

# Bird & Bird & IP & IT Bytes

December 2017

*First published in the December 2017 issue of PLC Magazine and reproduced with the kind permission of the publishers. Subscription enquiries 020 7202 1200.*

## Copyright and breach of confidence: format of television show

### Summary

The High Court has held that a documented format for a televised game show may qualify for copyright protection as a dramatic work, although it dismissed claims for copyright infringement, breach of confidence and passing off.

### Background

The UK does not protect television formats as a separate legal right. The owner of the format must seek to protect it under intellectual property or other laws, such as copyright infringement, breach of confidence, passing off or breach of contract.

The New Zealand Privy Council held that there was no copyright in the details of the game show Opportunity Knocks (*Green v New Zealand Broadcasting Corporation [1989] 2 All ER 1056*).

The doctrine of res judicata provides that litigation raising issues that have, or could have, been decided in previous proceedings may be held to be an abuse of process.

### Facts

B developed an idea for a game show called Minute Winner in which members of the public would be chosen at random in a public place to try to perform a task within one minute to win a prize related to the task.

B met with a Swedish company, F, about a television format called Celebrity Birthday. B said that he discussed Minute Winner at that meeting on the understanding that F would keep it confidential. F denied that this format was discussed at that meeting and pointed out that it had refused to sign non-disclosure agreements at the meeting.

B subsequently sent an unsolicited email to F attaching a synopsis of the Minute Winner format. F became part of E, and licensed the format for a new game show Minute to Win It to N. It was broadcast in the US and around the world.

B sued F in Sweden for trade secrets, trade mark and copyright infringement.

The Swedish court dismissed the claims. It held that the information about Minute Winner disclosed by B did not constitute a trade secret, commenting that it was merely a relatively simple core idea for a programme format. B appealed.

The Swedish appeal court dismissed the appeal.

B then sued E, F and N in the UK, claiming that the creation and broadcast of Minute to Win It constituted copyright infringement, breach of confidence and passing off. B argued that the Minute Winner synopsis was a dramatic work.

## Decision

The court gave summary judgment in favour of E, F and N.

There was no copyright in the synopsis and, in any event, E's programme was not sufficiently similar to infringe.

In principle the format of a television game or quiz show could enjoy copyright protection as a dramatic work, but here the contents were unclear and lacking in specificity, and did not identify or prescribe anything resembling a coherent framework or structure which could be relied on to reproduce a distinctive game show in recognisable form. Its features, such as the performance of a task against the clock to win a game or a prize, were commonplace and indistinguishable from the features of many other game shows. The synopsis did not prescribe the type of one-minute tasks that were required to be performed in any recognisable or repeatable structure. Even if the synopsis had qualified as a copyright work, E's programme would not have infringed it, since the two were different in every material respect.

The claim for breach of confidence was barred *res judicata* and was an abuse of process. The Swedish court had regarded the synopsis as lacking in sufficient detail and value to constitute a trade secret. English law relating to confidentiality was based on principles similar to those of Swedish law and so the Swedish and English claims were similar enough to give rise to estoppel. Even if there were no estoppel, the synopsis was not enough to found a claim for breach of confidence. B's unsolicited email attaching the synopsis was not sent under an obligation of confidence, since F refused to sign any non-disclosure agreement, and any oral confidentiality agreement only covered matters discussed in the meeting.

B's claim was an abuse of process since it arose out of the same facts as the Swedish action and was made through a newly incorporated English company to avoid paying the outstanding costs order in the Swedish proceedings.

B had no goodwill in the Minute Winner concept which had not been sold to anyone. The mention of it on B's website was no more than an advertisement. In any event the lack of similarity between it and E's show meant that there was no risk of misrepresentation.

## Comment

Television format cases, of which there are comparatively few, have generally failed either on the ground that the format lacked enough concrete detail to be protectable or on the ground that the defendant's show was not similar enough. Due to the popularity and commercial value of reality, quiz and game shows, it is standard practice for production companies to create detailed bibles of format requirements prescribing elements such as set design, catchphrases, and procedures for choosing contestants and activities, to try to maximise the chance of the courts upholding them as copyright works.

