

# RECENT EUROPEAN CASE-LAW ON THE INFRINGEMENT AND ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

*This document presents summaries of selected important and recent decisions relating to the infringement and enforcement of intellectual property rights (IPR). It is produced internally by the EUIPO and updated on a regular basis (usually once per month). The summaries are for information purposes only, and the selection of decisions is not exhaustive.*

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March-April 2020

## THIS MONTH'S UPDATE ON IMPORTANT DECISIONS

### Preliminary rulings from the Court of Justice of the EU (CJEU)

#### Online marketplace operators and trade mark infringement

##### **C-567/18 Coty Germany GmbH v Amazon Services Europe Sàrl and others, EU:C:2020:267 [2 April 2020]**

This preliminary ruling concerns the question as to whether an e-commerce platform operating a marketplace can be deemed liable for storing goods infringing an EU trade mark, when these goods are offered or put on the market by third-party sellers.

Article 9(2)(b) of the Community Trade Mark Regulation (CMTR, [R 2009/207/EC](#)), now Article 9(3)(b) of the European Union Trade Mark Regulation (EUTMR, [R 2017/1001/EU](#)), establishes a prohibition of 'offering the goods, putting them on the market or stocking them for these purposes under that sign, or offering or supplying services' described under Article 9(1). Article 14 of the E-Commerce Directive ([D 2000/31/EC](#)), *inter alia*, states that a hosting provider should not be liable for information stored in the absence of actual knowledge of illegal information; or, upon obtaining such knowledge, in the event it 'acts expeditiously to remove or to disable access to the information'. Article 11 of the Enforcement Directive ([D 2004/48/EC](#)) requires Member States to ensure that the 'judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement'.

Coty Germany, a distributor of perfumes, holds a licence for the registered EU trade mark 'DAVIDOFF'. Amazon Services Europe enables third-party sellers to place offers for sale on the 'Amazon-Marketplace'. Those sellers may also benefit from the 'Fulfillment by Amazon' scheme, which allows them to have their goods stored by Amazon group companies, including Amazon FC Graben, operating a warehouse. Following a test purchase revealing the infringement of rights in the DAVIDOFF trade mark, Coty Germany requested Amazon Services Europe to return all the infringing products stocked on behalf of the seller. After being informed by another company of the Amazon group that part of the products returned had originated from another seller's stock, the rights holder requested Amazon Services Europe to provide the name and address of that other seller. Upon refusal, Coty Germany brought an action before the regional court, asking that Amazon Services Europe and Amazon FC Graben should have been ordered to desist from stocking or dispatching the contested perfumes in Germany. The regional court dismissed the action. The rights holder's appeal was also dismissed, on the grounds that Amazon Services Europe neither stocked nor dispatched the contested perfumes, and that Amazon FC Graben had been carrying out those acts on behalf of the seller. The rights holder brought an appeal on point of law before the Federal Court of Justice. That Federal Court referred to the CJEU for a preliminary ruling, emphasising that the success of the appeal against Amazon FC

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Graben depended on the interpretation of Article 9(2)(b) CMTR and 9(3)(b) EUTMR. It asked the Court of Justice to clarify whether these provisions applied to someone ‘who, on behalf of a third party, stores goods which infringe trade mark rights, without having knowledge of that infringement, stocks those goods in order to offer them or put them on the market for the purposes of those provisions, even if it is only the third party who intends to offer those goods or put them on the market’.

The CJEU first highlighted that the respondents in the main proceedings ‘merely stored the goods [...] without themselves offering them for sale or putting them on the market’, and that they did not ‘intend to offer [...] for sale or put them on the market’. It then discussed whether the act of storing could fall within the definition of ‘using’ an EU trade mark without consent and, in particular, under the act of ‘stocking’. The CJEU reminded the Federal Court that the expression ‘using’ requires an active behaviour and ‘direct or indirect control of the act constituting the use’. According to previous case-law of the CJEU, ‘only a third party who has direct or indirect control of the act constituting the use is effectively able to stop that use and therefore comply with that prohibition’ (see [C-179/15, Daimler, EU:C:2016:134](#)). With specific regard to e-commerce platforms, the CJEU had previously held that ‘the use of signs identical or similar to trade marks in offers for sale displayed in an online marketplace is made by the sellers [...] and not by that operator itself’ (see [C-324/09, L’Oréal, EU:C:2011:474](#)). Furthermore, the Court emphasised that a warehouse-keeper who provides a storage service in relation to goods bearing another person’s trade mark should not necessarily be regarded as ‘using’ that mark in accordance to the provisions at issue (see [C-379/14, TOP Logistics and Others, EU:C:2015:497](#)) and that the act of creating technical conditions for the use of a sign and being paid for it does not correspond to ‘using’ the sign (see [C-236/08 to C-238/08, Google France and Google, EU:C:2010:159](#)). In addition to the requirements of offering, putting on the market or stocking goods or supplying services under the sign concerned, the CJEU deemed it also necessary for the storage provider ‘to pursue the aim referred to by those provisions’. According to the referring court, those providers had not ‘themselves’ offered such goods for sale or put them on the market, but it was the third-party seller alone who had intended to do so. Therefore, the respondents in the main proceedings had not ‘themselves’ used the trade mark ‘in their own commercial communication’.

Finally, the CJEU clarified that it was not necessary to examine questions submitted ‘other than those that were the subject of the national court’s order for reference’. It deemed not necessary to ascertain the role of Amazon companies in enabling another operator to make use of the trade mark, and if such conduct would fall within the scope of Article 14 of the E-Commerce Directive or of Article 11 of the Enforcement Directive, as the referring court had not raised such point.

In accordance to its findings, the CJEU concluded that storing infringing goods on behalf of a third party, by a subject unaware of the infringement, does not infringe trade mark rights. Indeed, the act of ‘storing’ must not be regarded as an act of ‘stocking’ in order to offer them or put them on the market for the purposes of Article 9, if that subject ‘does not itself pursue those aims’.

The text of the judgment can be found on the [Curia website](#).

## Scope of the right of communication to the public

### **C-753/18 Föreningen Svenska Tonsättares Internationella Musikbyrå U.P.A. (Stim) and Svenska Artisters Och Musikers, Intresseorganisation Ek. För. (SAMI) v Fleetmanager Sweden AB and Nordisk Biluthyrning AB EU:C:2020:268 [2 April 2020]**

This preliminary ruling concerns the question as to whether the hiring out of motor vehicles equipped with radio receivers may constitute copyright infringement, that is, an unauthorised communication to the public of phonograms.

According to Article 8 of the [WIPO Copyright Treaty](#), ‘authors [...] shall enjoy the exclusive right of authorising any communication to the public of their works, by wire or wireless means [...]’. Under Article 3(1) of the Information Society Directive ([D 2001/29/EC](#)), ‘Member States shall 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 those works [...]’. Article 8(2) of the Rental Rights Directive ([D 2006/115/EC](#)) establishes that Member States shall 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 such phonogram, is used for broadcasting by wireless means or for any communication to the public [...]’. The [Joint declaration concerning Article 8 of the WIPO Copyright Treaty](#) clarifies that the ‘mere provision of physical facilities for enabling or making a communication does not in itself amount to communication within the meaning of this treaty or the Berne Convention’. Recital 27 of the Information Society Directive reproduces in essence the declaration.

This preliminary ruling originates from two separate proceedings involving Fleetmanager and Nordisk Biluthyrning (NB), two Swedish motor vehicle rental companies, which directly or indirectly hire vehicles equipped with radio receivers. As regards the first proceeding, Föreningen Svenska Tonsättares Internationella Musikbyrå U.P.A. (Stim), the Swedish collective management organisation for musical works, brought Fleetmanager before the District Court of Sweden. Stim had claimed that Fleetmanager had made a contributory infringement, by making vehicles equipped with radio receivers available to other motor vehicle rental companies. The infringement allegedly related to the infringement committed by the rental companies, making musical works available to the public without authorisation. The District Court held that the hire of vehicles equipped with radio receivers involved a ‘communication to the public’, but found Fleetmanager not liable of contributory infringement. The appeal court upheld the decision. Stim appealed on a point of law before the Swedish Supreme Court. As regards the second proceeding, NB brought an action against Svenska artisters och musikers intresseorganisation ek. för. (SAMI), the Swedish organisation managing the related rights of performers, before the Swedish Patents and Market Court. NB sought a declaration of not being required to pay fees (on the basis that the hired vehicles were equipped with radio receivers) to SAMI for the use of sound recordings. The patents court found that the use of a phonogram, covered by Article 8(2) of D 2006/115/EC, corresponded to a ‘communication to the public’ within the meaning of Article 3(1) of D 2001/29/EC. It also held that the provision, by NB, of radio receivers in the hire cars had made it possible for the occupants of those vehicles to hear recordings and that constituted a ‘communication to the public’. The appeal court overturned the decision. SAMI appealed on a point of law before the Supreme Court.

The Swedish Supreme Court decided to stay in proceedings and to refer to the Court of Justice for a preliminary ruling. In particular, it asked if ‘the hiring out of cars which are equipped as standard with radio receivers’ means ‘that the person who hires the cars out is a user who makes a communication to the public within the meaning of Article 3(1) the Information Society Directive and within the meaning of Article 8(2) the Rental Rights Directive’. It also asked about the ‘significance, if any, of the volume of the car hire activities and the duration of the hires’.

First, the Court of Justice recalled that, in accordance with previous case-law the expression ‘communication to the public’ must be interpreted as having the same meaning the provisions of both instruments (see [C-162/10, Phonographic Performance \(Ireland\), EU:C:2012:141](#)). Moreover, the concept of ‘communication to the public’ must be interpreted in the light of the equivalent concepts contained in international law texts (see [C-403/08 and C-429/08, Football Association Premier League and Others, EU:C:2011:631](#)). That concept includes two cumulative criteria: an ‘act of communication’, and the communication of the work to a ‘public’. In order to assess whether the hiring out of vehicles equipped with radio receivers constitutes an ‘act of communication’, several other criteria should be considered. The assessment should be carried out applying such criteria ‘individually and in their interaction with each other, [...]’ (inter alia, see [C-610/15, Stichting Brein, EU:C:2017:456](#)). The Court also emphasised the ‘indispensable role played by the user’ and the ‘deliberate nature of his intervention’. The user makes an ‘act of communication’ when he acts, ‘in full knowledge of the consequences of his action, to give his customers access to a protected work, particularly where, in the absence of that intervention, those customers would not be able to enjoy the broadcast work, or would be able to do so only with difficulty’ (inter alia, see [C-135/10, SCF, EU:C:2012:140](#)).

The case at issue concerned the supply of radio receivers as part of a hired motor vehicle, making it possible to receive broadcasts, without any additional intervention (by the leasing company). According to the Court, this case fell under the description of Recital 27 of D 2001/29/EC, as ‘mere provision of physical facilities for enabling or making a communication’, and therefore does not ‘in itself amount to communication within the meaning of [...]’ the directive. The Court found there was no need to investigate the criteria of communication to a ‘public’, nor to answer the second question referred.

The Court concluded that Article 3(1) of D 2001/29/EC and Article 8(2) of D 2006/115/EC must be interpreted as meaning that the hiring out of motor vehicles equipped with radio receivers does not constitute a communication to the public within the meaning of those provisions.

The text of the judgment can be found on the [Curia website](#).

## **Infringement of trade mark rights during the five years after registration**

### **C-622/18 AR v Cooper International Spirits LLC and others, ECLI:EU:C:2020:241 [26 March 2020]**

This preliminary ruling concerns infringement claims relating to the first five years after registration of a trade mark which was later revoked for non-use. The Court of Justice had to clarify whether the (former) proprietor of a trade mark that had been revoked for non-use could claim that the trade mark’s essential

function had been affected, and seek compensation for alleged use by a third party of an identical or similar sign during the five-year period.

Article 5(1)(b) of the Trade Mark Directive ([Directive 2008/95/EC](#), replaced by [Directive 2015/2436/EU](#)) confers the proprietor of a registered trade mark exclusive rights therein, including the right to prevent third parties from using in the course of trade identical or similar signs or in regard to identical or similar goods or services, where this generates likelihood of confusion in the public. Article 10(1) of D 2008/95/EC establishes a 'grace period' of five years from registration, for the proprietor to begin a genuine use of his mark. Article 12 of D 2008/95/EC establishes grounds for revocation of a trade mark. In particular, a trade mark that has not been put to genuine use (in connection with goods and services in respect of which it was registered) during the 'grace' period, where no proper reasons for non-use exist, has to be revoked. Recital 6 of D 2008/95/EC underlines that Member States remain free to establish when revocation takes effect.

AR markets alcohol and spirits. He had filed an application for the registration of the trade mark 'SAINT GERMAIN' with the French Industrial Property Office. In 2012, after learning that Cooper International Spirits was distributing a liqueur manufactured by St Dalfour and Établissements Gabriel Boudier under the name 'St-Germain', AR brought an action for trade mark infringement against those companies before the regional court of Paris. In parallel, the regional court of Nanterre revoked the trade mark with effect from May 2011. That judgment was confirmed by the Court of Appeal of Versailles and became irrevocable. Before the regional court of Paris, AR therefore decided to maintain his claims only with regard to the period between June 2009 and May 2011. The regional court of Paris dismissed his claims, on the grounds of non-use of the trade mark since the filing. This judgment was upheld by the Court of Appeal of Paris, inter alia, on the grounds of insufficient proof of use. AR appealed in cassation claiming that the Court of Appeal of Paris had not applied the French Intellectual Property Code correctly, in particular, the provisions on likelihood of confusion and the grace period. The Court of Cassation decided to stay in proceedings and refer to the Court of Justice for a preliminary ruling on the interpretation of Article 5(1)(b) and Articles 10 and 12 of D 2008/95/EC. It asked whether those provisions should be interpreted as meaning that a proprietor who had never used his trade mark, and whose rights in it were revoked on expiry of the grace period, 'can obtain compensation for injury caused by infringement, [...], caused by use by a third party, before the date on which the revocation took effect, of a sign similar to that trade mark to designate goods or services identical or similar [...]'.

Throughout its reasoning, the Court of Justice mainly referred to its previous decision *Länsförsäkringar* (see [C-654/15](#), [EU:C:2016:998](#)). According to that case-law, Article 15(1) and Article 51(1)(a) of the Community Trade Mark Regulation (CMTR, [R 2009/207/EC](#), now the European Union Trade Mark Regulation, EUTMR, [R 2017/1001/EU](#)) confer on the proprietor of a (EU) trade mark a grace period to begin to make genuine use of it, during which he may rely on the exclusive rights, pursuant to Article 9(1) of R 2009/207/EC, 'without having to demonstrate such use'. In determining, under Article 9(1)(b), whether the goods or services of the alleged infringer are identical or similar to the goods or services covered by the [EU] trade mark, 'the extent of the exclusive rights [...] should be assessed, during the five-year period [...], by having regard to the goods and services as covered by the mark's registration, and not in relation to the use that the proprietor has been able to make of the mark during



that period'. Following such indications, the CJEU underlined that the case-law regarding those provisions is entirely applicable by analogy to the respective provisions in the directive (harmonising national laws).

The Court also added that, from the expiration of the grace period, the extent of such exclusive rights might be affected by the fact that the proprietor had not yet begun to make genuine use of his mark.

The Court also observed, similarly to the referring court, that the main proceedings differed from the mentioned case-law. It deemed therefore necessary to examine whether, under the directive, revocation of the rights 'may have an effect on whether it is possible for the proprietor to rely, after expiry of the grace period, on infringements of the exclusive rights conferred by that mark which occurred within that period'. It recalled that the directive leaves Member States free to determine the date on which revocation takes effect (Recital 6 of D 2008/95/EC). They are also free to decide whether to provide that, in the event of counterclaim for revocation, a 'trade mark may not be successfully invoked in infringement proceedings if it is established as a result of a plea' that it could be revoked pursuant to Article 12(1) of D 2008/95/EC. As to the case at issue, French law provides that revocation for non-use takes effect on expiry of the grace period. Thus provided, it was clear to the Court of Justice that French law maintains the possibility for the proprietor of relying, after the expiration of the grace period, on infringement that occurred within that period, 'even if the proprietor has had his or her rights in the mark revoked' subsequently.

As to the award of damages, the Court underlined that not using a trade mark 'does not, in itself, preclude compensation [...]'. It also stressed that the infringing act remains 'an important factor to be taken into account in determining the existence and, as the case may be, the extent of the injury [...] and, accordingly, the amount of damages [...]'.

The Court concluded that the referred provisions should be interpreted, read in conjunction with Recital 6 of D 2008/95/EC, as leaving Member States the option to allow, under the referred conditions, 'to retain the right to claim compensation for the injury sustained as a result of the use by a third party, before the date on which the revocation took effect, of a similar sign in connection with identical or similar goods or services that is liable to be confused with his or her trade mark'.

The text of the judgment can be found on the [Curia website](#).

## Decisions from national courts

### Interim relief for alleged patent infringement

#### **The Hague District Court, C/09/580883 / KG ZA 19-941 Tomra Sorting v Kiremko [17/01/2020]**

This judgment concerns patent infringement injunctions claimed in proceedings for interim relief.

Tomra is an Irish producer of sorting, peeling and processing machines. Kiremko is a manufacturer of machinery for the potato processing industry. One of the machines Kiremko produces and markets is

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fitted with a steam outlet valve. Tomra is the proprietor of a European patent granted in 2011, allegedly encompassing that type of valve.

