

Bird & Bird & IP & IT Bytes

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Trade marks: series registration

Summary

The Court of Appeal has held that the UK's system for registering a set of similar trade marks as a series is compatible with EU law.

Background

A trade mark means any sign that is capable of distinguishing goods or services of one undertaking from those of other undertakings (section 1, Trade Marks Act 1994) (TMA) (section 1)). Section 3(1)(a) of the TMA (section 3(1)(a)) prohibits the registration as a trade mark of any sign whose representation does not fulfil these requirements.

Section 41(1) of the TMA (section 41) states that provision may be made by rules as to the registration of a series of trade marks. A series of trade marks means a number of trade marks that resemble each other as to their material particulars, and differ only as to matters of a non-distinctive character not substantially affecting the identity of the trade mark (section 41(2)). In *Sieckmann v Deutsches Patent-und Markenamt*, the European Court of Justice (ECJ) held that in order to be registrable as a trade mark, a sign must be clear, precise, self-contained, easily accessible, intelligible, durable and objective (www.practicallaw.com/9-107-0479).

In *Sony Ericsson Mobile Communications AB's Trade Marks Applications*, the Appointed Person took the view that a series consisted in a number of different manifestations of what was in essence the same trade mark (O-138-06). This approach was followed by the High Court in *Thomas Pink v Victoria's Secret UK Ltd* (www.practicallaw.com/3-581-8886).

Facts

In 1999, C registered a series of two UK figurative trade marks. C began trade mark infringement proceedings against F.

The High Court held that C's mark was infringed by F. F appealed, arguing that a series registration was a *sui generis* form of mark that failed to fulfil the *Sieckmann* criteria.

The Court of Appeal dismissed the appeal by F, holding that the marks were infringed (www.practicallaw.com/0-625-2379). However, it reserved judgment on whether section 41 was incompatible with EU law (making the trade marks invalid) because it resulted in the registration of marks that did not fulfil the requirements of the Trade Marks Directive (2008/95/EC) and *Sieckmann*.

Decision

The court dismissed the appeal. It held that the system established under section 41 was compatible with EU law and that C's marks were therefore valid. This was because the series formed a bundle of separate but

similar trade marks, each of which fulfilled the requirements of section 1. The court rejected F's argument that a series registration failed to fulfil the *Sieckmann* criteria.

The court also rejected the single mark approach in *Sony Ericsson* and *Thomas Pink*. This was problematic as it required the identification of a single mark within the series with which all of the marks in that series were identical, which was hard to reconcile with the necessity for the mark to be self-contained, clear, precise, readily accessible and intelligible.

An application for a series of marks gave rise to a series of different trade marks, all registered under a single registration number, and not to a single registered mark. The purpose of the series marks' registration system was procedural efficiency, and not the registration of a type of mark that was different from a non-series mark.

There was no need for a reference to the ECJ: the scheme for registering a series was compatible with the ECJ's decision in *Sieckmann* and with the Trade Marks Directive.

Comment

This decision leaves the way open for C to seek remedies for F's use of the GLEE mark, although F has announced that it intends to appeal to the Supreme Court.

The court's guidance is useful in correcting the impression, given by *Sony Ericsson* and *Thomas Pink*, that a series mark should be treated as a single registered trade mark, with each instance in the series being a manifestation of that mark. This would raise the problem of having to work out what the single registered mark was, so as to provide a single point of comparison with the sign alleged to infringe. That would run contrary to the many ECJ decisions that have emphasised the public policy interest in ensuring that the scope of each registered mark is clearly identifiable not just to lawyers, but also to businesses and the general public.

Case: Comic Enterprises Ltd v Twentieth Century Fox Film Corporation [2016] EWCA Civ 455.

Copyright: communication to the public

Summary

The European Court of Justice (ECJ) has held that the concept of communication to the public in the Copyright Directive (2001/29/EC) and the Rental Directive (92/100/EEC, now 2006/115/EC) should be defined in accordance with the same criteria for both provisions.

Background

EU member states must provide authors with the exclusive right to authorise or prohibit any communication to the public of their works by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access them from a place and at a time individually chosen by them (Article 3(1), Copyright Directive) (Article 3(1)).

