

Bird & Bird & IP and IT Law Bytes

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Copyright: European Commission response

Summary

The European Commission (the Commission) has published a report on the responses to its consultation on the review of EU copyright rules (the report).

Background

In December 2013, the Commission consulted on EU copyright law, in particular on improving the cross-border licensing of copyright, the nature and scope of rights in digital content, and the limitations and exceptions to copyright (www.practicallaw.com/9-555-4646).

In *Nils Svensson and Others v Retriever Sverige AB*, the European Court of Justice's decision was unclear as to whether a person providing a link needed to check whether the website linked to had permission to make the content available to the public (see *News brief, "Linking and framing copyright material: guidance at last"*, www.practicallaw.com/4-558-3665).

Facts

The report includes responses from end users, consumers and institutional users of copyright (consumers) and from authors, performers, publishers, producers, broadcasters and collective management organisations (copyright owners). These responses include the following:

- Many consumers reported problems when trying to access online services in another EU member state. Institutional users generally considered that territoriality of copyright created problems. However, copyright owners pointed out that multi-territorial licences are available in the book, image and music sectors.
- Most consumers considered that linking and browsing in relation to copyright works should not require authorisation from the copyright owner. Most copyright owners believed that the provision of a link to publicly available content should be subject to authorisation, at least in some cases.
- Consumers complained of restrictions when trying to resell digital files that they had bought. However, copyright owners considered that a legal framework enabling the resale of digital content would have serious negative consequences for the market by undermining investment in copyright content.
- Most consumers supported the idea of a copyright registration system. This would facilitate licensing, reduce transaction costs and increase legal certainty. Service providers were also sympathetic. However, most copyright owners were against the idea, which they considered would be costly, complicated, unnecessary and burdensome. Member states were against the idea of a voluntary system of registration.
- Views were divided on the territoriality of exceptions in the single market. Consumers stated that the current position created problems, while copyright owners felt that it did not.
- Consumers were generally unsatisfied with the research exemption, reporting problems accessing academic articles. However, copyright owners were generally uncritical of the current arrangements.
- Consumers and copyright owners had different views on private copying. Many member states were in favour of some further harmonisation, although their views on the scale of intervention varied; for example, there were mixed views on whether a mandatory levy system should be introduced.

- Consumers generally agreed that there should be adequate remuneration for authors and performers. Authors and performers reported problems with the imposition of contractual terms and complained about weak bargaining positions. However, most publishers, producers and broadcasters believed that authors and performers were appropriately remunerated. They considered it was an area that should be subject to market forces so that contractual freedom was ensured.
- Consumers felt that the current civil enforcement framework was biased towards copyright owners. However, copyright owners complained that the current enforcement system was failing to provide the necessary protection in the modern digital environment against websites that rapidly posted unauthorised content. There were mixed responses about the value of introducing a commercial purpose provision.
- Consumers were generally in favour of the idea of a single EU copyright title to enable the establishment of a genuine digital single market for online content. It would also enhance legal certainty and transparency, reduce transaction and licensing costs, and prevent copyright owners from using territory-by-territory licensing to seek extra revenues. However, most copyright owners did not support this idea. Member states considered that a single EU title was premature given its potential complexity, and that it should not be pursued in the short term. The same objectives could be achieved through greater harmonisation.

Comment

Progress on harmonisation is likely to be slow because views on copyright reform continue to be polarised between users and copyright owners. According to the report, there is little support among member states for fundamental reform. As a result, changes to EU copyright rules, when they occur, are likely to be more in the form of points of detail.

Source: European Commission, Report on the responses to the Public Consultation on the Review of the EU Copyright Rules, 23 July 2014, http://ec.europa.eu/internal_market/consultations/2013/copyright-rules/docs/contributions/consultation-report_en.pdf.

Data protection: legal analysis is not personal data

Summary

The European Court of Justice (ECJ) has given a preliminary ruling that legal analysis is not personal data.

Background

Everyone has the right of access to personal data that has been collected concerning them, and the right to have it rectified (*Article 8(2), Charter of Fundamental Rights of the European Union*) (*Article 8(2)*).

The Data Protection Directive (*95/46/EC*) (the Directive) defines “personal data” as any information relating to an identified or identifiable natural person (data subject) (*Article 2(a) the Directive*) (*Article 2(a)*). Article 12 of the Directive provides data subjects with a right of access to their own personal data. Data subjects can apply for rectification, erasure or blocking of their personal data where the processing does not comply with the Directive; for example, if the data is incomplete or inaccurate.

