



COPYRIGHT/INJUNCTIONS AND ISPS

ISP Not Responsible for Preventing Illegal Downloading: CJEU Decision Finds Filtering System Would Infringe ISP's Business Rights and Customers' Freedom

In *Scarlet Extended SA v Société belge des auteurs, compositeurs et éditeurs SCRL C-70/10* 24 November 2011, the Court of Justice of the European Union found that imposing an injunction on an internet service provider (ISP) requiring it to install a filtering system to prevent illegal downloading is unlawful under European law. To impose such a system would breach the ISP's fundamental right to freedom to conduct business. Further, it would infringe the rights of its customers to the protection of their personal data and the freedom to receive or impart information.

BACKGROUND

The Belgian collecting society, Société belge des auteurs, compositeurs et éditeurs (SABAM), originally brought proceedings against Scarlet Extended SA, an ISP, for copyright infringement. SABAM alleged Scarlet had allowed users to download, *via* peer to peer (P2P) networks, works within SABAM's catalogue without authorisation and without paying royalties.

The Belgian Tribunal de Première Instance ordered Scarlet to install blocking or filtering technologies to make it impossible for users to share files containing musical works contained within SABAM's catalogue. Scarlet appealed to the Belgian Court of Appeal, claiming that it was impossible for it to comply with the injunction because the effectiveness and permanence of filtering and blocking systems had not been proved, and the installation of the equipment for so doing was faced with numerous practical obstacles, such as problems with network capacity and the impact on the network. Further, any attempt to block files was, Scarlet argued, doomed to fail in the very short term because there were, at that time, several P2P software products that made it impossible for third parties to check their content.

Scarlet also claimed that the injunction was contrary to Article 15 of the E-commerce Directive (2000/31/EC) because it would impose on Scarlet a general obligation to monitor communications on its

network, inasmuch as any system for blocking or filtering P2P traffic would necessarily require general surveillance of all the communications passing through its network.

Finally, Scarlet argued that the installation of a filtering system would be in breach of EU law on the protection of personal data and the secrecy of communications, since such filtering would involve the processing of IP addresses, which constitute personal data.

The Belgian Court of Appeal made a reference to the CJEU asking whether EU law, including EU law on applicable fundamental rights, permitted Member States to authorise a national court to order an ISP to install, as a preventative measure, exclusively at its expense and for an unlimited period, a system for filtering all of its customers' electronic communications in order to identify illegal file downloads.

In May 2011, Advocate General Pedro Cruz Villalón opined that imposing such an order on ISPs infringed the Charter of Fundamental Rights of the European Union, and that any such order would only be permissible if adopted on a national legal basis and it was "accessible, clear and predictable".

DECISION

The E-commerce Directive

The CJEU found that national law may not affect the provisions of the E-commerce Directive, more specifically, Articles 12 to 15. Consequently, national law must, in particular, respect Article 15(1), which, in the words of the CJEU, "prohibits national authorities from adopting measures which would require an ISP to carry out general monitoring of the information that it transmits on its network".

The CJEU noted also that European case law has already ruled that the prohibition in Article 15(1) applies in particular to national measures that would require an intermediary provider, such as an ISP, actively to monitor all the data of each of its customers in order to prevent any future infringement of IP rights. Further, such a general monitoring obligation would be incompatible with Article 3 of the IP Enforcement Directive (2004/48/EC), which states that the measures referred to by the Directive must be fair and proportionate and must not be excessively costly (see *L'Oréal v eBay C-324/09*).

Looking at exactly what Scarlet would be required to do to comply with the injunction, the CJEU found that, on the facts, the ISP would effectively have to undertake active observation of all electronic communications conducted on its network, which would encompass all information transmitted and all customers using the network. This would amount to general monitoring, which is prohibited by Article 15(1).

Fundamental Rights

The CJEU noted that the protection of the right to IP is enshrined in Article 17(2) of the Charter of Fundamental Rights. However, that provision did not state, nor was there any case law on the point, that the right was inviolable and must be absolutely protected. It must, therefore be balanced against the protection of other fundamental rights. As was found in *Promusicae* [2008] C-275/06 ECR I-27, national authorities and national courts must strike a fair balance between the protection of copyright and the protection of the fundamental rights of individuals affected by such measures. In *Scarlet v SABAM*, a balance had to be struck between the rights of the copyright holders and the freedom to conduct a business pursuant to Article 16 of the Charter.

Accordingly, an injunction that required the monitoring of *all* electronic communications made through Scarlet's network, with no limitation in time, directed at all infringements, and intended to protect not only existing works, but also future works, "Would result in a serious infringement of the freedom of the ISP concerned to conduct its business since it would require that ISP to install a complicated, costly, permanent computer system at its own expense...". This would be contrary to Article 3(1) of the IP Enforcement Directive, which requires that measures to ensure the protection of IP rights should not be unnecessarily complicated or costly. Accordingly, the injunction would not strike the required fair balance.

The CJEU noted also that the effects of such an injunction would not be limited to just Scarlet. It would also affect the fundamental rights of its customers, namely their right to protection of their personal data and their freedom to receive or impart information as provided by Articles 8 and 11 of the Charter respectively.