This decision demonstrates the importance of ensuring that a new idea for a format show is disclosed only under a written confidentiality agreement, particularly where there are not sufficient details to qualify for copyright protection.

*Case: Banner Universal Motion Pictures Ltd v Endemol Shine Group Ltd and others [2017] EWHC 2600 (Ch).*

# Trade marks: validity of three-dimensional marks

## Summary

The Court of Appeal has held that trade marks in the shape of a London taxi were invalid.

## Background

Signs are unacceptable for registration as a trade mark if they lack distinctive character (*Article 7(1)(b), EU Trade Mark Regulation (207/2009/EC)*) (EUTM Regulation) (*Article 7(1)(b)*).

A trade mark will not be refused registration if, before the date of application for registration, it has acquired a distinctive character as a result of use.

Only a mark that departs significantly from the norm or customs of the sector, and so fulfils its essential function of indicating origin, does not lack distinctive character for the purposes of *Article 7(1)(b) (Mag Instrument v Office for Harmonisation of the Internal Market, C-136)*.

A sign shall not be registered as a trade mark if it consists exclusively of a shape which gives substantial value to the goods (*Article 7(1)(e), EUTM Regulation; Article 3(1)(e)(iii), Trade Marks Directive (2008/95/EC)*) (*Article 3(1)(e)(iii)*).

## Facts

L owned a three-dimensional EU trade mark (EUTM), and UK trade mark, for "motor vehicles" in Class 12, which consisted of a three-dimensional mark representing the shape of a London taxi cab. L sued F for trade mark infringement and passing off in relation to F's new model of London taxi.

The High Court held that the marks were invalid because they were devoid of distinctive character and did not have acquired distinctiveness ([www.practicallaw.com/8-623-5022](http://www.practicallaw.com/8-623-5022)). It held that the average consumer did not include hirers of taxis as they were not end users of the goods but users of the services provided by the consumer of the goods. L appealed.

## Decision

The court dismissed the appeal. It held that the trade marks were invalid for lack of distinctive character.

The term average consumer included any class of consumer to whom the guarantee of origin was directed and who would be likely to rely on it in making a decision to buy or use the goods. It was irrelevant whether a user was someone who took complete possession of the goods, or someone who merely hired the goods under the overall control of a third party. Here, there was no reason to exclude the hirer of a taxi from the class of consumers whose perceptions it was necessary to consider. The guarantee of origin that the mark provided was directed not only at buyers of taxis but also at members of the public such as hirers of taxis. If the taxi were to fail for reasons not associated with the taxi service, it would be on the manufacturer identified by their trade mark that the hirer would place the blame.

Three-dimensional marks must depart significantly from the norms or customs of the relevant sector, which here was the car sector including not just licensed London taxis but also private hire cars. As the shape of the London taxi was no more than a variant on the standard design features of a car, even if the average consumer included hirers of taxis, inherent distinctive character had not been established.

As there was no evidence from which it could be deduced that consumers had come to understand that there was only one manufacturer of taxis of that shape, the court had come to a correct overall conclusion on the issue of acquired distinctive character and so the marks were invalid.

The question of whether a shape mark necessarily possessed distinctive character if departed significantly from the norms and customs of the sector was not clear. It was also not clear whether, in deciding whether the marks were invalid for consisting exclusively of a shape that gave substantial value to the goods, it was relevant that consumers would recognise the shape as that of a London taxi. Had these questions been critical to the decision, the court would have referred them to the European Court of Justice.

There was no error of principle assessing infringement on the basis of likelihood of confusion. However, there was no explanation why L's taxis, assuming that they had a distinctive character, did not have a reputation. The taxis were well known, regarded with affection and identified with London, and so, if they did have a distinctive character, they would also have had a reputation. Given the reputation, this was a case where detriment followed. So, had the marks been valid, F would have infringed on the basis of dilution.

