

TRADE MARKS

Please note the referencing changes in this section of the report, which follow the implementation of EU Regulation 2015/2424 on 23 March 2016 and the resulting amendments to Regulation No 207/2009 on the Community Trade Mark.

A European Union trade mark, formerly a Community Trade Mark or CTM, will be referred to as an EUTM. The renamed European Union Intellectual Property Office will be abbreviated as the EUIPO, save where the original case name refers to OHIM. The Regulation considered in the decisions shall be indicated in the left hand column of the table.

Decisions of the CJ and GC

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC</p> <p>T-61/15</p> <p><i>1&1 Internet AG v OHIM; Unoe Bank, SA</i></p> <p>(01.03.16)</p> <p><i>Reg. 207/2009</i></p>	<p>1e1</p> <ul style="list-style-type: none"> - advertising, ordering systems, marketing and consultancy services (35) - telecommunications; consultancy, information and advisory services in the field of telecommunications (38) - design and development of computer software and hardware (42) - domain name services (45) <p>UNO E</p>  <ul style="list-style-type: none"> - advertising and commercial administration (35) - telecommunications (38) - design and development of computers and software (42) - personal and social services; legal services (45) <p>(EUTM and Spanish mark)</p>	<p>The GC annulled the BoA's decision that there was a likelihood of confusion between the marks under Art 8(1)(b).</p> <p>The BoA was incorrect to find that the non-professional members of the relevant public would have a normal level of attention in relation to telecommunication services in class 38. Both the professional and non-professional relevant public would have a heightened level of attention as a result of the technical, specialised nature and relatively high price of goods and services.</p> <p>The BoA was correct to find that the services at issue in Classes 35, 38 and 42 were identical or highly similar, but was incorrect to find that the domain name services in Class 45 were identical or highly similar to 'legal services' covered by the earlier word mark, as the nature and purpose of those services were inherently different.</p> <p>The GC upheld the finding of phonetic and visual similarity between the earlier figurative mark, which had an average distinctive character, and the mark applied for. The BoA had erred in its assessment of conceptual similarity, which the GC found to be weak.</p> <p>The GC held that there was no likelihood of confusion as the phonetic</p>

		and conceptual similarities would be offset by the visual differences and the heightened degree of attention of the relevant Spanish public.
<p>GC T-53/15 <i>Credentis AG v OHIM; Aldi Karlslunde K/S</i> (10.03.16) <i>Reg. 207/2009</i></p>	<p>CURODONT - cleaning and polishing preparations for use in dental technology and dental practices; Dentifrices, Mouthwashes, Cosmetics (3) - hygienic care for human beings (44)</p> <p>EURODONT - mouth washes and dentifrices, not for medical purposes, in particular tooth pastes and mouth washes (3) (Danish national mark)</p>	<p>The GC upheld the BoA's finding that there was a likelihood of confusion between the signs at issue pursuant to Art 8(1)(b).</p> <p>The BoA was correct to find the relevant Danish public was composed of average consumers with an average level of attention, as a result of the everyday nature of the goods at issue.</p> <p>The BoA had erred in finding that dentifrices and mouth washes were identical to cosmetics. The GC concluded these goods might be regarded as similar insofar as they were intended for daily bodily care. The GC held that the goods covered by the earlier mark were complementary to the services covered by the mark applied for as they shared the same overall purpose of hygiene and beauty care.</p> <p>The BoA was correct to find that the different first letter did not cancel out the high degree of visual and phonetic similarity between the marks. A conceptual comparison was not possible as neither mark had a specific meaning in Danish.</p>
<p>GC T-78/15 <i>Mudhook Marketing, Inc. v OHIM</i> (17.03.16) <i>Reg. 207/2009</i></p>	<p>IPVANISH - virtual private network (VPN) operating software (9) - providing virtual private network (VPN) services (38)</p>	<p>The GC upheld the BoA's finding that the mark was devoid of distinctive character under Art 7(1)(b).</p> <p>The BoA was correct to find that the meaning of the term 'IP' was 'Internet Protocol' and that 'VANISH' meant 'to disappear'. The GC also accepted the meaning of 'VPN' as an Internet encryption and privacy tool. The BoA was therefore correct to find that, in view of the meaning of the word elements forming the mark applied for, the relevant public would understand the mark to refer to the purpose and, at the very least, a desirable quality of the goods and services at issue.</p> <p>The mark carried no fancifulness beyond its basic promotional or laudatory meaning to enable the</p>

