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COPYRIGHT

UK Patents County Court Finds Copyright Subsists in Digitally Manipulated Photograph

In *Temple Island Collections Ltd v New English Teas Ltd* [2012] EWPC 1 (12 January 2012), Judge Birss QC found that an image belonging to New English Teas infringed the copyright subsisting in a digitally manipulated photograph of a London scene created by Temple Island Collections

BACKGROUND

TIC claimed to be the owner of copyright subsisting in a black and white photograph of a red bus travelling across Westminster Bridge:



Once the photograph had been taken, it was manipulated on a computer using Photoshop software. For example, the red colour was strengthened, the sky was removed, the rest of the image was changed to monochrome except for the bus, and the image was stretched. The whole endeavour, including taking the original photograph, took around 80 hours.

The image was published in February 2006 and was used by TIC on various souvenir products. The image became famous in TIC's industry and a number of other organisations licensed it from the TIC, including Historic Royal Palaces.

NET was aware of TIC's famous image; in fact, NET had previously settled an action concerning one of its images, which TIC claimed infringed its copyright.

In this case, NET took four photographs—three of different aspects of the Houses of Parliament and one of a red Routemaster bus—which were then combined and manipulated to produce the photograph in question.



TIC brought proceedings against NET for copyright infringement. NET denied infringement, arguing that TIC could not use copyright law to give itself, effectively, a monopoly right over monochrome images of the Houses of Parliament and a red bus.

DECISION

SUBSISTENCE OF COPYRIGHT

HHJ Birss found that copyright plainly subsisted in Temple Island's photograph as it was indeed the author's own "intellectual creation" and had involved skill and labour, both in terms of the choices relating to the basic photograph itself (the motif, angle of shot, light and shade, illumination, and exposure) and also in terms of the post-production work:

The fact that it is a picture combining some iconic symbols of London does not mean the work is not an original work in which copyright subsists. The fact that, to some observers, icons such as Big Ben and a London bus are visual clichés also does not mean no copyright subsists. It plainly does.

INFRINGEMENT

HHJ Birss found that NET had indeed copied TIC's photograph: NET had access to TIC's work and there were obvious similarities between the images.

The question was, therefore, whether a substantial part of TIC's work had been reproduced. The issue turned on a qualitative

assessment of the reproduced elements. In terms of composition, the reproduced elements amounting to a substantial part included the Routemaster bus on the right of Westminster bridge, the riverside façade of the Houses of Parliament, the substantial amount of sky, and the top of the bus was roughly the same height as the façade of the Houses of Parliament. As for visual contrast features, the reproduced elements consisted of the bright red bus against a monochrome background and the element of the blank white sky, which created a strong skyline.

Two factors that influenced the judge’s decision were: 1) the nature of TIC’s image, and 2) the collection of other, similar works relied on by NET. On the first point, TIC’s image was not “a mere photograph”. Its appearance was the product of deliberate choices and deliberate manipulations by the photographer. On the second point, the collection of other works had actually worked against NET as it emphasised how ostensibly independent expressions of the same idea can turn out differently.

HHJ Birss therefore found that NET’s image infringed TIC’s original photographic work.

COMMENT

In what the judge described as a “tricky” area of law—the scope of protection for images manipulated by post production software—this case will cause some controversy as it appears to widen the scope of copyright protection in the composition of visual images.

TRADE MARKS

Wella Fails to Prove Distinctiveness of SHAPER Mark

In *Wella Corporation v Alberto-Culver Company* [2011] EWHC 3558 (Ch), the UK High Court upheld the decision of a UK Intellectual Property Office Hearing Officer who rejected the application by Wella Corporation to invalidate the Alberto-Culver Company mark FUNKY SHAPER based on Wella’s earlier Community trade mark for SHAPER.

