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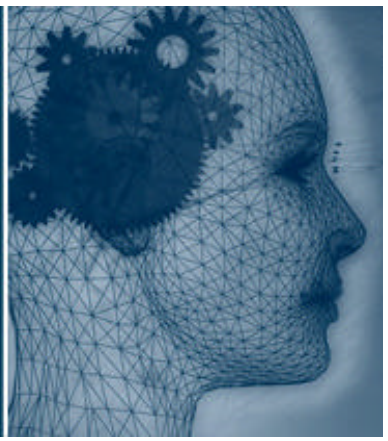

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TRADE MARKS

European Court of Justice grants protection to registered designation of origin Parmigiano Reggiano

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On 28 February 2008, the European Court of Justice (ECJ) ruled in *European Commission v. Federal Republic of Germany, C-132/05* that protection granted to Parmigiano Reggiano extends to all Parmesan.

In the action brought by the Commission of the European Community (the Commission) against the Federal Republic of Germany, two questions were raised, namely whether the protection of the registered protected designation of origin (PDO) "Parmigiano Reggiano" also extends to the word "Parmesan", and the scope of the obligations imposed on Member States to enforce the protection provided by the Council Regulation No. 2081/92 of 14 July 1992 (the Basic Regulation) in their territory.

The Commission claimed that the Federal Republic of Germany, refusing to prosecute in its territory the use of the word Parmesan in connection with cheese placed on the market and produced in violation of the mandatory specification for the PDO Parmigiano Reggiano, had failed to comply with its obligations to enforce the protection of said PDO in its territory. The German Government alleged that both the words Parmesan and Parmigiano were generic terms used to designate a category of hard cheeses which includes, among the others, Parmigiano Reggiano. Said allegation was not raised in connection to the PDO as a whole.

THE EXTENSION OF THE PROTECTION GRANTED BY A REGISTERED PDO

The ECJ first addressed the question of whether the protection of the PDO Parmigiano Reggiano extends to Parmesan. In so ruling, the ECJ interpreted Article 13 (1) (b) of the Basic Regulation, which states that a PDO is protected against any misuse, imitation or evocation, even if the true origin of the product is indicated, or if the protected name is translated or accompanied by an expression such as "style", "type", "method", "as produced in" or "imitation". Based on the claim raised by the Federal Republic of Germany, the ECJ reasoned that an important limitation to the scope of protection of a PDO is represented by generic names, meaning the name of an agricultural product or a foodstuff which, although it relates to the place or the region where the product or foodstuff was originally produced or marketed, has become the common name of an agricultural product or a foodstuff. According to the ECJ in *Consorzio per la tutela del formaggio Gorgonzola* (*Case C-87/97*), the term evocation within the meaning of the Basic Regulation covers a situation where the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product, the image goes to that of the product whose designation is protected. There is evocation even in the absence of a likelihood of confusion between the products at a glance. Moreover, as stated by the Basic Regulation under Article 13 (1) (b), the indication of the true origin of a product on its packaging does not exclude the evocation of a registered PDO. Finally, the ECJ ruled that there might be evocation even where no Community protection extends to the parts of a PDO which are echoed in the term or terms at issue.

Based on the foregoing, the ECJ first addressed the issue of whether the use of the word Parmesan is to be deemed as evocation of the registered PDO Parmigiano Reggiano within the meaning of the Basic Regulation. To this end, the ECJ reasoned that a triple test shall be carried out regarding both visual and phonetic similarity as well as conceptual proximity between the terms in comparison. The ECJ concluded that the proximity and the phonetic and visual similarities are such as to bring to the consumer's mind the cheese protected by the PDO, Parmigiano Reggiano, when he or she is confronted by a hard cheese bearing the name Parmesan.