		relevant public to memorise it easily and instantly. The mark applied for was therefore incapable of performing the essential function of a trade mark.
<p>CJ</p> <p>C-252/15 P</p> <p><i>Naazneen Investments Ltd v OHIM</i></p> <p>(17.03.16)</p> <p><i>Reg. 207/2009</i></p>	<p>SMART WATER</p> <p>- beverages, namely water with dietary supplements (32)</p>	<p>The CJ dismissed an appeal against the GC's decision to uphold the revocation of the mark under Art 15.</p> <p>Naazneen Investments Ltd ("Naazneen") had failed to identify the specific arguments which it claimed were not addressed by the BoA and had not shown how the alleged failure to state reasons affected the exercise of its rights of appeal. Naazneen had misrepresented the GC's judgment and attempted to revisit the GC's assessment of facts and evidence, which was outside the jurisdiction of the CJ. The CJ held all grounds of appeal to be either inadmissible or unfounded.</p> <p>In relation to proper reasons for non-use, the CJ found that only obstacles that have a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as 'proper reasons' for non-use of the mark.</p> <p>The CJ therefore rejected Naazneen's submission that the existence of revocation proceedings constituted proper reasons for non-use. Whilst the revocation proceedings were not within the Naazneen's power to prevent, those proceedings did not make it impossible or unreasonable for them to use the mark.</p>
<p>GC</p> <p>T-8/15</p> <p><i>Auyantepui Corp., SA v EUIPO; Magda Rose GmbH & Co. KG</i></p> <p>(12.04.16)</p> <p><i>Reg. 207/2009</i></p>	 <p>- leather and imitations of leather and goods made of these materials; animal skins, hides; trunks and travelling bags; umbrellas, parasols (18)</p> <p>- clothing, footwear, headgear (25)</p> <p>- retailing and wholesaling in shops and via global computer networks of goods of leather and</p>	<p>The GC upheld the BoA's decision that there was no likelihood of confusion between the marks under Art 8(1)(b).</p> <p>Auyantepui Corp SA did not dispute the BoA's finding of conceptual and phonetic similarity between the marks at issue nor its assessment of similarity of the relevant goods, but did dispute BoA's assessment of visually similarity.</p> <p>The GC held that the fact that 'Jones' was a widespread English surname</p>

	<p>imitations of leather of all kinds (35)</p> <p>Jones</p> <p>- goods made of leather and imitations of leather, not included in other classes; beach bags, purses, handbags and travelling bags, trunks and suitcases, cases, backpacks; umbrellas (18)</p> <p>- clothing for women and knitted goods (clothing); scarves, collar protectors, headgear for wear, belts, shoes, boots, socks, stockings, tights (25)</p>	<p>did not mean that the relevant public in the EU would recognise the word in this way and, as such, this fact was irrelevant to the assessment of distinctive character. The GC dismissed Auyantepui's submission that 'Jones' had weak distinctive character as a result.</p> <p>The BoA was correct to conclude that 'mr' would be understood to naturally precede a surname as an abbreviation of 'mister' and this was unlikely to leave a lasting impression in consumers' minds. The GC endorsed the BoA's finding that the stylisation of the word 'Jones' and the graphic representation of the letter 'o' were insufficient to outweigh the visual similarity stemming from the presence of the element 'Jones' in the marks at issue.</p>
<p>GC</p> <p>T-20/15</p> <p><i>Henkell & Co. Sektkellerei KG v EUIPO; Ciacci Piccolomini d'Aragona di Bianchini Società Agricola</i></p> <p>(14.04.16)</p> <p><i>Reg. 207/2009</i></p>	<p>PICCOLOMINI</p> <p>- alcoholic beverages (except beers) (33)</p> <p>PICCOLO</p> <p>- alcoholic beverages (except beers), in particular wines, still wines, sparkling wines, herb wines and vermouth, spirits (33)</p>	<p>The GC upheld the BoA's decision to reject the opposition on the grounds that Henkell & Co. Sektkellerei KG ("Henkell") had failed to prove genuine use of the earlier mark under Art 42(2).</p> <p>The BoA had been correct to find that the term 'Henkell' was dominant on both the goods and packaging, as a result of its size and positioning and would therefore be seen as an indication of commercial origin. The term 'PICCOLO' was only a secondary, ancillary element used in association with other terms describing the qualities of the product and would be perceived by the public as a description of the size of the bottle alone.</p> <p>As the earlier mark had not been used in accordance with its essential function, the BoA was entitled to find that it had not been put to genuine use. This did not amount to the BoA ruling on the distinctive character of the earlier mark <i>per se</i>, and the GC rejected Henkell's submission in this regard as unfounded.</p>
<p>GC</p> <p>T-326/14</p> <p><i>Novomatic AG v</i></p>		<p>The GC dismissed an appeal against the BoA's decision to uphold an opposition to the registration of the mark applied for pursuant to Art</p>