BACKGROUND

In 2009, Alberto-Culver Company (Alberto) had successfully registered the UK trade mark FUNKY SHAPER for hair care goods in Class 3. Wella applied under Section 47(2)(a) of the Trade Marks Act 1994 (TMA) for the mark to be declared invalid on the basis of Wella’s earlier CTM for SHAPER, registered in 1998, also for hair care goods in Class Wella relied on Sections 5(2)(b) and 5(3) of the TMA.

The Hearing Officer rejected Wella’s application. Although he agreed that the respective goods were identical and that the two marks had clear similarities, he held that there was no likelihood of confusion on the part of the average consumer as neither mark would be seen as indicating origin at the date of filing of the opposed mark. The Hearing Officer was not impressed by either Wella’s evidence of use, nor by the inherent distinctiveness of either the SHAPER or FUNKY SHAPER marks, finding that the FUNKY element was merely descriptive and laudatory.

Wella appealed the decision under Section 5(2)(b) to the High Court on three grounds: i) that a finding that SHAPER was not distinctive was tantamount to the suggestion that its mark was invalid, and that invalidity was not open to the Hearing Officer as a matter of law; ii) that a finding that FUNKY was descriptive and laudatory meant that FUNKY SHAPER was invalid; iii) that the Hearing Officer misapplied the law.

DECISION

Judge Birss QC held that the Hearing Officer found correctly that Wella’s mark lacked all distinctive character as the evidence produced failed to show that the mark had acquired distinctiveness through use at the date the opposed mark was filed. Since this was a matter specific to a particular point in time, and not a finding of invalidity, the Hearing Officer had jurisdiction to rule on the matter.

HHJ Birss noted that the evidence of use showed that the mark SHAPER was effectively a sub-brand for the well-known hair care brand Sebastian. Accordingly, the Hearing Officer held that the consumer would see the mark SHAPER as describing a particular type of shaping product originating from the Sebastian brand, a conclusion HHJ Birss also supported. An example of how the products were marketed is shown below:



In contrast, Alberto’s use of the FUNKY SHAPER mark is illustrated below:



Alberto presented evidence to show that other traders were using the word “shaper” descriptively. This fact, which was not disputed by Wella, is what led to the finding that Wella’s mark had low or very low distinctiveness. On this basis, HHJ Birss held that it was open to the Hearing Officer to rule that the mark lacked all distinctiveness. Accordingly, he dismissed the first ground of Wella’s appeal.

As to the second ground of appeal, since neither SHAPER nor FUNKY were distinctive, HHJ Birss noted that the Hearing Officer concluded correctly that neither mark would be viewed as an indication of origin and that there was, accordingly, no likelihood of confusion.

On the basis of these two findings, HHJ Birss dismissed the third ground as he found that the Hearing Officer had reached the necessary factual conclusions based on the evidence presented before him.

COMMENT

Wella, in deciding to challenge Alberto’s mark, was effectively caught between a rock and a hard place. It was unable to launch a potentially more effective attack on the basis that the later mark was non-distinctive or descriptive because it would be tantamount to saying that Wella’s similar registration SHAPER suffered from the same deficiencies. Wella therefore had to rely on its own mark’s acquired distinctiveness. However, if the distinctiveness of an earlier mark is found lacking at the relevant date (*i.e.*, at the time of the opposed mark’s application) then the likelihood of confusion will be less, thus increasing the chances that the challenge will fail, as was the case here.

COPYRIGHT

CJEU Rules on Copyright Protection of Photographic Portraits

In Case C-145/10 *Eva-Maria Painer v Standard Verlags GmbH* 1 December 2011, the Court of Justice of the European Union (CJEU) held that portrait photographs enjoy the same copyright protection as any other work. The CJEU also found, however, that exceptions exist that allow the media to publish such photographs without consent.

BACKGROUND

Ms Painer is a freelance photographer who took several photographs of a young Austrian girl, Natascha K. Ms Painer sold the photographs without conferring on third parties any rights over them and without consenting to their publication.

