





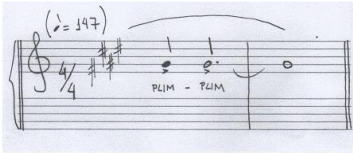


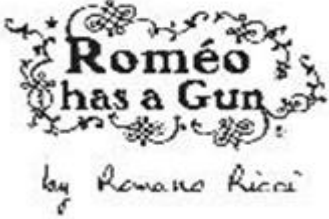
## TRADE MARKS


## Decisions of the GC



Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC <b>T-204/14</b> <i>Victor International GmbH v EUIPO; Gregorio Ovejero Jiménez and María Luisa Cristina Becerra Guilbert</i> (07.09.16) Reg 207/2009</p>	<p><b>VICTOR</b></p> <p>- clothing for playing sports, sports shoes for badminton, squash and/or tennis, headgear, including sports headgear, gloves, including sports gloves, accessories, namely headscarves, shawls, dress handkerchiefs, ties, belts and scarves, stocking (25)</p> <p>- retail services, including via the Internet and/or by means of teleshopping programmes, in relation to sports shoes for badminton, squash and/or tennis (35)</p> <p><b>victoria</b></p> <p>- footwear (except orthopaedic) (25) (Spanish mark)</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion pursuant to <b>Art 8(1)(b)</b>. The GC also endorsed the BoA's finding that there had been genuine use of the earlier mark pursuant to <b>Art 15(1)</b>.</p> <p>Whilst the earlier mark had been used in a number of different forms, the manner of use did not change the distinctive character of the mark in the form as registered and genuine use of the mark had therefore been demonstrated.</p> <p>The mark was licensed to a third party, CNM SL, and appeared alongside the CNM company name on the invoices, delivery notes and catalogues submitted as evidence of genuine use. The BoA was correct to find that this did not amount to use of the mark as a company or trade name or symbol.</p> <p>The GC endorsed the BoA's decision that there was a likelihood of confusion. The marks were visually similar, and contrary to the BoA's assessment, phonetically similar. The marks were also conceptually similar as 'victor' and 'victoria' would be understood by the Spanish-speaking public as male and female versions of the same name. This conceptual similarity was not precluded by other possible interpretations of the marks.</p>
<p>GC <b>T-159/15</b> <i>Puma SE v EUIPO; Gemma Group Srl</i> (09.09.16) Reg 207/2009</p>	 <p>- machines for processing wood and aluminium, and for treatment of PVC (7)</p>	<p>The GC annulled the BoA's decision in so far as it had rejected an opposition to the mark pursuant to <b>Art 8(5)</b>.</p> <p>The BoA found that there was a certain degree of visual similarity between the earlier marks and the mark applied for, and that they conveyed a similar concept of a "pouncing feline recalling a puma". However, the BoA had not carried out</p>