<p><i>EUIPO; Granini France</i> (19.04.16) <i>Reg. 207/2009</i></p>	<p>- hardware and software, in particular for casino and amusement arcade games, for gaming machines or games of chance via telecommunications networks and/or the Internet (9)</p> <p>- casino fittings, namely roulette tables, roulette wheels; Casino games with or without prize payouts, gaming machines and games machines, in particular for commercial use in casinos and amusement arcades, or games of chance, with or without prize payouts, via the Internet and via telecommunications networks, games of chance (28)</p>  <p>- games and toys (28)</p> <p>- entertainment; entertainment by means of radio or television; services of organisation of lotteries or gambling; organising of competitions for entertainment (41)</p> <p>(French registration)</p>	<p>8(1)(b).</p> <p>The GC endorsed the BoA's analysis of 'goods' as activities engaged in for amusement by adults and agreed that there was no reason to limit the scope of the terms to be solely aimed at children. In light of this, the BoA had been correct to find that 'hardware and software goods' were complementary to 'games', being essential to the functioning of the electronic or online games of choice covered by the earlier mark.</p> <p>The BoA had erred in finding that 'casino fittings' were identical to 'games', as they had different purposes. The GC nevertheless held that those goods were similar, on account of their complementarity and the fact that they are both used in casinos and amusement arcades.</p> <p>The GC endorsed the BoA's assessment of the phonetic and conceptual similarity of the marks at issue as average. The marks had a low degree of visual similarity as, in spite of their differences, they shared the word element 'joker' which was not devoid of distinctive character and was not capable of being descriptive of games of chance to the relevant French public.</p>
<p>GC T-21/15 <i>Franmax UAB v EUIPO; Ehrmann AG Oberschöneegg im Allgäu</i> (26.04.16) <i>Reg. 207/2009</i></p>	 <p>- preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and other milk products (29)</p> <p>- coffee, cocoa and artificial coffee; rice, tapioca and sago; flour and preparations made from cereals; bread, pastry and confectionary; ices; sugar, honey, treacle; spices; ice (30)</p>  <p>- milk and milk products, yoghurt, butter, cream and whey products, non alcoholic drinks with a predominant milk fraction,</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks pursuant to Art 8(1)(b).</p> <p>The BoA was correct to find that 'coffee', 'cocoa' and 'artificial coffee' in Class 30 covered by the mark applied for were complimentary and therefore similar to 'milk products' in Class 29 covered by the earlier mark. 'Preparations made from cereals' were similar to a low degree. The BoA was also correct to find that 'compotes' in Class 29 and 'pastry and confectionary' in Class 30 were similar to 'milk products' in the earlier mark as they shared the same purpose, method of use, distribution channels, target public and were in competition with or were complementary to each other.</p>