In analysing the Federal Republic of Germany's allegations that the word Parmesan became a generic name, the ECJ had to consider whether all the factors had been kept in mind, namely the places of production of the product concerned both in the territory of the Member State where the PDO has been obtained and outside, the consumption of the product concerned, the perception of the product by the consumers both inside the territory of the Member State of origin of the PDO and outside, and finally the existence of national legislation specifically relating to that product and the way in which the name has been used in Community law. To this regard, the Federal Republic

of Germany did not comply with the burden of proof that requires the party that claims that a term has become the generic name of a certain product to prove the circumstances laid down above. In order to comply with said burden of proof, the Federal Republic of Germany might have submitted a consumer survey regarding the consumption of the product concerned and the perception thereof. Missing said evidence, the ECJ rejected the Federal Republic of Germany's defence and concluded that the use of the word Parmesan for cheeses which does not comply with the compulsory specification of the PDO Parmigiano Reggiano represents an infringement of the PDO pursuing to Article 13 (1) (b) of the Basic Regulation.

THE SCOPE OF THE OBLIGATIONS IMPOSED ON MEMBER STATES TO ENFORCE A PDO

The second crucial issue of the proceeding was that of the scope of the obligations imposed on Member States to guarantee the enforcement of the protection granted by a PDO in their respective territory. In this respect, the European Commission pointed out that the administrative practice of the German authorities was in breach of the Community law in that the authorisation to market products which do not comply with the statements of the Basic Regulation, might have been *ex officio* denied.

The ECJ ruled that according to Article 10 of the Basic Regulation, Member States shall appoint inspection authorities. However, no obligation seems to be imposed under the same article on Member States to take *ex officio* administrative measures to guarantee the enforcement of a PDO in their territory. In this respect, the ECJ ruled that, even though the wording of Article 10 of the Basic Regulation is unclear, it is for the inspection authority of the Member State where the PDO originates to carry out any initiative in defence of the same. Since the European Commission failed to provide evidence that the Federal Republic of Germany was under a binding obligation to take administrative measures to guarantee the enforcement of a PDO, the claim of the European Commission has been dismissed.

FUTURE IMPLICATIONS

The conclusion of the ECJ affirms the right of the Italian Consorzio del Formaggio Parmigiano Reggiano to exclusively produce a cheese bearing the word Parmigiano Reggiano or Parmesan within the territory of the Member States of the European Union.

With regards to measures to secure the enforcement of a registered PDO in Member States, the reasoning of the ECJ seems to be questionable. As a consequence of this ruling, it seems in fact that unless the wording of the Basic Regulation were to be amended in future by the Community legislator, inspection authorities of the Member State where the PDO originates shall be the only one to take measures to guarantee the enforcement of the same, where any other Member State shall only dispose of legal systems which offer the means to enforce said intellectual property rights. However since the decision of the ECJ mostly focused on the lack of evidence by the Commission that the Member State concerned has been requested to take action, it seems that complaints or requests for legal protection might be sent to the national inspection authorities by the interested parties. In other words, from the reasoning of the ECJ, it is not excluded in principle that a complaint of an association of producers whose products bear a PDO or association of consumers in a Member State other than that of the origin of a PDO, shall be sent to the local inspection authority for action. Should said authority unreasonably deny the requested action, according to the national legislation concerned, the requesting party might be in a position to appeal before the administrative judicial authority of the Member State concerned. Before said authority on a case-by-case basis a preliminary question might be referred to the ECJ with respect to the interpretation of Article 10 of the Basic Regulation.

MySpace.co.uk—Use or abuse?

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In the recent case of MySpace Inc. v Total Web Solutions Ltd [2008] DRS 04962 (22 January 2008), MySpace Inc. won the right to the domain name *myspace.co.uk* despite the fact that another company, Total Web Solutions (TWS), registered it six years before the social networking site was founded. The independent expert in the case found the registration to be "abusive" under Nominet's Dispute Resolution Service (DRS) Policy as TWS was generating revenue by exploiting the reputation and goodwill of the MySpace Inc. brand through a number of related links that appeared on myspace.co.uk. It appears that after using the *myspace.co.uk* domain name in a certain manner after registration, TWS changed its use of *myspace.co.uk* after the creation of MySpace Inc. in order to take advantage of the popularity of the social networking site.