After Natascha K was abducted in 1998, a search appeal was launched using the contested photographs. Following Natascha K’s escape from captivity in 2006, but before her first public appearance, the contested photographs were again published by five newspaper publishers in Germany and Austria, in various media, without indicating the name of the photographer, or any other name. The newspaper publishers all said they had obtained the photographs from a news agency that had not provided the name of the author.

Ms Painer claimed copyright infringement and applied to the Austrian courts for an injunction and damages.

QUESTIONS REFERRED TO THE CJEU

The Austrian court sought guidance on, amongst other things, the application of Article 6 of the Copyright Term Directive (93/98/EEC). The court wanted to know whether a portrait photograph could be protected by copyright and, if so, whether, because of the “realistic” nature and the allegedly minor degree of creative freedom in such photographs, that protection is inferior to that enjoyed by other works, particularly photographic works.

The court also asked whether the exception in Article 5(3)(e) of the Copyright Directive (2001/29/EC) must be interpreted to mean that an express appeal for publication by the security authorities in the interests of public security is needed before the media can publish and, if not, whether the media can rely on Article 5(3)(e) of their own volition.

The court also asked the CJEU to clarify the conditions under which a protected work could be quoted in a newspaper for the purposes of criticism and review under Article 5(3)(d) and 5(5) of the Copyright Directive.

SUBSISTENCE OF COPYRIGHT IN PORTRAIT PHOTOGRAPHS

The CJEU held that in producing a portrait photograph, the photographer was indeed able to make “free and creative choices” in the choice of background, pose, lighting, angle, *etc.* Therefore, the CJEU noted, such a photograph can indeed be protected by copyright under Article 6 of the Copyright Term Directive if it is the intellectual creation of the author. That issue was for the national court to determine.

As for the level of protection afforded a portrait photograph under Article 2(a) of the Copyright Directive, the CJEU noted that there is nothing in the Directive that supports the view that the extent of such protection should depend on the degree of creative freedom in the production of different categories of works. Therefore, protection of a portrait photograph under Article 2(a) cannot be inferior to that enjoyed by other works, including other photographic works.

USE OF A PROTECTED WORK BY THE MEDIA IN THE INTERESTS OF PUBLIC SECURITY

The CJEU noted that the Copyright Directive does not contain any provision addressing specifically the circumstances in which public security can be invoked in connection with the use of a protected work. Instead, Article 5(3)(e) gives Member States the right to provide for exceptions or limitations to the rights provided for in Articles 2 and 3 of the same Directive for the purposes of public security, or to ensure the proper performance or reporting of administrative, parliamentary, or judicial proceedings.

However, only Member States, not newspaper publishers, were responsible for ensuring public security by appropriate measures. The media cannot, of its own volition, use a work protected by copyright by invoking an objective of public security.

It was, however, conceivable that a newspaper publisher might, in specific cases, “contribute to the fulfilment of an objective of public security by publishing, for example, a photograph of a person for whom a search has been launched”. Any such initiative should, however, be taken by agreement, and in coordination, with the national authorities.

QUOTATION OF PROTECTED WORKS

Article 5(3)(d) of the Copyright Directive, said the CJEU, was to prevent authors from objecting to publication of their works that have already been made available lawfully to the public by means of quotation accompanied by comments or criticism. In this regard, a “fair balance” must be struck.

In terms of striking a “fair balance”, this would be achieved in this case, the CJEU said, by favouring the exercise of the publishers’ right to freedom of expression over the interest of the author in preventing reproduction of extracts of a work that had already been made available lawfully to the public.

As for indicating the name of the author, the CJEU noted that Article 5(3)(d) does state explicitly that, in the case of a work that has lawfully been made available to the public, the name of the author must be indicated, unless it is impossible to do so. It was held that if the author’s name was not indicated lawfully by the national security authorities in their investigations, the subsequent use of those photographs by the press required the indication of their source, but not necessarily the name of the author.

COMMENT

This particular case is another example of the originality test moving towards an expression of creativity, rather than of skill and labour. The end result—that portrait photographs are capable of enjoying copyright protection—is not really a surprise. Given the level of “creativity” that appears to be

necessary, whether such protection would apply to “snapshots” taken without much thought is, however, questionable.