	<p>curd and half-fat milk products, desserts consisting essentially of milk and/or cream, soya products and substitute products for milk (29)</p> <p>- ice cream (30)</p>	<p>The BoA was correct to find that, despite some differences, the marks showed an average degree of visual similarity and were conceptually highly similar insofar as they related to the concept of a moving dinosaur giving the impression of a friendly, happy creature. The phonetic comparison of the marks was irrelevant.</p> <p>A likelihood of confusion existed in so far as the mark applied for covered coffee, cocoa, artificial coffee, preparations made from cereals, compotes, pastry and confectionary.</p>
<p>GC</p> <p>T-89/15</p> <p><i>Niagara Bottling LLC v EUIPO</i></p> <p>(27.04.16)</p> <p><i>Reg. 207/2009</i></p>	<p>NIAGARA</p> <p>- bottled drinking water; bottled water; distilled drinking water; drinking water; drinking water with vitamins; drinking waters; flavored bottled water, flavored enhanced water; flavored waters; purified bottled drinking water; spring water; still water; table water; water beverages (32)</p>	<p>The GC upheld the BoA's decision that the mark was descriptive and devoid of distinctive character pursuant to Arts 7(1)(b) and (c).</p> <p>The word 'NIAGARA' was a geographical term referring to the River Niagara and, above all, to the waterfalls of the same name known to the relevant general public of the EU.</p> <p>The BoA was correct to state that the most important characteristic of a waterfall was the abundance of water and that despite the varied associations which may be evoked by the Niagara Falls, water remained an essential common feature. The relevant public would perceive that the goods concerned, all being water based drinks with 'water' in their name, originated from a geographical area in which the Niagara Falls were situated.</p> <p>The existence of this link indicated that the mark applied for was capable of designating the geographical origin of the goods and was therefore descriptive within the meaning of Art 7(1)(c). As such, an examination of arguments relating to Art 7(1)(b) was not necessary.</p>

EUIPO not bound by Belgian court in trade mark proceedings

***Apple and Pear Australia Ltd and Star Fruits Diffusion v EUIPO* (AG Bobek for the CJ; C-226/15 P; 13.04.16)**

AG Bobek has opined on the extent to which the EUIPO is bound in opposition proceedings by a final judgment of a European Union trade mark court following an action for infringement of an

earlier registered EUTM, noting that *res judicata* could not be invoked unless the proceedings at issue were identical.

Apple and Pear Australia Ltd and Star Fruits Diffusion ("APA and SFD") were the co-holders of one verbal and two figurative signs for Pink Lady apples. Carolus C. BVBA ("Carolus") sought an EUTM registration for the verbal sign 'English Pink' for their proprietary apple variety, for which they already held a national Benelux trade mark.

APA and SFD opposed the application pursuant to **Article 8(1)(b)** and **8(5)** and brought an infringement action before the Brussels Commercial Court in its capacity as an EUTM Court, seeking the annulment of Carolus' national Benelux trade mark on the basis of a likelihood of confusion with the earlier verbal EUTM for 'Pink Lady'. The OD dismissed the opposition on the basis that there was no likelihood of confusion between the marks at issue but, in a later judgment, the BCC ruled that a likelihood of confusion did exist, annulling the national Benelux trade mark and ordering Carolus to cease use and pay damages as a result.

The BoA dismissed the appeal against the OD's decision without any reference to the judgment of the BCC. On appeal to the GC, APA and SFD sought a decision upholding the opposition or otherwise annulling the decision of the BoA. The GC held that the decision of the BCC could not be considered *res judicata* with regard to the later BoA decision, as the cause of action raised in the proceedings before the EUIPO and the BCC were not identical. The BoA was not therefore bound by the BCC's judgment in the infringement proceedings. The GC nevertheless annulled the BoA's decision on the basis that it had failed to take the decision of the BCC into account and had not assessed the potential impact of the judgment on the outcome of the opposition proceedings. The GC refused to alter the BoA decision as it was not in a position to determine the decision to be taken on the basis of fact and law. APA and SFD appealed to the CJ.

AG Bobek noted that for *res judicata* to apply, pursuant to **Article 56(3)** and **Article 100(2)**, there must be identity between the proceedings at issue in so far as they shared the same subject matter, cause of action and parties. The AG endorsed the GC's finding that the infringement action before the BCC and the EUIPO opposition proceedings were not identical – the former sought the annulment of the national Benelux trade mark and an order to prevent Carolus using that mark throughout the European Union whilst the latter dealt with the opposition to the registration of the EUTM for 'English Pink'. As a result, there was no identity of subject matter or cause of action. The AG opined that *res judicata* could therefore not be triggered.

The AG concluded that as the BoA had failed to take into account the judgment of the BCC, which would have been of significance in the opposition proceedings, the GC should not substitute its assessment for the BoA's. The AG proposed that the CJ dismissed the appeal in its entirety and recommended that the case be remitted back to the BoA.

Permission refused to delete a mark from a series

Cadbury UK Ltd v The Comptroller General of Patent Designs and Trade Marks; Société des Produits Nestlé S.A.* (John Baldwin QC; [2016] EWHC 796 (Ch); 18.04.16)

John Baldwin QC (sitting as a Deputy Judge) dismissed Cadbury's appeal from a decision of the Hearing Officer whereby he refused Cadbury's request to delete a mark from a series of trade marks.