BACKGROUND

TWS was established in 1995 and managed over 80,000 domain names for its customers. The company had never previously received any complaints from third party trade mark holders. It had registered the domain name myspace.co.uk in 1997, choosing it because it described the company's desire to give clients their own web space. TWS provided web space and email facilities to clients using this domain name from 1998 onwards. The social networking website MySpace Inc. was founded in 2003.

From 2004, TWS placed a holding page at *myspace.co.uk* containing links to other websites to generate revenue from the resulting traffic. The links were automatically generated by a standard software package based on search engine results. "MySpace" was a popular search, particularly after its acquisition by News Corporation in July 2005.

From August 2005, *myspace.co.uk* contained a number of links which generated revenue for TWS on a pay-per-click basis. It contained links to MySpace as well as other social networking sites. The links on the site included "social networking", "photo sharing", "chat forum", "xxxmovies" and "sex", "MySpace – Official Site", "Make Friends Now Dammit", "MySpace Friend Adder", "SOCIAL NETWORK SOFTWARE" and "SOCIAL NETWORKING SITES".

MySpace Inc. approached TWS twice in early 2006 with a view to purchasing *myspace.co.uk*. Following the official launch of MySpace UK in May 2006 and the subsequent US trade mark registration of the word MYSPACE, MySpace Inc. sent a cease and desist letter to TWS in May 2007 and demanded the transfer of the domain name. TWS offered to sell *myspace.co.uk* for £220,000 plus VAT. MySpace Inc. declined and issued a complaint under the DRS on the ground that TWS's registration had become abusive in that TWS's use of the domain name took unfair advantage of the MYSPACE mark.

NOMINET DECISION

The expert accepted that in addition to MySpace's US trade mark, it also had substantial goodwill in the word MYSPACE and therefore had rights in a name which was identical to the domain name in question. Whilst TWS argued that the name was purely descriptive, the expert concluded that it would not be possible to deduce, simply by looking at the word MYSPACE, the nature of the business it comprised.

The expert decided that the point at issue was whether any of the usage of the domain name by TWS from 2005 onwards should be regarded as abusive, as there was no substantial evidence of abusive use prior to July 2005. He noted that there was a marked change in the format of the site between August 2005 and April 2006, specifically a change in the character of the links on the site which alluded directly or indirectly to activities which were associated with MySpace. It did not matter whether or not this was due to the popularity of MySpace in search engines results. The fact was that *myspace.co.uk* contained a number of links that were causing, or were capable of causing, confusion.

The expert then drew a number of conclusions from the evidence that led to his determination that the registration had indeed become abusive. For a start, there was the change in the usage of the web site from 2005 onwards. The expert did not accept that this was due to the software package used to generate the links, nor was he satisfied that TWS could be absolved of all responsibility for the actions of the software it used, as it was ultimately responsible for the content that appeared on its site.

Next, while the expert conceded that TWS might have acquired goodwill in the word MYSPACE, there was no evidence that it had done so in the context of social networking and its associated activities, which was the specific use objected to by MySpace Inc.

It was also clear to the expert that TWS had either caused or permitted the links at *myspace.co.uk* to take the form described in order to take advantage of the association which visitors would make between the very well known brand MYSPACE and the domain name, and of the goodwill which MySpace Inc. had accumulated in the field of social networking. Whilst the expert found no evidence of actual confusion, confusion does not have to be established in order to conclude that a domain name takes unfair advantage or is unfairly detrimental to a complainant's rights.

In conclusion, the expert considered the advantage taken by TWS to be unfair as the income TWS received from the pay-per-click links on myspace.co.uk derived in part because the company was trading off MySpace Inc.'s reputation. As a result, registration of *myspace.co.uk* by TWS was held to be an abusive registration.