Member states must provide a right in order to ensure that a single equitable remuneration is paid by the user, if a phonogram published for commercial purposes, or a reproduction of that phonogram, is used for broadcasting by wireless means or for any communication to the public, and to ensure that this remuneration is shared between the relevant performers and phonogram producers (Article 8(2), Rental Directive) (Article 8(2)).

The ECJ has held that the operators of a café-restaurant, hotel or spa establishment make a communication to the public if they intentionally broadcast protected works to their clientele, by intentionally distributing a signal by means of television or radio sets that they have installed in their establishment (*Sociedad General de Autores y Editores de España v Rafael Hoteles SA C-306/05*; *Football Association Premier League Ltd and others, C-403/08 and C-429/08*; *Ochranný svaz autorský pro práva k dílům*

hudebním, o.s. v Léčebné lázně Mariánské Lázně a. s., C-351/12). However, in *Società Consortile Fonografici (SCF) v Marco Del Corso*, the ECJ held that patients in a dentist's surgery did not amount to "a public" (C-135/10).

Facts

R operated an accident rehabilitation centre and had installed, in its waiting rooms and training room, televisions enabling programmes to be viewed and heard by its patients. A collecting society, G, sued R for unpaid royalties for the broadcast of those programmes, arguing that it amounted to a communication to the public of works.

A German regional court referred various questions to the ECJ.

Decision

The ECJ held that R's broadcast of television programmes was a communication to the public within Article 3(1) and Article 8(2).

The issue was whether a situation constituted a communication to the public within the meaning of both Article 3(1) and Article 8(2) in accordance with the same criteria. Despite the different nature of the rights protected under the Copyright and Rental Directives, they had the same trigger, namely the communication to the public of protected works. As a result, where the broadcast of television programmes allegedly affected not only copyright, but also the rights of performers or phonogram producers, both Article 3(1) and Article 8(2) had to be applied so as to give the concept of communication to the public in both provisions the same meaning. The concept had to be assessed in accordance with the same criteria in to avoid contradictory and incompatible interpretations.

Here, café-restaurants, hotels or spa establishments were comparable to the operator of a rehabilitation centre intentionally broadcasting protected works to its patients by means of television sets installed in several places in that establishment. So the operator had carried out an act of communication.

The body of patients within a rehabilitation centre constituted a public because they were persons in general, and the circle of persons was not too small or insignificant, particularly as those patients might enjoy works broadcast at the same time in several places in the establishment.

The patients constituted a new public as they could not enjoy works broadcast without the targeted intervention of the operator of the centre. As the dispute concerned royalty payments for the making available of protected works in that centre, those patients were clearly not taken into account when the original authorisation for the work to be made available was given.

The broadcasting of television programmes on television sets, being intended to create a diversion for the patients of a rehabilitation centre during their treatment or waiting time, constituted the supply of additional services which had an impact on the establishment's standing and attractiveness, which gave it a competitive advantage. So, the broadcasting had a profit-making nature, capable of being taken into account in order to determine the amount of remuneration due for that broadcast.

SCF was distinguished on the ground that the public which was the subject of the communication was caught by chance, rather than being targeted, and the patients of a dentist did not generally give any importance to such a broadcast, so that it did not increase the attractiveness of the practice. By contrast the public which was the subject of the communication in cases involving café-restaurants, hotels, spa establishments, or here the rehabilitation centre, was not merely caught by chance, but was targeted by their operators.

Comment

The decision attempts to reconcile existing ECJ case law on what amounts to a communication to the public under the Copyright and Rental Directives. It provides a useful list of the key criteria that should be applied in assessing whether there is a communication to the public.

It will be interesting to see whether the pending ECJ reference in *GS Media* follows the Advocate General's opinion in that case or builds on the analysis in this decision given the seemingly different approaches to the question of whether there is an act of communication (C-160/15).

Case: Reha Training Gesellschaft für Sport- und Unfallrehabilitation mbH v Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte (GEMA), C-117/15.

Patents: disclosure of documents relating to obviousness

Summary

The High Court, in an action for revocation and declaration of non-infringement of a patent, has refused to order the patent owner to give disclosure of documents related to validity.