The mark appeared on the register as shown below, along with the following description:

"The mark consists of the colour purple 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. The mark consists of 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":



Following the decision of the CA in *Société des Produits Nestlé S.A. v Cadbury UK Ltd* [2013] EWCA Civ 1174 (reported in *CIPA Journal*, November 2013) in relation to a mark with the same description but a different number, Cadbury applied to delete a mark from a series of trade marks as permitted by **Section 41** and the rules made thereunder. As the CA had held that the mark in suit was not suitable for registration as a trade mark, Cadbury sought to head off a potential validity attack on the series mark in issue by deleting the expression "*or being the predominant colour applied to the whole visible surface*" from the description of the mark, thereby limiting the mark to a sign consisting of the colour purple applied to the whole visible surface of the packaging of the goods.

The Deputy Judge rejected Cadbury's argument that the description of the mark as registered was in fact a description of two marks, one consisting of the colour purple applied to the whole visible surface of the packaging and the other of which consisted of the colour purple being the predominant colour applied to the whole visible surface of the packaging. He was of the view that in the CA's judgment, **Sir John Mummery** was referring to the mark as a whole; he was not saying that there were two marks, one of which was acceptable as a sign and one of which was not.

BMW marks infringed by unauthorised BMW dealer

***Bayerische Motoren Werke AG v Technosport London Ltd & Anr** (Judge Hacon; [2016] EWHC 797 (IPEC); 13.04.16)**

Judge Hacon found that Technosport had infringed BMW's roundel and 'M' logo trade marks and was liable for passing off in respect of its use of those signs. However, it was found not to have infringed a mark consisting of the form of letters 'BMW'.

Technosport was a company dealing in the repair and maintenance of cars, mostly BMWs. In the course of its business it used signs identical to BMW's following trade marks: (i) an EUTM for 'BMW'; (ii) an EUTM for a roundel device mark as shown below, and (iii) an international registration for the 'M' logo as shown below:



the Roundel'



the 'M Logo'

Each of the trade marks were registered in respect of, among other things, the maintenance and repair of cars, motors, engines and parts of these goods in Class 37.

Technosport had displayed the Roundel on a fascia board on the exterior of its premises, in the interior (on a banner displayed in the reception area), on a van used to conduct its business, and on business cards distributed to customers. The M Logo was displayed on Technosport's website, the

BMW mark was used on a shirt worn by the company director while he carried out the company's business and in the company's Twitter handle '@TechnosportBMW'.

The Judge found that the average consumer would believe that the Roundel and M Logo would only be displayed on and in the premises of an undertaking which maintained and repaired vehicles if that undertaking was authorised by BMW, which Technosport was not. Even if that was not the case, the average consumer would at least wonder whether Technosport was an authorised dealer. Therefore, the Roundel mark was infringed under **Articles 9(1)(a)** and **9(1)(c)**, the M Logo mark was infringed under **Article 9(1)(a)**, and another sign similar to the M Logo which was used on the Technosport website was found to infringe pursuant to **Article 9(1)(b)**. However, Technosport's use of the BMW sign was not infringing because it did not convey to the average consumer any implication of Technosport being an authorised dealer.

The Judge rejected Technosport's argument that BMW had renounced its right to oppose its use of the trade marks by making no complaint when individuals from BMW and from authorised dealers had visited Technosport's premises. He also rejected Technosport's defences under **Articles 12(b)** and **(c)**.

It was agreed that Technosport's liability for passing off stood or fell with its liability for trade mark infringement. The Judge therefore made a finding of passing off. However, he noted that, had he found that the message conveyed by Technosport's use of the Roundel and M Logo signs did no more than render the average consumer unable to determine whether there was an economic link between Technosport and BMW, as opposed to causing the average consumer to take the view that there was such a link, he would have concluded that there had been no passing off.

COPYRIGHT

Liability of mere conduits under the E-Commerce Directive

***Tobias McFadden v Sony Music Entertainment Germany GmbH* (AG Szpunar for CJ; C-484/14; 16.03.2016)**

Following a request from the Munich Regional Court for a preliminary ruling, AG Szpunar has opined on various provisions of the **Directive 2000/31/EC** (the "**E-Commerce Directive**") as regards the definition of 'information society services', 'service provider' under **Article 2(a)** and **(b)** respectively, and the 'mere conduit' defence available pursuant to **Article 12(1)**.