COMMENT

This ruling should be regarded as a warning that initially bona fide domain name registrations are not guaranteed in perpetuity and websites ought to be carefully managed, taking into account the dynamic nature of the industry. TWS ran into trouble because it changed its business model to take advantage of MySpace's popularity as a social networking platform, and was thus profiting unfairly from the association with MySpace. Although TWS may not have selected the specific links that appeared on its site, it was still responsible for the content that appeared and the income thus generated. Had there not been "a very marked change in usage" by TWS around the time that MySpace's popularity was really kicking off, TWS would arguably have been able to continue as before, albeit generating increased revenue through the increase in demand for its services resulting from the inevitable association with one of the most popular social networking sites – one that in reality just happened to operate under a name in which TWS undeniably had rights. In that sense, TWS's decision to twist rather than stick was a gamble that may have cost the price that MySpace Inc. may ultimately have been willing to pay for *myspace.co.uk*, £220,000 plus VAT.

Budweiser should have been wiser

On 19 February 2008, the English High Court considered, in Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc [2008] EWHC 263(Ch), timing issues with regard to earlier registered trade marks.

Anheuser-Busch Inc (AB) and Budejovicky Budvar Narodni Podnik (Budvar) applied to register the mark "Budweiser" in 1979 and in 1989 respectively. Both marks were registered on 19 May 2000. On 18 May 2005, AB applied for Budvar's registration to be declared invalid on the grounds that Budvar's

mark was identical to AB's earlier trade mark and covered identical goods (sections 5(1) and 5(2)(b) of the Trade Marks Act 1994 (the 1994 Act)). The Hearing Officer found in favour of AB. Budvar went on to contest the decision before the High Court.

Budvar argued that there had been statutory acquiescence by virtue of section 48 of the 1994 Act. This was because AB had consented, for a continuous period of five years, to the use by Budvar of the mark "Budweiser", starting from the date of application for the registration of the later mark. AB had, consequently, lost its right to apply for a declaration of invalidity. The Court said that AB's application was brought in time, as the period of acquiescence by the proprietor of an earlier mark begins at the date of registration of the later mark.

Budvar also submitted that there had been an estoppel by acquiescence, because AB had not complained about the use of the "Budweiser" mark for almost twenty years. The Court rejected this argument, stating that AB could only prevent use when it became the proprietor of its earlier mark in May 2000.

Finally, Budvar advanced an argument based on abuse of process, claiming that AB could have made the application for invalidation earlier under the previous Trade Marks Act 1938 (the 1938 Act). However, it was held that since the application was made under different legislative provisions (namely the 1994 Act) from those under which registration may have been opposed (in the 1938 Act), invalidity under the 1994 Act could not have been raised in earlier opposition proceedings.

However, the Court found that AB's application for a declaration of invalidity should not have extended to the whole of Budvar's registration in respect of "beer, ale and porter; malt beverages", because its own registration related only to "beer, ale and porter".

The case clarifies that the critical date for determining whether there has been statutory acquiescence by the proprietor of an earlier trade mark to the use of a later identical mark is the date of registration of that mark. The case also follows the decision in Special Effects Ltd v L'Oreal SA [2007] EWCA Civ 1, confirming that an application for invalidation can be made without there being an abuse of process, notwithstanding earlier opposition proceedings.

Branding and parallel importations: further guidance from the Court of Appeal

The recent Court of Appeal decision in *Boehringer Ingelheim v Swingward Limited* was another step in the long series of disputes between pharmaceutical products manufacturers and parallel importers of pharmaceutical products into the United Kingdom. The main protagonists in these disputes are Boehringer Ingelheim, Eli Lilly and GlaxoSmithKline (the Manufacturers), who produce pharmaceutical products in several European countries, and Dowelhurst and Swingward (the Importers), the two parallel importers who imported these products into the UK.