	 <p>- bags to wear over the shoulder and travel bags, trunks and suitcases (18)</p> <p>- clothing, boots, shoes and slippers (25)</p> <p>- games, toys; equipment for physical exercise, equipment for gymnastics and sports (28)</p> <p>(International Registrations designating various EU member states)</p>	<p>a full examination of the reputation of the earlier marks, finding that even if the reputation was regarded as proven, the opposition would fail because the other conditions set out under <b>Art 8(5)</b> had not been satisfied, namely that unfair advantage had been taken of the distinctive character or repute of the mark.</p> <p>The GC also found the BoA's decision to be vitiated by an error of law as it departed from the decision-making practices of the EUIPO by not considering several past decisions of national offices and an unpublished GC judgment which found that that the earlier marks had a reputation. The BoA should have either requested supplementary evidence of the reputation of the earlier marks or provided the reasons why the findings made in the earlier decisions were to be discounted. On this basis, the GC found that the BoA infringed the principle of sound administration, in particular its obligation to state reasons.</p> <p>The GC held that this error may have had a decisive influence on the outcome of the opposition and, since the BoA did not carry out a full examination of the reputation of the earlier marks, the GC was unable to rule on the claim regarding <b>Art 8(5)</b>.</p>
<p>GC</p> <p><b>T-146/15</b></p> <p><i>hyphen GmbH v EUIPO; Skylotec GmbH</i></p> <p>(13.09.2016)</p> <p>Reg 207/2009</p>	 <p>- airtight clothing (9)</p> <p>- textile and textile goods (24)</p> <p>- clothing, footwear, headgear (25)</p> <p>- development and design of all types of textile products, in particular clothing, headgear, accessories, footwear and bags, development of products for protection against solar radiation (42)</p>	<p>The GC partially annulled the decision of the BoA in so far as it revoked the mark for non-use in respect of goods in Classes 9 and 25 pursuant to <b>Art 15(1)(a)</b>.</p> <p>The mark had been used with a circle around it, in sky blue and alongside the word 'hyphen' – none of these elements were held to alter the distinctive character of the mark as registered, despite the fact that the sole figurative element of the mark itself only afforded it a minimum level of distinctive character. The circle completely lacked distinctive character, the sky blue colour was not particularly original and the word 'hyphen' did not deprive the figurative</p>

		<p>element of an autonomous identification function.</p> <p>As such, the BoA had erred in law by finding that the mark had not been put to genuine use in relation to Class 9 and 25 goods for the purposes of <b>Art 15(1)(a)</b>.</p>
<p>GC <b>T-390/15</b> <i>Perfetti Van Melle Benelux BV v EUIPO; PepsiCo, Inc.</i> (13.09.16) Reg 207/2009</p>	 <p>- sugar; pastry; confectionary; candies; chew candies; drops; sweets; chocolate; cocoa (30)</p> <p><b>3D'S</b></p>   <p>- cereal chips (30)</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks pursuant to <b>Art 8(1)(b)</b>.</p> <p>The goods at issue and sweet 'cereal chips' had at least an average degree of similarity. They shared the same intended purpose, the same distribution channels, could be manufactured by the same undertakings and were in competition with each other. However there was a low degree of similarity in relation to the goods at issue and salty 'cereal chips'. Therefore the BoA was correct to find that, taken as a whole, 'cereal chips' and the goods at issue were similar to a slightly lower than average degree.</p> <p>The BoA was correct to find that the marks, taken as a whole, were highly similar.</p>
<p>GC <b>T-408/15</b> <i>Globo Comunicação e Participações S/A v EUIPO</i> (13.09.16) Reg 207/2009</p>	 <p>- recording discs; DVDs and other digital recording media (9)</p> <p>- printed matter; books; magazines (16)</p> <p>-television broadcasting services (38)</p> <p>- entertainment services (41)</p>	<p>The GC upheld the BoA's decision rejecting the application for a sound trade mark under <b>Art 7(1)(b)</b>.</p> <p>The BoA was correct to characterise the mark applied for (which was a ringtone) as banal commonplace ringing sound. The very simple sound motif would generally go unnoticed or would not be remembered by the relevant consumer. The BoA was correct to conclude that a sound mark consisting of ringing sounds would not function as an indication of origin unless it included elements capable of distinguishing it from other sound marks. The mark, which included only two rings, could not be equated to a jingle.</p> <p>As such, the sound mark at issue would be perceived as a mere function of the relevant goods and services and would not be remembered by the</p>

