actually prosecute major uploaders. The controversy raised in similar legal actions taken by the Recording Industry Association of America (RIAA) in the USA, which has already sued almost 6,000 peer-to-peer network users, and the legal debates it carries within, has arrived in the UK. The problems arising from the need to balance the user's privacy against copyright protection will once more come under scrutiny.

#### **4. MOSCOW COURT DISMISSES COPYRIGHT LAWSUIT FILED BY AUTHORS OPPOSING FREE ONLINE LIBRARY**

In October 2004, the Meschansky [court](#) in Moscow rejected a copyright suit filed by The KM Online company and other authors against various free online libraries including lib.ru and lib.nexter.ru.

The main issue in this case was the provision and dissemination of copyright protected works through free online libraries without the authority of the copyright owners, and the liability of the service providers especially in the case of direct copyright infringement by the free online library. The plaintiffs filed the suit based on the protection of their rights against unauthorised use of their protected works online. The legal provisions on fair use and electronic publishing were important in determining the matter. However, the court determined the issue by reference to the liability of the defendants who were found to be hosts to the free online services and, thus, could not be held liable for the content provided by lib.nexter.ru.

This case sets a precedent based on the limited liability of the service provider with regard to the content offered by third parties. The service providers in most cases know who their clients are and should thus be able to help in identifying those who use the services to provide infringing material on the net. While other jurisdictions are moving towards policing the internet using the service providers, Russia is giving them free hand and limiting their liability. They actually have the capacity to act as 'virtual goal keepers' and if they have any knowledge of the contents and if the contents are infringing on other peoples copyright, it is argued that they should be held liable if they continue hosting the unauthorised users.

#### **5. "WHO WANTS TO BE A MILLIONAIRE" – VULNERABLE TO PLAGIARISM?**

On 21 October 2004, the High Court delivered its judgment in Celador Productions Ltd v Melville [\[2004\] EWHC 2362 \(Ch\)](#).

[Celador Productions Limited](#), producers of the ["Who Wants To Be A Millionaire"](#) television show, applied for summary judgment to dismiss the claims of three individuals, namely Alan Melville, Timothy Leavey Boone and John William Baccini, that the creation of the format and showing of "Who Wants To Be A Millionaire" infringed copyright in works created by them and involved misuse of confidential

information.

The three claims, albeit factually different, were evaluated with reference to (i) the test applied under CPR Rule 24.2; and (ii) the evidence as to the creation and evolution of "Who Wants To Be A Millionaire".

Of the first two defendants, Mr Melville claimed that the television show copied certain features of the format of a game called "Millionaires' Row" devised by him in April 1995, whilst Mr Baccini's claim was founded on the format of a 1982 board game entitled "Millionaire", a 1990 television show entitled "BT Lottery" and a subsequent television format derived from them, all devised by him.

Sir Andrew Moritt V-C dismissed Celador's claims for summary judgment in relation to the first two applications, finding that "the state of the evidence and the nature of the issues are compelling reasons why the case should be disposed of at a trial". In relation to Mr Melville's case, he said that he "was unable to conclude that Mr Melville has no real prospect of success in his defence to the claim of Celador or on his own counterclaim". In relation to Mr Baccini's case, he concluded that "the credibility and honesty of Mr Baccini must be assessed on all the evidence after both disclosure and cross-examination".

However, the third claimant, Mr Boone, was unsuccessful in arguing that "Who Wants To Be A Millionaire" infringed the copyright in another television format for a game entitled "HELP!" devised by him and another, Mr Bull. Sir Andrew Moritt V-C made an order for summary judgment against Mr Boone on the grounds that (a) his claim constituted an abuse of the process and was thus "liable to be struck out on that ground" and (b) any similarities among the shows formats were mainly elements of style or technique and not substantial.

Currently, English law does not protect television programme formats per se, although such formats may comprise, and therefore be protected as, confidential information. However, copyright may subsist in aspects of the format, and, with this ruling, the court has permitted this to be tested at trial.

## **6. S.A. EMI MUSIC FRANCE V ASSOCIATION CLCV**

On 30 September 2004, the Court of Appeal of Versailles delivered its [judgment](#) in *S.A. EMI Music France v Association CLCV*, which confirmed an earlier judgment of the Court of Nanterre, in finding that EMI Music France (EMI), had to inform consumers, by means of labelling, that there could be limitations to their ability to listen to CDs or make copies of them.

In this case, [the Association CLCV](#), a consumer watchdog, brought proceedings against EMI Music France, asking the court to declare the inscription on each CD that: "*This CD contains a technical protection device that limits the possibility to copy it*" (the 'inscription'), as deceptive on the grounds that it omitted to inform buyers there were also possible restrictions to their ability to listen to the CD on certain legitimate playback systems. The proceedings followed a complaint by a consumer who could not listen to the CD in his car's CD player. The Court decided that the inscription did not properly inform consumers of all the restrictions of use and that it was deceptive not to inform consumers of these restrictions. It therefore held that EMI had to insert a clear warning onto the back of its CDs.