Mr McFadden owned an Internet connection accessed via a Wi-Fi network, via which a musical work was unlawfully offered for download. Sony held the rights in that musical work and sent a formal notice to Mr McFadden regarding the infringement. Mr McFadden deliberately did not password protect the network so as to give the public access to the Internet. He asserted that he did not commit the infringement but did not rule out the possibility that it was committed by a user of his network.

Mr McFadden sought a negative declaration following the formal notice and Sony counterclaimed, seeking an injunction and damages. The Munich Regional Court upheld the counterclaim and granted an injunction against Mr McFadden on the grounds of his direct liability for the infringement at issue. Mr McFadden appealed, and submitted that he could not be held liable by reason of the German law which transposed **Article 12(1)**.

The Munich Regional Court referred several questions to the CJ, namely whether a professional person who, in the course of business, operates a free public Wi-Fi network, falls within the scope of **Article 12(1)**. If the CJ confirmed this interpretation, the Munich Regional Court asked the CJ to interpret the limitation of liability of intermediary service providers laid down in that provision.

The AG opined that **Article 2(a)** and **(b)** and **Article 12(1)** should be interpreted as applying to a person who, as an adjunct to their principal economic activity, operates a Wi-Fi network with an

Internet Connection that is accessible to the public free of charge. The AG considered the provision of Internet access was economic in nature, and therefore fulfilled the concept of 'services' under **Article 2(a)** even if it was ancillary to the principal activity of an individual and was offered free of charge.

As regards the second question, AG Szpunar considered that **Article 12(1)** precluded an order against an intermediary service provider for damages, costs of giving formal notice of the infringement or other costs relating to copyright infringements committed by third parties as a result of information transmitted via the service. **Article 12(1)** and **(3)** did not preclude the granting of an injunction against a provider of mere conduit services, non-compliance with which was punishable by a fine. Any such injunction however was to be effective, proportionate and dissuasive (to comply with **Article 3** of the **IP Enforcement Directive 2004/45/EC**), must aim to bring a specific infringement to an end or prevent a specific infringement but must not entail an obligation to monitor. The injunction would also need to balance the applicable fundamental rights by **Articles 11, 16** and **17(2)** of the **Charter of Fundamental Rights of the European Union**.

Article 12(1) and **15(1)** did however preclude an injunction being granted against a person who operates a publically available local wireless network with Internet access as an adjunct to a principal economic activity, where compliance with the injunction was only possible by: (1) terminating the Internet connection; (2) password-protecting the Internet connection; or (3) examining all communications transmitted through it to ascertain whether copyright-protected work was being unlawfully transmitted.

Hyperlinks to unauthorised content on a third party site not a communication to the public

***GS Media BV v Sanoma Media Netherlands BV & Others ("Sanoma")* (AG Wathelet for the CJ; C-160/15; 07.04.16)**

AG Wathelet has given his opinion on questions referred to the CJ from the Supreme Court of the Netherlands asking whether hyperlinks to copyright works which are freely accessible online without the consent of the right holder constitutes a communication to the public for the purposes of **Article 3(1)** of **Directive 2001/29/EC** (the "**Information Society Directive**").

Sanoma commissioned a photoshoot of Dutch reality TV star Britt Dekker for *Playboy* magazine. GS Media posted an article on its website *geenStijl.nl* which reported that the photographs of Ms Dekker had been 'leaked' and contained a clickable hyperlink to the Australian data-storage website *filefactory.com* which allowed users to download a zip file containing the photographs. GS Media refused Sanoma's request to remove the hyperlink and subsequently posted two further articles containing links to other Internet locations where the photographs could be accessed. Sanoma brought proceedings for copyright infringement against GS Media.

On appeal, the Supreme Court of the Netherlands asked the CJ: (1) whether providing a hyperlink to material made available without the copyright holder's consent on a third party website accessible to the general public constituted a communication to the public under **Article 3(1)**; and (2) whether, in making that assessment, knowledge that the copyright holder did not consent to the presence of the work on the third party website and the extent to which the hyperlink facilitated access to the work should be taken into account.