Complying with the injunction would involve Scarlet undertaking a systematic analysis of all content and the collection and identification of users' IP addresses from which unlawful content on the network is sent. IP addresses are protected personal data because they allow users to be identified.

The injunction would also, the CJEU held, potentially undermine freedom of information as the system might not distinguish adequately between unlawful and lawful content, which might result in lawful communications being blocked. The question of whether a communication is lawful or not was also subject to national copyright laws, which differed from one Member State to another,

meaning that it was even more difficult to decide what was and was not lawful.

Therefore, imposing the injunction requiring Scarlet to install a filtering system on its network would not be respecting the requirement that a fair balance be struck between, on one hand, the right to IP protection, and on the other, the freedom to conduct business, the right to protection of personal data, and the freedom to receive or impart information.

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A Digital Copyright Exchange in The United Kingdom

The United Kingdom's Department of Business, Innovation, and Skills (BIS) has honoured its early commitment to one of the more controversial ideas put forward by Professor Hargreaves in his May 2011 Review of Intellectual Property and Growth by announcing the launch of a feasibility study on developing a Digital Copyright Exchange (DCE) in the United Kingdom. The study will be led by Richard Hooper, former Deputy Chairman of Ofcom, the independent regulator and competition authority for the UK communications industries.

BACKGROUND

The Hargreaves Review

In Professor Hargreaves's view: "In developing the UK's IP framework to maximise economic growth and innovation, copyright presents our biggest challenge, but also our biggest opportunity". The creation of a DCE was one of a number of recommendations aimed at taking that opportunity. According to Professor Hargreaves, such an exchange would "boost UK firms' access to transparent, contestable and global digital markets", which would boost the UK economy. He did not define clearly how such an exchange would look, other than saying it should be "a network of interoperable databases to provide a common platform for licensing transactions". The review stated that a range of incentives and disincentives will be needed to encourage rights holders and others to take part and that governance should reflect the interests of participants, working to an agreed code of practice. The review also recommended that the Government should appoint a senior figure to oversee its design and implementation by the end of 2012.

The Government's Response

In August 2011, the Government published a response to the review in which it expressed its belief that the DCE "will facilitate copyright licensing and realise the growth potential of creative industries". On announcing the study, BIS said that an exchange could give rights

holders the ability to determine the terms on which their works can be made available for others to use. It would also allow consumers to identify rights holders quickly, in order to secure any potential licensing or investment deals.

The Scope of the Study

The study will look at the feasibility of setting up and running a DCE. Richard Hooper will be looking to persons both within and outside the industry to work with him on the project and sees it in terms of two distinct phases. He intends to “talk to people across and outside the sector to find out how they see the licensing challenges facing them. As part of that process, I’ll be looking to meet the key players and to provide opportunities for all those interested to air their views.” Then the study will move on “to forge some common understanding... to produce appropriate industry-led solutions which respond to the spirit of Hargreaves’ vision”.

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Television “Communication To The Public” Stays Undefined: The Law Needs to “Catchup” with Technology

In *ITV Broadcasting Ltd v TVCatchup Ltd* [2011] EWHC 2977 (Pat), the High Court of England and Wales decided to maintain its reference to the Court of Justice of the European Union (CJEU) on the issue of “communication to the public”, however the reference on “reproduction of a substantial part” was no longer necessary.

BACKGROUND

TVCatchup operates a website that allows viewers to watch live streams of free-to-air-television channels. The Claimants (a number of broadcasters and TV content providers) allege that TVCatchup infringes their copyrights in films and broadcasts by reproduction and by communication to the public.

TVCatchup denied infringement and, alternatively, relied on the transient copying defence under Section 28A of the Copyright Designs and Patents Act 1988 (Article 5(1) of the Copyright Directive (2001/29/EC)) and the defence under Section 73 of the 1988 Act that permits cable retransmission of some broadcasts within their intended reception areas.

In July 2011, Mr Justice Floyd proposed references to the CJEU to determine whether live internet streaming of free-to-air TV channels is lawful. A further hearing was convened to consider the impact of the CJEU decisions in *Joined Cases C-403/08 and C-429/08 Football Association Premier League Ltd v QC Leisure (FAPL)* and in *Joined Cases C-431/09 and C-432/09 Airfield NV v Sabam and Airfield NV v Agicoa Belgium (Airfield)*.

REFERENCES

The Claimants submitted that the decisions in *FAPL* and *Airfield* meant that a reference on the issue of “communication to the public” was no longer needed. Floyd J disagreed, stating that the CJEU’s decision in *Airfield* did not make it easy to distil a clear principle as to what amounts to communication to the public in this context. He therefore maintained the reference on this point.

In particular, Floyd J asked the CJEU to rule on whether, in the circumstances of there being available a free-to-air terrestrial broadcast in a given area, it amounts to communication to the public for a third party to provide the same broadcast by way of retransmission through the internet in the same area.

As for “reproduction of a substantial part”, Floyd J held that *FAPL* made it clear that the “rolling” approach to reproduction of Berne works was incorrect, and that the question must be asked in relation to “transient fragments”. Floyd J concluded that there was a reproduction of a substantial part of the films in the memory buffers of TVCatchup’s servers. He said that the segments of the films stored in the buffers must be sufficient to satisfy the tests as explained in *FAPL*. However, reproduction of the films on the screens was not established.