The Court reasoned that, as a professional in the field of the audio recording and publication, EMI had to verify the proper working and compatibility of the CD on



which it had placed a technical protection device. Therefore, EMI had to make sure that the technical protection device would not affect the capacity of the consumers to listen to the CD on any legitimate playback systems, or at least inform consumers of the presence of a technical protection device on the CD and of the risks that they may not be able to listen to the CD on certain legitimate playback systems

As a consequence the Court found that since EMI only informed consumers that the product was protected by a technical protection device, and did not warn them about possible use restrictions, EMI had neglected its duty of information and had deceived the consumers by failing to provide information.

## Patents

### 7. CELLTECH V MEDIMMUNE: INTERPRETING JURISDICTION CLAUSE IN IP LICENSING AGREEMENTS

On 21 October 2004, the Court of Appeal gave its judgment in the matter of *Celltech R & D Ltd. v MedImmune Inc.* [\[2004\] EWCA Civ 1331](#).

In this case, Celltech claimed royalties from MedImmune under the patent licence dated 19 January 1998 relating to "Adair patent rights". In accordance with the terms of the licence, 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. Based on this clause, Celltech contended that MedImmune was liable to pay royalties in respect of their manufacture and sales of their product "Synagis" in US as it fell within Celltech's US patent "Adair 2". MedImmune on the other hand had launched the proceedings in the US District Court of Columbia for declaration that US Adair 2 was invalid and that Synagis did not infringe it. Simultaneously, it filed an application for staying the present claim of Celltech in the English Courts based on the jurisdiction clause in the agreement.

The two clauses included in the license agreement that had important bearing on the case were:

- Clause 13.1: The validity, construction and performance of this Agreement shall be governed by English law; and
- Clause 13.2: All disputes, claims or proceedings between the parties relating to the validity, construction or performance of this Agreement shall be subject to the jurisdiction of the laws of England to the jurisdiction of whose courts the parties hereto submit.

The application for a stay was rejected at first instance by Justice Laddie. Hence, MedImmune instituted the present appeal. MedImmune contended that the jurisdiction clause did not confer jurisdiction to English Courts over the scope of the claims but only over the administration of royalties as the word 'performance' used in the agreement had a restricted meaning in that sense. Against this background, Court of Appeal had to decide:

- Whether the agreement conferred jurisdiction on the English Courts to decide whether Synagis was covered by the claims of US Adair 2?
- If so, whether the Court should exercise its discretion and decline jurisdiction?

The Court of Appeal in answering the first question in affirmative, and the second in negative, held that:

- As per the construction of the licensing agreement, royalties are payable for all products falling within the scope of the Adair patents, unless the patents are declared invalid. Such an agreement is based on commercial sense for MedImmune who can freely develop and market products around the globe

under the shelter of patents, whether valid or invalid.

- Under this background, performance of the agreement includes payment of royalties. Refusal to pay MedImmune would result in a dispute relating to the performance of the agreement, which is governed by English law and subject to jurisdiction of the English Courts. Thus, the first question will be answered in affirmative as parties could not have contemplated to exclude scope of claims from the jurisdiction of English Courts; and if they had intended so, they should have expressly excluded it from the 'performance' of the agreement.
- The scope of claim will be decided by foreign law to be applied by English Courts, as a matter of *renvoi*. A construction contrary to this is improbable in an agreement intended to have global effect.

In relation to the second question, the court answered in negative emphasising the test which MedImmune failed to satisfy: that the party claiming stay of English proceedings must show "strong reason" for granting stay where there is a contract giving jurisdiction to the court. The parties having struck their bargain expressly for scope of patent to be decided by English court and validity by the court of a relevant country could not be allowed to derogate from their contractual obligations especially when the English proceedings would have significant time advantages over the US case.

#### **8. PHARMACIA ITALIA V GERMAN PATENT OFFICE: BETTER TREATING PEOPLE BEFORE ANIMALS**

On the 19 October 2004, the European Court of Justice gave its judgment in relation to an opposition proceeding against Pharmacia Italia Spa in the German Patent Office, on which further guidance was requested by the Bundesgerichtshof, in [case C-31/03](#).

This judgment addressed the way the duration of a Supplementary Protection Certificate (SPC) should be calculated within the Community. More specifically, the meaning of the term 'medicinal product' in determining the first marketing authorisation. The question was whether medicinal product was referring only to human use or whether veterinary purpose was included.