When assessing an application for lawful residence, the Dutch immigration and naturalisation service, INS, will consider a minute containing data about the applicant and a legal analysis of that data.

Facts

Y, M and S applied for lawful residence in the Netherlands. The I granted M a residence permit for a fixed period as an asylum seeker and S an ordinary residence permit for a fixed period on the ground of dramatic circumstances, but refused Y’s application. Y, M and S made data subject access requests for a copy of the full minute containing the legal analysis that underpinned the I’s decisions.

The Dutch courts referred questions about personal data to the ECJ.

Decision

The ECJ held that, although the legal analysis in the minute may contain personal data, it does not in itself constitute personal data.

Some data contained in the minute and the legal analysis, including the applicant's name, date of birth, nationality, gender, ethnicity, religion and language, are personal data under Article 2(a). However, the legal analysis is not information relating to the applicant for a residence permit. At most, it is information about the relevant authority's assessment and application of the relevant law to the applicant's situation.

Extending the right of access to the legal analysis of a residence permit would not serve the Directive's purpose of guaranteeing the protection of the applicant's right to privacy with regard to the processing of data relating to them. It would only guarantee a right of access to administrative documents, which is not covered by the Directive.

To comply with the right of access in Article 12(a) of the Directive and Article 8(2), it is sufficient for the applicant to be provided with a full and comprehensive summary of all of the personal data in the minute and, where relevant, the legal analysis, in a form that allows him to become aware of those data and to check that they are accurate and processed in accordance with the Directive. This will enable the data subject to obtain, depending on the circumstances, the rectification, erasure or blocking of their data by the data controller.

Comment

When processing data subject access requests it is important to identify the different types of data involved, in order to assess whether each type falls within the definition of personal data. Legal analysis is not personal data.

Although in this case (involving Dutch law) it was sufficient to provide a data subject with a full and comprehensive summary of all of their personal data in an intelligible form, some countries including the UK have implemented the Directive in a manner which does provide for the right to a full copy of personal data.

Case: Y.S. (Judgment of the Court) [2014] EUECJ C-141/12.

Trade marks: registrability of retail store layout

Summary

The European Court of Justice (ECJ) has held that it may be possible to register the design of the layout of a retail store as a trade mark for goods and services.

Background

A trade mark can consist of any signs capable of being represented graphically, but they must be capable of distinguishing the goods or services of one undertaking from those of other undertakings (*Article 2, Trade Marks Directive (2008/95/EC)*) (2008 Directive). Some signs are unacceptable for registration as a trade mark; for example, if they lack distinctive character.

Facts

A obtained a US trade mark registration of a three-dimensional trade mark consisting of the representation, by a colour design of the layout of its flagship stores for "retail store services featuring computers, computer software, computer peripherals, mobile phones, consumer electronics and related accessories and demonstrations of products relating thereto". It covered services aimed at inducing the consumer to buy A's products; for example, product demonstration services which did not form part of what the customer was actually buying.

A applied for an international trade mark registration under the Madrid Agreement using its US registration as the home registration. The German trade mark registry rejected the extension of the international trade mark to German territory on the ground that the sign consisted of an essential aspect of A's business, consumers would not see the

sign as indicative of commercial origin, and because the retail store that was depicted was not sufficiently distinguishable from other traders' electronics stores. A appealed.

The Federal Patent Court of Germany referred questions about trade mark registration to the ECJ.

Decision

The ECJ held that, under the 2008 Directive, the design of the layout of a retail store may be registered as a trade mark for services that relate to goods but do not form an integral part of the offer for the sale of those goods. However, the sign must be capable of distinguishing the applicant's services from those of other undertakings. In addition, registration cannot be precluded by any of the grounds for refusal set out in the 2008 Directive.

If the depicted layout departed significantly from the customs or norms of the sector concerned, it could not be ruled out that a design of a store layout might be capable of distinguishing the products or services of a particular undertaking. So, A's sign could in theory function as a trade mark. The national court should then consider whether the sign might lack distinctive character in the eyes of the relevant public in relation to the goods or services concerned, or be descriptive of them.