Tomra claimed that Kiremko infringed its patent with respect to the steam outlet valve (technically indicated as 'pressure release apparatus'). Therefore, Tomra brought an action before the Hague District Court to obtain either an injunction for infringement of the European parts of the mentioned European Patent, or an injunction against unlawful conduct and a fine, including compensation of the costs of the proceedings. Kiremko contested the infringement and brought a counterclaim for the invalidity of the patent on the grounds of lack of novelty of some claims. Kiremko argued that US patent No 279 represented relevant prior art, and presented a number of combinations from prior art documents to show lack of inventiveness.

According to the Hague District Court, Tomra failed to prove that the previously registered US patent No 279 had not already disclosed the invention. In particular, Tomra did not prove the novelty of its invention with regard to some of the main claims. It also failed to refute Kiremko's allegations, according to which US patent No 279 had already disclosed characteristics described by some of the dependent claims.

Therefore, the court stated that it was not sufficiently plausible that Kiremko was infringing the patent at issue, as there was a serious, not insignificant chance that the patent would be declared invalid in proceedings on the merit.

The text of the judgment (in Dutch) can be found on [de Rechtspraak](#).

## **Cease-and-desist letters for alleged IPR infringement and the duty to minimise damages**

### **Bundesgerichtshof (German Federal Supreme Court), no I ZR 116/18 'Chickenwings' (19 September 2019)**

This decision of the German Federal Supreme Court (Bundesgerichtshof) concerns entitlement to compensation in the event of contributory negligence of the injured party. More precisely, it concerns the legal consequences of reacting too quickly to unjustified cease-and-desist letters.

Section 254(1) of the [Bürgerliches Gesetzbuch \(German Civil Code\)](#) allows the party that caused damage to raise an objection of contributory fault. According to Section 254(2), an objection to damage exacerbated unnecessarily through premature compliance relates to the causal link determining the extent of the liability.

The defendant had sent a cease-and-desist letter to the applicant, claiming that the use of 'chickenwings' motifs on greetings cards would infringe their trade mark and design rights as well as their copyright. The applicant denied the infringement claims, but then stopped the sales of the greetings cards. The defendant's claims were rejected in court, and the District Court of Berlin issued a judgment by confession/a declaratory judgment stating that the defendant had to compensate the plaintiff for losses due to the cease-and-desist letter. In the proceedings concerning the amount of compensation,



the district court dismissed the applicant's claim for damages of EUR 81 983.25 for loss of profit and for expenditure relating to the recall and destruction of the contested greetings cards. The appeal was unsuccessful, and the applicant applied for an appeal on a point of law.

According to the German Federal Supreme Court, the appeal court had correctly held that the applicant was not entitled to claim compensation for lost profits, on the grounds of significant contributory fault within the meaning of Section 254 of the Civil Code.

The legal classification under Sections 254(1) or 254(2) of the Civil Code is not relevant to the decision. Section 254(1) concerns the case where fault of one party contributed to the causation of the damage; Section 254(2) concerns the fault occurring when a party failed to draw attention to the party causing the damage of the risk of unusually high damage. Section 254(2) thus sets out a specific application of 254(1). It cannot be inferred that Section 254(1) relates to the causation constituting liability, and Section 254(2) to the causation relating the extent of liability. The German Federal Supreme Court confirmed that the objections raised by the defendant fall under Section 254(1) of the Civil Code. The damages claimed arise from a failure to act on the part of the applicant, namely a failure to continue the sales of the greeting cards, which is a fundamental requirement of Section 254(1). This consists of a positive act of the applicant who recalled and destroyed the greeting cards.

In addition, the German Federal Supreme Court concluded that the court of appeal rightly held that considering contributory fault after the declaratory judgment had been rendered did not preclude the latter's force of *res judicata* (precluding a cause of action to be litigated again). The objection that the applicant complied prematurely with the cease-and-desist letter does not affect the merit of the claim, but the amount of compensation. Causation constituting liability concerns the link between the acts of the defendant sending a cease-and-desist letter, and the interference with the established and operating business. The possibility of losses of sales was only briefly mentioned in the discussion of the admissibility of the application for a declaration; in the declaratory proceedings, the defendant therefore had no reason to claim contributory fault in respect of damage resulting from the cessation of sales and the destruction of the cards.

The German Federal Supreme Court concluded that the court of appeal had not erred in law by concluding that there was a significant contributory fault in the damage on the part of the applicant pursuant to Section 254 of the Civil Code. The applicant did not only destroy the contested cards prematurely, but also against their better judgement. The applicant was obviously convinced that there was no IPR infringement; after receiving the warning, they had asked for a negative declaratory judgment; they had also ordered the creation and print of a high number of greetings cards with the motifs in question. In addition, there was an error in reasoning as regards the claims for recovery and destruction costs; ordering the recovery and destruction of the cards would necessarily presuppose that the products were unsaleable.

The cease-and-desist letter from the defendant cannot be considered to have caused the damage in question.

The Federal Supreme Court dismissed the appeal on point of law.

The text of the decision (in German) is available on the [website of the Bundesgerichtshof](#).



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## **Copyright and moral rights (Art. L 121 2, L 111 3 French IP Code; Art. 16 French Code of Civil Procedure; Article 20 Italian Copyright Law; )**

### **Cour de cassation (Supreme Court of France), First Civil Chamber, Case No 17-18237 (10 October 2018)**

This judgment of 10 October 2010 by the Supreme Court of France clarified the circumstances under which the moral right of disclosure can be considered exhausted. According to French copyright law, every author has the right to decide whether and under what conditions to disclose their work (see Articles [L 121-2](#) and [L 111-3](#) of the French IP Code, Code de la propriété intellectuelle). This right, as with every other moral right in France, is not limited in time and can be exercised posthumously, for example by the author's descendants.

In 1970, one of the children of a deceased painter gave a painting to a famous English singer-songwriter, who then used a reproduction of the painting on the cover of his 2011 collector's edition album. The painter's daughter initiated infringement proceedings against the singer-songwriter and his record label company. She based her action inter alia on the moral rights of disclosure and integrity.

In 2016, the Paris first instance court held that the use of the painting by the defendants caused harm to the integrity of the painting. The court of appeal disagreed because the artwork on the album cover was reproduced in its entirety, with the painter's signature, without any elements being added or deleted, and could not be regarded as having an advertising purpose. In addition, the court of appeal held that the painter's daughter had exercised the right of disclosure by giving the painting to the singer-songwriter, therefore exhausting said right.

The Supreme Court considered that the sole fact of the physical object which embodies an artwork being handed over to a third party is not sufficient to determine that the right of disclosure has been exercised. It confirmed that there was no infringement of the right of integrity. As to the claim for prohibition and withdrawal from the market of the albums, the court of appeal had held that all co-authors of the album should have been questioned (see [Article 16 of the French Code of Civil Procedure](#)). The Supreme Court found that the court of appeal should have given the parties the opportunity to present observations. These issues were sent back to the Court of Appeal of Versailles for reassessment.

The text of the decision (in French) can be found on the website of [legifrance.gouv.fr](http://legifrance.gouv.fr).

### **Corte di Cassazione, Prima Sezione Civile (Italian Supreme Court of Cassation, First Civil Section), Case No. 15104/15 [5 July 2019]**

In this decision, the Italian Supreme Court, among other rulings, clarified the consequences of publishing a work protected by copyright without mentioning the author's name.

Article 20 [Law 633/41 \(Italian Copyright Law\)](#) grants the author the right to claim authorship of his or her work, and to object any modification or derogatory action in relation to his or her work.

Istituto della Enciclopedia Italiana fondata da Giovanni Treccani S.p.a., an Italian publishing house, published an encyclopaedic dictionary. M.G. is the creator of figures included in that dictionary. He claimed that the publishing house had used the figures without mentioning his name, and therefore infringed his moral rights. Before the Court of Appeal of Rome, the publishing house had, among other arguments, sustained that mentioning the author's name in one of the volumes, which was part of the entire encyclopaedia, was sufficient to comply with Article 20 Law 633/41.

The Court of Appeal ordered the Italian publishing house to pay damages to M.G. However, it found that the missing mention constituted a contractual breach; the author had suffered no prejudice with regard to copyright law (Court of Appeal of Rome, 9 December 2014). It considered that anonymity, with no wrongful attribution (i.e. to a person who is not the author), does not constitute copyright infringement under Article 20 Law 633/41.

The Supreme Court rejected the Court of Appeal's interpretation as contrary to Article 20 Law 633/41 and to the reasoning of that provision. A prejudice to the author's moral right of attribution exists when the indication of the author is missing, even when the work is not attributed to others. Consequently, the work must always be attributed to its author, and in such a way that readers can easily perceive it.

The text of the judgment (in Italian) is available on [cortedicassazione.it](http://cortedicassazione.it).

**Copyright: protectable subject-matter and threshold of protection (Art. 2(a) D 2001/29/EC; Art. 17 D 98/71/EC; Art. 2(1) Berne Convention; Art. L 111 1, L 112 2 French IP Code)**

**Court of Justice, Case C-310/17 *Levola Hengelo BV v Smilde Foods BV*, EU:C:2018:899 (13 November 2018)**

In this judgment, the Court of Justice explained that the taste of a food product could not be protected by copyright under EU law. A Dutch court had asked the CJEU to clarify whether the taste of a food product could qualify as a 'work' in the sense of Article 2(1) of the [Berne Convention](#) and the Information Society Directive ([Directive 2001/29/EC](#)).

In national proceedings, a Dutch company claimed that a competitor was infringing its IP rights concerning a spreadable dip containing cream cheese and fresh herbs.

According to CJEU case-law, a 'work' consists of subject matter that is *original* in the sense that it is the author's own intellectual creation; only *expressions* of the author's own intellectual creation may be classified as 'works' (see, e.g. 16/07/2009, C-5/08 Infopaq, [EU:C2009:465](#)). A 'work' must be expressed in a manner which makes it identifiable with sufficient precision and objectivity. This condition is not fulfilled by the taste of a food product, which will mainly be identified on the basis of subjective taste sensations. These sensations and experiences depend on factors such as age, food preferences and consumption habits, as well as on the environment or context in which the product is consumed. There are currently no reliable technical means to precisely and objectively identify a taste, and to distinguish it from the taste of other comparable products.

The decision is available on the [Curia website](#).



**Case C-683/17 Cofemel — Sociedade de Vestuário AS v G-Star Raw CV, EU:C:2019:721 [12 September 2019]**

This preliminary ruling relates to the cumulation of protection of design rights and copyright (see e.g. Article 17 Designs Directive, [D 98/71/EC](#)). The CJEU clarifies when designs, for example for clothes, can be considered ‘works’ protected by copyright under EU law. Article 2(a) Information Society Directive ([D 2001/29/EC](#)) obliges Member States to provide for an exclusive reproduction right for authors, ‘of their works’.

Both parties in the national proceedings, G-Star and Cofemel, are companies in the fashion industry. G-Star claims that jeans, sweatshirts and t-shirts designed, produced and marketed by Cofemel under the mark TIFFOSI are similar to its own designs ‘Arc’ and ‘Rowdy’. The parties argue about whether these designs are ‘works’ protected by copyright.

The CJEU stressed that the notion of ‘work’ is an autonomous concept of EU law. According to CJEU case-law, there are two conditions for a work to be eligible for copyright protection: it must be original in the sense that it is the author’s own intellectual creation; and only elements which are the expression of this creation can be protected (see e.g. C-5/08, Infopaq International, [EU:C:2009:465](#), 16/07/2009). The subject matter must also be expressed in a manner which makes it identifiable with sufficient precision and objectivity (see C-310/17 Levola Hengelo, [EU:C:2018:899](#), 13/11/2018).

EU law provides for both design law and copyright protection, in different legal instruments; they do not exclude each other. Designs can be ‘works’ in the sense of D 2001/29 when the two conditions for protection are fulfilled. The two types of protection pursue different objectives, and copyright protection lasts significantly longer. Cumulation of protection is therefore limited to certain situations.

The ‘aesthetic’ effect of a design depends on subjective perceptions of beauty, felt by each individual looking at the design. That effect cannot identify the subject matter with sufficient precision and objectivity. It does not allow deciding whether the design is an intellectual creation, reflecting the author’s free creative choices. National legislation that grants copyright protection to designs such as fashion designs when they possess an aesthetic value in addition to their utilitarian purpose is contrary to EU law.

The text of the judgment can be found on the [Curia website](#) (not yet available in English).

**Cour de cassation (Supreme Court, France), Commercial Chamber, No 13-21001 (5 April 2018)**

In this decision of 5 April 2018, the Supreme Court of France sheds some light on the assessment of the originality of photographs and auction house catalogues. French copyright law protects works that bear the mark of their author’s personality (see Articles [L 111-1](#) and [L 112-2](#) of the French IP Code, Code de la propriété intellectuelle).

A photographer created photographs for various auction catalogues for a well-known auction house. A French company operating an online database for auction house catalogues digitised these catalogues and published them online without authorisation. The photographer and the auction house initiated proceedings for copyright and trademark infringement and for unfair competition.

The Court of Appeal of Paris, overturning the decision of the first instance court, held that the digitisation of said catalogues constituted infringement. The catalogues were protectable by copyright. The Supreme Court followed the same reasoning. The judges examined the photographs and the catalogues in detail to assess their level of originality. In their view, the catalogues displayed, amongst other things, a methodical and ordered presentation of various lots offered for sale and a list of the works in their historical, cultural and social context. These and other characteristics were the expression of an ‘aesthetic decision imprinted with the personality of the authors of the catalogues.’ Therefore the reproduction of the catalogues in digital form without authorisation infringes copyright.

Regarding the photographs reproduced in the catalogues, the Supreme Court found that they were the result of the ‘personal aesthetic choices’ of the authors as to the positioning, framing or the particular take on the items.

As regards trademark infringement, the Supreme Court found that the court of appeal had to examine the possibility of exhaustion of the trademark rights (see Articles [L 713-4 CPI](#)).

The official text of the decision can be found on [Legifrance.fr](http://Legifrance.fr).

**Copyright infringement (Articles 6(1), 7, 8 WCT; Articles 3(1), 4(1), 4(2) D 2001/29/EC; Articles L 113-3, L 122-5 French IP Code; Articles 4, 18 Italian Copyright Law; Article 2 Danish Copyright Act, Article 3 Danish Marketing Practices Act; Sections 15(2), 19a, 69c(4) German Copyright Law; Section 2, 53 Swedish Copyright Act; Articles 2(1), 56g and 60b Finnish Copyright Act)**

**Court of Justice, Case C-161/17 *Land Nordrhein-Westfalen v Dirk Renckhoff*, Judgment of 7 August 2018; EU:C:2018:634**

This preliminary ruling relates to the question whether the reposting of a work that is freely available on the internet can infringe copyright. More precisely, the Court of Justice (CJEU) clarified whether such behaviour constitutes an act of ‘communication to the public’ in the sense of Article 3(1) of the Information Society Directive ([D 2001/29/EC](#)).

A photographer had authorised the operator of an online travel portal to use his photographs. A student at a German public school downloaded a photo and used it to illustrate a school paper, citing the source. That paper, including the photo, was subsequently made available on the school’s website.

According to the CJEU, reposting a protected photo that was made available on the internet with the rights holder’s consent and without any technical restrictions can infringe copyright. By downloading a work from one website and making it available on another website, the user communicates the work to a ‘new public’. Reposting makes it much more difficult for rights holders to control or stop the further use of their work.

Reposting is therefore different from linking. In its decision in *Svensson*, the Court had held that by linking to press Articles lawfully and freely available on the internet, the operators of a news-monitoring

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service did not communicate the Articles to a ‘new public’ (C-466/12 *Svensson and Others*, [EU:C:2014:76](#); summary available on [eSearch Case Law](#)).

The text of the decision is available on the [Curia-website](#).

**Court of Justice, Case C-572/17 *Riksåklagaren v. Imran Syed/ Criminal proceedings against Imran Syed*, EU:C:2018:1033 (19 December 2018)**

This preliminary ruling clarifies that the storage of goods bearing a motif protected by copyright may constitute infringement of the exclusive right of distribution under certain conditions (Article 4(1) of the Information Society Directive, [D 2001/29/EC](#)).

A Sweden-based retailer sold clothes and accessories with rock music motifs, some of which were protected by copyright and trade marks, and stored these goods in different storage facilities. In national criminal proceedings, the first instance court found that the retailer had infringed trade mark and copyright law with reference to the goods stored both in the shop and in other storage facilities, due to the fact that these goods were identical. The second instance court, however, found infringement only with reference to the goods stored in the shop. The case was appealed before the Supreme Court, which asked the CJEU to clarify the notion of ‘distribution’.

The CJEU reiterated that all the acts or steps preceding the conclusion of a sale contract may fall within the concept of ‘distribution’, even if they are not followed by a transfer of ownership. However, it must be proven that the goods are actually intended to be distributed to the public, for example, by being offered for sale in a Member State where the works in question are protected by copyright (C-516/13, [EU:C:2015:315](#)). The storage of infringing goods, identical to those sold in the shop, could be considered as an indication that the goods were actually intended to be sold. To assess whether this is indeed the intention, the national court must consider all the relevant factors, including accounting elements, the regular restocking of the shop, sale/storage volumes, or current sales contracts. The distance between the place of storage and the shop is not a decisive factor on its own.

The text of the judgment is available on the [Curia Website](#).

**Court of Justice, Case C-263/18 *Nederlands Uitgeversverbond, Groep Algemene Uitgevers v Tom Kabinet*, EU:C:2019:1111 [19 December 2019]**

This preliminary ruling concerns the lawfulness of online business models involving the sale of ‘second-hand’ e-books.