Pharmacia was the holder of a German Patent lodged on the 31 March 1981 that covered a compound named 'Cabergoline'. A first marketing authorisation was granted in Italy for a veterinary use, while a second was granted in 1992 in the Netherlands for medicinal use on humans. Under article 19(1) of Regulation 1768/92, relating to the creation of a SPC, a first marketing authorisation has to be obtained after 1 January 1985, with an exception for Germany and Denmark where it was postponed to 1 January 1988. Pharmacia applied before the German Patent Office for a SPC, which was refused on the basis that the first marketing authorisation to be considered was the one that occurred in Italy. Pharmacia brought the issue before the Bundesgerichtshof arguing that the first marketing authorisation should relate to medicinal product for human uses. The proceedings were stayed and the following question was referred to the ECJ:

"Is the grant of a SPC for a medicinal product for human use precluded by a first marketing authorisation for veterinary use that occurred before the date specified in article 19(1), or should the first marketing authorisation be specifically determined accordingly to a human use?"

The ECJ found that the regulation, while defining the term medicinal product, does not draw any distinction between human or animal use, and the requirement for and the scope of a SPC does not distinguish either. Therefore, the Court ruled that a

first marketing authorisation for veterinary use obtained before the date specified in article 19(1) precluded the grant of a SPC.

It can therefore be seen that the term medicinal product, as defined under regulation 1768/92, relating to the creation of a SPC applies irrespective of whether the use is for human or animal. This decision will be of particular interest to Pharmaceutical companies who will need to be careful in evaluating the benefits of putting a product for veterinary use on the market which may have potential for human use and for which the length of protection might be increased by a SPC.

## Trade Marks

### 9. KWS SAAT V OHIM

On 21 October 2004, the European Court of Justice (ECJ) gave its judgment in *KWS Saat v OHIM*, case [C-447/02 P](#). The case concerned the registration of a single colour as a trade mark. Under Art 7(1)(b) of [Council Regulation \(EC\) No 40/94](#) on the Community Trade Mark, signs which are devoid of any distinctive character are unregistrable.

The claimant had sought to register the colour orange as a Community trade mark against a variety of goods and services relating to agricultural, horticultural and forestry. Both OHIM and the Board of Appeal refused the application on the basis that it was devoid of distinctive character. The claimant was partially successful at its appeal before the Court of First Instance (CFI) which allowed the mark to proceed in relation to consultancy services; however, it maintained the objection in relation to any seed-related installations or products. The Board justified its decision by explaining that the shade of orange claimed, or very similar shades, for those goods was not rare.

The claimant appealed to the ECJ on the grounds that the CFI had incorrectly applied more stringent criteria in assessing its mark, which was inconsistent with the manner in which other marks were to be assessed.

The ECJ upheld the CFI's findings in relation to the treatment of seeds and installations, saying that orange was frequently used by breeders to indicate that the seeds had been treated and that therefore the colour was not sufficiently distinctive.

The ECJ also held that, with certain trade marks, the public's perception will not be the same, and that the relevant public may identify word or figurative marks as a badge of origin relating to certain goods and services but will find it more difficult to recognise signs which rely on a part of the product's appearance. Since the colour orange was frequently used for agricultural machinery, the CFI had rightly concluded that it did not allow customers to distinguish the company's goods from those of others. It followed that the CFI did not apply a more stringent criterion for colour marks than for others and had therefore applied the law correctly.

OHIM had not cross-appealed, but it had invited the ECJ to provide further clarification on the protection of colour marks lacking contour in respect of the consultancy services. The ECJ declined to do so, with the consequence that the CFI's annulment of OHIM's decision in relation to business consultancy remained. The claimant will therefore be able to ask OHIM to register the mark, and further clarification on colours lacking contour will be left for another occasion.

### 10. DISTINCTIVE CHARACTER : ABSOLUTE GROUND OF REFUSAL FOR ADVERTISING SLOGANS AS COMMUNITY TRADE MARK? ECJ IN OHIM V ERPO MÖBELWERK

On 21 October 2004, the Court of Justice gave its judgment in *OHIM v Erpo*

*Möbelwerk (DAS PRINZIP DER BEQUEMLICHKEIT)* case [C-64/02 P](#).

OHIM sought to annul the judgment of the Court of First Instance (CFI), which declined to endorse OHIM's view that an advertising slogan was not registrable due to the lack of an additional element of imagination or originality.

The CFI found that OHIM erred in law in deducing that the slogan lacked distinctive character. According to the case law of the CFI, lack of distinctiveness was not the same thing as lack of originality and it was not appropriate to apply more stringent criteria than for other types of sign. The reasoning of OHIM could only be justified if the combination of words with the description of designating characteristic of goods was commonly used in business, especially advertising.