The Manufacturers sued the Importers, complaining that some of their activities relating to importation of products amounted to trade mark infringement. The acts complained of involved re-boxing of pharmaceutical products together with reproduction of new information leaflets, and the addition of stick-on labels to the new or original boxes (generally known as co-branding), indicating that the products were repackaged and imported by the Importers.

In their defence, the Importers relied on Article 7(1) of the Trade Marks Directive 89/104, which provides that trade mark proprietors shall not prevent use of their trade marks in relation to the goods that have been put on the Community market by the proprietor themselves, or with their consent. The Manufacturers, on the other hand, contended that Article 7(1) did not apply as the activities complained of gave them "legitimate reasons to oppose further commercialisation of their products" (Article 7(2) of the Directive). Both Laddie J at the first instance and the Court of Appeal confirmed that none of the Importer's activities caused any harm or damage to the trade marks or reputation in the trade marks owned by the Manufacturers. The Manufacturers challenged that finding in the present appeal, arguing that these decisions were reached because of an erroneous application of a European Court of Justice (ECJ) decision. They contended that, according to the ECJ, if a parallel importer undertakes any activity of de-branding or co-branding a manufacturer's product, Article 7(2) can be invoked by the manufacturers to prevent parallel importations of their products.

In view of the arguments raised by the Manufacturers, the Court of Appeal essentially had to define the scope of Article 7(2) of the Trade Mark Directive 89/105. Specifically, the Court had to look at the circumstances in which trade mark owners have a right to oppose further commercialisation of their products once they have placed their products on the market.

After reviewing the ECJ case law and the facts of the case relating to re-boxing and co-branding, the Court of Appeal held that, until co-branding or re-boxing of pharmaceutical products results in actual damage to the trade mark or reputation in the trade mark, the owners of the trade marks could not stop parallel importation of their products under Article 7 (2) of the Trade Mark Directive 89/104. Moreover, the assessment of damage is essentially a question of fact that needs to be determined on the basis of the evidence provided by the trade mark owner. The mere act of re-branding and re-boxing by Importers is not, in itself, sufficient to cause damage to the reputation in the mark. The Court ultimately held that the

activities of the Importers in this case did not cause any damage to the trade marks or reputation in the trade marks owned by the Manufacturers.

MEDIA & SPORTS

Ricky "Hitman" Hatton out-punched by Frank Warren

In *Frank Warren v The Random House Group Ltd.* [2007] EWHC 3062 (QB), one of a number of applications in the ongoing libel action between the parties, the question to be decided was the extent to which a contractual dispute between Ricky Hatton and Frank Warren was relevant to any of the allegations complained of by Mr Warren in Mr Hatton's ghosted autobiography (published by the Defendant). Mr Warren's case was that the particular passage complained of alleged that Mr Warren had lied to the readers of the *News of the World*, in order to "do down" Ricky Hatton when he had informed them that Ricky Hatton had made £6 million from 39 fights.

Mr Warren's counsel complained of the apparent attempt to incorporate into the libel action issues of whether the Claimant had a contract for promoting Ricky Hatton at the time, contending that this would be impermissibly wide as well as an attempt to re-litigate a commercial dispute that had already been the subject of proceedings. She argued that Mr Warren was entitled, in accordance with his own pleaded meaning, to confine the issue to the relatively narrow one of whether he gave a deliberately misleading impression of the defendant's earnings in breach of confidence and "to do him down". She argued that the detail of the contractual dispute would be irrelevant to the complaint and would also extend hugely the cost and scope of the litigation.

Mr Justice Eady, giving judgment, reviewed the relevant case law, in particular *United States Tobacco International Inc. v BBC* [1998] EMLR 816. The judge noted the following points from those cases:

1. The court should ensure, as far as possible, that a case is confined to the real issue between the parties;

2. It is sometimes necessary to look behind the statements of the case in order to identify the true issues;

3. It is important to determine whether the defamatory meaning to which the claimant seeks to confine the dispute is truly severable and distinct from that which the defendant wishes to justify.