The CJEU clarified whether the supply to the public by downloading e-books, for permanent use, falls under the right of communication to the public (Article 3(1) of the Information Society Directive, [D 2001/29/EC](#)); or whether it falls under the right of distribution to the public (Article 4(1) D 2001/29/EC). Under Article 4(2), the distribution right is exhausted after the lawful first sale or other transfer of ownership in the EU of the original or of a copy of the work.

Nederlands Uitgeversverbond (NUV) and Groep Algemene Uitgevers (GAU), associations defending publishers’ interests in the Netherlands, brought an action for copyright infringement against Tom

Kabinet before the rechtbank Den Haag (District Court, The Hague). Tom Kabinet, a publisher of, inter alia, e-books, provides an online service of 'second-hand' e-books. Members of a 'reading club' may acquire e-books which were purchased by the publisher, or which were donated for free by some members. The applicants claim that this would constitute an unauthorised communication to the public.

The Court of Justice recalls that the exclusive rights of 'communication to the public' and of 'distribution to the public' have to be interpreted in light of Articles 8 and 6(1) of the WIPO Copyright Treaty ([WCT](#)). According to the 'agreed statements' concerning Articles 6 and 7 of the WCT, the expressions 'copies' and 'original and copies' refer to tangible objects only, and cannot cover intangible works such as e-books. Unlike the special legislation for computer programs, the Information Society Directive did not aim to achieve an assimilation of tangible and intangible copies of works. From an economic perspective, e-books do not deteriorate over time, and thus constitute perfect substitutes for new copies. Rights holders would not be able to obtain an appropriate reward for their work if the exhaustion principle applied. The sale of e-books is not an act of distribution to the public.

For the supply of e-books to qualify as a 'communication to the public', two cumulative conditions must be met. First, there must be an act of communication of the work, and second, the work must be communicated to a public. The first condition is fulfilled if the members of the public may access the protected work from any place and time of their choice, irrespective of whether they actually access it. In this case, that condition is fulfilled because any member of the reading club can access the website from any place and time. Concerning the second condition, the number of persons able to access the work at the same time, as well as the number of persons able to access it in succession, have to be taken into account. Given that any person can become a member of the reading club, and given that there is no restriction on the number of copies to be downloaded by a member nor on the life duration of a copy, a substantial number of persons are able to access the protected work. The works are communicated to the public through the sale of second-hand e-books.

Lastly, the Court underlines that a communication to the public must be performed either by using specific technical means, different from those previously used; or to a new public that was not targeted by the rights holders when they initially authorised the communication of the work. In this case, since the making available of an e-book is usually accompanied by a user licence allowing them to download the e-book on their own equipment, the criterion of new public is fulfilled.

The text of the decision is available on [the Curia website](#).

**Cour de cassation (Supreme Court, France), First Civil Chamber, appeal No 17-14728, FR:CCASS:2018:C100310 (21 March 2018)**

This decision concerns, inter alia, the conditions under which co-authors may bring an action for infringement of their moral rights in works of joint authorship (*oeuvres de collaboration*, Article [L. 113-3](#) of the Code de la propriété intellectuelle). The executor of a deceased singer-songwriter's moral rights claimed that the publishers of a bibliography about the artist infringed the latter's moral rights by reproducing 60 excerpts of the lyrics of 58 songs.

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In the view of the Cour de cassation, the songs in question are collaborative works, because the co-authors created them in a ‘community of inspiration’. Although the lyrics of the songs were based on pre-existing poems, the songs themselves were created in a continuous exchange between the poets and the songwriter, who had suggested various modifications.

The co-author of a collaborative work can only bring an action for infringement of moral rights on his or her own when contributions can be individualised, that is separated from the work. In this case, the poets’ contributions were inseparable from the songwriter’s contribution. Since the claimant did not question the other co-authors, the claim was inadmissible.

In addition, the Cour de cassation confirmed that use of the excerpts could not benefit from the exception for short citations (Article [L. 122-5](#) of the Code de la propriété intellectuelle). The excerpts were intended neither to illustrate a controversy nor to enlighten a statement nor to deepen an analysis for an educational purpose. Nor had the defendant demonstrated that they served to enrich the knowledge of the public.

The text of the decision (in French) is available at [Legifrance.gouv.fr](http://Legifrance.gouv.fr).

#### **Corte di Cassazione (Italian Supreme Court), Section 1, No 14635/2018 (6 June 2018)**

In this decision, the Italian Supreme Court clarified the doctrine of ‘plagio evolutivo’ (‘evolutionary plagiarism’).

In a TV programme, Italian broadcasters had used a puppet that strongly resembled a mascot created by an American author. The Italian character did not reproduce the original work identically.

In the Supreme Court’s view, the use of the mascot could be considered a case of ‘plagio evolutivo’. In such cases, the derivative artwork differs from the existing work only in certain formal aspects. The derivative work, even though it does not simply reproduce the original artwork, cannot be considered original and unique. It is an unauthorised reproduction of the original work in violation of Articles 4 and 18 of the Italian Copyright Law ([Legge sul Diritto d’Autore No 633 of 1941](#)).

The Corte di Cassazione sent the case back to the Court of Appeal for reassessment.

The text of the judgment (in Italian) is available on [cortedicassazione.it](http://cortedicassazione.it).

#### **Danish Supreme Court, Case 171/2017 (2. Afdeling) *Coop Danmark A/S v K.H. Würtz* [18 December 2018]**

This case concerned reproductions of copyright-protected ceramics being used as props in photos for advertising and on the packaging of food products.

The main issue in the case was whether a Danish tableware designer’s rights under the [Copyright Act](#) and the [Marketing Practices Act](#) had been violated by a leading chain of supermarkets. The supermarket chain used various photos of different foods being presented in the ceramic tableware in advertising leaflets and on food packaging in more than 1 million instances for a period of time ending in 2013.

The designer claimed that the use of the photos infringed Article 2 of the Danish Copyright Act. Additionally, the designer claimed that there had been a violation of rules in Article 3 of the Danish Marketing Practices Act concerning good marketing practices since the marketing had taken unfair advantage of his reputation. The supermarket chain argued that the designs in question were not protected by copyright, nor did the designer have a reputation that was protected by the rules on good marketing practices.

In the first instance, the [Danish Commercial and Maritime High Court](#) ruled in favour of the designer in regards to both copyright infringement and violation of good marketing practices. This was upheld in full by the Supreme Court.

As to the copyright issues, the Supreme Court found that the tableware design was the result of an individual creative effort and therefore was protected as applied art. The Supreme Court stated that the use of a work protected by copyright in a commercial/marketing context may be of such minor importance that, irrespective of whether the rights holder has authorised the use or not, it would not be a copyright infringement. The Supreme Court noted that this exception should be interpreted restrictively and in accordance with the so-called three-step test, making a direct reference to Article 5(5) of the Information Society Directive ([D 2001/29/EC](#)). However, the Supreme Court found that the supermarket chain's use of the designer's tableware on packaging and as part of their advertising in most instances could not be regarded as of minor importance. The Supreme Court further stated that the infringements were so significant that the supermarket chain should pay reasonable compensation of approximately EUR 25 000.

In terms of marketing practice issues, the Supreme Court also ruled in favour of the designer because of the significant use of the tableware, which had created a risk of dilution of the designer's brand.

The text of the decision is available on the [Danish Supreme Court's database](#).

### **Bundesgerichtshof (Federal Court of Justice, Germany, BGH), Case I ZR 132/17 'Testversion' [16 March 2019]**

In this decision, the German Federal Court of Justice (BGH) clarified under what circumstances posting a computer program on a portal constitutes copyright infringement.

Article 3(1) Information Society Directive ([D 2001/29/EC](#)) establishes an obligation for Member States to provide authors with the right to communicate their works to the public, including by making the work available. The Computer Programs Directive ([D 2009/24/EC](#)) establishes a specific legal protection of computer programs. It does not provide for a specific right of communication to the public.

Section 15(2) of the [Urheberrechtsgesetz](#) (UrhG), the German Copyright Law, implements the right to communicate a work to the public. Section 19a UrhG implements the right of making the work available to the public. Section 69c(4) UrhG establishes a specific exclusive right to perform or authorise the communication to the public of a computer program, including making it available to the public.

Microsoft Corp., a company established in the United States which develops and sells the computer program Microsoft Office Professional Plus 2013, sought injunctive relief, disclosure and rendering of



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account and damages from the defendant. The latter had offered that computer program for sale on its website, a web shop and eBay, allegedly infringing Microsoft's copyright. The defendant had sent emails to 'test purchasers', disclosing a licence key and a download link. The download link led to the portal, where the program was available for download. Furthermore, it could also be used by all visitors as a 30-day free trial version. The Regional Court upheld Microsoft's claim. The defendant's appeal was unsuccessful.

The Federal Court of Justice upheld that the appeal was unfounded.

First, the court stated that the defendant's behaviour constituted an 'act of communication'. As to the 'public nature' of such an act, there had to be an 'indeterminate number of potential recipients and a large number of people'; the number is 'indeterminate' if it is 'not limited to specific people belonging to a private group'. 'Large' relates to how many recipients have access 'simultaneously and successively'. Furthermore, the work had to be communicated using technical means which are different from the ones used for previous communications. Subordinately, it must be communicated to a public different from the one previously taken into account by the copyright holder when it authorised the initial communication. According to CJEU case-law (07/08/2018, C-161/17, Renckhoff, [EU:C:2018:634](#)), the court recalled that, where the works are posted on a website different from the one originally used by the rights holder, the public taken into account is different from the one already considered, and therefore new. The absence of any restriction to accessing the work is irrelevant in such a case. Where links allow for access to works which are legitimately and freely available to all users on another website, there is no communication to the public. In fact, 'these users are potential recipients of the original communication'.

Where the subsequent communication is made through a technical means that differs from the one used for the initial one, there is no need to assess the novelty of the public. In that case, the act requires the rights holder's permission. Both Microsoft and the defendant were providing the program through the same technical means (internet). The court therefore assessed if the public addressed was new, in particular with regard to the fact that Microsoft was already making freely available the program with a 30-day usage restriction.

The BGH underlined that when posting it on its portal without the rights holder's authorisation, the defendant communicated Microsoft's computer program to a new public. Furthermore, the defendant did not provide a clickable link on its website to the software that had been made freely available to all internet users by the applicant with a 30-day usage restriction; instead, it posted the computer program on its download portal without the applicant's consent. This constituted infringement of the right of communication to the public in the form of making available the work to the public.

In conclusion, the BGH clarified that making a computer program available for download on an online portal may constitute an independent act of making available to the public. The operator of the portal has the program on its computer, and therefore it is independent of the original source; the defendant thus exercises control over the availability of the work.

The text of the judgment (in German) is available at the website of the [Bundesgerichtshof](#).

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**Högsta Domstolen (Swedish Supreme Court), Case B 5089-16 Riksåklagaren v. IS/ [28 May 2019]**

In this judgment Swedish Supreme Court confirmed that *the storage* of goods bearing a motif protected by copyright may infringe the exclusive right of distribution.

According to Section 2 of the Swedish Copyright Act (SCA) a work is made available to the public ‘when copies of the work are placed on sale, leased, lent, or otherwise distributed to the public’. Pursuant to Section [53 SCA](#), ‘anyone who, in relation to a literary or artistic work, commits an act which infringes the copyright enjoyed in the work under [Section 2 SCA], shall, where the act is committed wilfully or with gross negligence, be punished by fines or imprisonment for not more than two years’.

The defendant had a shop where he sold counterfeit clothes and accessories, and was found liable for both trade mark and copyright infringement. Besides the store, the goods were also stored at a storage facility close to the shop, and in a warehouse located near to the shop.

The Swedish Supreme Court decided to stay the proceedings and referred two questions to the CJEU for a preliminary ruling. The CJEU held that the storage of infringing goods can constitute copyright infringement under certain conditions. The storage of goods identical to the ones that are sold in the shop can be an indication that the goods are actually intended to be sold. In order to assess whether the goods are actually aimed at being sold in the shop, the national court must consider all the relevant factors such as, for example, the regular restocking of the shop with goods from the storage facilities at issue, accounting elements, the volume of sales and orders as compared with the volume of stored goods, or current contracts of sale (19/12/2018, C-572/17 *Imran Syed*, [EU:C:2018:1033](#), see above).

The investigation into the case showed that the goods in the warehouses were intended to be sold in the store, that all the goods belonged to the defendant, and that the goods in the warehouses were identical to the goods offered for sale in the store. Also, the store was regularly restocked with goods from the warehouse. The Swedish court thus held that the storing infringed the exclusive right according to the SCA.

Since the defendant was also sentenced for criminal liability for copyright infringement, the amount of the daily fines was set slightly higher as compared to what the Patent and Market Court had decided.

The text of judgment (in Swedish) is available at [Högstodomstolen.se](#)

**Markkinaoikeus (Finnish Market Court), Case No MAO:25/20, Aarnio Design Oy [17 January 2020]**

This decision of the [Finnish Market Court](#) concerns copyright protection over the design of a chair, and trade mark infringement related to search engine optimisation.

According to Article 2(1) of the Finnish Copyright Act ([8.7.1961/404](#)), copyright includes the exclusive right to make the work available to the public. Pursuant to Articles 56g and 60b, a court may order an injunction to stop the infringement and impose a conditional threat of fine to enforce the injunction. Under Article 57(1), the infringer is liable to pay reasonable compensation. According to Article 9(2)(b) EUTMR ([R 2017/1001/EU](#)), the proprietor of a trade mark has the right to prevent all third parties who do not have his or her consent from using an identical sign in relation to identical or similar goods or

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services of the registered trade mark in the course of trade, if there is a likelihood of confusion for part of the public.

The claimant, Aarnio Design Oy, is the owner of the rights in the [Pallotuoli chair](#), and of the EU trade marks 'EERO AARNIO' and 'Eero Aarnio Originals' for furniture; chairs; works of art made of plastic. The defendant, Lähdesmäki Oy Ilmajoki, has used the expression 'aarnio' in the naming of image files, and referred to it in the website source code. The defendant has sold three [Milan chairs](#) ('ball chairs') via its website.

The Finnish Market Court stated that it is undisputed that Aarnio Design Oy's ball-shaped chair enjoys copyright protection. The Finnish Copyright Council had earlier said that the chair design in question falls under the protection of copyright, and the court did not see a need to do this assessment in a different manner.

The court assessed whether the offer for sale of Milan chairs via the defendant's website infringed the claimant's copyright. The court found that the Milan chair was created largely by making small changes to the measurements of the Pallotuoli chair. Differences in the production method and materials were not significant in assessing whether the Milan chair is the original result of independent creative work, or rather a copy of the Pallotuoli chair. The overall impression was that the Milan chair is similar to the Pallotuoli chair. Thus, the court considered that Lähdesmäki Oy had infringed Aarnio Design Oy's copyright by offering the Milan chairs for sale.

The court stated that it is undisputed that the picture of the Milan chair on the website of Lähdesmäki was named 'milan-tuoli-pallotuoli-pallo-tuoli-**aarnio**-tenstar-2.png'. Pursuant to CJEU case-law, choosing a sign as a keyword in an internet indexing service for advertising purposes is a trade mark use in the meaning of Article 9. In the present case, the invisibility of the chosen sign as a keyword in the advert did not matter (11/07/2013, C-657/11, Belgian Electronic Sorting Technology, [EU:C:2013:516](#), paras 56-58). The use of metatags composed of keywords in the metadata of a website is used to attract users (see 'Belgian Electronic Sorting Technology' para. 59). In the present case, the court considered that the use of 'aarnio' in the name of the image did not count as use of a keyword. It had not been shown whether the defendant had named the image file. Nonetheless, the court found that the defendant was liable for loading the image file onto their website. The image file name and thus the word 'aarnio' as part of the website source code allowed use for advertising purposes; therefore, use of the word 'aarnio' did constitute use in the course of trade.

The Finnish Market Court cited CJEU case-law (25/3/2010, C-278/08, BergSpechte, [EU:C:2010:163](#), [summary available on eSearch Case Law](#)), according to which, a rights holder may oppose the use of a sign on the basis of a keyword identical with or similar to that trade mark, in relation to goods or services which are similar to those for which that mark is registered, only where there is a likelihood of confusion. The Finnish court found that there was a likelihood of confusion in the marketing of the Milan chair. A consumer may find its way to the website via the search term 'aarnio'. The advert on the website, including an infringing design of a copyright-protected chair, was vague enough that an average consumer may be confused about the commercial link between the proprietor and the

defendant. Trade mark infringement was found in the use of the 'aarnio' part of the proprietor's registered trade marks in the image file name, source code, and thus in the marketing.

The claimant was awarded reasonable compensation in the amount of EUR 1 500 for copyright infringement and EUR 500 for trade mark infringement. The court ordered the defendant to cease offering the infringing chairs on penalty of a EUR 50 000 fine; and to cease use of the claimant's trade marks in advertising on penalty of a EUR 50 000 fine.

Text of the judgment (in Finnish) is available on the [Finnish Market Court](#) website.

### **Copyright: exceptions and limitations (Articles 2(a), 2(c), 3(1), 5(2), 5(3), 5(3)(c) and (d) D 2001/29/EC, 9(1)(b) D 2006/115/EC, Paragraph 24(1) German Act on Copyright and Related Rights, Article 11 EU Charter of Fundamental Rights, )**

**Court of Justice, Case C-476/17 *Pelham GmbH and Others v Ralf Hütter and Florian Schneider-Esleben*, Judgment of 29 July 2019, EU:C:2019:624**

This preliminary ruling relates to the question of whether 'sampling' infringes copyright-related rights.