OHIM filed an appeal on the grounds that:

- Slogans must have additional elements confirming their distinctive character, otherwise they are purely advertising and cannot enable the origin of the goods to be identified.
- If the sign concerned is not capable of distinguishing the goods or services in question, its registration as a trade mark must be refused on the basis of Article 7(1)(b) of EC Regulation No. 40/94, the Community Trade Mark Regulation, without it being necessary to produce proof that it is already commonly used by the relevant public.

The ECJ held that trade marks must be distinctive to serve their purpose and have to be assessed in relation to both the goods or services for which they are registered, and the perception of them by the general public. Each of the grounds for refusal listed in Article 7(1) are independent of the others and should be examined separately. It disagreed with OHIM on its rejection of registration because of the absence of an additional element of imagination or an additional element of originality.

This case may have several implications as to the registration of slogans in the future. They may no longer be rejected solely on the basis of the article 7(1)(b) requirement. In other words, distinctive character will not be the sole ground for judging registration of trade marks. Rather, as long as the relevant public can identify the origin of the good or service and distinguish them from other undertakings, the marks may be registrable.

This case potentially widens the scope for registration of trade marks and, in particular, trade marks consisting of signs or indications that are also used as advertising slogans.

## **11. ECJ SHEDS LIGHT ON SHAPE TRADE MARKS**

The European Court of Justice gave its decision in *Mag Instrument Inc v OHIM*, Case [C-136/02 P](#), on 7 October 2004.

It is now well established that the shapes of goods and their packaging can be registered as trade marks in the EU. In fact, shapes are expressly mentioned in article 4 of Regulation 40/94 as types of signs which may act as trade marks. The registrability of shapes has been confirmed by the ECJ in its *Linde* decision (Case [C-53/01](#)). However, doubts have been expressed over whether the shape of goods will be perceived as trade marks in *practice* or if in fact consumers will merely view shapes as a feature of the goods, making them devoid of distinctive character and hence unregistrable under Art.7(1)(b) of Regulation 40/94.

[Mag Instrument Inc \(Mag\)](#) took centre-stage in this debate when it attempted to register the shapes of five of its MAG LITE torches as Community trade marks. The application was rejected by both the Examiner and the OHIM Board of Appeal on grounds of lack of distinctiveness and an appeal to the CFI was unsuccessful. Finally Mag appealed to the ECJ.

The ECJ affirmed the decision of the CFI. Mag had argued that the mere fact that a shape was a “variant” of a common shape of a type of product was sufficient for it to be distinctive under Art.7(1)(b). However, this was held not to be the correct test for examining the distinctiveness of shape marks. Although the criteria for assessing the distinctiveness of shape marks are the same as those that apply to other categories of trade marks, consumers are not used to making assumptions about the origin of a product on the basis of its shape, and so, as a matter of consumer perception, shapes may be less likely to be seen as trade marks than word or figurative marks. Thus, the more closely the shape applied for resembles the shape most likely to be taken by the product in question, the greater the likelihood that the shape will be devoid of distinctive character. Only marks which depart significantly from the norm or customs of the sector, and which therefore fulfil the essential function of indicating origin, will not be devoid of distinctive character.

Mag’s marks had not met this test. Mag had argued that the unique design of its torches conferred distinctiveness on them, and that the CFI had failed to consider its arguments based on the aesthetic qualities of its torches. However, the ECJ found that this was not the case. The CFI had considered the excellence of the design and aesthetic and functional qualities of the torches but had found that they were not sufficient to confer distinctiveness on the shapes *ab initio*, though those factors might contribute to acquired distinctive character. Likewise, the widespread recognition of Mag’s design as a result of its high quality showed acquired, rather than inherent, distinctiveness.

The ECJ held that in assessing the distinctiveness of a shape, it is permissible to consider its component parts, as the CFI did, as long as this is part of an assessment of the overall impression given by the shape. The distinctive character of a mark is judged by reference to the *presumed* expectations of the average consumer of the goods or services in question. Nevertheless, evidence of the actual perception of the mark by consumers may be relevant under Art.7(1)(b). However, evidence of consumer perception gathered after a mark has been on the market for many years will not be relevant since it properly belongs in the assessment of acquired distinctiveness under Art.7(3). Furthermore, the CFI was not obliged to adopt the position of Mag’s expert witness, and in refusing to hear him, the CFI had not infringed Mag’s right to be heard.

The basic propositions of law in this case will be familiar from the ECJ’s *Linde* and *Henkel* (Case [C-456/01 P](#)) decisions. However, this case does add detail. Notably, it quantifies exactly *how* different a shape must be from the common shape of the goods in order to be considered distinctive. Further, it shows that *good* design is not necessarily *distinctive* design for trade mark law purposes.

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