		relevant consumer.
<p>GC  <b>T-453/15</b>  <i>Trinity Haircare AG v EUIPO; Advance Magazine Publishers, Inc.</i>  (15.09.16)  Reg 207/2009</p>	<p><b>VOGUE</b></p> <p>- beauty preparations and substances; cosmetics; make-up; deodorants for personal use; anti-perspirants; care and appearance of the skin, body, face, eyes, hair, teeth and nails; non-medicated baby oils and baby creams; non-medicated baby wipes; (3)</p>	<p>The GC upheld the BoA's decision rejecting the application for a declaration of invalidity. The mark did not infringe <b>Art 7 (1)(b)</b>, <b>Art 7(1)(c)</b>, or <b>Art 52(1)(b)</b>.</p> <p>The BoA was correct to find that there was nothing in the definition of the word 'vogue' to indicate that it was descriptive of the essential characteristics of the beauty and baby care products. It was held that the word 'vogue' related to popularity and fashion, neither of which were concerned with the goods at issue.</p> <p>Further, Trinity Healthcare AG had not demonstrated that the term 'vogue' was commonly used in advertising as a laudatory term.</p> <p>Finally, the GC endorsed the decision that the mark had not been applied for in bad faith. The fact that Advance Magazine Publishers Inc. had made multiple applications for multiple marks for the word VOGUE had no bearing on the legality of the mark at issue.</p>
<p>GC  <b>T-358/15</b>  <i>Arrom Conseil v EUIPO; PUIG France SAS</i>  <b>T-359/15</b>  <i>Arrom Conseil v EUIPO; Nina Ricci SARL</i>  (15.09.16)  Reg 207/2009</p>	 <p>- soaps, perfumes and cosmetics (3)  - clothing, footwear and headgear (25)  - presentation of goods on communication media for retail purposes of soaps, perfumes and cosmetics (35)</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion in relation to some but not all of the goods and services at issue pursuant to <b>Art 8(1)(b)</b> and confirmed that the mark applied for took unfair advantage of the earlier marks under <b>Art 8(5)</b>.</p> <p>The BoA was correct to find that the signs were visually and phonetically similar since the earlier mark RICCI was entirely reproduced in the mark applied for. The BoA was also correct to find that the marks were conceptually similar as consumers with an understanding of English would perceive the shared mark RICCI element as a name.</p> <p>The GC endorsed the BoA's assessment of similarity of the goods</p>

	<p><b>NINA RICCI</b></p> <ul style="list-style-type: none"> <li>- perfumery; essential oils; cosmetics (3)</li> <li>- clothing; footwear, headgear (25)</li> </ul> <p><b>RICCI</b></p> <ul style="list-style-type: none"> <li>- perfumes, cosmetics, soaps and substances for cleaning and polishing (3)</li> <li>- clothing, footwear, headgear (25)</li> </ul>	<p>and services at issue. The Class 3 goods were held to be part identical and part similar; there was identity between the Class 25 services; there was a low degree of similarity between the Class 3 and Class 25 goods; there was average similarity between the Class 25 goods and certain Class 35 services relating to footwear and clothing but no similarity as regards the remaining Class 35 services.</p> <p>It followed that the BoA was correct to find that there was a likelihood of confusion in relation to the goods that were identical but no likelihood of confusion in relation to those goods and services held to be similar or dissimilar.</p> <p>The GC held that the BoA properly conducted a global assessment of the circumstances as required under <b>Art 8(5)</b> and was therefore correct to find that the mark applied for took unfair advantage of the earlier marks.</p>
<p>GC</p> <p><b>T-633/15</b></p> <p><i>JT International SA v EUIPO; Corporación Habanos, SA</i></p> <p>(15.09.16)</p> <p>Reg 207/2009</p>	<p><b>PUSH</b></p> <ul style="list-style-type: none"> <li>- tobacco; cigarettes, cigars, cigarillos; snuff; smokers' articles; cigarette papers, cigarette tubes and matches (34)</li> </ul> <p><b>PUNCH</b></p> <ul style="list-style-type: none"> <li>- cigars; cigarettes; tobacco; matches (34)</li> </ul> <p>(various national marks)</p> <p><b>PUNCH</b></p> <ul style="list-style-type: none"> <li>- cigars (34)</li> </ul>  <ul style="list-style-type: none"> <li>- tobacco; smoker's articles; matches (34)</li> </ul> <p>(Italian mark)</p>	<p>The GC dismissed the appeal from the BoA's decision that there was a likelihood of confusion between the marks under <b>Art 8(1)(b)</b>.</p> <p>The marks were visually and phonetically similar. Even though the word 'push' would be understood by a large part of even the non-English-speaking general public with a sufficient knowledge of English, it was not certain that the word 'punch' could be understood by the Spanish-speaking public. As such, a conceptual comparison of the marks was not possible.</p> <p>Although the goods at issue were aimed at the general public, the level of attention was relatively high and further heightened in respect of cigars. For a consumer of the goods who went to a specialist shop, at a time when it was not busy or noisy and sufficiently-lit, the display of identical goods bearing trade marks which were visually similar was sufficient to give rise to a likelihood of confusion. The opposition therefore succeeded.</p>