The German Federal Supreme Court asked the CJEU to clarify, among other things, whether the use of a very short sequence of a phonogram (a 'sample') in another phonogram infringes the reproduction rights of the sampled phonogram's producer (Article 2(c) Information Society Directive, [D 2001/29/EC](#)) and/or their distribution rights (Article 9(1)(b) Rental and Lending Rights Directive, [D 2006/115/EC](#)). It also asked whether this kind of use could be considered a 'quotation' (Article 5(3)(d) Information Society Directive), or justified by other exceptions in national copyright law, or by taking into account the rights set out in the [EU Charter of Fundamental Rights](#) (the Charter). German law provides for a so-called right of free use ([Paragraph 24\(1\) of the Urheberrechtsgesetz](#), the [German Act on Copyright and Related Rights](#)). According to that provision, 'an independent work created in the free use of the work of another person may be published or exploited without the consent of the author of the work used'.

The lengthy national proceedings related to a dispute between the members of a German band (the claimants) and the authors and producers of a song and phonogram (the defendants). The claimants alleged that the defendants infringed their copyright and related rights by using approximately 2 seconds of a rhythm sequence from one of the claimants' songs in a continuous loop in their own song.

According to the CJEU, 'sampling' amounts to reproduction 'in part' in the sense of EU law. However, a user who uses the technique of sampling to create a new work exercises the freedom of the arts (Article 13 of the Charter). Using a 'sample' in a modified form unrecognisable to the ear would not infringe the phonogram producer's exclusive rights.

A 'sample' is not a 'copy' in the sense of the Rental Rights Directive, which also aims to give rights holders tools to fight against the damage caused by piracy. A 'copy' reproduces all or a substantial part of the sounds fixed in a phonogram.

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The Member States' laws cannot provide for other exceptions to the rights of phonogram producers than those listed in the EU directives.

In principle, a 'sample' could be considered a quotation when the conditions for this exception are fulfilled. One of these conditions is that the creator of a new work wants to enter into 'dialogue' with the existing work. A dialogue is not possible when the earlier work cannot be identified by the quotation.

The Information Society Directive has fully harmonised the reproduction rights for phonogram producers; these rights are defined in unequivocal terms, not qualified by any condition, or subject to any particular type of measure.

The text of the decision is available on the [Curia-website](#).

**Court of Justice, Case C-516/17 *Spiegel Online GmbH v Volker Beck*, Judgment of 29 July 2019, EU:C:2019:625**

This preliminary ruling concerns exceptions and limitations to the rights of reproduction and of communication to the public.

Notably, the German Federal Supreme Court asked the CJEU to clarify the discretion left to Member States when implementing exceptions, the role of freedom of information and of the press (Article 11 [EU Charter of Fundamental Rights](#), the Charter), and the scope and conditions of the exceptions for quotations and news reporting (Article 5(3)(c) and (d) Information Society Directive, [D 2001/29/EC](#), the Directive).

A German politician claimed that the publishers of an online news magazine infringed his copyright by making available for download the complete text of a manuscript for an article by means of a hyperlink.

In the 1980s, the politician had claimed that the initial publisher of the article in a book had changed the meaning of his work. The politician had distanced himself from the contents of the manuscript in the 1990s. In 2013, before the publication by the online magazine at issue, he gave the original manuscript to a number of publishers, but did not authorise them to publish it. He published the manuscript on his own website with some annotations.

In the view of the CJEU, the exceptions for news reporting ('use of works or other subject matter in connection with the reporting of current events') and quotation are *not* measures of full harmonisation. Considering the more limited economic importance of these exceptions, the directive only imposes minimum conditions. However, the Member States' discretion is limited, notably by the conditions set out in the exceptions, general principles of EU law, the principle of proportionality, the objectives of the directive, or the Charter.

Freedom of information and freedom of the press cannot justify restrictions to the authors' exclusive rights to reproduction and communication to the public that go beyond those listed in the Directive.

Those exceptions and limitations also confer rights on users. Especially when they aim to ensure the respect of fundamental freedoms, they must be interpreted in a manner that ensures their effectiveness and purpose.



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The CJEU defines the different conditions of the news reporting exception ('reporting', 'current events', citing the source, proportionality), which the national court has to examine. National law cannot require the user to get prior authorisation for use under the exception; this would make it difficult for relevant information to be disseminated rapidly in the online environment.

In order to benefit from the quotation exception, the user must establish a direct and close link between the quoted work and his or her own reflections, allowing for an intellectual comparison. A quotation may be made by including a hyperlink to the quoted work (footnotes are not a requirement). In the present case, the national court must assess whether the use was in line with fair practice and proportionate.

A work or part of a work has 'already been lawfully made available to the public' if this happened with the authorisation of the copyright holder or in accordance with a non-contractual licence or a statutory authorisation. In this case, the national court must examine, among other things, whether the initial publisher had the right (contractually or otherwise) to make the editorial amendments.

The text of the decision is available on the [Curia-website](#).

**Court of Justice, Case C-469/17 *Funke Medien NR W GmbH v Bundesrepublik Deutschland*, Judgment of 29 July 2019, EU:C:2019:623**

This preliminary ruling concerns the discretion left to Member States when implementing the rights of reproduction and of communication to the public and making available for authors, as well as exceptions and limitations to these rights (Article 2(a), Article 3(1) and Article 5(2) and (3) Information Society Directive, [D 2001/29/EC](#), the Directive). The German Federal Supreme Court also asked the CJEU to clarify the role of fundamental rights ([EU Charter of Fundamental Rights](#), the Charter), when assessing the scope of exceptions and limitations. Notably, it asked whether the fundamental rights of freedom of information (Article 11(1) of the Charter) or freedom of the media (Article 11(2) of the Charter) justify exceptions or limitations beyond those listed in the Directive.

In the national proceedings, the German government had claimed that the operator of the website of a German newspaper had infringed its copyright by publishing, without permission, parts of military status reports. These status reports, which the website operator published with an introductory note, further links, and a space for comments, were classified as 'restricted'; the government only makes summaries of those reports available to the public.

The CJEU first observes that the national court must assess whether the reports are 'works' protected by copyright. This would be the case if the author who drew up the report was able to make free and creative choices (selection, sequence, combination of words), expressing his or her creativity in an original manner. Purely informative documents, entirely characterised by their technical function, cannot be original.

The Information Society Directive has fully harmonised the rights of reproduction and communication to the public and making available for authors; the rights are defined in unequivocal terms, not qualified by any condition, or subject to any particular type of measure.

The exceptions for news reporting (Article 5(3)(c), second case, 'use of works or other subject matter in connection with the reporting of current events') and quotation (Article 5(3)(d)) are *not* measures of



full harmonisation. Member States enjoy limited leeway when implementing them, so that they can balance the different interests at stake.

Freedom of information and freedom of the press cannot justify restrictions to the authors' exclusive rights to reproduction and communication to the public that go beyond those listed in the Directive.

These exceptions and limitations also confer rights on users. Especially when they seek to ensure the respect of fundamental freedoms, they must be interpreted in a manner that ensures their effectiveness and purpose. According to case-law of the European Court of Human Rights, political speech and discourse on matters of public interest are of particular importance when it comes to freedom of expression (see ECtHR, 10/01/2013, *Ashby Donald and Others v. France*, [CE:ECHR:2013:0110JUD003676908](#)).

In this case, the publication of the reports (if they are 'works') together with the introductory note, a space for comments and links, could be considered as 'use of works.. in connection with... reporting'. The national court must assess whether all the other conditions of the exception are fulfilled.

The text of the decision is available on the [Curia-website](#).

## **Copyright: remuneration (Article L. 311-4 French IP Code ; Article 5(2)(b) D 2001/29/EC)**

### **Cour de Cassation (Supreme Court, France), first civil chamber, No 18-23.752 [5 February 2020]**

This decision from the Cour de cassation (French Supreme Court) concerns so-called levies for private copying.

According to Article L. 311-4 [Code de la propriété intellectuelle](#) (French IP Code) manufacturers, importers or the person making intra-EU acquisitions must pay a remuneration for private copying of works protected by copyright. Article 5(2)(b) of the Information Society Directive ([D 2001/29/EC](#)) allows Member States to provide for exceptions to the reproduction right for reproductions made on any medium by a natural person for private use for purposes not directly or indirectly commercial, provided that the rights holders receive fair compensation.

The Société Copie France, a collective management organisation in charge of collecting remuneration for private copying of audiovisual and audio content, brought an action against Only Keys. Only Keys is a company based in Luxembourg, which offers recording tools for sale on the internet for the reproduction of works for private use. In an emergency procedure, the Cour d'Appel de Paris (Paris Court of Appeal) ordered Only Keys to pay a sum of money equal to the remuneration for private copying, as well as to report their inventory on a monthly basis. Only Keys brought an action against the Court of Appeal's decision. They argued that Article L. 311-4 of the French IP code was drafted prior to the adoption of the Information Society Directive, and that the interpretation of the French provision is narrower than Article 5(2)(b) of the Information Society Directive. The latter would not be directly applicable in the Member States, and a *contra legem* interpretation of French law could not be

adopted to include a company based outside France in the scope of the persons liable for compensation for providing devices for private copying.

The French Court stated that even though Article L. 311-4 of the French IP Code is prior to the Information Society Directive, it has to be interpreted in light of the Directive in order to achieve its desired result; without, however, leading to a *contra legem* interpretation of national law. According to CJEU case-law (16/06/2011, C-462/09, Stichting de ThuisKopie, [EU:C:2011:397](#), summary available on [eSearch Case Law](#)), Article 5(2)(b) of the Information Society Directive should be interpreted as meaning that it is for the Member State that has introduced the exception to the reproduction right to ensure that rights holders actually receive fair compensation for the harm caused. The mere fact that the seller of the reproduction equipment is established in another Member State to that of the purchasers has no bearing on this obligation. In this case, it is up to the national courts to interpret national law in a way that ensures fair compensation from the commercial seller. Thus, a clause in the general conditions of the sale, transferring the payment of 'specific taxes to the States such as for example taxes on copyright' to the final customer cannot annul the requirement for due compensation. Fair compensation would be ineffective if it had to be collected from end users. Thus, the Court concluded that Only Keys should be considered as having contributed to the import of the reproduction tools, and therefore rejected the request to cancel the Court of Appeal's judgment.

The full text of the decision (in French) is available on the [Cour de Cassation](#) website.

## Copyright: term of protection and public domain (Articles 72, 51, 97 German Copyright Act)

### **Bundesgerichtshof, BGH (German Federal Supreme Court), Case No I ZR 104/17, *Museumsfotos*, [20 December 2018]**

This case, among others, concerns the question as to whether photographs of works of art that are no longer protected by copyright may be protected by a neighbouring right. According to Article 72 of the Urheberrechtsgesetz ([German Copyright Act](#)) photographs (*Lichtbilder*) are protected by a related right that normally expires 50 years after the photographs have been released.

A German museum owns the rights of use for photographs of paintings and graphic works that are in the public domain, that is, photographs for which the copyrights have expired. These photographs were published in 1992. In 2007, a visitor scanned these photographs and took photographs of other public domain works exhibited in the museum. He uploaded the digital files to the platform Wikimedia Commons. The museum took the view that making the photographs available infringed copyright and constituted a breach of the contract agreed between the museum and its visitors. The district court granted an order to take down the photographs; the visitor's appeal was unsuccessful.

The Bundesgerichtshof stresses that all photographic works (*Lichtbildwerke*) in the sense of [Article 2\(1\)\(5\)](#) of the Copyright Act are automatically also photographs in the sense of Article 72.

Protection of a photograph by a related right requires a minimum of ‘personal intellectual achievement’; the photograph must be created as an original picture, that is, not be a simple reproduction of other photographs. When taking a photograph of a (two-dimensional) work, the photographer makes decisions on aspects such as distance, location, angle, lighting or detail. Admitting such protection for photographs of public domain works does not preclude the public’s intellectual enjoyment of the work. Making photographs available on Wikimedia Commons cannot be considered as a quotation in the sense of [Article 51](#) of the Copyright Act because it merely allows users to access the photograph; it was not meant to illustrate the thoughts or statements of the defendant. The museum’s claim for injunctive relief was justified ([Article 97](#) Copyright Act).

In addition, the museum can request that a visitor ceases to make their photographs of pieces of art available, when the general terms of the contract between visitors and the museum prohibit the taking of photographs.

The text of the judgment is available (in German) on the [website of the Bundesgerichtshof](#).

### **Criminal enforcement of IP rights (Article 109, 274 Spanish Criminal Code; Article 834(2)(4) Danish Administration of Justice Act; Article 23 Danish Criminal Code)**

#### **Audiencia Provincial de Zaragoza (Provincial Court, Zaragoza), Case No SAP Z 964/2018, ES:APZ:2018:964 (6 April 2018)**

This judgment recalls that there does not necessarily have to be likelihood of confusion if the signs are identical or sufficiently similar. The fact that consumers might not err about the origin of the goods because of other circumstances such as price or quality is irrelevant.

The appeal was directed against a lower court judgment sentencing the two appellants for the import of a large number of counterfeit T-shirts from China. Those goods had been seized at Madrid-Barajas Airport (see the Customs Regulation, [R 1383/2003/EC](#), now [R 608/2013/EU](#)).

According to the Provincial Court, since the goods were seized at the airport, they were not introduced to the market. Therefore, a decrease in sales of genuine goods cannot be assumed. The difference in sales before and after the infringement had to be shown probabilistically, and in a solid and scientific manner, based on a study reflecting the reality of the relevant market.

The two importers were sentenced to six months imprisonment, damages of EUR 2 160 each plus costs (Articles 109 and 274 of the [Spanish Criminal Code](#)). The goods must be destroyed.

The text of the decision is available on the [Poder Judicial España website](#).

#### **Audiencia Provincial Sección 6 de Barcelona (Barcelona Provincial Court, section 6) Case No 16/2018 [14 December 2018]**

This decision sheds some light on the question of the financial damage that may be caused by the street sale of counterfeit goods bearing well-known marks.

The claimants (the rights holders), large companies in the fashion industry, initiated criminal proceedings against seven individuals who, without the claimants' consent, stored and offered counterfeit goods for sale on the streets of Barcelona. The claimants asked the Barcelona Provincial Court to order the imprisonment of the defendants for 18 months to 3 years, as well as fines. They claimed losses of EUR 415 236.84 and also took the view that the street sellers were a criminal organisation with large-scale sales of counterfeits under Article 274 of the [Código Penal \(Spanish Criminal Act\)](#). The claim was based on police reports stating that the defendants had entered and exited the place where they lived with large bags they had brought from a warehouse; they also had irons to affix logos to the counterfeit goods.

The court did not find that the inventory of seized goods provided sufficient evidence of large-scale production and sales; it contained goods for approximately ten days-worth of sales and EUR 1 070 in cash. Furthermore, the court ruled that the rights holders were not affected by the acts of the street sellers; the public reached by this type of distribution channel is dissimilar from the public that purchases the original products in the luxury sector. The court also dismissed the claim that the street sellers were part of a criminal organisation due to a lack of evidence and the fact that the sellers acquired and sold the counterfeit products individually.

Consequently, the court established a minor sanction of fines ranging from EUR 120 to 240 for street selling under Article 274(3) of the Spanish Criminal Act, and acquitted two of the defendants on all counts.

The text of the judgment (in Spanish) is available on: [poderjudicial.es](http://poderjudicial.es)

### **Højesteret (Danish Supreme Court), Case No 135/2019 [14 January 2020]**

This decision of the Danish Supreme Court concerns encouragement of the use of the programme Popcorn Time, which is used for the illegal streaming of films, etc.

The case under the Danish Supreme Court concerned the Danish Administration of Justice Act Article 834(2)(4). The appellant has stated that the verdict of the Danish High Court must be annulled as the copyright infringements he has contributed to is not sufficiently specified in the indictment. Furthermore, the appellant restated that he should not be convicted for contributing to the copyright infringements of others under the Criminal Code Article 23.

The appellant operates a website [www.popcornertime.dk](http://www.popcornertime.dk), from where he has been guiding visitors in the use of the programme Popcorn Time, as well as providing links to websites from where the programme could be downloaded. The appellant has stated that his instructions for the copyright infringements of others do not constitute a criminal offence.

The appellant (defendant in the initial proceedings) has been found guilty at the Danish High Court for contribution to copyright infringements under the [Danish Criminal Code](#) and the [Danish Law on Copyright](#) by encouraging and guiding use of the programme Popcorn Time, from where it is possible to stream illegal films, etc.

The Danish Supreme Court stated that the infringements the appellant has been accused of contributing to have been sufficiently concretised according to the Danish Administration of Justice Act Article 834(2)(4). This was based on the appellant's specific guidance regarding use of the programme Popcorn Time, thereby making the fact that there is no information regarding specific users or providers inconsequential.

The Court ratifies the decision of the Danish High Court in relation to the Danish Criminal Code Article 23, as the appellant's actions were deliberate and clearly intended to disseminate knowledge and use of the programme, despite the fact that the appellant understood that use of the programme would constitute a copyright infringement.

The decision is available (in Danish) on the [Danish Supreme Court](#) website.

**Damages and legal costs (Article 14 D 2004/48/EC; Article L. 113-3, L. 122-5 French IP Code; Section 1019h Dutch Code of Civil Procedure, Article 54 Swedish Copyright Act; Articles 139(2), 141 German Patent Act; Article 852 German Civil Code; section 316 Danish Administration of Justice Act)**

**Court of Justice, Case C 642/16 *Junek Europ-Vertrieb GmbH v Lohmann & Rauscher International GmbH & Co. KG*, Judgment of 17 May 2018; EU:C:2018:322**

This preliminary ruling clarifies whether the holder of a European Union trade mark (EUTM) can oppose the parallel import of medical devices (in this case dressings) when a new label has been affixed to the packaging of the devices.