Assuming the marks had distinctive character, a reputation, and that there was a likelihood of confusion or detriment to the distinctive character of the marks, the court considered that a defence on the basis of descriptive use would have failed. There was no reason why the rights of the trade mark owner, which conveyed a clear message about origin, should be trumped because the marks also conveyed the message that the vehicle was a licensed London taxi. Other ways of conveying the second message should be used so as to avoid confusion and detriment to the distinctive character of the marks.

L faced the same difficulties in establishing the necessary goodwill for the purposes of a passing off action as it did in relation to showing acquired distinctive character for its trade marks. In addition, the design of F's new Metrocab was strikingly different to that of L's taxis.

### Comment

Overall, this decision is unsurprising and reinforces the difficulties inherent in attempting to register a trade mark in the shape of goods.

*Case: London Taxi Corp Ltd (t/a the London Taxi Company) v Frazer-Nash Research Ltd [2017] EWCA Civ 1729.*

# Patents: jurisdiction over non-UK European patents

## Summary

The High Court has held that it had no jurisdiction to grant declarations of non-infringement for non-UK designated patents.

## Background

Jurisdiction and recognition and enforcement of judgments between the EU, Denmark, Iceland, Norway and Switzerland are governed by the 2007 Lugano Convention, which is equivalent to the recast Brussels Regulation (1215/2012/EU) for EU member states.

Article 2(1) of the Lugano Convention provides that persons, whatever their nationality, should be sued in the courts of the state where they are domiciled. Article 5(3) of the Lugano Convention (Article 5(3)) sets out an exception allowing persons to be sued for a tort in the courts for the place where the harmful event occurred or may occur. Defendants may be sued, at the claimant's option, in the courts of either the place where the damage occurred or the place of the event giving rise to that damage. Article 5(3) also covers claims for negative declarations seeking to establish the absence of liability in tort.

The law applicable to the question of whether past acts have infringed, or proposed future acts would infringe, for each designation of the patent is the substantive patent law of the relevant country (*Article 8(1), Rome II Regulation on the law applicable to non-contractual obligations (864/2007/EC)*) (Rome II). The law which has to be satisfied in order to obtain a declaration of non-infringement (DNI) is the *lex fori* (*Article 1(3), Rome II*).

In *Actavis UK Ltd and others v Eli Lilly & Co*, the High Court made declarations of non-infringement for non-UK designations of a European patent ([www.practicallaw.com/4-572-1394](http://www.practicallaw.com/4-572-1394)).

The doctrine of *res judicata* provides that litigation raising issues that have, or could have, been decided in previous proceedings may be held to be an abuse of process.

## Facts

J owned a European patent relating to a method for discharge of bulk material from a ship. A vessel previously owned by J, which was alleged to use the invention, had been sold and resold, ending up owned by P. The first buyer had undertaken that the system would not be used and gave J a right to inspect the ship, but P alleged that this undertaking was not passed on.

P brought an action in the UK for DNIs of the patent, both for the UK designation and for the other 11 countries where the patent had been validated, all of which were in the EU or EEA. No challenge to validity was made. J argued that the court had no jurisdiction to grant the declarations in respect of the 11 non-UK designations of the patent.

P agreed that in general the UK court did not have jurisdiction over claims for DNIs for non-UK designations of the patent by virtue of Article 5(3). However, P argued that there was such jurisdiction here because J's rights had been exhausted throughout the EEA by sale of the ship. If the UK court decided that P's acts in the UK would not infringe because J's rights in the UK designation of the patent were exhausted, that decision should also apply to the other 11 designations because the doctrine of exhaustion of rights gave effect to the European principle of the free circulation of goods. Granting the declaration would avoid the need for parallel proceedings in the other 11 countries.

## Decision

The court held that it had jurisdiction over the claim for a DNI relating to the UK designation as it concerned acts which were proposed to be carried out by P within the territory covered by the UK designation of the patent. However, it did not have jurisdiction to grant the declarations where they extended beyond the UK designation.