It therefore followed that Floyd J did not consider that this point warranted reference to the CJEU. Further, as regards broadcasts Floyd J said: “I do not see how it can be rational to apply the rolling basis to broadcasts when it does not apply to films”. Floyd J was further convinced of this fact given that: “If the Claimants fail on communication to the public the defence under Article 5(1) succeeds and there will be again no need to determine the point of law raised here”.

A further reference on the construction of Section 73 was also refused: this was a question for the national court.

COMMENT

In general, “communication to the public” has been given a rather wide interpretation by European case law. What is perhaps of most significance is that the communication has to be to a new public, *i.e.*, not the public the broadcasters initially sent their broadcasts to. However, in this case, Floyd J was not persuaded either way: “It is not clear whether the audience reached by these broadcasts is an audience which is additional to the public targeted by the broadcasting organisation concerned”.

All of this is unsatisfactory for a number of reasons, not least because what is meant by the right of communication to the public now languishes somewhere between the ether and cyberspace while Floyd J’s reference wends its way to Luxembourg.

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“Communication to the Public”: CJEU Finds it Does Not Include Live Performances or Direct Presentations of Copyrighted Work

The Court of Justice of the European Union (CJEU) has once again considered the meaning of “communication to the public” under Article 3(1) of the Copyright Directive (2001/29/EC). This time the Court found that it does not include live performances or direct presentation of copyright protected works.

BACKGROUND

In *Circul Globus București (Circ & Variete Globus București) v Uniunea Compozitorilor și Muzicologilor din România – Asociația pentru Drepturi de Autor* C-283/10 24 November 2011 (unreported), the Romanian collecting society, Uniunea Compozitorilor și Muzicologilor din România– Asociația pentru Drepturi de Autor (UCMR-ADA), brought proceedings against Globus Circus, an organiser of circus and cabaret performances, in respect of Globus Circus’ public dissemination of musical works for commercial purposes, which UCMR-ADA alleged had been done without a licence and without paying royalties.

Before the District Court of Bucharest, UCMR-ADA argued that under Romanian copyright law, the exercise of the right to communicate musical works to the public is subject to compulsory collective management. Globus Circus, on the other hand, argued that it had entered into contracts directly with the authors of the musical works, under which copyright had been waived, and that it had paid those authors an appropriate fee in return for using their works.

The Romanian courts held, at first instance and on appeal, that under Romanian law, the exercise of the right to communicate musical works to the public had to be managed collectively. Accordingly, Globus Circus was required to pay UCMR-ADA the required fees.

Globus Circus appealed to the Romanian Supreme Court of Cassation and Justice. The Romanian Supreme Court asked the CJEU whether “communication to the public” under Article 3(1) of the Copyright Directive should be interpreted as referring exclusively to communication to a public that is not present at the place where the communication originates, or also to any communication of a work that is carried out directly in a place open to the public using any means of public performance or direct presentation of the work.

DECISION

The CJEU pointed out that neither Article 3(1) of the Copyright Directive, nor any other provision, defined the concept of

“communication to the public”. Therefore, in order to interpret the law, account had to be taken not only of the wording of Article 3(1), but also of the context in which it was used and of the aims of the legislation of which it was part.

Accordingly, the CJEU noted that Recital 23 to the Directive stated that the right of communication to the public “should be understood in a broad sense covering all communication to the public not present at the place where the communication originates”.

Further, following the recent decision in *Joined Cases C-403/08 and C-429/08 Football Association Premier League Ltd v QC Leisure (FAPL)*, “communication to the public” does not cover “direct representation or performance”, a concept referring to that of “public performance”, which appears in Article 11(1) of the Berne Convention and which encompasses interpretation of works before a public that is in direct physical contact with the actor or performer of those works. That is why, the CJEU said, Recital 23 includes the words “not present at the place where the communication originates”.

Given that the musical works in question were communicated to the public in the context of live circus and cabaret performances, that element of direct physical contact existed, with the result that the public was present at the place where the communication originated.

Further, the CJEU said, the harmonisation sought by the Copyright Directive was not intended to cover “conventional” forms of communication to the public, such as the live presentation or performance of a work. This, the CJEU said, was borne out by the third and fourth sentences of Recital 23, which states that the author’s right to communicate to the public “should cover any such transmission or retransmission of a work to the public by wire or wireless means, including broadcasting. This right should not cover any other acts”. In other words, the right to communicate to the public did not cover any activity that did not involve a transmission or a retransmission of a work, such as live presentations or performances of a work.

COMMENT

This decision simply confirms what was said in *FAPL*, *i.e.*, that Recital 23 to the Copyright Directive makes it clear that the concept of “communication to the public” covers communication to a public not present at the place where the communication originates, which logically thereby excludes live performances and direct presentations in the sense of the Berne Convention.