According to the principle of exhaustion, as set out in Article 13(1) CTMR ([Regulation \(EC\) No 207/2009](#)), now Article 15(1) EUTMR ([Regulation \(EU\) 2017/1001](#)), an EUTM holder cannot prohibit the use of its mark in relation to goods that have been put on the EU market lawfully. Article 13(2) CTMR (Article 15(2) EUTMR) imposes some limitations on that principle. The CJEU has previously given guidance on those limitations with regard to pharmaceutical products (11/07/1996, C-427/93, C-429/93 & C-436/93, *Bristol-Myers Squibb and Others v Paranova*, [EU:C:1996:282](#); 26/04/2007, C-348/04, *Boehringer*, [EU:C:2007:249](#)).

In the Court's view, the circumstances of this case are different: the parallel importer had merely affixed an additional label to the unprinted part of the original packaging of the medical device; the original packaging had not been opened. The label was physically small and included only the name, address and telephone number of the parallel importer, a barcode and a central pharmacological number. This did not amount to repackaging, and did not affect the trade mark's origin function. The rights in the EUTM were exhausted.

The decision is available on the [Curia website](#).

**Cour de cassation (Supreme Court, France), Criminal Chamber, appeal No 16-86881, FR:CCASS:2018:CR00113 (27 February 2018)**

This case relates to the appropriate method of calculating damages for copyright infringement. Rights holders and collective management organisations (CMO) had initiated criminal proceedings against the creator and administrator of a file-sharing website and others. They were each awarded damages calculated as a lump sum.

In the view of the Cour de cassation, the award of damages in the form of a lump sum was not in line with [Article 593 of the Code of Criminal Procedure](#) and [Article L. 331-1-3 Code de la propriété intellectuelle](#). According to the latter provision, the Court of Appeal should have assessed the following criteria: the negative economic consequences of the infringement, including loss of profits and loss suffered by the injured party; the moral damage; and the profits made by the infringer. The injured party had not requested lump sum compensation. In addition, the Court of Appeal should have examined the possible infringement of moral rights.

The text of the decision (in French) is available on [Legifrance.gouv.fr](http://Legifrance.gouv.fr).

**Rechtbank Den Haag (The Hague District Court, the Netherlands), *Vita Zahnfabrik H. Rauter GmbH & Co.KG v Ivoclar Vivadent AG*, NL:RBDHA:2018:3857, (4 April 2018), and *Acteon Germany GmbH v Dürr Dental AG*, NL:RBDHA:2018:4591, (11 April 2018)**

These cases concern cost reimbursement in patent litigation. In the Netherlands, Article 14 of the Enforcement Directive ([D 2004/48/EC](#)) is implemented in the form of an exception to the general civil procedure rules on legal costs; these are usually based on a fixed remuneration fee system. Under [Section 1019h of the Dutch Code of Civil Procedure](#) all ‘reasonable and proportionate’ legal costs incurred by the successful party should be borne by the unsuccessful party. This applies to cases on the enforcement of IP rights in the Netherlands.

In accordance with established case-law, Section 1019h of the Code of Civil Procedure does not apply to patent nullity proceedings, unless the proceedings can be regarded as a defence against an infringement action or against an imminent infringement action. The plaintiffs claimed nullity of the Dutch parts of the defendants’ European patents, respectively. The defendants decided not to respond to these nullity claims. The District Court of The Hague nevertheless considered the defendants’ actions undertaken in Germany, namely a warning letter and an infringement action, as a sufficiently concrete threat of enforcement in the Netherlands. It therefore awarded the plaintiffs full cost reimbursement instead of the low standard fee.

The texts of the decisions (in Dutch) are available on [Rechtspraak.nl](http://Rechtspraak.nl) ([NL:RBDHA:2018:3857](#); [NL:RBDHA:2018:4591](#)).

**Högsta domstolen (The Swedish Supreme Court), Case No B 1540-18 [21 January 2019]**

In this decision the Swedish Supreme Court shed light on the calculation of the amount of reasonable compensation for copyright infringement, and more particularly on the application of hypothetical licence



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fees. According to Article 54 of the [Swedish Copyright Act](#) 'anyone who exploits a work in violation of the Act shall pay a reasonable compensation for the exploitation'.

The Swedish film production and distribution company (SF, the rights holders) sued the illegal streaming site operators for copyright infringement. The rights holders limited the claim to only one of the accessible films. Since there is no licencing model in such a case the rights holders calculated the reasonable compensation based on a hypothetical licence of unlimited duration, number of views and geographical scope. The court ordered the defendants to pay compensation of SEK 1 000 000. The Court of Appeal found that the fee for a hypothetical licence between the rights holders and end-users would have exceeded that amount, and therefore estimated that SEK 4 000 000 would be a reasonable compensation.

The Supreme Court decided that the hypothetical licence was too broad and not based on the use the website operators had made of the film. There is no established compensation model for that kind of use of works, and the court must determine a reasonable compensation. The Supreme Court decided that the hypothetical licence for the film suggested by SF did not take into account other aspects such as the income for broadcasts after deductions, the infringers' business model, or when and under which forms the film was made available by SF and by others legally. The calculation of hypothetical licence fees was based on the film's production costs and SF's profit expectations, and could therefore not be used for determining the reasonable compensation. Taking into account the aspects mentioned above, the Supreme Court estimated that the reasonable compensation should amount to SEK 400 000.

The text of the judgment (in Swedish) is available on the [website of the Swedish Supreme Court](#).

**Bundesgerichtshof (German Federal Supreme Court), Case No X ZR 109/16, 'Spannungsversorgungsvorrichtung' ('power supply device') [26 March 2019]**

This judgment clarifies the scope of the claims against a patent infringer, including with regard to the time period for which damage claims have become subject to the statute of limitations.

According to [Article 139\(2\)](#) of the Patentgesetz ([German Patent Act](#)), damages can be calculated on the basis of lost profits, profits made by the infringer, or compensation based on an appropriate licence fee. When these claims arising from patent infringement have expired, civil law rules will apply when the infringer has obtained something at the expense of the rights holder (Article 141 of the Patent Act, [Article 852](#) of the Bürgerliches Gesetzbuch, the [German Civil Code](#)).

The claimant holds a European patent relating to a power supply device (which has in the meantime expired). The defendant is a supplier of power supply devices, in particular for national seat manufacturers supplying aircraft manufacturers. The district court admitted the claims for injunctive relief, information and rendering of accounts, product recall and payment of damages. The Court of Appeal limited the liability for damages for acts committed before 1 January 2007 to the surrender of what was obtained by unjustified enrichment.

The German Federal Supreme Court confirms the appeal court's reasoning. Even after the period of limitation of damage claims, the patent infringer has to surrender the profits gained from the patent

infringement. Such profits have been obtained at the expense of the injured party according to the provisions on unjust enrichment.

The infringer has to provide information on the profits made, on production costs and on advertising used for the infringing object.

The text of the judgment is available on the Bundesgerichtshof [website](#).

### **The Danish Eastern High Court, case BS-16813/2018-OLR and BS-1570/2019-OLR [29 August 2019]**

This decision concerns the assessment of costs in IP cases, including legal costs and costs incurred by the use of experts in patent cases.

To cover the winning party Sandoz' legal costs, including attorney's and court fee, the Danish Maritime and Commercial Court held that the losing party of the patent case, Gilead, should pay Sandoz a sum of DKK 60 300. The legal costs were assessed according to previous Danish case-law and did not include expenses for expert statements.

Sandoz appealed the judgment on the recovery of costs to the Danish Eastern High Court, and claimed recovery of all legal costs incurred in both instances, a total of DKK 2 768 826.46, including attorney's fees and expert statements expenses, such as the costs of patent agent assistance.

The Danish Eastern High Court held that the Danish Administration of Justice Act section 316, in light of the Enforcement Directive ([D 2004/48/EC](#)) and the CJEU's decision 28/07/2016, C-57/15, United Video Properties Inc. [EU:C:2016:611](#), implied a right for Sandoz to claim recovery of legal costs, including attorney's fee, to the extent that these costs were essential, reasonable and proportionate and reflected the attorney's fees usually charged in IP cases. Furthermore, the Court held that Sandoz was entitled to claim recovery of all expenses for expert statements, including patent agent assistance.

In total, Sandoz was awarded costs of DKK 1 494 652 excluding VAT by the Danish Eastern High Court. This is 49.5 % of Sandoz' legal costs and 100 % of Sandoz' expenses for experts statements.

The decision is available in Danish at <http://www.domstol.dk/oestrelandsret/nyheder/Documents/Kendelse%2016813%20og%201570.pdf>

### **Design rights infringement (Articles 4, 6, 8, 10(2) R 6/2002/EC; Article L.511-4 French IP Code)**

#### **The English Court of Appeal, Case No A3/2018/0396 [13 February 2019]**

This decision of the English Court of Appeal, among others, sheds light on the test for infringement in design cases and the role of the freedom of the designer.

The company PulseOn (appellant) holds two registered Community designs for wrist heart rate monitors. It alleges that the company Garmin (respondent) infringes its design rights by importing and

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selling smart watches in which designs which do not produce a different overall impression are incorporated.

In the first instance decision, the judge made findings about the ‘design corpus’, which refers to a body of designs in a given field, and dealt with the validity of the design according to Article 8 of the Community Design Regulation ([R 6/2002/EC](#)). Eventually, the judge compared the RCD with the allegedly infringing design by listing differences and similarities. It concluded that the RCD was valid, and that it did not produce an identical impression on the informed user, notably considering the degree of freedom of the designer in this case.

On appeal, PulseOn, among others, argued that the differences and similarities were not correctly assessed; the judge would have only considered whether the products produced an identical impression, whereas the correct test for infringement would be whether the design produces a different overall impression on the informed user.

The Appeal Court rejected these grounds stating that the way the test for infringement was conducted in this case does not change the principle, declaring the overall conclusion that there was limited design freedom in highly functional environments valid. Finally, the Appeal Court insisted that the comparison of designs was carried out correctly, considering the technical aspects and the size of the products, and acknowledged that the overall impression was different for the informed user.

The Appeal Court rejected each individual complaint and dismissed the appeal. The judge found both RCDs to be valid and that neither of them infringed.

The text of the judgment is available on [BAILII](#).

### **Cour de cassation (Supreme Court, France), commercial chamber, No 17-18517 [13 March 2019]**

In this decision, the French Supreme Court clarified the notion of informed user in design law.

When assessing whether a design is new and has individual character, it is necessary to consider whether the design produces a different overall impression on the ‘informed user’ as compared to existing designs (Articles 4 and 6 of The Community Design Regulation, [R 6/2002/EC](#)). French design law refers to the ‘informed observer’ (*observateur averti*) (see Article [L.511-4](#) of the Code de la Propriété Intellectuelle).

A French shoe manufacturer, holder of three Community designs, and its exclusive licensee brought an action against a French shoe retailer for design infringement. In a counterclaim, the shoe retailer and its supplier argued that the Community designs should be cancelled due to lack of novelty and individual character. At first instance, the Paris Tribunal de Grande Instance considered that the informed user would be someone who is a ‘professional in the sector concerned’. The Paris Court of Appeal widened the scope of the notion of informed user, stating that it covered ‘any person likely to habitually purchase shoes, paying attention to their soles, and therefore having a good knowledge of the soles of shoes’. The particular combination of the patterns visible on the soles in question, as set out in the Community design filings, would produce a different overall impression on the informed user as compared to other previously disclosed designs.

The French Supreme Court rejected the Paris Court of Appeal's increased scope of informed user due to a lack of justification. The Court of Appeal had reversed the first instance court judgment without sufficiently explaining and justifying its different approach to the legal question. In this regard, given the obligation of every court to motivate its decisions, the Supreme Court sent the case back to the Paris Court of Appeal, which will be composed of different judges.

The text of the decision (in French) can be found on the website of [legifrance](#).

**Bundesgerichtshof (German Federal Court of Justice), Case No I ZR 164/17 'Meda Gate' [24 January 2019]**

This decision concerns the correct way of assessing whether a design infringes a prior design. In particular, the Bundesgerichtshof (German Federal Supreme Court) ruled on whether the mosaic-like overall view of individual elements of a design is relevant, or whether the overall impression of the design is exclusively decisive.

According to Article 10(1) of the Community Design Regulation ([R 6/2002/EC](#)), the scope of protection of a Community design extends to any design that does not produce a different overall impression on the informed user.

The claimant is a group of undertakings which develop, manufacture and sell designer furniture. Its modular waiting area system 'Meda Gate' is protected by a series of Community designs. The defendant, who is active in the interior furnishing sector, sells a modular waiting area system under the designation '9000 DÉPART'. The claimant considers that '9000 DÉPART' infringes its Community design rights and obtained an injunction to prohibit the defendant from manufacturing and selling the contested waiting area system. On appeal, the Oberlandesgericht Düsseldorf (Regional court of Dusseldorf) rejected the claims. The claimant seeks to have the first instance judgment restored.

The German Federal Court of Justice recalls that the scope of protection of a design depends on the extent to which it differs from the previously known design corpus. A great difference will entail a broader scope of protection.

The degree of difference between the design at issue and the previously known design must relate to their respective overall impression, and not to their individual features. The appellate court, on the contrary, had adopted a piecemeal/mosaic-like overall approach by comparing the individual features. Based on the scope of protection which is determined this way, the appellate court should have examined whether the overall impression of the contested design gives the same overall impression as the design at issue. Similarities and differences between the individual features must be weighted, to determine whether these individual features are primarily important, and thus contribute to the overall impression, or whether they are accessory.

The appellate court's reasoning was correct in finding that, in assessing the overall impression, the informed user focuses on the intended use of the design. However, it did not sufficiently assess the similarities between the contested design and the design at issue; it only stated that there were fewer similarities than differences. The appellate court thus failed to consider important facts.

The Bundesgerichtshof annulled the appellate court's judgment and referred it back to be judged in light of these considerations.

The text of the decision is available in German on the [German Federal Supreme Court](#) website.

## Domain names (para. 4(a) UDRP)

### **WIPO Arbitration and Mediation Center, Case No D2018-0568 Olsen Holding GmbH v Domain Admin, Whois Privacy Group/Domain Admin, Mighty Products, Inc. (15 May 2018)**

This administrative panel decision relates to the proof of registration and use of a common surname as a domain name in bad faith. The complainant, the holder of the OLSEN trade mark since 1995, requested the transfer of the olsen.com domain name. The respondent offered that domain name for sale. According to paragraph 4(a) of the Uniform Domain-Name Dispute-Resolution Policy ([UDRP](#)), a complainant must prove, among others, that a 'domain name has been registered and is being used in bad faith'.

The panel pointed out that 'Olsen' was a common surname in certain parts of Europe, and that the domain name had been registered since 1996. The complainant had not demonstrated 'that it was targeted by the registration and that this was not just a registration of a common surname for sale to anyone with an interest in that surname'. Under those circumstances, 'not using [the domain name] and offering it for sale for a sum substantially above the out-of-pocket costs of registration' would not contravene the Policy and would not be bad faith.

The text of the decision is available on the [WIPO website](#).

## Enforcement measures, general (Article 2 D 2004/48/EC; Article 4 D 2009/24/EC)

### **Court of Justice of the EU, Case C-666/18 *IT Development SAS v Free Mobile SAS*, EU:C:2019:1099 [18 December 2019]**

This preliminary ruling concerns whether a software licensee's non-compliance with the terms of the agreement may constitute a copyright infringement; or whether it may comply with the rules on contractual liability under ordinary law.

The Enforcement Directive ([D 2004/48/EC](#)) concerns the measures, procedures and remedies necessary to ensure the enforcement of intellectual property (IP) rights. Article 2 establishes that the measures, procedures and remedies provided for by the directive apply to 'any infringement' of IP rights as provided for by EU or national legislation. Article 4 of the Computer Programs Directive ([2009/24/EC](#)) establishes, amongst other, an exclusive right of the author in authorising the adaptation, arrangement or any other alteration of a computer program.

In the national proceedings, IT Development argued, inter alia, that Free Mobile infringed its copyright in software by making modifications; this would be contrary to Article 6 of the licence agreement. The first instance court had declared the applicant's claims, based on tortious liability, inadmissible,

upholding that the breach of contract would provide a basis for contractual liability. The appeal court found that, provided the applicability of the French principle of non-cumulation, one cannot hold another liable in contract and tort for the same acts, and that tortious liability is excluded in favour of contractual liability where a binding contract exists; the damage results from contractual breach. In addition, the appeal court had stated that even though under French law, copyright infringement is based on tortious liability, under the same law, 'there is no provision under which such an infringement cannot exist where there is a contract binding the parties'. In particular, it had pointed out that Article 2 D 2004/48 does not distinguish between whether or not an infringement results from the non-performance of a contract.

The CJEU underlined that the prohibition to modify the software falls under copyright protection provided by the Computer Programs Directive. That directive does not make the protection of the owner's right dependent on whether or not the alleged infringement is a breach of licence. The wording of Article 2(1) of the Enforcement Directive also refers to 'any' infringement of intellectual property rights (IPRs). Furthermore, it derives from Article 4 of the Enforcement Directive that the rights holder is entitled to request measures of protection with no limitation 'as to the origin, contractual or otherwise'. Nevertheless, that directive does not lay down the exact means of implementation of those guarantees or the application of a specific liability regime. Therefore, national legislature remains free to establish specific practical arrangements for protecting those rights, and to define the nature, whether contractual or tortious, of the action. In particular, national law must provide that enforcement measures are fair, equitable and not unnecessarily complicated or costly, or entailing unreasonable time limits or unwarranted delays. Furthermore, the application of a particular liability regime should in no way constitute an obstacle to the effective protection of the IPRs of the owner of the copyright in the software.