<p>GC  <b>T-565/15</b>  <b>T-566/15</b>  <i>Excalibur City s.r.o. v EUIPO; Ferrero SpA</i>  (20.09.16)  Reg 207/2009</p>	<p><b>MERLIN'S KINDERWELT</b></p>  <p>- education and providing of training, entertainment and amusement games, sporting and cultural activities, children's playgrounds and amusement parks, theatre productions and other services relating to education or entertainment (41)</p> <p><b>KINDER</b></p> <p>- education; providing of training; entertainment; sporting and cultural activities (41)</p> <p>- cakes, pastry, confectionery, cocoa products and chocolate (30)</p> <p>(Italian marks)</p>	<p>The GC annulled the decision of the BoA and held that there was no likelihood of confusion between the marks pursuant to <b>Art 8(1)(b)</b>.</p> <p>The BoA erred in finding that the element 'merlin's' in the mark applied for did not have a distinctive character - it would not be seen as descriptive by the relevant Italian public as the connection between that element and the services at issue was not sufficiently direct or specific. Both 'merlin' and 'kinderwelt' had an average degree of distinctiveness – the BoA was wrong to conclude that 'kinderwelt' was the dominant element of the mark applied for. The marks therefore had to necessarily be compared as a whole, and not on the basis of their dominant elements.</p> <p>Notwithstanding the common element 'kinder', the marks were not visually or phonetically similar. As the word elements 'kinder' and 'kinderwelt' were German terms with no clear meaning to the relevant Italian public, a conceptual comparison was irrelevant.</p> <p>The GC held that the marks were not identical or similar for the purposes of <b>Art 8(1)(b)</b>. The BoA had therefore erred in finding a likelihood of confusion between the marks.</p>
<p>GC  <b>T-237/15</b>  <i>Edward Labowicz v EUIPO; Pure Fishing, Inc</i>  (22.09.16)  Reg 207/2009</p>	 <p>- fishing lines and tippets; floats for fishing; fishing weights (28)</p>	<p>The GC upheld the BoA's decision that the mark was descriptive of the goods at issue pursuant to <b>Art 7(1)(c)</b>.</p> <p>The BoA was correct to find that the relevant public would understand the word 'nano', even on its own, to refer either to nanotechnology or a very small object. Equally, the GC endorsed the BoA's analysis that the word 'nano', used in relation to fishing equipment, would be perceived by the relevant public as indicating that the goods in question had been manufactured using nanotechnology. The sign therefore served to designate a characteristic of the goods and did not evoke the excellence of the goods in an abstract manner.</p>