Services intended to induce the consumer to buy the trade mark applicant's products could constitute "services" under the 2008 Directive. So, a sign depicting the layout of the flagship stores of a goods manufacturer can legitimately be registered not only for the goods themselves, but also for services, even if they did not form an integral part of the offer to sell those goods. Specifically, services such as "demonstrations by means of seminars of the products that are displayed" could constitute remunerated services falling within the concept of "services" under the 2008 Directive.

Comment

This decision shows that retailers which use a sufficiently distinctive layout as an integral part of their branding may be able to register their store layout as a trade mark. Whether this layout departs significantly from the customs or norms of the relevant retail sector will be for the national court to consider. However, the ECJ noted that A's layout had features that distinguished it from the usual layout of retail stores in that electronic sector. Interestingly, it was not relevant that the design contained no indication as to the size or proportions of the retail store depicted.

Case: Apple Inc v Deutsches Patent- und Markenamt C-421/13.

Trade marks: mark comparing third-party services

Summary

The European Court of Justice (ECJ) has ruled that a service allowing consumers to compare and buy services conveniently could fall within the concept of services under Article 2 of the Trade Marks Directive (2008/95/EC) (2008 Directive) (Article 2).

Background

Class 35 of the International (Nice) Classification of Goods and Services for the purposes of the Registration of Marks (Nice Classification) covers the following services: Advertising; business management; business administration; office functions (class 35). Under German law, goods and services must be identified as belonging to a particular Nice Classification class.

If a trade mark applicant refers to the entire heading of a class, he must specify whether he was referring to all of the goods or services included in the alphabetical list of that class: if not, he must specify which goods or services he intends to be covered (*Chartered Institute of Patent Attorneys C 307/10 EU:C:2012:361*) (CIPA).

In *Praktiker Bau- und Heimwerkermärkte*, the ECJ held that "services" under the 2008 Directive could include services provided in connection with retail trade of goods; for example, services providing an assortment of goods

offered for sale, and services aimed at inducing consumers to buy from the trader instead of a competitor (www.practicallaw.com/1-201-0681).

Facts

N applied to register in Germany a word and figurative sign “Netto Marken-Discount” for goods and services, including in class 35: “services in the retail and wholesale trade, particularly the bringing together, for the benefit of others, of a variety of services enabling customers conveniently to purchase those services, particularly services provided by retail stores, wholesale outlets, through mail order catalogues or by means of electronic media, for example websites or television shopping programmes”.

The application was rejected on the ground that the class 35 services set out in the application could not be clearly distinguished from other services in either their substance or scope. N appealed.

The German Federal Court referred questions to the ECJ.

Decision

The ECJ held that services that consist of bringing together services so that consumers can conveniently compare and buy them may fall within the Article 2 concept of “services”. It also held that N’s application could not be rejected on the sole ground that the assortment of services that it intended to provide to consumers could include its own services.

The 2008 Directive must be interpreted as requiring N’s application to be sufficiently clear and precise that the competent authorities and other economic operators know which services N intends to bring together. Here, the details provided by N were sufficient to allow the competent authorities and economic operators to understand that the application was made for a service that consisted of selecting and offering an assortment of services so that consumers could choose between them from a single point of contact.

However, it was also necessary to identify the services brought together with sufficient clarity and precision. N identified these services under classes 35, 36, 39, 41 and 45 of the Nice Classification and through descriptions; for example, “entertainment” or “personal and social services intended to meet the needs of individuals”. The German Federal Court would have to assess whether this actually satisfied the necessary requirements of clarity and precision.

N’s application, which cited the entire class 35 heading, did not specify whether it sought protection for the bringing together of all or only some of the services included in the alphabetical list of that class 35. Although this was for the German Federal Court to decide, an application that did not make it possible to establish whether, by using a particular Nice Classification class heading, the applicant intended to cover all or only some of the goods or services could not be considered sufficiently clear and precise.

Comment

This decision suggests that a trade mark may be obtained for “retail trade” in services, where a trader selects and offers an assortment of third-party services so that consumers can choose among those services from a single point of contact.

The decision leaves open the possibility that the trade mark applicant may apply to register the sign for bringing together not only third party services, but also services offered by itself. However, the key will be to identify with sufficient clarity and precision the services brought together, and in particular to specify whether, by citing a class heading, protection is sought for the bringing together of all the services included in the alphabetical list of that class or only of some of those services.

Case: Netto Marken Discount v Deutsches Patent- und Markenamt C-420/13.