In the present case, national law did not expressly state that copyright infringement can only be invoked where the parties are not bound by a contract. In addition, copyright infringement is defined by French law in its broadest sense, as an IPR infringement, including an infringement of one of the copyrights of a computer program. It follows that the national court is required to interpret national law in conformity with EU law, and therefore to ensure full effectiveness of EU law, and in particular of the mentioned directives.

The breach of a clause in a software licence agreement which relates to the IPR of the copyright owner of that software falls within Directive 2004/48. The owner must be able to benefit from the guarantees provided for by that directive, regardless of the liability regime applicable under national law.

The text of the judgment can be found on the [Curia website](#).

## **Exhaustion of intellectual property rights, parallel imports (Article 13(1) CTMR/15(1) EUTMR; 15(2) EUTMR; Article 15(1) D 2015/2436/EU)**

**Court of Justice, Case C-681/16 *Pfizer Ireland Pharmaceuticals, Operations Support Group v Orifarm GmbH*, Judgment of 21 June 2018; EU:C:2018:484**

The preliminary ruling clarifies when the holder of a supplementary protection certificate (SPC) for a pharmaceutical product issued in one of the first EU Member States (in this case Germany) can prevent



the parallel import of that product from the newer Member States (i.e. the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovenia, Slovakia, Bulgaria, Romania and Croatia).

The principle of exhaustion of rights, which derives from the right of free movement of goods, restricts a patentee from opposing the importation of a product which has already been lawfully marketed in another Member State; that is, by the patentee or with its consent. However, the Acts of Accession (Chapter 2 of Annex IV, Chapter 1 of Annex V and Chapter 1 of Annex IV of the Acts of Accession of [2003](#), [2005](#) and [2012](#), respectively) introduced the so-called Specific Mechanism derogation from that principle: the holder of a patent or SPC for a pharmaceutical product can prevent the parallel import of that product from the newer Member States if no equivalent protection was available in those States; and if the product is still protected in the Member State into which the product is being imported.

*Pfizer* claimed infringement of its German SPC which was based on a German patent filed at a time when patent protection was not available in the relevant new Member States. *Orifarm*, however, argued that SPCs could be obtained at the date of filing the German SPC. The Court considered that possibility hypothetical, since SPCs could not be sought as there was no underlying patent in those countries. According to the Court, the Specific Mechanisms apply when there was no equivalent protection in the importing and the exporting Member States at the time at which the application for a basic patent was filed.

The decision is available on the [Curia website](#).

**Oberlandesgericht (Higher Regional Court) Düsseldorf, Germany, Case I-20 U 113/17, DE:OLGD:2018:0306.I20U113.17.00 (6 March 2018)**

The case concerns the exhaustion of rights in EU trade marks (EUTMs) where luxury goods are sold in discounters. According to Article 15(1) EUTMR ([R 2017/1001](#)), EUTM rights are exhausted for goods that have been put on the EU market lawfully. The principle of exhaustion does not apply when the trade mark owner has legitimate reasons to oppose further commercialisation of the goods (Article 15(2) EUTMR).

The holder of an EU trade mark in luxury goods (cosmetics) had requested a preliminary injunction against a discounter, ordering the latter to stop selling the luxury goods in selected discounter stores and in online shops. The lower court had rejected the request on the grounds that the EUTM holder had not proven how its luxury image would be harmed.

The Düsseldorf Higher Regional Court disagreed and referred to the CJEU's case-law on trade marks for luxury goods (see, Case C-59/08 *Copad SA v Christian Dior couture SA, Vincent Gladel and Société industrielle lingerie (SIL)* [EU:C:2009:260](#); C-230/16 *Coty Germany GmbH v Parfümerie Akzente GmbH* [EU:C:2017:941](#)). It found the threat of damage to the reputation of the luxury image sufficient to establish that there were legitimate reasons for the rights holder to oppose further commercialisation of the goods.

The text of the decision (in German) is available on [justiz-online NRW](#).

### **Markkinaoikeus (Finnish Market Court), Case No. MAO:388/19 [5 September 2019]**

This decision of the [Finnish Market Court](#) concerns, inter alia, legitimate reasons to oppose further commercialisation of goods despite the so-called exhaustion principle.

According to Article 9(1) EUTMR ([R 2017/1001/EU](#)), the proprietor of a trade mark has the exclusive right to use a mark in business activity. According to the so-called exhaustion principle (Article 15(1) Trade Mark Directive, [D 2015/2436/EU](#), Article 15(1) EUTMR), the proprietor cannot prohibit the use of a trade mark for those goods which have been released to the market in the European Economic Area by the proprietor or with his consent. Under Article 15(2) EUTMR, the proprietor can oppose further commercialisation of goods if there is a legitimate reason, especially when the condition of the goods has been changed or impaired after being placed on the market.

The claimants, SodaStream International B.V. and Soda-Club (CO<sub>2</sub>), are the owners of the national and EU trade marks 'SODASTREAM' and 'SODA-CLUB' for carbonating machines and bottles. The defendant, MySoda, removed the claimants' labels from the carbonating bottles, added its own labels, refilled the bottles and then resold them. However, the trade marks 'SODASTREAM' and 'SODA-CLUB' engraved in the aluminium bottles remained visible. The defendant affixed two distinct labels; a white label that stated, in a dominant way, carbon dioxide in five languages without a specific company name or logo, and 'defendant is not connected to the original company or the visible trade mark'; and a pink label with a MySODA logo in large letters, next to the logo 'Finnish carbon dioxide for carbonating machines', which also stated 'This bottle is filled by Brand Handlers Helsinki' (former name of MySoda).

The Finnish Market Court confirmed that the claimants' exclusive use rights were exhausted when they put the bottles bearing their mark on the market. In the court's view, refilling of bottles does not constitute a change nor an impairment; the bottle filling business is regulated by public authorities.

According to the previous CJEU case-law, *C-46/10 Viking Gas* ([EU:C:2011:485](#)), a legitimate reason to oppose further commercialisation is when the same or a similar trade mark is used and creates the impression of a commercial connection between the proprietor and the third party. In this case, the white label did not create the impression of a commercial connection. However, average consumers could perceive a connection between the pink label and the claimants' engraved trade marks which remained visible; consumers can purchase any refilled bottle from supermarkets, and there was no specific exclusion of a connection on the pink label [see *Viking Gas* paras 39-40]. Therefore, with regard to the pink label, there is a legitimate reason for the proprietor to prohibit further commercialisation. The court ordered MySoda to stop continuing or repeating the sale of the bottles bearing the claimants' engraved trade marks with the pink label, on penalty of a fine of EUR 100 000. The remaining claims were dismissed by the court, leaving the parties to bear their own legal costs.

The decision is not final. It has been appealed before the Supreme Court (the documents have been forwarded to the Supreme Court on 8 November 2019).

The text of the judgment (in Finnish) is available on the website of [the Finnish Market Court](#).

**Jurisdiction and applicable law (R 650/2012/EU, Article 4(1) R 1215/2012/EU; Article 97(1) R 207/2009/EC now Article 125(1) R 2017/1001; Article 97(5) R 207/2009/EC; Articles 80, 81, 90(1) R 6/2002/EC)**

**Case C-172/18 AMS Neve Ltd, Barnett Waddingham Trustees, Mark Crabtree v Heritage Audio SL, Pedro Rodríguez Arribas, EU:C:2019:674 [5 September 2019]**

This preliminary ruling concerns the question of which Member State's courts are competent when allegedly that infringing goods are advertised and offered for sale on social media platforms and on websites.

More specifically, the Court of Appeal of England & Wales asked the CJEU to clarify how to determine jurisdiction when an undertaking established in one Member State has taken steps to offer for sale and advertise infringing goods, via a website that targets consumers and traders in another Member State. Under Article 97(1) CTMR ([R 207/2009/EC](#), now Article 125(1) EUTMR [R 2017/1001](#)), the claimant must sue in the Member State where the defendant is domiciled or established. According to Article 97(5), an action 'may also be brought in the courts of the Member State in which the act of infringement has been committed or threatened'.

The UK-based claimants brought trade mark infringement actions against a Spain-based company, and its director, before the UK courts. They claimed that the defendant had offered for sale and advertised counterfeit audio supplies on a website, on Facebook and on Twitter.

The CJEU emphasised that when proceedings are brought in the defendant's Member State, they can cover infringements throughout the EU; under Article 97(5), they are limited to infringements committed or threatened in the Member State where the national court is based. That article provides for an *alternative* forum, not for the possibility of simultaneous actions in addition to actions based on Article 97(1).

According to the previous case-law C-487/07 *L'Oreal v. Bellure*, [ECLI:EU:C:2009:378](#), the acts of 'advertising' and 'offering for sale' are covered by the trademark holder's exclusive rights (Article 9 R 207/2009/EC); they are committed in the Member State where the targeted consumers are located, independently of the fact that the defendant's server is established in another Member State. This interpretation ensures that the enforcement of exclusive rights is effective. Rights holders could not resort to an alternative forum if the advertisement were placed online outside the EU, or if the defendants made sure that the ads and offers were posted in their Member State of residence; in addition, identifying the place where the ads and offers were put online can be difficult or impossible in practice.

The 'acts of infringement' consisting of advertising or offering for sale are committed in the Member State where their commercial content has in fact been made accessible to the consumers and traders to whom it was directed. There is no need for an actual sale to occur. When deciding on a particular case, the national court should consider, inter alia, information on a website and on social media platforms on the geographical areas where the products were to be delivered.

The question of jurisdiction is distinct from the question of applicable law.

The text of the decision is available on the [Curia website](#).

**Case C-678/18 *Spin Master Ltd v High5 Products BV*, EU:C:2019:998 [21 November 2019]**

This preliminary ruling concerns the question of jurisdiction of domestic courts to order provisional and protective measures with respect to Community designs.

According to Article 80 Community designs regulation ([R 6/2002/EC](#)), entitled ‘Community design courts’, Member States ‘shall designate ... national courts and tribunals of first and second instance ...’ to perform functions assigned by the Regulation. Article 81 establishes ‘exclusive jurisdiction’ of those courts over actions on the infringement and validity of Community designs.

According to Article 90(1), with regard to provisional measures, including protective measures, ‘application may be made to the courts of a Member State, including Community design courts ...’.

According to Dutch law, the rechtbank Den Haag (District Court, The Hague) ‘shall have exclusive jurisdiction ... in interim proceedings ...’ regarding Community designs.

The Hoge Raad der Nederlanden (Supreme Court of the Netherlands) asked the CJEU to clarify in particular whether Member States may grant jurisdiction to order provisional or protective measures regarding Community designs exclusively to courts designated as Community design courts, or if all courts and tribunals (including those with jurisdiction on provisional and protective measures regarding national designs) have such competence.

A Canada-based company held a registered Community design for a toy. It initiated actions against a company established in the Netherlands before the District Court of Amsterdam, seeking an order prohibiting them from marketing an allegedly infringing toy. The District Court of Amsterdam considered that it had jurisdiction. The Procurator General appealed in cassation in the interest of the law before the Supreme Court of the Netherlands, arguing that the District Court of The Hague has exclusive jurisdiction on provisional and protective measures regarding Community designs.

First, the CJEU excluded that the use of the word ‘may’ in Article 90(1) should mean that Member States are given discretionary power as to attributing jurisdiction concerning provisional measures for Community designs. Second, although the EU regulation ‘intended to establish specialisation ... to assist the development of uniform interpretation’, recital 29 points out that ‘the exercise of the rights conferred by a design must be enforced in an efficient manner ...’. Therefore, in a request for provisional measures, including protective measures, concerning infringement or invalidity, the ‘requirements of proximity and efficiency should prevail’. Consequently, conferring jurisdiction to any court of a Member State already having jurisdiction to adopt measures of the same kind for national designs is justified by efficiency and rapidity in stopping the infringement.

The CJEU therefore stated that Article 90(1) R 6/2002/EC must be interpreted as meaning that the courts and tribunals of a Member State with jurisdiction to order provisional measures, including protective ones, for national designs, also have jurisdiction to order such measures for a Community design.

The text of the judgment can be found on the [Curia website](#).

**England and Wales High Court (EWHC), *EasyGroup Ltd v Easy Fly Express Ltd & Anor* 3155 (21 November 2018)**

This decision relates to jurisdiction in online trade mark infringement cases where the alleged infringer is established in a third country. It clarifies, among other things, the criteria for assessing whether a trade mark's use targets the relevant public in the EU.

A British airline company claimed that a local airline company based in Bangladesh infringed its trade mark rights by using the disputed sign in a domain name and on its website. The defendants applied for an order that the UK court has no jurisdiction to hear the claim, and alternatively, that it should not exercise any jurisdiction it may have.

According to previous case-law (e.g. [AK Investment CJSC v Kyrgyz Mobil Tel Ltd \[2011\] UKPC 7](#)), one of the criteria for service outside the jurisdiction is that there is a real prospect of success for the claim. The court stressed that in order to infringe a UK or EU trade mark, use of the mark must be targeted at the UK or elsewhere in the EU. In order to assess whether UK customers were targeted by the service, the court referred to national and CJEU case-law. Relevant criteria include, for example, the use of a language or a currency other than the language generally used in the country; the use of telephone numbers with an international code; or an international clientele (see *Peter Pammer v Reederei Karl Schlüter GmbH & Co.KG*, 7 December 2010, [EU:C:2010:740](#)).

According to the England and Wales High Court, none of these elements could be found in the present case. The defendant's customers are mainly Bangladeshi companies. The use of English on the website of the company is not sufficient to prove that UK customers were targeted. English is a commonly-spoken language, and widely spoken in Bangladesh, notably in business. Therefore, a main condition of service out of jurisdiction was not fulfilled.

The text of the decision can be found on [bailii.org](#).

**English and Welsh Court of Appeal (Civil Division), No A3/2018/1274 *Huawei Technologies Co., Ltd and others v Conversant Wireless Licensing S.A.R.L.* [30 January 2019]**

This appeal concerns the question of jurisdiction under the Brussels IV Regulation ([R 650/2012/EU](#)) and the validity of Standard Essential Patents ('SEPs') registered in the UK. Notably, it discusses the English court's jurisdiction to grant a global fair, reasonable and non-discriminatory ('FRAND') licence, and the opening of foreign law in the English courts on the basis of quelling perceived judicial bias affecting the validity of an IPR.

Conversant Wireless Licensing S.A.R.L. ('Conversant') accused Huawei (China), Huawei (UK), ZTE (China), and ZTE (UK), of infringing on their SEPs held in the UK, when the companies manufactured goods for world-wide production. Conversant sought injunctive relief and damages, and a declaration that it had made FRAND offers or a determination of the FRAND terms.



Lord Justice Floyd rejected the question of jurisdiction based on the judgment given by the High Court ([Unwired Planet International Limited and another v Huawei Technologies Co. Ltd and another \[2018\] EWCA Civ 2344](#)). However, as Huawei had not argued the issue of *forum non conveniens* (a common law doctrine that allows a court to refuse jurisdiction over proceedings) previously, the issue was still justiciable. The Court of Appeal relied on Article 4(1) of the Brussels I Recast Regulation (R [1215/2012/EU](#)) and the decision of the CJEU in [C-281/02 Owusu v Jackson, 01/03/2005, ECLI:EU:C:2005:120](#) to determine that the English court could not apply *forum non conveniens* to decline jurisdiction.

It still remained that the Chinese companies were out of service of the English court. Their counsel opened before the Court of Appeal sections of relevant Chinese law pertaining to the scope of the SEPs. The Guangdong court Guidelines stated that where the territorial scope of the SEPs exceeded the jurisdiction of a court (generalised terms) and the other party did not object, the Shenzhen People's Court in China would determine the royalty. While Conversant refused, and the English court determined this was reasonable, the Court of Appeal did note the necessity to look at the situation as a whole. Thus, the judgments in China and elsewhere involving the portfolio of SEPs at issue between the appellant and the respondent would be appraised within further decisions of the English courts relating to the SEPs at issue. The issue is not settled and more judgments will be set down. The Court of Appeal found that the Chinese law proposed had no jurisdiction in the English courts.

Lord Justice Floyd also rejected the notion of applying a stay to the proceedings due to the age of the SEPs portfolio. In addition, the stay was rejected as none of the parallel proceedings in other jurisdictions directly adjudicated the matter of the FRAND licence proposed by Conversant.

As such, the appeal was dismissed and the previous decision to provide injunctive relief was upheld.

The judgment is available on [Bailli](#).

## **IP and fundamental rights (Article 3(1), 8(1), (2) 2001/29/EC; Article 3(2) D 2004/48/EC; Article 7, 17(2) Charter of Fundamental Rights)**

### **Court of Justice, Case C-149/17 *Bastei Lübbe GmbH & Co. KG v Michael Strotzer*, EU:C:2018:841 (18 October 2018)**

This preliminary ruling clarifies the balance to be struck between effective protection of intellectual property (see Articles 3(1) and 8(1) and (2) of the Information Society Directive, [2001/29/EC](#), and Article 3(2) of the Enforcement Directive, [2004/48/EC](#), Article 17(2) of the [Charter of Fundamental Rights](#)) and respect for family life (Article 7 of the Charter of Fundamental Rights).

The case concerned the German law on injunctions and damages for copyright infringement (para. 97 of the German Copyright Act, [UrhG](#)). According to the case-law, owners of an internet connection are presumed liable for copyright infringement committed via their internet connection. The presumption may be rebutted if third persons had access to the internet connection. When the third person is a family



member, the owner is not required to provide further details on the time and nature of the use of that connection.

The claimants in the national proceedings held the rights to an audiobook that was uploaded via the defendant's internet connection for file-sharing. The defendant claimed that his parents also used the connection.