REGISTERED DESIGNS

Dyson v Vax Ltd: Court of Appeal Of England and Wales Finds “These are Different Designs”

In *Dyson v Vax Ltd* [2011] EWCA Civ 1206, Dyson Ltd has lost its appeal against Mr Justice Arnold’s decision that Vax Ltd had not infringed Dyson’s UK registered design in relation to its Dual Cyclone vacuum cleaner by importing and marketing the Mach Zen C-91 MZ vacuum cleaner.

BACKGROUND

In December 1994, Dyson applied for a UK registered design relating to the design of a dual cyclone cleaner. In 2009 Vax launched its Mach Zen vacuum cleaner, which, like the Dyson, was a multi-stage cyclone vacuum cleaner. Dyson issued proceedings against Vax claiming that the importing and marketing of the Mach Zen infringed its registered design.

Arnold J, at first instance, concluded that the overall impression produced by the two designs was different. In doing so he examined, in detail, the design *corpus*, which he said was “cylinder vacuum cleaners”, the degree of freedom of the designer, and the similarities and differences between the registered design and Vax’s machine. Whilst it was proper to consider both similarities and differences between the respective vacuum cleaners, what mattered, he said, was the overall impression produced on the informed user by each design having regard to the design corpus and the degree of freedom of the designer.

DECISION

The key question on appeal was whether the Mach Zen produced on the informed user a different overall impression from that of Dyson’s registered design. In the judgment of the Court of Appeal, Jacob LJ noted that there was no dispute that Dyson’s registered design was “a great departure” from what had gone before. Further, there was no dispute as to the characteristics of the informed user who, importantly, was reasonably discriminatory and not the same person as the average consumer in trade mark law.

As to the degree of design freedom, this was found to plainly refer to the degree of freedom of the designer of the registered design, not the degree of freedom of the designer of the alleged infringement. However, Jacob LJ found that there will seldom be any difference unless there has been a significant advance in technology between the date of creation of the registered design and the date of creation of the alleged infringement. Whilst Jacob LJ accepted that Arnold J should, technically, have focused only on the degree of design freedom of the registered design, it did not make any difference in this appeal as there was no evidence of any change in degrees of

design freedom between the date of the design and the date of the Mach Zen. Therefore, Arnold J had not erred.

Jacob LJ also agreed with Vax’s arguments that there were substantial differences between the designs. On the basis of these differences, Arnold J was entitled to conclude that the Mach Zen produced on the informed user a different overall impression.

COMMENT

This judgment is of interest not only as a clear guide to the assessment of an alleged infringement of a registered design, but also as a general commentary on the role of expert evidence in such cases. Both Jacob LJ and Jackson LJ pointed to the need to restrict the ambit and focus of expert evidence. Anticipated amendments to CPR Part 35 during the course of the next year are thought likely to address this.

PATENT

Appeal Against Exclusion From Patentability of Software to Protect Minors Online Allowed

In relation to the application by Protecting Kids the World Over (PKTWO) [2011] EWHC 2720 (Pat), the High Court of England and Wales has allowed an appeal against a decision of a Hearing Officer that found that an alarm notification system for monitoring inappropriate electronic communications fell within the computer program exclusion.

BACKGROUND

PKTWO applied to register a system for monitoring the content of electronic communications to ensure that children are not exposed to inappropriate content. The system as claimed analyses data sampled from a communication channel. Where the data is judged to be of concern, the user of the system—the child’s parent—can be notified by email or text message and by reply can send a remote response command either to terminate the electronic communication or to completely shut down the computer.

The Hearing Officer held that the invention was excluded from patentability because it related to a computer program and to a method of performing a mental act as such. PKTWO appealed to the High Court, submitting that the contribution its invention made to the state of the art had been ignored. Just before this hearing, the Comptroller withdrew the mental act exclusion and only put forward the computer program exception.

DECISION

Floyd J began by referring to the exclusion found in Article 54 of the European Patent Convention (and Section 1(2) of the Patents Act 1977) against the patentability of computer programs “as such”. He then turned to the wealth of case law on the interpretation of this exclusion, including the four step approach from *Aerotel v Telco/Macrossan’s Patent Application* [2007] RPC 7 that should be applied in such cases:

1. Properly construe the claim
2. Identify the actual contribution
3. Ask whether it falls solely within the excluded subject matter
4. Check whether the actual or alleged contribution is actually technical in nature.

In identifying the actual contribution made by the invention, Floyd J observed that *Aerotel* required that when considering the invention “as a whole”, this contribution had to be to the effect that the invention added something to human knowledge. He then went on to ascertain whether the contribution made was technical, as this had to be the case before the requirements for patentability could be met, by applying the approach set out in *AT&T Knowledge Ventures* [2009] EWHC 343. Furthermore, Floyd J observed that *Gemstar-TV Guide International Inc v Virgin Media Ltd* [2010] RPC 10 required this technical contribution to achieve a physical effect or activity as opposed to being abstract, such as simply making something “better” or producing a different display.

Applying these principles, Floyd J held that the contribution made by the claim at issue was that a more rapid and reliable alarm notification was generated. While this was not new, the particular way in which the notification was sent, *i.e.*, sending messages to the user by email or text, was not known in the existing art and was technically superior to other known forms of notification. He held that it therefore contributed to human knowledge. He added that the invention when viewed as a whole improved the way electronic content was monitored and was therefore technical, albeit outside the computer. He held that because of this, the invention had the necessary characteristics of a technical contribution that was superior to that produced by the prior art, and therefore did not fall wholly within the exclusion. The appeal was allowed.