4. Where a claimant chooses to complain about part of a whole publication, the jury is entitled to see and read the whole publication to use it to provide context for the words complained of when considering whether any, and if so what, defamatory meaning is disclosed;

5. Where a publication contains two distinct libels, the claimant can complain of one and the defendant cannot justify that libel by proving the truth of the other. The court must then decide whether the two libels are indeed distinct;

6. It is for the jury to decide what the natural and ordinary meaning of the words complained of is;

7. The court is duty bound to focus on the real issue between the parties to avoid extraneous or peripheral matters.

He concluded that the defamatory sting of which Mr Warren complained was distinct from anything to do with the contractual dispute. The particulars dealing with the two had been set out separately and lateness in objecting was not a reason for not excluding irrelevant matters. Accordingly, the Judge ruled out inclusion of the contract dispute in the libel action altogether.

COMPETITION & COMMERCE

Caution for competition defence

In *The Football Association Premier League Limited & Others v LCD Publishing Limited* [2007] EWHC 3171 (CH), the English High Court considered an application to strike out a restraint of trade and competition defence.

The application relates to the proceedings brought by the Football Association Premier League Limited (FAPL) in respect of its licence agreement with LCD Publishing Limited (LCD). This agreement required authorised photographers or photographic agencies, who entered into the stadia of clubs in the Premier League, to be subject to the condition that they would not distribute the photographs taken at these clubs to be used in any magazine that was solely devoted to a single club or player. LCD allowed the publication, in certain magazines devoted to a single club or player, of photographs taken by authorised photographers in breach of the licence agreement. FAPL sued LCD for *inter alia* copyright and trade mark infringement. FAPL also claimed that LCD's acts amounted to conspiracy and intentional inducement to breach the licence agreement. By way of defence, LCD submitted that the terms of the licence agreement that restricted the use of photographs were an unreasonable restraint of trade and breached the Competition Act 1998. FAPL, therefore, made the application to strike out this defence.

Mr. Justice Warren noted that, for a competition claim to proceed, expert evidence would be required. In the absence of an earlier order for expert evidence, the application to decide the fate of competition defence was urgent. It was noted that LCD had refused to provide particulars of its competition defence in correspondence based on the fact that the contractual provisions relied on by FAPL were not set out in the pleadings. It was held, however, that this was not a sufficient reason for

not explaining the competition defence because the agreements were scheduled to the Particulars of the Claim.

Warren J also refused to accept LCD's argument that the Particulars of Claim were defective, contradictory and obscure, based on the fact that certain particulars regarding the infringing photographs were not specified or the relevant pleading did not tally with the agreement provisions. These issues were held to be irrelevant for the competition defence to be specified. It was held that such information could be sought by LCD. Nevertheless, the application to strike out LCD's competition defence at this stage was refused in the interests of justice, and pursuant to an Unless Order, LCD were given a last chance to provide full particulars of its competition defence.

The significance of this judgment clearly lies in the observations made by the Court regarding the requirements of a competition defence and the particulars required in proceedings for breach of a licence.

Confidentiality or disclosure—who is a better mate for competition and fair play?

The case in question was a reference by Belgium's Conseil d'Etat to the European Court of Justice (ECJ) for a preliminary ruling. The facts involved an invitation to tender issued by the Belgium Defence Ministry for the supply of tank track links. Two bids were received: one from Varec SA (Varec), the other from Diehl Remscheid GmbH & Co (Diehl).

The Belgian Defence Ministry considered that the tender from Varec did not satisfy the technical selection criteria and excluded the bid. Consequently, the contract was awarded to Diehl. The award decision listed a number of technical, administrative and legal grounds for excluding Varec's bid but concluded that Diehl satisfied all the selection criteria.