E-COMMERCE / DOMAIN NAMES

Nominet Proposes Changes to UK Generic Top Level Domain Name Registration Rules

Nominet, which runs one of the world’s largest internet registries and manages over nine million domain names, has proposed changing the rules of domain name registration for .ltd.uk, and .plc.uk domains to ensure that each company is entitled to a unique domain name. The change is intended to also reduce the potential for abuse.

BACKGROUND

Under the current rules, any characters that cannot be represented in the Domain Name System (DNS), such as “&” or “@”, are ignored. This means that it is possible for more than one company to be entitled to the same domain name, as company names are sometimes differentiated only by the addition of characters such as an ampersand.

PROPOSAL

To resolve this, Nominet is proposing to amend the rules to align them with the procedure used by Companies House in order to determine if a proposed company name is the same as one already on the companies register. Under the proposals, any characters that cannot be used in the DNS would be converted to text rather than being deleted.

COMMENT

Whilst the proposal would indeed eliminate the problem of characters simply being deleted, it could well bring additional problems where companies differentiate themselves by using, for example, “&” instead of “and”. Converting “&” to “and” may therefore still lead to more than one company being entitled to the same domain name.

E-COMMERCE / DOMAIN NAMES

New Generic Top Level Domain Application Process Launched

After more than seven years of planning, the application process for new generic top level domains (gTLDs) has been launched. As of 12 January 2012, the Internet Corporation for Assigned Names and Numbers began accepting applications for new gTLDs. There are currently just 22 gTLDs. For a mere US\$185,000, anyone, anywhere in the world, whether a public or private entity, will be able to apply to create and operate a new gTLD, provided they can demonstrate the operational, technical, and financial capability to run a registry.

BACKGROUND

According to ICANN, new gTLDs will change the way people find information on the internet and how businesses plan and structure their online presence.

The decision to proceed with the gTLD programme follows protracted discussion, debate, and deliberation with the internet community, business groups, and governments. The Applicant Guidebook, which explains how to apply for a new gTLD, went through seven significant revisions to incorporate more than 1,000 comments from the public. Strong efforts were made to address the concerns of all interested parties, and to ensure that the security, stability, and resilience of the internet are not compromised.

THE APPLICATION SYSTEM

Applications will be accepted up until 12 April 2012. The new gTLDs can include all types of words in many different languages, including words in non-Latin languages, such as Cyrillic, Chinese, and Arabic. Applicants must use the TLD Application System to submit their application and answer the 50 questions asked in the Applicant Guidebook.

ICANN has also made available an updated version of the Applicant Guidebook. It incorporates clarifications on topics such as background screening and the applicant support programme, under which limited financial assistance will be offered to qualifying applicants. Through this programme applicants, especially from developing economies, might be able to gain access to financial assistance in the form of a fee reduction and other in-kind or community *pro bono* services. Such financial assistance will allow a limited number of qualifying applicants to pay a US\$47,000 fee instead of the full US\$185,000. In response to public comment, the draft programme has been updated to: i) increase availability of refunds, ii) make the programme available to certain trade mark

owners, and iii) broaden the scope for those seeking to serve the public interest.

RUNNING A NEW GTLD REGISTRY

An applicant for a new gTLD will, in fact, be applying to create and operate a registry business supporting the internet's domain name system. As ICANN puts it, this involves a number of significant responsibilities, as the operator of a new gTLD is running a piece of visible internet infrastructure.

Registries will be required to operate sunrise or intellectual property claims services for the protection of trade marks. Applicants will be responsible for setting the business model and policy for how they will use their gTLD, as long as the registry is in compliance with the terms of the registry agreement. For example, a new registry can operate its gTLD on a purely private basis, refusing to accept applications for second level domains from members of the public. Similarly, a new registry could be totally brand specific and refuse applications for second level domains from competitors.