In the opinion of the Court of Justice, German legislation places an obstacle in the way of the judge when it comes to obtaining evidence of copyright infringement (see Article 6(1) Directive 2004/48/EC). The initiation of proceedings as such cannot ensure the enforcement of intellectual property rights. This results in a serious breach of the copyright holder's fundamental rights; the requirement to ensure a fair balance between the various fundamental rights in question is not respected. The balance would not be affected if the national legislation provided copyright holders with other means of collecting evidence of infringement (for the German court to determine).

The text of the judgment is available on the [Curia Website](#).

### **Injunctions (Article 9(7) D 2004/48/EC; Articles 3(3), 8(3) D 2001/29/EC; Article 66E Greek Copyright Act, Law 2121/1993; Articles 726(2), 728 Spanish Code of Civil Procedure; Articles 1, 2 Swedish Copyright Act (1960:729)**

#### **Case C-688/17 Bayer Pharma AG v Richter Gedeon Vegyészeti Gyár Nyrt., Exeltis Magyarország Gyógyszerkereskedelmi Kft. EU:C:2019:722 [12 September 2019]**

This preliminary ruling concerns compensation claims for preliminary measures.

According to Article 9(7) Enforcement Directive ([D 2004/48/EC](#)), 'appropriate compensation' may be granted by judicial authorities for injuries caused by preliminary measures which were later revoked, or where infringement or threat of infringement was not subsequently found. The question referred to the Court concerns the notion of 'appropriate compensation', and whether it should be interpreted as merely granting a right of compensation, or whether the content and scope of this right is defined.

Bayer, a pharmaceutical company, obtained a patent for a pharmaceutical product containing a contraceptive ingredient from the Hungarian IP office. Richter and Exeltis marketed generic contraceptive pharmaceutical products in Hungary, including before Bayer's patent was granted. The patent holder obtained a preliminary injunction against the marketers of the generics; the order was later set aside while invalidity proceedings were pending. The patent was then invalidated entirely and infringement proceedings terminated. Richter and Exeltis thus requested a court order against Bayer, asking for compensation for the claimed loss resulting from the preliminary injunction.

The CJEU stresses that 'appropriate compensation' is an autonomous concept of EU law which must be given an independent and uniform meaning. National courts must decide, on a case-by-case basis, whether compensation is appropriate, that is to say 'justified in light of the circumstances'.

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Article 9(7) establishes as a pre-condition that the preliminary injunction is repealed or that infringement or threat of infringement is not found. However, that does not mean that compensation for losses will be automatically ordered. The Court also referred to Recital 22 of the Enforcement Directive which considers compensation to be ‘appropriate’ to the extent that it repairs the cost and injury suffered because of ‘unjustified’ provisional measures. Provisional measures would be unjustified when there is no risk of delays causing irreparable harm to the rights holder. When a generic product is marketed although a patent has been granted, there may, in principle, be such a risk. The fact that the provisional measures have already been repealed is not a decisive factor to prove that the measures were unjustified. Otherwise rights holders could be discouraged from applying for these types of measures.

National courts must check that an applicant has not abused provisional measures.

The full text of the judgment can be found on the [Curia website](#).

### **Audiencia Provincial de Barcelona (Provincial Court, Barcelona), Case No 130/2018 (16 October 2018)**

In this decision the Provincial Court of Barcelona inter alia clarified the scope of assessment needed during interim proceedings for preliminary injunctions in patent infringement cases.

A pharmaceutical company had obtained a preliminary injunction against a competitor allegedly infringing its patent rights, without the other party being heard. The preliminary blocking injunction was opposed by the alleged infringer, which filed counterclaims seeking the invalidity of the patent. In the main proceedings, the first instance court found that the patent was valid, and upheld the injunction (Juzgado de lo Mercantil de Barcelona n.º1 (Barcelona Commercial Court No 1), 28 July 2017).

The Provincial Court inter alia held that the in-depth analysis of the validity of the patent during interim proceedings seeking a preliminary injunction had been excessive. Such analysis should be conducted at the stage of the main proceedings and not in proceedings seeking preliminary injunctions. It confirmed both the injunction and the validity of the patent.

The text of the judgment (in Spanish) is available on [poderejudicial.es](#).

### **Committee for the Notification of Copyright and Related Rights Infringement on the Internet (EDPPI), orders of 7 November 2018**

The Greek Committee for the Notification of Online Copyright and Related Rights Infringements (‘the Committee’), an administrative entity under [Article 66E](#) of the [Greek Copyright Act \(Law 2121/1993\)](#), has issued its first blocking orders. The Committee may order the takedown of websites with infringing content after having been notified by the rights holders. When filing an application, rights holders must show that they have, where possible, and without success, submitted a takedown notice to the provider. If the Committee considers that the case should proceed, it will send a notice to the relevant intermediary. The providers have the chance to present objections, to comply, or to obtain a licence from the rights holder. If the case proceeds, the Committee will issue a decision.

A Greek rights holders' organisation requested that all Greek internet access providers block several torrents, streaming and subtitle websites where infringing content (films) was being offered.

The Committee issued three separate decisions. One ordered all providers who are registered with the Greek Telecommunications and Post Commission (EETT) as internet access providers, and which failed to comply with the blocking request, to block 38 infringing websites, within 48 hours.

The Committee rejected the applicant's request to order the blocking of all future alternate URL of these websites on the grounds of lack of precision. Moreover, the Committee rejected the request to block some of the domain names; these had not been part of the official request to the Committee, but were included in the accompanying documents. Nevertheless, given the gravity of the infringement and its duration, the Committee ordered the blocking of the 38 websites (and some domain names) for three years.

The texts of the decisions can be found (in Greek) on the [Hellenic Copyright Organisation](#) website ([1/2018](#), [2/2018](#), [3/2018](#)).

### **Committee for the Notification of Copyright and Related Rights Infringement on the Internet (EDPPI), order of 14 February 2019**

The Greek Committee for the notification of online copyright and related rights infringement has ordered Greek internet access providers to block access to the website of a platform via which users could upload and share links to protected content.

The Greek Committee for the notification of online copyright and related rights infringements ('the Committee') is an administrative entity under [Article 66E](#) of the [Greek Copyright Act \(Law No 2121/1993\)](#), which may order the blocking of websites with infringing content after having been notified by the rights holders (see also the orders of 4 October 2018, Nos 1/2018, 2/2018, 3/2018, above).

The operators of a fee-based platform used storage services offered by another provider. Customers would upload illegal content to that storage space, from where the content would be connected to the platform through hyperlinks; on the platform, they could access such content via hyperlinks. A Greek rights holders' organisation sent a notice to the platform operators, requesting them to take down the illegal content. They then asked the Committee to request all Greek internet access providers to block access to the website.

The Committee referred to Article 3 of the Greek Copyright Act, which states that the author has the right to decide whether his or her work will be communicated and presented to the public, and may prohibit any reproduction of the work. The Committee noted that, when the operator of a platform is or should be aware of the illegal content offered through hyperlinks available on its site, it makes a communication to the public (Article [3\(1\) D 2001/29/EC](#)), and therefore infringes copyright. It found the request of the rights holders' organisation admissible, and confirmed both the illegal character of the content available on the platform and the knowledge of the platform operators.

After having notified all of the relevant parties and given that the content was still available (contrary to the platform operators' statements), the Committee ordered all providers that were registered with the

Greek Telecommunications and Post Commission (EETT) as internet access providers to block access to the infringing websites, within 48 hours.

Moreover, given the gravity of the infringement and its duration, the Committee ordered the blocking measures for three years, and penalty payments of EUR 700 for every day of non-compliance with the order.

The text of the order can be found (in Greek) on the [Hellenic Copyright Organisation \(5/2018\)](#) website.

**Svea Hovrätt – Patent – och marknadsöverdomstolen (Svea Court of Appeal), Case No PMÖ 9945-18 [1 February 2019]**

In this decision the Svea Court of Appeal reviewed a decision of the Stockholm District Court (15/10/2018, PMT 7262-18). The lower court had issued an injunction against the Swedish internet service provider (ISP) Telia, requesting the latter to block access to websites where works were made available unlawfully by third parties.

In the appeal, the ISP argued that the blocking injunctions contravened its freedom to conduct a business, the freedom of information of internet users, and the right to property (ownership of domain names). They also noted that one-third of the blocked domain names did not direct traffic to any website, or to any other site than those claimed in the first instance. In addition, one of the services, Dreamfilm, was not accessible under any of the domain names and is now accessible as a legal service.

Regarding fundamental rights the Svea Court of Appeal first referred to CJEU case-law (27/03/2014, C-314/12, *UPC Telekabel Wien*, [EU:C:2014:192](#)) according to which the measures adopted by an ISP must be strictly targeted, and serve to bring an end to a third party's infringement of copyright or of a related right. The measures should not affect internet users who use the provider's services in order to lawfully access information. The national procedural rules must provide a possibility for internet users to assert their rights before the court once the measures taken by the ISP are known (*UPC Telekabel*, paras 56-57).

As one of the services is now available legally, and one-third of the blocked domain names do not direct traffic to any website or to other sites, the Court of Appeal found that a provisional blocking order was unproportionate. The freedom of information of internet users must be taken into account. Therefore, the Court of Appeal annulled the first instance and rejected the interim injunction.

According to Swedish law the decision cannot be appealed and is therefore final.

The text of the judgment (in Swedish) is available at:

<http://www.patentochmarknadsoverdomstolen.se/>.

**Provincial Court of Barcelona (Audiencia Provincial de Barcelona), section 15, No 181/2018 — [18 December 2018]**

In this decision the Provincial Court of Barcelona clarified the meaning of *periculum in mora* (urgency) as a condition for the granting of preliminary injunctions (see Article 728 of the [Ley de Enjuiciamiento](#)

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Civil, Spanish Code of Civil Procedure, 'Peligro por la mora procesal'). It reversed the decision of the Commercial Tribunal of Barcelona, Patent Section.

A telecommunications company (the patent owner) and a smartphone manufacturer began negotiations for a licence on patented antenna technology. The manufacturer was producing and offering mobile phones incorporating the patent for sale without the consent of the patent owner. The companies did not reach an agreement within the negotiating period and the alleged infringer was about to participate in a mobile phone fair. The patent owner therefore sought a preliminary injunction against the manufacturer. The Commercial Tribunal of Barcelona granted the preliminary injunction.

The Court of Appeal rejected the first instance order and withdrew the preliminary injunction. It held that, in this case, there was no *periculum in mora*. According to Article 728 of the Ley de Enjuiciamiento Civil, the claimant must prove that there is a real risk of ineffectiveness of the ordinary judgment order should the provisional measure not be granted. Neither the termination of licence negotiations nor a forthcoming trade fair called for increased caution, and could not, therefore, justify the granting of a preliminary injunction, especially when the latter is of a pre-emptive nature (Article 726(2) of the Ley de Enjuiciamiento Civil).

The decision (in Spanish) is available on the [poderjudicial website](#).

### **Svenska Patent- och marknadsdomstolen (Swedish Patent and Market Court), Case No PMT 7262-18 [9 December 2019]**

This decision of the [Swedish Patent and Market Court](#) concerns so-called dynamic blocking injunctions and a joint responsibility of the internet service provider for copyright infringement.

According to Article 1 of the Swedish Copyright Act ([1960:729](#)), the creator of a literary or artistic work holds the copyright. Pursuant to Article 2, copyright, within the restrictions set out in the law, provides for the exclusive right to reproduce the work and make it available to the public. Under Article 53b, a court may prohibit the infringer, or anyone who contributes to an action of infringement, from continuing the action under the threat of a fine. According to Article 3(3) of the Information Society Directive ([D 2001/29/EC](#)), the copyright will not be exhausted by any act of communication to the public or making available to the public. Article 8(3) requires Member States to ensure that rights holders may apply for an injunction against intermediaries whose services are used by a third party to infringe copyright.

AB Svensk Filmindustri and others (the rights holders) are companies operating in the film industry. Telia Sverige AB (Telia) is an internet service provider. Telia's customers have been able to access the services of The Pirate Bay, Nyafilmer and Fmovies, where protected material was made available. The rights holders brought an action against Telia, demanding that they be required to block access for their customers to services that contribute to the infringement.

The Swedish court cited CJEU case-law (27/03/2014, C-314/12, UPC Telekabel Wien, [EU:C:2014:192](#), summary available on [eSearch Case Law](#)), according to which an internet service provider is considered to be an intermediary in the meaning of Article 8(3) of the Information Society Directive. The CJEU has further stated in 07/07/2016, C-494/15, Tommy Hilfiger, [EU:C:2016:528](#), summary available on [eSearch Case Law](#) that Member States should ensure that intermediaries, whose services are used

by third parties to infringe IP rights, regardless of the intermediary's own liability, may be obliged to take actions to prevent these infringements, and new similar infringements. The Swedish court stated that Telia Sverige AB is an internet provider in the meaning of the Information Society Directive. The court found that there has been infringement in an objective sense, and that Telia therefore has joint responsibility.

The court considered the proportionality of the prohibition given under Article 53b by taking the interests of the rights holders, Telia's freedom of trade and the internet users' freedom of information into account. The court assessed the risk of over-blocking access to domain names. The court pointed out that it is clear from the present case that the services at issue in this case changed their domain names and/or used proxy services to circumvent any blocking measure. The rights holders had revised their list of domain names several times during the written proceedings. The court stated that it would be unreasonable to find a prohibition under the threat of a fine disproportional because there is a possibility of changing domain names so that after the change, some of the domain names and URLs would no longer lead to the services. The court also stated that the injunction in the present case is not an open injunction but an injunction that specifies the access of four services defined in the judgment to be prevented by technical blocking measures that target the domain names and URLs of the services. Furthermore, it is time-limited, and a new court examination can take place if necessary.

The Swedish Patent and Market Court prohibited Telia Sverige AB from making the protected material set out in the judgment available to the public. To comply with the prohibition, Telia is required to prevent access, by technical blocking measures, to The Pirate Bay, Nyafilmer and Fmovies services via domain names and URLs listed in the judgment. Telia is also required to take reasonable steps to block the access to these specified services through other domain names and URLs than those specified in the judgment. The prohibition is given under the threat of a SEK 500 000 fine over a period of 3 years.

Telia Sverige AB has appealed before the [Swedish Patent and Market Court of Appeal](#).

The text of the decision will be available on [eSearch Case Law](#).

**Intermediary liability (Article 12, 14 D 2000/31/EC; 8(3) D 2001/29/EC; 11(3) D 2004/48/EC; Sect. 97A Copyright, Designs and Patents Act 1988; Articles 8(1), 8(3), 7(4) German Telemedia Act; Article 16 Italian Legislative Decree No 70/2003; Article 6.2 Loi n° 2004-575 du 21 juin 2004 pour la confiance dans l'économie numérique)**

**Court of Justice, Case C-521/17 *Coöperatieve Vereniging SNB-REACT U.A. v Deepak Mehta* Judgment of 7 August 2018; EU:C:2018:639**

This preliminary ruling clarifies two questions: whether a body for the collective representation of trade mark owners has the legal standing to bring infringement proceedings in its own name (see Article 4(c) of the Enforcement Directive, [D 2004/48/EC](#)); and whether the provider of an IP address rental and



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registration service allowing domain names to be used anonymously is exempted from liability for trade mark infringement by its customers (see Articles 12 to 14 of the e-Commerce Directive, [D 2000/31/EC](#)).

The defendant in the national proceedings, an Estonian resident, owned a large number of IP addresses which he rented to third parties. A Dutch body for the collective representation of trade mark holders' interests claimed that the defendant infringed its members' rights since, via those IP addresses, trade marks were unlawfully used in the domain names of websites through which infringing goods were sold.

According to the CJEU, a body collectively representing trade mark owners must be recognised as a person entitled to apply, in its own name, for remedies when it defends the IP rights of its members, provided the following conditions are fulfilled: national law regards that body as having a direct interest in the defence of such rights; and national law allows the body to bring legal proceedings to that end.

The liability exemptions of the e-Commerce Directive may apply to a provider of an IP address rental and registration service which allows its customers the anonymous use of internet domain names. For the exemptions to apply, the service must meet all the corresponding conditions, and its activity must be of a merely technical, automatic and passive nature. This implies that the service provider has no knowledge of and no control over the information transmitted or cached by its customers, and does not play an active role in allowing those customers to optimise their online sales activity.

The text of the decision is available on the [Curia-website](#).

### **Case C-18/18 Eva Glawischnig-Piesczek v Facebook Ireland Limited, EU:C:2019:821 [3 October 2019]**

This preliminary ruling concerns the scope of the obligations of social network providers to remove or block unlawful information posted by users.

According to Article 14 E-commerce Directive ([D 2000/31/EC](#)) so-called hosting providers are exempted from any liability for unlawful information stored if they remove it as soon as they gain knowledge of the unlawfulness. They may however have some obligations to end or prevent infringements. According to Article 15(1), information society service providers should have 'no general obligation to monitor'. The Austrian Supreme Court asked the CJEU to clarify whether this principle allows injunctions that require hosting providers to remove *identical* or *equivalent* content to content previously declared illegal. It also asked whether injunctions could have a worldwide effect.

A Facebook user had shared an article from a news magazine about an Austrian politician on his non-restricted personal page, including a photo of the politician. The user had also added a comment which was found to be insulting and defamatory, and to harm the politician's reputation. When Facebook did not remove the content upon her request, the politician asked the Austrian courts to grant an injunction.