Background

Civil Procedure Rule (CPR) 31.5 sets out six options for disclosure of documents including standard disclosure, as well as issue-based disclosure and orders dispensing with disclosure. In relation to patents standard disclosure does not require the disclosure of documents that relate to any ground on which the validity of a patent is put in issue, except documents which came into existence within the period beginning two years before the earliest claimed priority date, and ending two years after that date (*paragraph 6.1(2), Practice Direction 63*) (paragraph 6.1(2)).

Facts

P brought an action for revocation of H's patent and for declarations of non-infringement in respect of robotic lawn mowers that P manufactured, claiming that the patented invention lacked novelty or was obvious. Before the case management conference (CMC), H provided a disclosure report which stated that disclosure on validity would be produced in accordance with paragraph 6.1(2). Later, H argued that no validity disclosure should be ordered.

P argued that H should still give disclosure on obviousness because knowledge of the inventor's experiments could assist an applicant for revocation to determine whether the steps actually taken by the inventor were steps that an ordinary skilled person would or could take, and whether they would or should have been obvious. Also, any knowledge acquired regarding the inventor's experiments or researches could be used in cross-examination of H's technical expert by reference to what the inventor did.

Decision

The court held that no disclosure from H in respect of validity should be ordered.

Obviousness was an objective issue. The notional person skilled in the art knew more but foresaw less than real skilled people. Therefore, evidence of what the inventor actually did was often of little value and there was always a risk of hindsight. To establish that this evidence was probative could result in a dispute about how similar the inventor was to the person skilled in the art. This sort of evidence was secondary evidence as distinct from the primary evidence consisting of the opinions of expert witnesses.

CPR 31 emphasised the overriding objective and the need to limit disclosure to that which was necessary to deal with the case justly. The effect of CPR 31.5 was that standard disclosure was not the default option any more but one of six options. The Chancery Guide also states that careful consideration should be given to the alternatives to standard disclosure.

The 2013 reforms removing the prima facie rule in favour of standard disclosure did not mean that a party seeking an order for some disclosure had a difficult burden to discharge but meant the court had to have a basis for that selection. The selection of the correct approach was governed by the overriding objective to deal with cases justly and at proportionate cost.

Here, the question of whether to order standard disclosure was in substance the same as whether to order disclosure on obviousness on an issue-by-issue basis. It was common ground that disclosure on infringement

should be given. The only other existing issue was validity, specifically obviousness, so any disclosure on this issue would be standard disclosure.

The court considered whether it would be in accordance with the overriding objective to order standard disclosure. Proportionality would be important and two major considerations were the likely probative value of the material that could be produced and the cost of doing so, in the context of the proceedings as a whole. The question depended on fairness and the interests of justice.

The case was neither of very low nor very high value. Based on cost budgets, the likely costs would not swamp the value of the dispute. The likely cost of the obviousness disclosure was not a very substantial aspect of the overall costs but neither was it a trivial sum.

H had confirmed that it was not planning to rely on anything that might require express disclosure, such as commercial success or calling the inventor as a witness. If H showed its own documents to its expert, the expert's report was required to state that and then production of those documents and disclosure on the issue would be ordered. In the meantime, the court would not order disclosure on obviousness.

Comment

Controlling the scope and amount of disclosure has been an important part of the reforms of civil procedure in general, including patent litigation. This decision emphasises the need for the party seeking an order for disclosure to show that it is likely to result in useful and relevant material. In reaching this decision, it is likely that the High Court was influenced by the success of the Intellectual Property Enterprise Court (IPEC) and its specific cost-benefit analysis procedures. In the IPEC, a party has no automatic right to any disclosure. Instead disclosure is dealt with at the CMC on an issue-by-issue basis in accordance with the overriding objective and proportionality, balancing the likely probative value of the documents against the cost or difficulty of the search. It may also be more aligned with the likely approach to disclosure of the Unified Patent Court.

Case: Positec Power Tools (Europe) Ltd and others v Husqvarna AB [2016] EWHC 1061 (Pat).

Privacy: injunction

Summary

The Supreme Court has upheld an interim injunction preventing a newspaper from disclosing details of extramarital sexual activities of a well-known entertainer, despite widespread disclosure on the internet.

Background

The European Convention on Human Rights (the Convention) provides that everyone has the right to respect for their private and family life (*Article 8*) and freedom of expression (*Article 10*).