Varec challenged the award to Diehl and claimed that Diehl had not, in fact, satisfied all the selection criteria and demanded to inspect plans and samples that had been annexed to Diehl's bid. Diehl objected on the ground that the documents contained confidential information and business secrets. The proceedings were stayed by the Belgian Conseil d'Etat. The question referred to the ECJ was whether the provisions of EU law relating to public tenders had to be interpreted as meaning that the authority responsible for an appeal procedure had to ensure the confidentiality of the business secrets contained in the files communicated to it by the parties to the case, including the contracting authority, whilst at the same time being entitled to take the information into consideration.

The ECJ examined the provisions of Directive 89/665, which deals with the coordination of the laws, regulations and administrative provisions relating to the application of review procedures to the award of public supply and public work contracts. The ECJ held that, since Directive 89/665 did not explicitly govern the right of the protection of confidential information, its Article 1(1) should be interpreted in the light of provisions contained in other Directives, such as Directive 93/36 on coordinating procedures for the award of public supply contracts.

The ECJ was also asked to consider the right to a fair hearing in accordance with Article 6 of the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR). It is a principle under this Article that parties are entitled to inspect documents submitted to the Court and comment on them. The Court observed, however, that this entitlement of disclosure is not absolute. Thus, in the context of a review of a decision taken by a contracting authority in relation to the award of a public contract, the parties were not necessarily entitled to unlimited and absolute access to all of the information relating to the award procedure concerned, which had been filed with the body responsible for the review. The right of disclosure could be limited to preserve the fundamental rights of third parties or to preserve important public interests, like the maintenance of fair competition in the context of contract award procedures.

The Court held that, keeping in mind the extremely serious damage that could result from improper communication of business secrets and confidential information to a competitor, a review body must, before communicating that information to a party to the dispute, give the other parties concerned an opportunity to plead that the information was confidential or a business secret. Bodies responsible for appeals of such contract award procedures must ensure that confidentiality and business secrecy are safeguarded, particularly by the contracting authority.

The ECJ held that it is for that review body to decide to what extent and by what process it is appropriate to safeguard the confidentiality and secrecy of that information, and, in the case of judicial review or a review by another body which is a court or tribunal within the meaning of Article 234 EC, to ensure that the proceedings as a whole accords with the right to a fair trial.

The position of the ECJ appears to be that it places greater value on the right to protection of confidential information and business secrets than the right of disclosure in these circumstances. This is in contrast to the opinion of the Advocate General who advised the ECJ. The judgment provides some comfort for potential bidders for public contracts that their confidential information should be safeguarded in the event that the award of the contract is challenged.

PATENTS

The BlackBerry struggle

In October 2006, Research In Motion (RIM), the maker and seller of the BlackBerry wireless communication device, sought revocation of a patent held by Visto. Later, in December 2006, RIM also requested that the English High Court give a declaration of non-infringement of the patent by RIM's BlackBerry system as described in its product and process description (PPD). Visto's patent claimed, in summary: "(i) a means for retrieving an e-mail from a server; (ii) a synchronisation module for deciding whether to send the e-mail to a second mail store, possibly on a "global server" which provides HTML access to its contents for roaming users; and (iii) a communications module for establishing a channel with the second mail store, possibly through *the second mail store*'s firewall, to send the e-mail to the second store using HTTP. Visto acknowledged that RIM's system as described in the initial PPD did not infringe on its patent. However, RIM had a second PPD that, according to Visto, contained a system, the BlackBerry Mail Connector, which did infringe its patent.

Among the issues that had to be decided by the Court were whether the claimed subject matter was an invention in the sense of the Patents Act and whether the BlackBerry Mail Connector infringed the patent.

As far as the revocation of Visto's patent was concerned, Floyd J held the patent's claims to be obvious. The difference between the patent and the state of the art was the use of HTTP (a communication protocol) through the firewall (security software) and the use of a smartphone. Several alternatives existed at the time of filing and the fact that Visto chose a particular method not chosen by others does not necessarily make that method inventive.