COMMENT

Although there is no shortage of authority on the subject of computer programs, this ruling is a reminder of how difficult it can be to navigate these issues with any certainty. The question of determining whether the contribution is technical is by far the most difficult to answer and each case has to be decided based on its own particular facts and features, using the guidelines in the case law. What this case does not address is the tension between the European Patent Office approach and the UK approach to the exclusion.

TRADE MARKS

Registration of Colour Marks: Cadbury’s Purple Registered for Chocolate

In *Cadbury Ltd (The Colour Purple) BL 0-358-11_20 October 2011*, the UK Intellectual Property Office has dismissed an opposition brought by Nestlé against Cadbury’s application to register a particular shade of purple as a UK trade mark for chocolate, on the basis that Cadbury would limit its specification of goods to those for which the mark had acquired distinctiveness.

BACKGROUND

In 2004, Cadbury applied to register as a UK trade mark for goods in Class 30 corresponding to chocolate-based products:

The colour purple (Pantone 2685C), as shown on the form of application, applied to the whole visible surface, or being the predominant colour applied to the whole visible surface, of the packaging of the goods.

Société des Produits Nestlé SA (Nestlé) opposed the application based on grounds arising under Section 3 of the Trade Marks Act 1994, including bad faith and lack of distinctiveness among others.

DECISION

Colour as a Sign

The Hearing Officer held that the colour was fixed and stable, and capable of being used as sign since it was represented by an internationally recognised identification code and satisfied the factors outlined in *Sieckmann* [2002] C-273/00 ECR I-11737.

The Hearing Officer found that the sample of the colour, accompanied by the Pantone reference, clearly satisfied the requirements set out in *Libertel Groep BV and Benelux-Merkenbureau* [2004] C-104/01 FSR 4 with regard to graphical representation, and that the addition of the verbal description made the representation of the mark clear, precise, self-contained, easily accessible, intelligible, and objective, and thus capable of being used as a sign.

Bad Faith

The claim as to bad faith was limited to the argument that Cadbury did not actually intend to use the colour on the whole visible surface of any packaging. The judge dismissed this argument on the basis that it would be acceptable commercial behaviour to assume that the “entire surface” of packaging would mean everything except the product name itself, which might well be written in a different colour.

Distinctive Character

Cadbury accepted that, *prima facie*, the mark was not distinctive under Section 3(1)(b) but contended that it had acquired distinctiveness through use by the date of the application. Applying the principles governing the assessment of acquired distinctiveness in *Libertel* and in joined cases C-108 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, the Hearing Officer said that the underlying general interest in not unreasonably restricting competitors' access to the colour in question was to be considered by establishing whether the colour was distinctive of the company, and of all the goods specified in the application.

Cadbury's purple was not utilised in all instances, and the use was mainly in relation to biscuits and "cross-over" products as opposed to chocolate. Further, owing to heavy branding in the decade before the application was filed, the evidence showed that the public had come to strongly associate the shade in question with Cadbury even before the relevant date. This was confirmed by several surveys in which nearly half of the respondents demonstrated a substantial degree of association between the shade of purple and Cadbury, especially in relation to chocolate.

The evidence showed that the mark had acquired distinctiveness in relation to chocolate *per se*—chocolate in bar and tablet form, and drinking chocolate—but the distinctiveness had been blurred in relation to other goods, including chocolate assortments, confectionery, and cakes, owing to Cadbury's use of other colours for the packaging of such products. The Hearing Officer therefore dismissed Nestlé's opposition insofar as it was directed to the former group of goods, but allowed it for the latter group of goods, and required Cadbury to amend its specification to reflect this.

TRADE MARKS/DOMAIN NAMES

WIPO Refuses to Order the Transfer of worldcup2011.com to The International Rugby Board

In *Rugby World Cup Ltd v Andreas Gyrre* WIPO D2011-1520 (1 November 2011) sole panellist Robert Badgely dismissed the complaint by the International Rugby Board (IRB) against ticket reseller Euroteam AS on the basis that the domain name could not be considered confusingly similar to the IRB's trade marks RUGBY WORLD CUP and RUGBY WORLD CUP 2011, essentially because the dominant term "rugby" was lacking in the domain name.

BACKGROUND

The complaint under the Uniform Domain Name Dispute Resolution Policy (UDRP) was in fact brought by the Irish company Rugby World Cup Ltd, which the IRB, rugby's world governing

body, set up in 1989 to manage all rights in the Rugby World Cup tournament. The domain name worldcup2011.com was registered on 7 August 2009 by Andreas Gyrre, who was associated with the ticket reseller Euroteam AS. The IRB argued that reselling tickets to the 2011 Rugby World Cup tournament, held in New Zealand, violated the terms and conditions to which a legitimate ticket purchaser must agree. One such condition was that the purchaser of a ticket must not offer to resell it publicly, including on any website. The IRB also alleged that the colours and fonts used on Euroteam's website gave that site the same "look and feel" as the official Rugby World Cup site, thereby underscoring confusion among consumers.