<p>GC  <b>T-512/15</b>  <i>Sun Cali, Inc v EUIPO; Abercrombie &amp; Fitch Europe SA</i>  (22.09.16)  Reg 207/2009</p>	 <p>- handbags (18)  - women's clothing (25)  - retail store services featuring clothing shoes and handbags (35)  - fashion consulting services; wardrobe management services; image consulting services; and personal shopping services for others (45)</p>  <p>- women's clothing (25)</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks in Classes 18, 25 and 35 pursuant to <b>Art 8(1)(b)</b>.</p> <p>Further, the BoA had been correct to dismiss the proprietor's appeal on the basis that it was not duly represented in accordance with <b>Art 92(3)</b>.</p> <p>The proprietor's representation by its CEO did not fall within the entitlement under <b>Art 92(3)</b> to be represented before the EUIPO by an employee. The proprietor had failed to prove that its German branch (of which the CEO was an employee) was a 'real and effective industrial or commercial establishment': the German branch was registered as a sole trader and thus had no legal personality.</p> <p>The BoA was also correct to find that the Class 35 services were similar to a certain degree to the Class 25 goods covered by the earlier mark on the basis that the goods were at the least very important, if not indispensable, to the provision of the services which created a relationship of complementarity.</p> <p>The figurative elements of the mark applied for did not have a high level of distinctiveness with regard to Class 25 goods or Class 35 services, even when combined with the word elements 'co' and 'sun'; these additional elements were incapable of dispelling the visual and phonetic similarity of the marks. The BoA therefore did not err in finding the marks were conceptually similar for the part of the relevant public who would associate the common element 'cali' with 'California'.</p>
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**Broadly drafted compromise agreement found to preclude claims for trade mark infringement and passing off**

***Oran Pre-Cast Ltd ("Oran") v Oranmore Precast Ltd ("Oranmore") & Ots\** (Judge Melissa Clarke; [2016] EWHC 1846 (IPEC); 21.07.16)**

**Judge Melissa Clarke** held that that Oran was precluded from bringing a claim for trade mark infringement and passing off against Oranmore by operation of a compromise agreement. Absent this finding, the Judge said obiter that she would have given judgment to Oran in respect of its infringement claim under **Section 10(2)** and its claim for passing off.

Oran was an Irish, family company which manufactured and sold precast concrete products and had traded in the UK since 2008. Oranmore also manufactured and sold precast concrete products and was based in Norfolk. It had traded in the UK since 2012. The founders and directors of Oranmore (Ross Melville and Richard Burke, respectively the second and third defendants) were formerly a director and General Manager of Oran, and were related to many of the current directors, shareholders and employees of Oran by marriage or blood.

The Judge held that one of three letters constituting a compromise agreement entered into between Oran and Richard Burke in 2013 operated as a release of liability of Richard Burke (as well as Ross Melville and Oranmore as alleged joint tortfeasors) for the claims of trade mark infringement and passing off, and precluded Oran from bringing the claims against them. The relevant wording in the letter provided that Oran would have: "*no claim against you, Richard Burke, in contract, common law and/or statute*". The Judge found that the reasonable person with all the background knowledge which would reasonably have been available to the parties in the situation in which they were at the time of the compromise agreement would have understood the parties to have meant that this wording would cover all known and foreseeable claims connected with Richard Burke leaving Oran, in order to resolve all matters between them and provide the parties with a clean slate. This included any claims arising from the founding and trading of Oranmore and was not limited to issues of Mr Burke's employment at, and subsequent redundancy from, Oran. The Judge noted it was important that, by the time of the compromise agreement, both parties knew that Oranmore had been trading under the ORANMORE name, and Oranmore knew that Oran was unhappy about its use of the name.

In case her conclusions in respect of the compromise agreement were wrong, the Judge went on to consider the merits of Oran's claim under **Section 10(2)**. Finding that the registered mark ORAN PRE-CAST and the signs used by Oranmore (ORANMORE PRECAST, ORANMORE PRE-CAST and a device) were highly similar, that the relevant goods and services were identical, that the registered mark was highly distinctive, and that there was at least some evidence of actual confusion, the Judge concluded that she would, absent the compromise agreement, have found in Oran's favour on both its trade mark infringement and passing off claims.