COMMENT

Subject to specific grounds of objection, almost any word in any language could be one of the new gTLDs provided the instigator has the money and the not insubstantial technical know-how to get through the ICANN evaluation process. Some of the bigger brands may well believe that this is an excellent way to maximise brand exposure. Of course, one potential result of a proliferation of gTLDs is an upsurge in cybersquatting and domain name warehousing, with major brands potentially facing costs in funding defensive domain name registration strategies in respect of the new domains.

E-COMMERCE / DOMAIN NAMES

Privacy and The Cloud: An EU Perspective

By using cloud computing, companies cut costs by outsourcing data storage tasks, which means they no longer have to maintain expensive servers. However, this technological advance represents "one of the biggest challenges to data protection and data security of EU citizens" according to EU Justice Commissioner Viviane Reding. As a result, reform of the current European legislation on data protection is necessary.

BACKGROUND

Speaking at the GSM Association's Round-table High Level Conference on "Mobilising the Cloud" on 7 December 2011, during a speech entitled "Privacy in the Cloud: Data Protection and Security in Cloud Computing", Commissioner Reding

referred to the potential of cloud computing for economic growth and said that cloud computing has created new business opportunities and “liberated us from our desktop computers”. The benefits of storing digital files on remote servers and retrieving them *via* the internet are “enormous”, she said, “we save space, time, and money”.

However, Commissioner Reding also referred to the proposed new EU data protection framework and stressed that under the data protection reforms, businesses will have to pay “utmost attention to security of information and privacy by design”.

CLOUD SECURITY

According to Commissioner Reding, Europe must ensure that its citizens do not lose control of their data in the cloud, and that their data is protected. In particular, internet companies must ensure transparency, providing people with appropriate information about the processing of their data: which data is collected, for what purposes, and by whom, not least so that individuals know which authority to address if their rights are violated.

Commissioner Reding also said that she wants to “reinforce the incentives to ensure security in the cloud”. Businesses must take the security of personal data more seriously, she said. She recognised that it is possible to argue that personal information is not secure on the hard drive of a home PC and therefore security is not just a problem in cloud computing, but, she warned, “we should not underestimate the risks in the cloud where the data of millions of people is stored”. She expressed concern over the fact that large internet companies holding vast quantities of personal data are coming increasingly under attack from hackers. As a result, Commissioner Reding emphasised “security of information and privacy by design”, features which she said “must be well-integrated in the design of cloud computing products and services”.

She spoke also of “data breaches on major online game services that have affected millions of users”. In relation to such breaches, Commissioner Reding reiterated her intention to introduce a general obligation for data controllers to notify users of breaches immediately, an intention that has been carried through to the Commission’s proposed Regulation for a new data protection framework that carries a mandatory breach notification regime for all sectors.

DATA PORTABILITY

Commissioner Reding’s speech then turned to “data portability” as an essential element of the legislative reform. Users, she said, must have the freedom to take all their data with them when they choose to leave a cloud service, and to leave no digital traces behind. Therefore, if users wish to transfer from a cloud service, their photos, agendas, e-mails, and profiles should be given back to them in a widely-used

format that makes it simple to transfer elsewhere. In addition, there should be “no downside risk if someone wants to cancel an account, erase a profile or move all of their data to a competitor. Companies should not erect hurdles when people want to change.”

Commissioner Reding also recognised that cloud services and mobile devices “are made to be combined”. Cloud computing and mobile devices both allow users to use information and communications technology resources, platforms, and services from anywhere in the world. The proposed reforms are therefore also designed to ensure the free flow of data across borders, by introducing “one single set of instruments and rules for transfers of personal data to third countries, with no national extra conditions any more”. Commissioner Reding also believes that the proposed reform of the system of Binding Corporate Rules, “where they cover also data processors [means that] all kinds of business models, including cloud computing, can be covered”.