DECISION

Rejecting these arguments, Robert Badgely dismissed the complaint for lack of confusing similarity. Crucially, the dominant element of the IRB's trade marks, the word "rugby", was missing from the disputed domain name. In this respect Mr Badgely noted that Paragraph 1.2 of the WIPO Overview 2.0 states as follows:

Application of the confusing similarity test under the UDRP would typically involve a straightforward visual or aural comparison of the trade mark with the alphanumeric string in the domain name. While each case must be judged on its own merits, circumstances in which a trade mark may not be recognisable as such within a domain name may include where the relied-upon mark corresponds to a common term or phrase, itself contained or subsumed within another common term or phrase in the domain name (e.g., trade mark HEAT within domain name theatre.com).

Mr Badgely also acknowledged that some WIPO panels take a "more holistic approach" to confusing similarity, as paragraph 1.2 of WIPO Overview 2.0 also recognises:

Some panels have additionally required that, for a domain name to be regarded as confusingly similar to the complainant's trade mark, there must be a risk that internet users may actually believe there to be a real connection between the domain name and the complainant and/or its goods and services. Such panels would typically assess this risk having regard to such factors as the overall impression created by the domain name, the distinguishing value (if any) of any terms, letters or numbers in the domain name additional to the relied-upon mark, and whether an internet user unfamiliar with any meaning of the disputed domain name seeking the complainant's goods or services on the world wide web would necessarily comprehend such distinguishing value vis-à-vis the relevant mark.

Under either approach, Mr Badgely considered that the lack of the word "rugby" in the domain name meant that there could not be confusing similarity in the current case. In this respect, Mr Badgely noted that there are many world cup events, including several in 2011 alone: Cricket World Cup 2011, FIFA Women's World Cup 2011, Dubai Racing World Cup 2011, FIFA U-20 World Cup 2011, Dance World Cup 2011, FIFA U-17 World Cup 2011, FIFA World Cup 2011 in Japan, Snowboarding World Cup 2011, and FIFA

Beach Soccer World Cup 2011. Critically, no evidence had been presented that the Rugby World Cup was so much more famous than other world cups that a reference to “world cup 2011” necessarily, or even probably, called to mind the IRB’s marks.

Mr Badgely distinguished an earlier WIPO decision (WIPO Case No. D2000-0034), in which the international governing body of football—FIFA—recovered the domain name worldcup2002.com, on the basis that the complainant’s mark in that case was WORLD CUP. As such that the mark and domain name were found to be confusingly similar.

DATA PROTECTION

The Information Commissioner’s Office Publishes Briefing on Future of Data Protection in The European Union

The Information Commissioner’s Office (ICO) has published a briefing on the future of data protection in the European Union, setting out the ICO’s views on the scope and expected content of the new EU data protection legal framework. The briefing outlines what the ICO would like to see in future legislation.

BACKGROUND

The Data Protection Directive 95/46/EC (the Directive), regulates the processing of personal data in the European Union. Since its implementation, technological developments have changed the landscape in which the Directive operates, resulting in questions over its fitness for purpose. In November 2010, the European Commission published a communication entitled “A comprehensive approach on personal data protection in the European Union”, which sets out the Commission’s concerns over whether the Directive, in its current form, could bear the strain of technological change. The communication stimulated debate over the scope and content of a revised Directive, with EU Justice Commissioner Viviane Reding calling for an overhaul of the current regime. The briefing is the latest contribution to that debate.

SCOPE

The briefing states that an effective new data protection framework must be “overarching, clear in scope and easy to understand and apply, consisting of high-level principles with the detail in implementing measures, codes of practice and other mechanisms.” In addition, the framework should place responsibility on, and require accountability from, those processing personal data throughout the information life cycle. This includes applying obligations directly to data processors.

Equally, there should be clearly defined exemptions for domestic purposes and journalism, taking account of changes such as social networking sites and blogs.

RIGHTS

The framework should strengthen an individual’s right to object to and block processing and to have their data deleted, and reverse the burden of proof so the organisation has to provide compelling grounds for continuing to process the data. The ICO suggests that the Commission should not introduce a stand-alone “right to be forgotten” since, in its view, this could “mislead individuals and falsely raise their expectations, and be impossible to implement and enforce in practice”. However, it should be easier for individuals to exercise their rights by using technology to provide subject access and giving individuals the ability to move their data around and have it in a reusable format.

OBLIGATIONS

The ICO wants the new framework to be less prescriptive in terms of the processes organisations are expected to adopt, but clearer in terms of the standards they are expected to reach. Organisations should carry out a privacy impact assessment where processing has, or could have, a significant or adverse impact on the individual, or where the purpose of the processing creates a particular risk. The briefing acknowledges that “any explicit provisions to compel privacy by design would be difficult to implement and enforce in practice”.

Information provided to regulators by organisations should be “meaningful” and “demonstrate compliance and accountability”. In the first instance, assessing the adequacy for international transfers of data should be the responsibility of the organisation, not data protection authorities.