On the issue of patentable subject matter, Floyd J considered that the Patents Act only permits *inventions* to be patented. According to Section 1(2)(c) of the Act, programs for computers are not inventions, and therefore not patentable subject matter. However, Section 1(2) concludes by stating that only subject matter relating to the "thing" as such is not regarded an invention. In other words: only computer programs as such are excluded from patentability (more on this topic in "Improved search interface is a computer programme as such" *European IP Bulletin*, Issue 47, February 2008).

Denying Visto's claims, Floyd J held that the patent related to a computer program "as such" because of a lack of technical effect. The claims describe a way of delivering and accessing data, which "is exactly the sort of thing computers do when programmed". Hence, not enough technical effect is generated to regard the claims patentable subject matter.

Although not useful to Visto at this stage, Floyd J acknowledged that, if valid, the BlackBerry Mail Connector described in the second PPD would infringe the patent.

LEGISLATION & NEWS

Proposed changes to copyright law

In the light of the Gower's Review of Intellectual Property, a two-stage consultation has been launched regarding reform of the exceptions to copyright infringement. The consultation focuses on both modification of existing copyright exceptions and the introduction of new exceptions to make the copyright law more meaningful to both the rights owners and the users. The exceptions included in the consultation exercise are educational exceptions, research and private study, format shifting, libraries and archives and parody. The deadline for responses to the consultation is 8 April 2008.

UK Government reveals plan for creative industries

The UK Government has published its first ever comprehensive action plan to support and integrate creative industries within the realm of economic and policy making. The action plan known as "Creative Britain: New Talents for the New Economy", aims to provide more formal and structured support and sets out a number of commitments that the Government and industry needs to fulfil at every stage of the creative process. The plan is to make Britain's creative industries competitive worldwide.

Illegal downloaders to face UK broadband ban

Internet Service Providers (ISPs) and the UK Government are currently considering various possibilities to curb the illegal peer to peer file sharing of copyrighted material. On one hand, the ISPs are currently negotiating a joint voluntary agreement with copyright owners to monitor and share information on web violators, while on the other the government is considering the introduction of legislation that would require ISPs to take action against illegal file sharers. One such legislative option is to provide for a "three strike rule" in which a warning is issued for the first offence, the account is suspended for the second and termination of the internet connection occurs following the third offence.

Term extension for the protection of performances and sound recordings— European developments

In February 2008, the Internal Market Commissioner, Charlie McCreevy, announced his intention to bring forward a proposal aimed at the extension to 95 years of the term of protection for sound recordings. This proposal should be ready for adoption by the Commission before the summer break of 2008.

McDermott Will & Emery

Copyright in Sound Recordings and Performers' Rights (Term Extension) Bill 2007-08

This Private Member's Bill, proposing the extension of the term of protection for performances and sound recordings to 95 years, has been scheduled for a second reading at the House of Commons. The Bill will need to be considered in the light of the evolution of an analogous discussion at the European level.

Future of European-wide music licences for online exploitation—Commission publishes summary report and list of contributions to monitoring

The Commission has published a summary report and a list of contributions by stakeholders who have answered the 17 January 2007 call for comments in relation to Recommendation 2005/737/EC of 18 October 2005 on collective cross-border management of copyright and related rights for legitimate online music services. Of the 89 responses, a variety of views are expressed, although most comments suggested that no new legislation was needed in this area.

The Advertising Standard Authority (ASA) says that gambling advertisements are a safe bet

The ASA has published the results of a survey (Compliance Survey—Gambling 2007) that assessed gambling advertisements across many forms of media. Compliance with the advertising rules relevant for each medium was found in 99 per cent of the cases. This result indicates the effectiveness of self-regulatory measures, positively accepted and adopted by a large majority of gambling operators.

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