COMMENT

Commissioner Reding’s speech echoes many of the sentiments expressed by the Commission in its report published on 5 December 2011, on responses received to its public consultation on cloud computing. The Commission referred to the widespread need for clarification on rights, responsibilities, data protection, and liability and said that industry would benefit from guidelines on good practice, model terms and conditions, and reasonable expectations for service level agreements would be appreciated. The public sector, it said, could set the requirements for standards in security, interoperability and data portability.

Nonetheless, the Commission also stressed that as cloud computing is global, the resolution of the single digital market is only a partial solution and therefore international agreements are needed. Commissioner Reding said that the Commission “will not stop to work on cloud computing after our data protection reform proposals”. Commissioner Reding confirmed that “thorough consultations with stakeholders have just been completed and first concrete announcements will follow in due course”. Neelie Kroes, EU Commissioner for the Digital Agenda, has also confirmed that she will propose a European Cloud Computing Strategy in 2012.

All eyes are on the new framework proposals. Concerns have been raised over the potential compliance impact on businesses, in particular in relation to fair processing and information requirements, privacy by design, data breach notification, and serious enhancement of data protection authorities’ enforcement powers. For cloud computing, however, the focus will be on the extent to which the new framework is aimed at facilitating the flow of data out of the European Union (and

back again) by extending data transfer tools like the business continuity and resiliency services to cover data processors.

DATA PROTECTION

EU Privacy: Proposal for A New Regime

On 25 January 2012, the European Commission published the long-awaited and much-anticipated draft legislation that comprehensively reforms EU data protection law. The new legislation imposes significant changes to the way in which businesses comply with data protection laws in the European Union.

BACKGROUND

The idea behind the new draft legislation is to provide a comprehensive reform of the Data Protection Directive (95/46/EC), to take into account the technological changes that have taken place since 1995, to strengthen online privacy rights, and to boost Europe's digital economy. It is also aimed at harmonising data protection law across the 27 EU Member States. As the Commission says, "A single law will do away with the current fragmentation and costly administrative burdens, leading to savings for businesses of around €2.3 billion a year. The initiative will help reinforce consumer confidence in online services, providing a much needed boost to growth, jobs, and innovation in Europe"

We will be providing detailed analyses of the new draft legislation and reporting on its legislative progress in future EU IP Bulletins but provide here a broad overview of the key provisions of the new draft legislation.

OVERVIEW OF THE PROPOSED LEGISLATION

The legal form of the legislation is to be changed from a Directive to a Regulation, meaning that the new legislation will be directly applicable in all 27 Member States without the need for any national implementing legislation. This has been done in order to gain maximum harmonisation of the new rules across the European Union.

Some administrative requirements, such as notification requirements for companies, will be removed. However, the legislation provides for increased responsibility and accountability for those processing personal data, instead of the current obligation to notify data protection supervisors of all data protection activities. Most significantly, companies and organisations will have to notify the national supervisory authority of serious data breaches as soon as possible (within 24 hours if feasible). As part of making businesses

accountable, there are also new rules on privacy impact assessments, the role of data protection officers, and the documentation on processing that must be in place.

Organisations will only have to deal with a single national data protection authority in the EU country where they have their main establishment. Likewise, individuals will be able to refer to the data protection authority in their own country instances where rules relating to their data have been violated, even when their data is processed by a company based outside the European Union.

Importantly, wherever consent is required for data to be processed, it has been clarified that it has to be given explicitly, rather than assumed, as is sometimes the case at the moment.

People will have easier access to their own data and be able to transfer personal data from one service provider to another more easily (known as data portability) to improve competition.

There is also a "right to be forgotten" provision to enable people to manage their data protection risks online. Individuals will be able to delete their data if there are no legitimate grounds for retaining it.

EU rules will apply to companies outside the European Union that offer their services to EU citizens, or monitor the behaviour of EU citizens.

Independent national data protection authorities will be strengthened so they can better enforce the EU rules at home. They will be empowered to fine companies that violate EU data protection rules by up to €1 million, or up to 2 per cent of the global annual turnover of a company.

The new Directive will apply general data protection principles and rules for police and judicial cooperation in criminal matters. The rules will apply to both domestic and cross-border transfers of data.