DATA PROTECTION AUTHORITIES

The ICO insists that data protection authorities should supervise, enforce, advise, and not give prior approval or authorisation to organisations’ activities. Furthermore, the authorities should have powers to take action against any organisation, regardless of the role the authorities take in the stewardship of the personal data. These powers should include the ability to audit all organisations. In addition, authorities should cooperate and share information with each other, but “remain independent”.

COMMENT

The Commission’s principal objectives regarding revision of the Directive were to strengthen individuals’ rights, revise data protection rules in the area of police and criminal justice, ensure high levels of protection for data transferred outside the European Union, and provide more effective enforcement of the rules. The ICO is broadly in agreement with the Commission’s objectives, but differs in some respects over how they should be achieved.

DATA PROTECTION

Proposals for Reform of the Data Protection Regime and Binding Corporate Rules

EU Justice Commissioner Viviane Reding recently delivered two speeches. One was on the proposals for reform of EU data protection laws and its impact on businesses, the other was on the benefits of binding intra-group codes of practice based on European data protection standards (binding corporate rules, or BCRs). Ms Reding's speeches provide insight into the European Commission's policy and its commitment to reform.

DATA PROTECTION REFORM

In her speech, "Building trust in the Digital Single Market: Reforming the EU's data protection rules", delivered on 28 November 2011, Ms Reding said that reforming data protection laws would serve to increase trust and confidence in consumers, encourage use of digital services, and ensure economic growth.

To address the problems faced currently by the data protection regime, the Commission is proposing a number of reforms. It notes that businesses need consistency and coherence. Accordingly, the Commission argues that there should be a "one-stop-shop" when it comes to data protection matters: one law and one data protection authority for each business. Authorities responsible for data protection must be provided with sufficient powers and resources to enforce the law.

The Commission suggests that coordination and cooperation between national data protection authorities must be strengthened to ensure rules are enforced consistently. Cutting red tape by eliminating unnecessary costs and administrative burdens to create a more business-friendly regulatory environment is seen to be essential.

Industry self-regulation also has a complementary role to play in reform, with businesses being expected to comply with data protection rules, ensuring transparency for individuals, who must be provided with appropriate information about the processing of their data and must be informed swiftly when their personal data is lost, stolen, or breached. Users must know their rights, and which authority to address if those rights are violated.

Ms Reding reiterated that she wants to create a "right to be forgotten". If an individual no longer wants their personal data to be processed or stored by a data controller, and there is no legitimate reason for keeping it, the data should be removed

from that system. In addition, reform will include easier access to individuals' own data.

BINDING CORPORATE RULES

On 29 November 2011, in a speech entitled "Binding Corporate Rules: unleashing the potential of the digital single market and cloud computing", Ms Reding said that BCRs constitute one way of protecting the processing and transferring of personal data outside the European Union. Once formally approved by one of the EU Member States' data protection authorities, they become legally binding on companies, offering legal certainty and flexibility, and ensuring that all essential data protection principles are respected. However, Ms Reding said that BCRs could be improved.

Instead of obtaining approval from each national authority of each Member State in which the company might be active, Ms Reding wants BCRs to be based on one single law: European law. Ms Reding stressed that once BCRs are approved by one data protection authority, they should be enforceable through any data protection authority and enforcement must be consistent. At the moment, not all authorities have the power to adopt legally binding decisions. Ms Reding therefore plans to strengthen the powers of data protection authorities so that they can all use administrative sanctions whenever there is a breach of the law. Moreover, BCRs will be binding within companies and on third parties.

Ms Reding said that, "If European businesses are to compete with the rest of the world, we need to encourage innovation." In an era where information flows globally, data protection laws that apply only within a given territory do not work. Ms Reding wants to make BCRs applicable to all internal and extra-EU transfers of any entity in a group of companies.

COMMENT

Currently, the BCRs remain the preserve of larger multinational groups with their construction and approval proving challenging for smaller entities and those with particularly complex group structures. Thus, the process of streamlining the approval of BCRs will be of great benefit to smaller entities seeking to use BCRs.

ENTERTAINMENT AND MEDIA

Malicious Falsehood During a Broadcast: Claims Must be Particularised

In *Tesla Motors Ltd v British Broadcasting Corporation* [2011] EWHC 2760 (QB), the High Court of England and Wales has ordered that a claim for malicious falsehood against the BBC should be struck out unless Tesla Motors Ltd (Tesla) obtains permission to amend its claim for damages, which it had not particularised properly, as required in a claim for malicious falsehood.

BACKGROUND

The broadcast complained of related to the *Top Gear* presenter, Jeremy Clarkson, testing the Tesla Motors Ltd's electric Roadster car in December 2008. To begin with, Mr Clarkson praised the car; however, later on in the broadcast, Mr Clarkson stated that the car ran out of power after just 55 miles, that it had overheated, and that the brakes had broken.

Tesla initially sued in libel, but changed the claim to one of malicious falsehood after the Court said that the words complained of were not capable of bearing the alleged defamatory meanings. As the programme had initially been broadcast on 14 December 2008, but proceedings had not been issued until 29 March 2011, the claim was limited to republications of the programme within the 12 months immediately preceding the commencement of the action, owing to the one year limitation period applicable to claims for malicious falsehood. In other words, the claim was limited to broadcasts after 29 March 2010, such as a broadcast on the freeview channel Dave.