P's arguments confused the question of which court had jurisdiction under Article 5(3) with the question of the effect of any decision by a court which had jurisdiction.

The fact that a court had jurisdiction over a defendant under the Lugano Convention in respect of one claim did not mean that it also had jurisdiction over another claim even if the two claims were closely related in fact or law, and so each claim had to be considered separately. The effect of a decision by one court that the claimant is entitled to a DNI will depend on the extent to which that decision is recognised by the courts of the other contracting states and to what extent it has res judicata effects. These issues are matters for those other courts, although the Lugano Convention should provide the answers.

While there might be only one answer under European law as to whether there was exhaustion of J's rights, it did not follow that it was proper for the UK court to exercise jurisdiction over matters that, under the Lugano Convention, lay within the province of the courts of other contracting states. In principle, P could have brought claims in respect of all 12 jurisdictions in Norway, where J was domiciled, if they wished to avoid the problems of suing in 12 countries. Similar reasoning applied to the declaration sought by P that J had consented to the use of the system on the ship that they had sold and which P now owned.

### Comment

The difference between this case and *Actavis* was that in that case the defendant's solicitors were held to have voluntarily accepted service of the complaint, and that in the circumstances service had been validly effected under Civil Procedure Rule 6.9.

*Case: Parainen Pearl Shipping Ltd and others v Kristian Gerhard Jebsen Skipsrederi AS and others [2017] EWHC 2570 (Pat).*

## Patents: claim interpretation

### Summary

The High Court has held that a patent for treatment of multiple sclerosis was invalid for obviousness, and considered the impact on claim interpretation of a recent restatement of the law by the Supreme Court.

### Background

The scope of patent claims is determined in accordance with Article 69 of the European Patent Convention and the Protocol on the Interpretation of Article 6, which aim to provide a balance between fairness to the patentee and giving the public a reasonable degree of certainty as to what those claims cover.

In *Actavis UK Ltd and others v Eli Lilly*, the Supreme Court held that a claim could be infringed under a doctrine of equivalents even though the allegedly infringing act did not fall within the claim on its proper interpretation ([www.practicallaw.com/w-010-0409](http://www.practicallaw.com/w-010-0409)). Validity was not considered in *Actavis*.

Before *Actavis*, the House of Lords held that when interpreting patent claims, the key question was what the person skilled in the art would have understood the patentee to have used the language of the claim to mean (*Catnic Components Ltd v Hill & Smith Ltd [1982] RPC 183 (HL)* and *Kirin-Amgen Inc v Hoechst Marion Roussel [2004] UKHL 46*). This involved giving the claim a purposive construction: interpreting it having regard to the fact that the patentee's purpose was to describe and claim an invention.

Before *Actavis*, it was settled law that patent claims ought to be interpreted in the same manner, and had the same scope, for the purposes of considering both novelty and infringement. In *Synthon BV v SmithKline Beecham plc*, the House of Lords held that two requirements were necessary to establish that a claim lacked novelty over a prior publication (whether written, oral or by use), the prior publication must:

- Disclose subject matter which, if performed, would necessarily result in an infringement of the patent (prior disclosure).
- Enable the skilled person to perform the claimed invention using his common general knowledge (enablement) ([www.practicallaw.com/o-101-8155](http://www.practicallaw.com/o-101-8155)).

In *Arrow Generics Ltd v Merck & Co Inc*, the High Court held that it had a discretionary power to grant a declaration (an *Arrow* declaration) that a generic pharmaceutical was obvious at the priority date of divisional patent ([2007] EWHC 1900 (Pat)). This was confirmed by the Court of Appeal in *Fujifilm Kyowa Kirin Biologics Co, Ltd v AbbVie Biotechnology Ltd & Another [2017]*.

### Facts

S and M applied to revoke a patent owned by Y and exclusively licensed to T on the grounds of lack of novelty, lack of inventive step and insufficiency. They also sought an *Arrow* declaration. Y and T counterclaimed for threatened infringement of the patent.