COMMENT

The Commission's proposals will now be passed on to the European Parliament and EU Member States (meeting in the Council of Ministers) for discussion. They will take effect two years after they have been adopted, with many commentators seeing 2014/2015 as the likely timeframe.

The changes are relatively far-reaching and no doubt impose greater responsibilities and obligations on businesses in terms of compliance. Although the Commission states that the administrative burden on businesses will be reduced, the increased level of responsibility will, initially at least, result in costs being incurred. The harmonisation of the rules should provide more clarity and certainty for businesses operating in more than one European country, but there will still be room for differences in opinion to arise as the national data

protection authorities may well differ in their interpretation of the new rules.

PATENTS

EU Patent Package Receives a Mixed Reaction

The Legal Affairs Committee of the European Parliament has backed proposals for the new “EU patent package”, consisting of a unitary patent, language regime, and unified patent court. However, the proposals continue to face stiff criticism from academics and practitioners across the European Union, as well as from the UK Parliamentary Scrutiny Committee.

BACKGROUND

The new system is intended to provide automatic unitary patent protection and substantially cut costs for EU firms and help boost their competitiveness. The European Commission says that when the new system is up to speed, an EU patent may cost just €680, compared to an average of €1,850 for an American one.

The Legal Affairs Committee has now, in three separate voting sessions, backed the deal that was struck on 1 December 2011 by European Parliament representatives and the Polish Presidency of the Council. If Parliament as a whole and the Council now confirm the deal, a new EU patent will be created.

THE EU PATENT PACKAGE

Any inventor would be able to apply for an EU patent, ensuring protection in all the 25 EU Member States concerned. Patents will be made available in English, French, and German, but applications may be submitted in any EU language. Translation costs from a language other than the three official ones would be compensated. Spain and Italy have so far opted out of the patent proposal due to disagreement over the proposed language regime (under which patents will be available in English, French, and German only), but could join the decision-making process at any time.

An “enhanced cooperation procedure” was adopted to ensure the project could proceed with policies even if not all Member States agree. A unitary patent would therefore be valid automatically throughout the territories of those Member States participating in enhanced cooperation. Enhanced cooperation will remain open for non-participating countries and access to the unitary patent on the territory of participating Member States will also be available to businesses from the non-participating Member States.

The European Parliament has further negotiated and agreed specific measures to facilitate access by small and medium enterprises to the European patent market. These measures range from stronger legal protection to full compensation of translation costs. Parliament also obtained an improvement in the rules on how patent offices share renewal fees, upon which the economic sustainability of the whole system lies.

THE UNIFIED PATENT COURT

The establishment of a unified patent court is intended to cut costs and reduce legal uncertainty arising from differing national interpretations. The court will be set up through an international agreement currently being negotiated by Member States. The Court of Justice of the European Union (CJEU) in its March 2011 Opinion raised concerns on the compatibility with EU law of the proposed court. In response, the proposal now clearly stipulates that the unified court would respect the primacy of EU law and apply EU law in its entirety, be bound by CJEU rulings, and cooperate with the CJEU “to ensure the proper application and uniform interpretation of Union law, as any national court”.

COMMENT

The idea of a unitary patent has been under discussion since the 1960s but, despite the increased impetus towards the end of last year in pushing through the EU patent package, doubts and uncertainty remain among the patent community and Member States.

In respect of the unitary patent, the UK Parliamentary Scrutiny Committee recently expressed concern over the inclusion of Articles 6 to 8 in the draft Regulation. These Articles make unitary patent law susceptible to the jurisdiction of the CJEU. In other words, they have the effect of obliging the proposed new patent court to refer questions for preliminary rulings to the CJEU. The concern is that this will result in delays and, further, that the judiciary is not sufficiently specialised to deal with patent law.

The Committee said that principal among its concerns are

The effect of the non-exclusive jurisdiction of the unified patent court on small businesses seeking to enforce EPO [European Patent Office] patents through national courts and the jurisdiction of the Court of Justice being extended to cover the infringement of patents.