No communication to the public

AG Wathelet first noted that the operative part of the CJ's judgment in *Svensson* (**C-466/12**, reported in *CIPA Journal*, March 2014) did not refer to the issue of whether the copyright holder gave consent to the original making available of the protected work. He also noted that in *BestWater International* (**C-348/13**, unreported) the CJ had applied its reasoning in *Svensson* to a situation where the initial communication to the public was not authorised by the

copyright holder, *albeit* the court was not specifically asked to consider the effect of the absence of authorisation.

AG Wathelet summarised that a communication to the public under **Article 3(1)** required two elements; (i) an act of communication of a copyright work; and (ii) the communication of that work to the public.

In relation to the first element, AG Wathelet concluded that the provision of a hyperlink had to be an intervention which was indispensable to the making available of that work in order for it to be considered an act of communication. A hyperlink to a work hosted on a third party site was not an indispensable intervention in the making available of that work if the work was already freely available to internet users visiting that site. Such a hyperlink would not therefore be an act of communication. GS Media's knowledge in relation to the right holder's consent (or lack thereof) and motives for linking to the work were not relevant to this analysis.

In relation to the second element, AG Wathelet concluded that the requirement formulated in *Svensson* that a communication of a work to the public required communication to 'a new public' was not relevant in the situation where the copyright holder had not authorised the initial communication. Even if the 'new public' requirement from *Svensson* were to apply AG Wathelet concluded that the key issue was whether the publication of the hyperlink was indispensable to the work being made available to a new public. The publication of a hyperlink would be indispensable to the work being made available to a new public if it allowed users to circumvent restrictions on access the work (e.g. a paywall on the third party site). It was not indispensable where the third party site already made the content freely available without restriction.

DAMAGES

CJEU rules on the interpretation of Article 13(1) of the IP Enforcement Directive

***Christian Liffers v Producciones Mandarin SL, Mediaset España Comunicación SA* (GC; Case C-99/15; 17.03.2016)**

Following a preliminary ruling from the Spanish Supreme Court, the CJ held that a party is entitled to claim compensation for moral prejudice suffered in addition to damages for loss of royalties or hypothetical fees under **Article 13(1)** of the **IP Enforcement Directive**.

Mr Liffers directed, wrote and produced the audiovisual work "*Dos patrias, Cuba y la noche*" which retold the personal stories of homosexual and transsexual inhabitants of Cuba. Parts of the work were reproduced without authorisation in a production by Mandarin and Mediaset, via its television channel Telecino.

Mr Liffers brought an infringement action before the Commercial Court of Madrid against Mandarin and Mediaset, claiming damages of €6,740 for the infringement of his rights of exploitation, assessed on the basis of hypothetical royalties that would have been due to him if Mandarin and Mediaset had requested his authorisation to use his work under **Article 140(2)(b)** of the **Law on Intellectual Property in Spain**. Mr Liffers also claimed €10,000 for moral prejudice suffered, which was not referred to as a separately available remedy under Spanish law.

On appeal, the Madrid Provincial Court set aside the compensation for the moral prejudice on the basis that, under Spanish law, Mr Liffers was not entitled to this relief in addition to the hypothetical royalties sought.

Mr Liffers appealed to the Supreme Court, alleging that compensation for moral prejudice should be awarded in all cases, irrespective of whether an applicant had used the method for calculating loss under **Article 140(2)(b)**.

Article 140(2) intended to transpose **Article 13(1)** of the IP Enforcement Directive into Spanish law. The Supreme Court referred a question to the CJ and asked whether **Article 13(1)** prevented a party who claimed pecuniary loss for IP infringement based on the royalties or fees that would be due if the infringer had requested authorisation from also claiming damages for the moral prejudice suffered.

The CJ held that **Article 13(1)** did not preclude a party injured by an intellectual property infringement to claim material damage calculated on the basis of the royalties that would be due in addition to compensation for the moral prejudice suffered. The objective of the IP Enforcement Directive was to provide a high level of protection for IP rights and ensure that the damages paid to a rights-holder compensated the actual prejudice suffered, which included any moral prejudice. The calculation of hypothetical royalties covered only the material damage suffered and, to provide compensation in full, compensation for any moral prejudice suffered may also be sought.

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The reported cases marked * can be found at <http://www.bailii.org/databases.html#ew> and the CJ and GC decisions can be found at http://curia.europa.eu/jcms/jcms/j_6/home