The UK courts must interpret all legislation in a way that is compatible with the Convention (*section 3, Human Rights Act 1998*). The court must have particular regard to the extent to which the material has, or is about to, become available to the public; or whether it is, or would be, in the public interest for the material to be published; as well as any relevant privacy code (*section 12(4), 1998 Act*) (*section 12(4)*).

Facts

P was a well-known person in the entertainment business, married to, and with two young children with, Y, a well-known individual in the same business. N wanted to publish an account of P's occasional sexual encounters with AB, and of a sexual encounter between P, AB and AB's partner, CD. P applied for an interim injunction restraining the proposed publication. It was accepted that P had a reasonable expectation of privacy in respect of P's sexual encounters with AB and CD. However, N, relying on its Article 10 rights, argued that publication of the story was in the public interest.

The High Court refused to grant the interim injunction, holding that P and Y had portrayed an image to the world of a committed relationship, and that there was a public interest in correcting it. P and Y appealed.

The Court of Appeal allowed the appeal. It held that the publication of the article was not in the public interest, and granted an interim injunction restraining N from publishing the proposed article until trial or further order.

A widely-read US magazine then published details of P's sexual activities, naming those involved. Other publications in the US, Canada and Scotland published similar articles. As a result, details also appeared on numerous websites identifying P and Y by name. Newspapers in England also reported the contents of the redacted Court of Appeal judgment, complaining that they were banned from naming the participants.

N applied to set aside the interim injunction, arguing that the protected information had entered the public domain.

The Court of Appeal decided to lift the injunction. It held that the widespread knowledge of the relevant matters meant that it could not now be said that, when the matter came to trial, P's Article 8 right would be likely to warrant a permanent injunction. P appealed.

Decision

The court allowed the appeal and ordered that the interim injunction be continued until trial or further order.

The Court of Appeal had erred by:

- Holding that section 12(4) enhances the weight which Article 10 rights carry in the balancing exercise.
- Finding that there was a limited public interest in the proposed story. Any public interest in the reporting of sexual encounters of P, however well-known P was, with a view to criticising them, was at the lower end of the spectrum of importance, and had to be disregarded in any Article 8 and Article 10 balancing exercise
- Failing to distinguish between the tort of invasion of privacy and breach of confidence. While a quantitative test was appropriate to assess whether a claim for breach of confidence survived when information was in the public domain, different considerations applied to a privacy claim. Where private information had been disclosed, the repetition of such disclosure could constitute a further tort of invasion of privacy, especially if it occurred in a different medium. The Court of Appeal had not given due weight to the qualitative differences in intrusiveness and distress likely to be involved in unrestricted publication by English media in hard copy as well as on their own internet sites, and had not given the interests of P and Y's children sufficient importance.
- Concluding that damages would give P practical and effective protection of P's privacy rights.

The proposed disclosure was likely to involve further tortious invasion of the privacy rights of P, Y and their children, and the invasion was likely to be clear, serious and injurious. While there was a risk that there would be further internet activity aimed at making the injunction ineffective, the legal position, which the court must respect, was clear. There was no public interest in the story and it would involve significant additional intrusion into the privacy of P, Y and their children. The media storm that discharge of the interim injunction would unleash would add a different and more enduring dimension to the existing invasions of privacy.

Comment

The decision is a test case for the extent to which the privacy injunction is sustainable at all in the internet age. The court, while confirming that the privacy injunction remains relevant, also acknowledges the difficulties presented by the internet, and the possibility that, despite a court injunction, there may be attempts on social media to make the court's injunction ineffective. A key factor was the finding that there is a qualitative distinction between fairly widespread disclosure of private information on the internet and its disclosure in different media, in particular in hard copy form.

In the view of some, particularly the media, it is unrealistic to allow a privacy injunction to be sustained despite widespread internet disclosures. Arguably where a story is readily available on websites and Twitter to anyone who wanted to know it, it has lost the essence of confidentiality.

However, the majority decision of the court highlighted the rights of P and Y's children, and reaffirmed the importance of the Article 8 rights of children affected by disclosure of a story concerning their parents' private information, an issue which has been a theme in several privacy cases in recent years.