Further, it said, from the submissions it has received there appeared to be a substantial body of expert opinion that thinks the CJEU would be wholly unsuited to the task, with profoundly negative consequences for the enforcement of intellectual property rights across the European Union.

ADVERTISING AND MARKETING

“UK’s Safest Broadband”: TalkTalk in Breach of CAP and BCAP Code

TalkTalk’s adverts claiming to offer the “UK’s safest broadband” have been found to be in breach of the Committee of Advertising Practice (CAP) and Broadcast Committee of Advertising Practice (BCAP) Code. Although TalkTalk intended the claim to relate only to connections between the telephone network and router, the fact that its HomeSafe service only provided basic security between the router and computer led the Advertising Standards Authority to find a breach of CAP and BCAP rules relating to misleading advertising, substantiation, and other comparisons.

This adjudication demonstrates how differences in the interpretation of terms affect the integrity of adverts and their claims. In this particular case, TalkTalk believed that its “UK’s safest broadband” claim would be taken to refer to the internet connection from telephone network to router. However, the ASA considered that customers would understand “broadband” to also include the wireless connection from router to computer.

THE ADVERTS

A TV advert featured a toy family in a dolls house, guarded by a row of toy soldiers. The voice-over said, “TalkTalk homes have the UK’s safest broadband thanks to HomeSafe”.

A poster stated: “The UK’s safest broadband is now £3.25 a month” and “Includes HomeSafe, the UK’s first and only network level security”.

A national press advert stated: “The UK’s safest broadband £3.25 a month... Our ground-breaking new security service, HomeSafe, is free to all customers.”

BT and two members of the public challenged whether the claim “UK’s safest broadband” was misleading.

RESPONSE

TalkTalk said the claim “UK’s safest broadband” was based on it being the only home broadband provider in the United Kingdom to apply security features at the network level. It also said that the claim related specifically to the safety of the broadband connection at the point of entry to the home, and that it was not claiming to provide the safest online experience in the United Kingdom.

Clearcast, the organisation that ensures the BCAP-compliance of television adverts, said it believed the claim that TalkTalk

had the “safest broadband” was justified as the in-built network level security feature was unique to TalkTalk and stopped viruses and inappropriate content from reaching customers’ homes. In Clearcast’s opinion, HomeSafe could be described as “safer” than packages offered by other broadband providers, which required the customer to apply security to each device individually.

DECISION

The ASA accepted that, unlike other broadband providers, which supply security packages *via* a download, TalkTalk offered a security feature at the point of entry to the home. However, it considered that, contrary to TalkTalk’s belief, customers would understand “broadband” to include the wireless connection from the router to the computer, as well as the internet connection from the telephone network to the router.

The ASA considered that the claim “UK’s safest broadband” implied that customers would enjoy the safest online experience when using TalkTalk broadband. Because HomeSafe only offered a basic range of security features, excluding virus and hacking protection, the ASA said that TalkTalk was unable to substantiate the claim.

Of the poster advert, the ASA made the point that the word “includes” implied wrongly that the product described was only part of a fuller package. Of the press advert, the ASA said it did not make clear that the claim was based on TalkTalk being the only provider of network level security, nor did it provide any details of the features provided by HomeSafe.

As such, the ASA found the TV advert in breach of BCAP Codes Rules 3.1 (Misleading advertising), 3.9 (Substantiation) and 3.38 (Other comparisons) and the other two adverts in breach of CAP Code rules 3.1 (Misleading advertising), 3.7 (Substantiation) and 3.38 (Other comparisons).

COMMENT

It seems that the claim as conceived by TalkTalk lost something in translation once received as an advertising message by the average consumer. The adjudication demonstrates that advertisers should use precise terms in their adverts and qualify potentially ambiguous terms, particularly those of a technical nature such as “broadband”. One way of removing any doubt surrounding the claim is to provide details of the features of the service or product being offered.

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