Tesla's Particulars of Claim did not contain a pleading of actual damage. Instead, Tesla relied on Section 3(1) of the Defamation Act 1952.

The BBC applied to strike out the claim on the basis that the allegation of damage as pleaded by Tesla was wholly inadequate. The BBC also argued a case of waiver, acquiescence or estoppel, arguing that, because of certain public statements made in respect of the broadcast by Tesla to the press, Tesla had lost any right to contend that the broadcast was actionable. The case should, the BBC submitted, therefore be decided summarily in the BBC's favour.

DECISION

The Plea of Damage

Mr Justice Tugendhat ruled that the pleading was inadequate and ordered that the claim be struck out unless Tesla applied for and obtained permission to amend its Particulars of Claim:

In my judgment, if a trader, such as each of the Claimants in this case, makes a claim for malicious falsehood and, as he is entitled to do, he relies not on any actual damage, but on probable damage such as is referred to in the 1952 Act Section 3, the Claimant must nevertheless give particulars of the nature of the allegedly probable damage and the grounds relied on for saying that it is more likely than not.

Acquiescence, Waiver or Estoppel

On the BBC's submission that Tesla had lost the right to complain as a result of public statements it had made that contradicted the claim, Tugendhat J said that it was not appropriate to decide the point summarily as it was "a point of general importance". It was possible, he said, in a legal system that has no single publication rule, to envisage circumstances in which a claimant might be held to have lost any right to complain about publications that had occurred before he issued proceedings, but nevertheless not have lost the right to complain about, and seek to prevent, future publications.

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LEGAL KNOW-HOW AND INFORMATION
MARKETING CONSULTANTS

rico@callejaconsulting.com

McDermott Contact Details

Questions concerning the information contained in this newsletter may be directed to your regular McDermott Will & Emery lawyer or:

LONDON

Hiroshi Sheraton: +44 20 7577 6910 hsheraton@mwe.com
Rohan Massey: +44 20 7577 6929 rmassey@mwe.com

MUNICH

Boris Uphoff: +49 89 12712 170 buphoff@mwe.com
Vincent Schröder: +49 89 12712 164 vschroder@mwe.com

DÜSSELDORF

Thomas Hauss: +49 211 3003 210 thauss@mwe.com

ROME

Francesco Mattina: +39 06 462024 60 fmattina@mwe.com

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OFFICE LOCATIONS

BOSTON

28 State Street
Boston, MA 02109
USA
Tel: +1 617 535 4000
Fax: +1 617 535 3800

DÜSSELDORF

Stadttor 1
40219 Düsseldorf
Germany
Tel: +49 211 30211 0
Fax: +49 211 30211 555

LOS ANGELES

2049 Century Park East, 38th Floor
Los Angeles, CA 90067
USA
Tel: +1 310 277 4110
Fax: +1 310 277 4730

MUNICH

Nymphenburger Str. 3
80335 Munich
Germany
Tel: +49 89 12 7 12 0
Fax: +49 89 12 7 12 111

PARIS

23 rue de l'Université
75007 Paris
France
Tel: +33 1 81 69 15 00
Fax: +33 1 81 69 15 15

SILICON VALLEY

275 Middlefield Road, Suite 100
Menlo Park, CA 94025
USA
Tel: +1 650 815 7400
Fax: +1 650 815 7401

BRUSSELS

Rue Père Eudore Devroye 245
1150 Brussels
Belgium
Tel: +32 2 230 50 59
Fax: +32 2 230 57 13

HOUSTON

1000 Louisiana Street, Suite 3900
Houston, Texas 77002
USA
Tel: +1 713 653 1700
Fax: +1 713 739 7592

MIAMI

333 Avenue of the Americas
Suite 4500
Miami, FL 33131
USA
Tel: +1 305 358 3500
Fax: +1 305 347 6500

NEW YORK

340 Madison Avenue
New York, NY 10173
USA
Tel: +1 212 547 5400
Fax: +1 212 547 5444

ROME

Via A. Ristori, 38
00197 Rome
Italy
Tel: +39 06 4620241
Fax: +39 0648906285

WASHINGTON DC

600 Thirteenth Street, N.W.
Washington, DC 20005
USA
Tel: +1 202 756 8000
Fax: +1 202 756 8087

CHICAGO

227 West Monroe Street
Chicago, IL 60606
USA
Tel: +1 312 372 2000
Fax: +1 312 984 7700

LONDON

Heron Tower
110 Bishopsgate
London EC2N 4AY
United Kingdom
Tel: +44 20 7577 6900
Fax: +44 20 7577 6950

MILAN

Via dei Bossi, 4/6
20121 Milano
Italy
Tel: +39 02 7862 7300
Fax: +39 02 7862 7333

ORANGE COUNTY

18191 Von Karman Avenue, Suite 500
Irvine, CA 92612
USA
Tel: +1 949 851 0633
Fax: +1 949 851 9348

SHANGHAI

MWE China Law Offices
Strategic alliance with
McDermott Will & Emery
28th Floor Jin Mao Building
88 Century Boulevard
Shanghai Pudong New Area
PR China 200121
Tel: +86 21 6105 0500
Fax: +86 21 6105 0501