### **High Court refuses to make costs order in favour of intervener**

***Cadbury UK Ltd v The Comptroller General of Patents Designs and Trade Marks; Société de Produits Nestlé S.A.\* (John Baldwin QC; [2016] EWHC 1609 (Ch); 07.07.16)***

**John Baldwin QC** (sitting as a Deputy Judge) refused to make an order with respect to Nestlé's costs of intervening in Cadbury's unsuccessful appeal from a decision of the Hearing Officer.

In an attempt to head off a potential validity attack on its series mark, Cadbury applied unsuccessfully to the UKIPO to delete a mark from the series under **Section 41** and the rules made thereunder. **John Baldwin QC** dismissed Cadbury's appeal from the decision of the Hearing Officer ([2016] EWHC 796 (Ch), reported in *CIPA Journal*, May 2016).

On the question of Nestlé's costs, the Judge observed that there was no established practice with respect to interventions in *ex parte* applications to the IPO, and he was of the view that some certainty in this area was desirable. He commented that, in a case such as this where it was widely recognised that the Comptroller was usually represented by highly competent counsel with relevant expertise, he was much attracted to the rationale of the practice in the Competition



Appeal Tribunal, and in particular the decision in *Ryanair Holdings Plc v Competition and Markets Authority, Aer Lingus Group Intervening* [2015] CAT 15. There, the starting position was that no order for costs was made in favour of interveners.

The Judge considered that the first and third of three elements set out by the Tribunal in *Ryanair* were satisfied; firstly, the position of the intervener was successful and, thirdly, the intervener did not duplicate the submissions of the respondent. He thought that the second element set out in *Ryanair* was "just about" satisfied, i.e. the submissions of the intervener had added value to the hearing. However, it was established in *Ryanair* that there had to be something more in order for the Tribunal to depart from the general principle not to award interveners' costs. In the present case, the Judge was of the view that there was nothing more of substance to go into the balance. He considered that Nestlé had a commercial interest in intervening in Cadbury's application to delete the relevant trade mark but that there was no supervening public interest and it was a very well-resourced party. There was no suggestion that Nestlé would be materially disadvantaged if it did not recover the costs of its intervention, and he therefore made no order with respect to Nestlé's costs.

## COPYRIGHT

### Hyperlinking to illegally posted copyright works

***GS Media BV v Sanoma Media Netherlands BV & Ots* (CJ; Second Chamber; C-160/15; 08.09.16)**

The CJ has held that in order to assess whether a hyperlink to a copyright protected work placed online without the consent of the rights holder was a communication to the public under **Article 3(1) of Directive 2001/29/EC**, it must first be determined whether the hyperlinks were provided other than for financial gain by someone who did not know, and could not reasonably have known, that the publication of that work was unauthorised. A hyperlink posted under these circumstances would not be a communication to the public. However, if the hyperlink was provided by someone acting for financial gain, full knowledge of illegality must be presumed. In those circumstances, the hyperlink would amount to a communication to the public unless the presumption of knowledge was rebutted.

Following the opinion of AG Wathelet (reported in *CIPA Journal, August 2016*), the CJ reviewed the law on the meaning of 'communication to the public' and concluded it required both an 'act of communication' and a 'new public' as held in *Svensson* (C-466/12, reported in *CIPA Journal, March 2014*). The CJ also noted that an 'individual assessment' should be applied in each case.

On that basis, the CJ reached the following conclusions:

1. Where a person acting not for profit publishes a hyperlink to a work available online without the consent of the rights holder, it was necessary to take account of the fact that the person did not know, or could not reasonably know, that the work had been published without consent. The intervention of the individual in these circumstances was not made in full knowledge of the consequences of his actions (i.e. providing access to a work illegally posted on the Internet) and so there was no act of communication.
2. In contrast, where the person knew or ought to have known that the hyperlink provided access to a work published illegally online (for example if they had been put on notice), or provided a hyperlink to circumvent restrictions which limited access to a work, the provision of that hyperlink would constitute a communication to the public.