Case: PJS v News Group Newspapers Ltd [2016] UKSC 26.

Intellectual Property (Unjustified Threats) Bill

Summary

The government has published the Intellectual Property (Unjustified Threats) Bill (the Bill).

Background

UK legislation provides for protection against groundless threats of infringement proceedings by the holder of a patent, trade mark, design right or registered design. The claimant in a threats action can seek a declaration that the threats lacked justification, damages and an injunction to prevent further threats. In October 2015, the Law Commission published a draft version of the Bill, together with a final report following the government's response to its earlier report.

In *T&A Textiles and Hosiery Ltd v Hala Textile UK Ltd and others*, the IP Enterprise Court had to consider whether letters sent by a rights-owner to eBay under its verified rights-owner system were a threat (www.practicallaw.com/3-620-4481).

Facts

The Bill substitutes or amends the current threats provisions in the relevant legislation relating to patents, UK trade marks, EU trade marks, UK registered designs, UK design rights and Community designs.

The test in the Bill for whether a communication contains a threat to sue for infringement of a patent or other IP right is whether the communication would be understood by a reasonable person in the position of a recipient to mean that a right exists. This reflects the current position in case law. The communication must also be understood by that person to mean that someone intends to bring infringement proceedings in respect of that right for an act done in the UK. This modifies the existing law to ensure that the provisions apply to the EU unitary patent and European patents, subject to the jurisdiction of the Unified Patent Court.

There are three exceptions which may prevent a person aggrieved from suing the threatener:

- A threats action cannot be brought if the threat refers to specified primary acts, such as making or importing a product, for the particular right. This extends the existing law to cover threats that refer to intended primary acts.
- Threats are also not actionable if made to those who have done one of the primary acts. This exclusion is no longer limited to patents but extends to other IP rights, and also to intended acts.
- Implied threats made to a secondary actor will not give rise to a claim for unjustified threats if contained in a permitted communication. These permitted communications provide the framework for a "safe harbour" to allow a rights-holder to communicate with someone who might otherwise be entitled to sue for threats, by providing a means of exchanging information in order to resolve disputes. The communication must be made solely for a permitted purpose, all of the information that relates to the threat must be necessary for that purpose, and the person making the communication must reasonably believe that the information is true.
- A permitted purpose includes: giving notice that the IP property right exists; to discover if the right is being infringed and by whom; and giving notice that a person has an interest in the right in circumstances where some other cause of action is dependent on another person's awareness of that fact. There is also guidance on what is not a permitted purpose, for example, requesting an undertaking relating to a product or process.

The justification defence remains but without the reference to the defence not being available where the right is shown to be invalid in a relevant respect. An existing defence only available to patent owners who were not aware at the time of making the threat that the patent was invalid has not been included in the Bill.

A defence currently only available to patents is extended to all the IP rights: it is a defence to show that all reasonable steps (currently best endeavours) have been taken to find anyone who has carried out, or intends to carry out, a primary act, for example the manufacturer that is the source of the infringement. If there are several possible lines of enquiry all must be pursued. The recipient of the threat must be told what the steps were before or at the time the threat is made.

The Bill also introduces a new provision preventing threats actions from being brought against professional advisers who act on instructions and who identify their client in the communication. It also ensures that the protection can apply to the EU unitary patent.

Comment

The Bill implements the Law Commission's recommendations for reforming the threats provisions for IP rights and is long overdue, particularly in relation to trade marks and designs, in the light of patents reforms in 2004. The Bill will introduce a system that is more consistent across patents, trade marks and designs. The aim is to strike an appropriate balance allowing rights-holders to protect their IP rights, while not misusing threats in order to distort competition or stifle innovation.

A number of the Bill's provisions leave some room for interpretation, such as the meaning of "all reasonable steps" in the defence in section 70C(3) of the Patents Act 1977, and equivalents for other IP rights, in relation to where attempts to find the primary actor were unsuccessful. There also remains uncertainty as to what amounts to an unjustified threat in certain situations, as shown in *T&A Textiles*. The Bill fails to clarify this issue.

Source: Intellectual Property (Unjustified Threats) Bill, 19 May 2016, www.gov.uk/government/collections/intellectual-property-unjustified-threats-bill.

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brands@twobirds.com

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