### Decision

The court held that the patent was invalid for being obvious in relation to one item of cited prior art.

In *Actavis*, the Supreme Court departed from *Catnic* and *Kirin-Amgen* with respect to the correct approach to equivalents to elements specified in the claims for the purposes of determining the scope of protection of patents in the context of infringement. The question was whether, in the light of this new law, patent claims ought still to be given a purposive construction.

The court considered that, before coming to any question of equivalents, it remained the law that patent claims should be given a purposive construction. Patents differed from commercial contracts in two ways. A contract was a bilateral statement agreed between contracting parties, whereas a patent was a unilateral statement made by the patentee and addressed to the person skilled in the art. A contract contained promises by the contracting parties to each other; a patent described and claimed an invention for the purpose of creating a legal monopoly. Patents must be interpreted through the eyes of the person skilled in the art,



interpreting the words of the claim in context. The context had to include the very purpose for which the document existed, namely to describe and claim an invention.

Another question which arose in the light of *Actavis* was what effect, if any, the finding that a claim could be infringed under a doctrine of equivalents, even though the allegedly infringing act did not fall within the claim on its proper interpretation, had on the law of novelty. The question was whether it remained the law that a claim lacked novelty if the prior publication disclosed subject-matter which, if performed, would necessarily infringe the claim. The court's view was that the claim would only lack novelty if the prior publication disclosed subject-matter which fell within the claim on its proper interpretation. It was not sufficient for lack of novelty that the subject-matter would infringe the claim applying the doctrine of equivalents.

The claims as interpreted were not anticipated by the cited prior art, but were obvious. The court noted that if, contrary to its view, the law was that a claim lacked novelty if the prior publication disclosed subject-matter which if performed would necessarily infringe under the doctrine of equivalents, then the claims would not have been novel over the prior art. As this issue was not addressed in *Actavis* it would require another Supreme Court decision.

The existence of pending divisional applications was a necessary but not sufficient basis to justify the making of an *Arrow* declaration. Y and T had not sought to shield the subject-matter of the patent from scrutiny by the courts and had vigorously defended the validity of the patent at trial. An *Arrow* declaration would not provide S and M with greater certainty than a reasoned judgment. In the circumstances S and M were not entitled to an *Arrow* declaration.

## Comment

This is the first High Court case to consider the effect of the controversial Supreme Court decision in *Actavis*. The court did not accept that the Supreme Court intended to abolish the long-established approach to claim interpretation, purposive construction. On the other hand, the court noted, obiter, that the previous symmetry between validity and infringement that existed before *Actavis* had changed so that the doctrine of equivalents did not apply to the part of the novelty test that requires consideration of whether the prior art if performed would necessarily result in infringement. As this decision is likely to be appealed, it will be interesting to see how the Court of Appeal will apply *Actavis*.

*Case: Generics (UK) Ltd (t/a Mylan) and another v Yeda Research and Development Company Ltd and another [2017] EWHC 2629 (Pat).*





[twobirds.com](http://twobirds.com)

Aarhus & Abu Dhabi & Beijing & Bratislava & Brussels & Budapest & Copenhagen & Dubai & Dusseldorf & Frankfurt & The Hague & Hamburg & Helsinki & Hong Kong & London & Luxembourg & Lyon & Madrid & Milan & Munich & Paris & Prague & Rome & Shanghai & Singapore & Stockholm & Sydney & Warsaw

Bird & Bird is an international legal practice comprising Bird & Bird LLP and its affiliated and associated businesses. Bird & Bird LLP is a limited liability partnership, registered in England and Wales with registered number OC340318 and is authorised and regulated by the Solicitors Regulation Authority. Its registered office and principal place of business is at 15 Fetter Lane, London EC4A 1JP. A list of members of Bird & Bird LLP and of any non-members who are designated as partners, and of their respective professional qualifications, is open to inspection at that address.