3. Further, where hyperlinks were posted for profit, the person posting the hyperlinks should carry out the necessary checks to ensure that the work hyperlinked to was not illegally published. There was therefore a presumption that the posting of the hyperlink had been done with full knowledge of the protected nature of the work and the possible lack of consent to its publication online. In these circumstances, unless the presumption was rebutted, the posting of the hyperlink would be a communication to the public.

Confirming the decision in *Svensson*, the CJ pragmatically sought to distinguish between the posting of hyperlinks by (1) ordinary internet users (who could not be expected to perform a detailed assessment of the works to which they are linking and whether or not those works were published with consent) and (2) users of the internet who sought to profit by sharing third party works or who knowingly and deliberately infringed copyright.

The CJ did not provide guidance on the position where the linked-to copy was unauthorised but the rights holder had authorised a copy to be made freely available elsewhere on the Internet. The judgment indicated that a hyperlink in those circumstances would not amount to a communication to the public, but further judicial clarification of this point will be required.

### **CJ rules on private copying levies**

#### ***Microsoft Mobile Sales International Oy & Ots v Ministero per i beni e le attivita culturali (MIBAC) & Ots (CJ; Second Chamber; C-110/15; 22.09.16)***

Following a request for a preliminary ruling, the CJ held that national legislation, such as the Italian law at issue, was precluded from making the payment of the private copying levy for producers and importers of devices and media intended for use clearly unrelated to private copying, subject to the conclusion of agreements with a collecting society with a legal monopoly on the representation of author's interests. Furthermore, such legislation was also precluded from providing that the reimbursement of such a levy, where duly unpaid, could only be requested by the final owner of those devices and media.

The parties comprised manufacturers and distributors of personal computers, mobile telephones and other technology with recording capabilities on the one hand and various Italian organisations that represented the authors and publishers of intellectual works on the other. The proceedings concerned national Italian legislation on the payment of fair compensation due to the authors of intellectual works, where such works were reproduced for private personal use.

Under the Italian legislation, in circumstances where recording or copying devices were acquired for professional use by persons other than natural persons for purposes clearly unrelated to private copying, the criteria for the exemption from the copying levy was left to private agreements between the body responsible for collecting the levy (in the present case, the Italian Society for Authors and Publishers 'SIAE') and the manufacturers, distributors and importers of those devices or their trade associations. In addition, the legislation provided that where the levy had been paid in circumstances where it was not applicable, it was the end user of the device (and not the manufacturer, importer or distributor) who was entitled to request reimbursement.

The CJ held that such legislation was incompatible with **Article 5(2)(b)**. In his opinion, **AG Wahl** acknowledged that manufacturers, importers and distributors of copying devices that were responsible for the payment of the private copying levy, could pass the equivalent sum on to the end users in the retail price of those goods on the condition that the sum was reimbursed to those end users when it was not due on the goods sold. The Italian legislation at issue contained no such exemption.

Contrary to EU law, the national legislation did not allow for the equal application of the levy to the manufacturers, importers and distributors of recording and copying devices. As the

application of the exemption was left to the conclusion of freely negotiated agreements between the SIAE and those responsible for the payment of the levy, there was no objective and transparent criteria for its application. Equal treatment of those responsible for payment could not be ensured, as different terms could be negotiated under each individual agreement which were subject to private law.

Finally, the SIAE's reimbursement procedure was only available to a non-natural end user and where the device was not to be used for private copying. The reimbursement was not available to the manufacturers, importers or distributors of the devices even when they could demonstrate that they had supplied the devices for purposes clearly unrelated to private copying, which was held to be incompatible with EU law. The legislation was also contrary to the provisions of **Article 5(2)(b)** as it precluded natural persons from applying for the reimbursements.

**Katharine Stephens, Hilary Atherton and Emma Green**

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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](http://curia.europa.eu/jcms/jcms/j_6/home)