The Court of Justice stresses that the prohibition of imposing general monitoring obligations does not concern monitoring obligations in *specific cases*. When a hosting provider stores a piece of content for a user which was declared unlawful by a court, monitoring is justified. Social networks facilitate the quick exchange between users, and there is a genuine risk that illegal information will be copied and

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shared by other users. Injunctions covering *identical* content to content declared illegal are therefore legitimate, irrespective of who requested the storage of information.

In addition, for the injunction to be effective, it may extend to *equivalent* content, i.e. content that essentially conveys the same message, but is worded slightly differently. However, and in order to keep this monitoring specific and not excessive, it is important to identify, in the injunction, specific elements such as the name of the person targeted in the illegal information, the circumstances and the content of the information. EU law is respected when the hosting provider does not have to carry out an independent assessment, because it has recourse to automated search tools and technologies.

There is no restriction on the geographical scope of the injunction's effects, as long as national law takes into account the international legal framework.

The text of the judgment is available on the [Curia website](#).

### **United Kingdom Supreme Court, Cartier International AG and others (Respondents) v British Telecommunications Plc and another (Appellants), UK UKSC 28, (13 June 2018)**

This case departs from UK case-law regarding compliance costs for injunctions against internet service providers (ISP). The costs relate to the initial implementation of the order, updating costs, and potential costs and liabilities (i.e. consequences of over-blocking or malicious attacks). The dispute is also the first time a website-blocking injunction has been granted to protect a trade mark, despite lacking the legislative equivalent of [s97A of the Copyright, Designs and Patents Act 1988](#).

Previously, [Twentieth Century Fox Film Corp v British Telecommunications plc \(No 2\)](#) was authority that ISP should bear the costs of implementing injunctions. That decision, inter alia, referred to the Information Society and Enforcement Directives ([D 2001/29/EC](#), [D 2004/48/EC](#)), and to an implicit obligation of the Member States to make website-blocking injunctions available.

*Cartier* likens website-blocking injunctions to so-called *Norwich Pharmacal* orders, that is, equitable remedies for the disclosure of documents or information. As these orders require the applicant to indemnify the costs of the respondent if they suffer a loss as result of compliance, there is legal scope in equity for the ISP to also be indemnified. Further, *Cartier* states that none of the EU Directives specifically cover compliance costs between rights holders and ISP, resulting in it becoming a matter of national law.

The text of the decision can be found [on the website of the UK Supreme Court](#).

### **Bundesgerichtshof (Federal Court of Justice, Germany, BGH), Case I ZR 64/17 'Dead Island' (26 July 2018)**

This case concerns the scope of the liability exemption for internet access providers for copyright infringement by internet users according to the revised [German Telemedia Act](#) (see, [3. TMGÄndG](#); see Articles 8(1), 8(3) and 7(4) of the Telemedia Act).

The plaintiff holds the exclusive rights to a computer game which was uploaded to a file sharing platform by users of the defendant's publicly accessible Wi-Fi connection. Previously, the plaintiff had sent several cease-and-desist letters to the defendant, in relation to copyright infringement in other works.

The Bundesgerichtshof holds that since the coming into force of the revised Telemedia Act, internet access providers are not indirectly liable for copyright infringement of their users as 'Störer'. Therefore, no injunctions can be granted against them, since the acts in question are no longer unlawful. However, blocking measures could be requested. This could also include an obligation to register users, to encrypt access with a password or, in extreme cases, to completely block access. According to the BGH, the German legal framework is compliant with EU law on intermediary liability (see Article 8(3) [D 2001/29/EC](#); Article 11(3) [D 2004/48/EC](#)).

The text of the decision (in German) is available on the [website of the Bundesgerichtshof](#).

**Rechtbank Amsterdam (Amsterdam District Court), case No C-13-656859, NL:RBAMS:2018:9362 [21 December 2018]**

This decision concerns the circumstances under which a social media platform can be liable for third party online advertisements for infringing goods.

PVH Europe is a large clothing company and operates various brands, including Tommy Hilfiger. Facebook is an internet platform where advertisers can, inter alia, place advertisements in exchange for payment. Facebook reviews the advertisements in compliance with their advertising policy before they are placed. This policy also states that advertisements must not include content that infringes the rights of third parties.

During the proceedings, PVH produced images of a number of advertisements for clothing which were not issued by the rights holder and which referred to the websites where the items could be purchased. The advertisements appeared routinely, but PVH had been provided with 'identifiers' (Ad Account ID, Page ID and UID of Admin) and infringing advertisements had always been removed. In a letter from August 2018, PVH requested that Facebook provide them with the advertiser's details (including names, addresses and payment details) but Facebook did not comply with this order.

PVH applied to the courts to grant a blocking injunction to prevent future trade mark infringement and, inter alia, to deny access to the advertisers in future and to terminate their agreements with the advertisers. PVH claimed that Facebook had not been sufficiently effective as the contested advertisements always resurfaced.

The Court found that Facebook cannot rely on the 'exemption provision' of Article 14(1) of the E-Commerce Directive ([D 31/2000/EC](#)). By reviewing the advertisements, Facebook is partly determining their content and is thereby playing an active role. Therefore, they were ordered to cease and desist specific advertisements that, inter alia, use the words Tommy Hilfiger, as well as to terminate the agreements with the advertisements' providers and to deny these advertisers access to the platform in the future.

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Regarding the provision of names and addresses, the Court held that in light of Article 6(1) of the General Data Protection Regulation ([R 2016/679/EU](#)) the details of purchasers may be granted. Facebook has to pay a fine of EUR 10 000 for every day it fails to comply with the order and must pay the costs of the proceedings.

The text of the decision (in Dutch) is available at [uitspraken.rechtspraak.nl](https://uitspraken.rechtspraak.nl)

**Corte di Cassazione, Prima Sezione Civile (Italian Supreme Court), Case No 7708/2019 [19 March 2019]**

This decision of the Italian Supreme Court concerns the liability regime applicable to hosting providers for copyright infringements committed by users of the hosting services. The Supreme Court clarifies the notion of ‘active hosting provider’, and the conditions for liability.

In 2011, the Tribunal of Milan found Yahoo (Italy) S.p.A. liable for copyright infringement. The platform of the hosting provider had given access to various videos and programmes owned by RTI (Reti Televisive Italiane S.p.A.). In 2015, the Court of Appeal upheld the appeal brought by Yahoo, stating that the hosting provider had acted as a mere intermediary, without actively having processed data on its own. The rights holder appealed before the Supreme Court.

The Supreme Court recalled the meaning of the notion of ‘active hosting provider’ in the sense of Article 14 of the E-Commerce Directive ([D 31/2000/EC](#)) and Article 16 of the Italian [Legislative Decree No 70/2003](#). An ‘active hosting provider’ carries out an activity which goes beyond a purely technical, automatic and passive service, contributing with others to the illegal activity.

The Supreme Court clarifies that active conduct can also be found in case of an omission <sup>(1)</sup> of the hosting provider, namely when the latter does not remove the illegal content under the following conditions: it was aware of the offences committed by the users after having been notified by the rights holder or by someone else (1); it could have verified for itself the unlawfulness of the other party’s conduct, and this verification can be considered as being reasonably expected from a professional operator. In this case, the hosting provider is liable of serious negligence (2). The provider had the chance to act usefully and immediately since it was aware of the illegality. This finding is in line with the relevant EU case-law (see amongst other C-324/09, L’Oréal SA, para. 120-121-122, [ECLI:EU:C:2011:474](#)) (3).

As to the identification of the infringing videos, the judges in the main proceedings have to verify whether it is technically possible to identify those videos by the title of the transmission only or whether an indication of the URL address is necessary.

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<sup>(1)</sup> Doctrine of Italian Criminal Law (Article 40, para. 2 of the Criminal Code)

The judgment is annulled and sent back to the Court of Appeal of Milan in a different composition, for a new decision on the merits. The same Court of Appeal will evaluate the damages and the payment of the costs.

The text of the judgment (in Italian) is available at [italgiure.giustizia.it](http://italgiure.giustizia.it).

### **Tribunal de Grande Instance de Paris (Paris Tribunal), Third Chamber [28 June 2019]**

This decision concerns intermediary service providers' liability for trademark infringement. More specifically, the Paris Tribunal analyses the circumstances under which platforms can be considered 'hosts' that benefit from the limited liability regime. According to Article 6.2 LCEN ([Loi n° 2004-575 du 21 juin 2004 pour la confiance dans l'économie numérique](#)), intermediaries which do not have knowledge of the unlawful character of the activities or information they host or, once they became aware of it, acted promptly to remove or block access to that content can benefit from this exemption.

The claimant, owner of the French and EU trademark 'Eastpack' for backpacks, initiated infringement proceedings against the online platform Cdiscount. It claimed that the platform operators were actively involved in the commercialisation of allegedly counterfeiting products offered by third-party sellers, and that the platform was therefore not a 'hosting provider'. The platform operators would provide the possibility to use *adwords* on its search engine, make a personal space available for sellers to advertise their own goods, select certain sellers as '*professional seller selected by Cdiscount*', suggest alternative products to users, make available a grading system of sellers, and receive a commission for each sale. It would also not have blocked access to the litigious links promptly. The defendant claims that these services are solely technical, automatic and neutral and do not deal with the content which is only managed by the sellers.

The Tribunal found that Cdiscount was not active in the content published on its marketplace. The role of Cdiscount as a hosting platform and not as an editor is underlined in the 'general conditions' available on the platform. In practice, Cdiscount does not intervene in the sale between buyers and sellers. For instance, the endorsement of '*professional seller selected by Cdiscount*' exclusively concerns sellers who approved the general conditions, and not the products they sell. The other management and advertisement tools offered by the website are automatic tools independent of the content. Therefore, they do not make Cdiscount aware of the unlawful character of the products sold or make it a content editor. Instead, these tools are considered to be technical operations which are essential to the functioning of a hosting platform. They facilitate the organisation of the service provided as well as users' access.

For that reason, and as the hosting platform had promptly removed the unlawful content following letters of formal notice, the Tribunal held that Cdiscount benefits from the limited liability regime of Article 6.2 LCEN.

The text of the decision can be found [Legalis.net](http://legalis.net).

**Neighbouring rights: scope, exploitation and infringement (Articles 2(b), 3(2)(a) D 2001/29/EC; Article 126(1)(d) Spanish IP law; Articles L 212 3, L 132-12 French**

## IP Code; Article 49 French law on freedom of communication; Sections 46 and 49a Swedish Copyright Act)

### Case C-484/18 *Spedidam and Others v Institut national de l'audiovisuel*, EU:C:2019:970 [14 November 2019]

This preliminary ruling concerns the conditions under which a cultural heritage institution may exercise a performer's exclusive rights of reproduction and of making available to the public.

Articles 2(b) and 3(2)(a) Information Society Directive ([D 2001/29/EC](#)) require Member States to provide exclusive rights for performers to authorise or prohibit the reproduction and making available to the public of fixations of their performances. The French Court of Cassation asked the CJEU whether national legislation which establishes a rebuttable presumption that the performer has allowed a cultural heritage institution to exploit audio-visual works is compatible with those provisions.

The Institut national de l'audiovisuel (INA) is a public body responsible for conserving and promoting the national audio-visual heritage. Article 49 of the French law on freedom of communication ([Loi n° 86-1067 du 30 septembre 1986 relative à la liberté de communication, Loi Létard](#)) vests INA with the right to exploit extracts of archives of national broadcasting companies. Two rights holders brought infringement actions against INA for marketing online, without authorisation, video recordings and phonograms of a deceased musician. Article [L. 212-3](#) of the French IP Code (Code de la propriété intellectuelle) requires written authorisation from the performer for fixing and reproducing his performance and communicating it to the public. Under Article [L. 212-4](#), the signature of a contract between a performer and a producer constitutes such written authorisation.

The Court of Justice refers to Case C-301/15 *Soulier and Doke*, [ECLI:EU:C:2016:878](#) (16/11/2016) and stresses that in light of the objectives of the Information Society Directive, the performer's rights of reproduction and of making available to the public must have a broad meaning. Like the author's rights, the performers' rights cover both the enjoyment and the exercise of the rights. As exclusive rights are of a preventive nature, prior consent for use is required. However, this does not mean that the authorisation must be given explicitly. When the conditions are strictly defined, implicit consent may be admissible.

A performer who is involved in the making of an audio-visual work which will be broadcast by national broadcasting companies is aware of the envisaged use. The presumption laid down in French law is rebuttable, as it allows rights holders to demonstrate that no consent to later usage was given. It also establishes a fair balance of rights and interests; not allowing the cultural heritage institution to exploit part of its collection because it does not hold written proof of consent would be detrimental to the interests of many rights holders, including directors, producers, national broadcasting companies or other performers involved in the same work. The presumption cannot affect performers' rights to receive appropriate remuneration for the use of fixations of their performances.

National legislation establishing such a rebuttable presumption is compatible with EU law.

The text of the judgment is available on the [Curia website](#).



**Audiencia Provincial de Alicante (Provincial Court, Alicante), Section 8, No 21/2018, (16 January 2018)**

In this decision, the Provincial Court of Alicante recognised that the use of TV channels in hotel rooms without prior consent infringes the rights of broadcasting organisations. It confirmed a ruling of the Juzgado de lo Mercantil de Alicante n.º 2 (Alicante Commercial Court No 2) of 24 March 2017.

A Spanish hotel chain had retransmitted broadcasts owned by a German-based broadcaster in its hotel rooms without a proper licence.

In the Provincial Court's view, the retransmission infringed Article 126(1)(d) of the Spanish IP law ([Ley de la Propiedad Intelectual](#)), which states that broadcasting companies have the exclusive right to authorise the retransmission of their broadcasts. Retransmission does not have to be continuous or recurrent. In this case, infringement was committed in the context of a business activity that consisted in offering various services, including access to protected content on cable TV in multiple hotel facilities.

The judges also shed light on the interpretation of 'retransmission'. In accordance with EU jurisprudence (see, e.g., 27/02/2014, C-351/12, OSA, [EU:C:2014:110](#), para. 24-26) and Spanish case-law (Supreme Court of Spain, Civil Section, [No 428/2007](#) and [No 314/2009](#)), the concept of 'retransmission' can be considered equivalent to that of 'communication to the public' within the meaning of Article 3(1) of the Information Society Directive ([2001/29/EC](#)). Retransmission can be by any technical means (cable or wireless).

The text of the judgment (in Spanish) is available on [poderejudicial.es](#).

**Cour de Cassation (Supreme Court of France), first civil chamber, No 17-19490 [12 September 2018]**

In this decision, the Supreme Court of France clarified the notion of fixation of a performance. The fixation of the performance plays an important role in determining the scope of the authorisation that needs to be given by the performer regarding the exploitation of the performance and its reproduction. Article [L 212-3](#) of the French Intellectual Property Code states that the performer must authorise the fixation of the performance, reproductions and communications to the public of the latter, as well as any separate use of the sound and the image of the performance when both have been fixated at once in writing.

The ex-wife and children of a famous deceased French comedian initiated proceedings against the production company with which the comedian had concluded contracts for the exploitation of recordings of his sketches and songs. The date of the fixation of the performance was important in the present case, not only to define all the contractual obligations of the production company, but also to define the type of authorisation that was needed for the exploitation and reproduction of the performance. The successors claimed that they had royalty rights resulting from the exploitation of the performance. The calculation of these royalties started on the date of fixation of the performance. In this regard, the Court of Appeal considered the fixation of a performance as the act of communication of the performance to the public, noticing that a performance is fixed once the master version is finalised.

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The Supreme Court found that the Court of Appeal had violated Article L 212-3, and specified that the fixing of the performance is done by the first incorporation of the artist's performance into a medium. It partially reversed the decision of the Court of Appeal.

The rights holders had also claimed, based on Article [L 132-12](#) of the French Intellectual Property Code, that the production company had not respected its contractual obligation of exploiting the works at issue. The Supreme Court confirmed the answer and approach adopted by the second instance court, which had rejected the claim. The company was exploiting the works, with respect to the contract, even if these acts of exploitation reached different levels or had different intensity depending on the economic environment.

The text of the decision is available (in French) on [legifrance.fr](http://legifrance.fr).

### **Svea Hovrätt (Svea Court of Appeal), No PMT 1473-18 [23 July 2019]**

This decision concerns infringement of neighbouring rights (Sections 46 and 49a of the [Swedish Copyright Act](#)) and the conflict with freedom of speech and information.

In 2010, a political scandal known as 'Järnrörsskandalen' occurred in Stockholm, and a politician recorded part of this event with his mobile phone. Four months later, the political party Sweden Democrats published extracts of the record with the consent of the politician on their YouTube channel. A few months after that, Sweden's Television (Sveriges Television AB, SVT) used film sequences and frozen images from other parts of the record on TV, as well as in different TV programmes available on its website. SVT also continued to make the record available even after the politician had requested to be named as an author and to be paid reasonable compensation. The politician brought an action against SVT and others, asking the Court to confirm that he was entitled to compensation for the use. SVT argued that the event was considered as one of the biggest political scandals in the history of Sweden, and in view of the public interest, the exception for reporting current events by the press as well as freedom of information justified the use.

The Court of Appeal held that the record is protected by a neighbouring right as a recording (Section 46 of the Swedish Copyright Act) and that the frozen images are protected as photographic images (Section 49a of the Swedish Copyright Act).

The Court of Appeal *inter alia* found that SVT, as the Swedish national public television broadcaster, has a duty to research the authorship of media it publishes. As to copyright exceptions, the Court of Appeal stressed that the parts of the record that SVT used had not been previously legally published. Therefore the news reporting exception did not apply; considerations of freedom of speech and information did not change that assessment.

The Court of Appeal found that some of SVT's programme elements were parodies and fulfilled all the conditions of a parody exception (it referred to the CJEU decision in case C-201/13 *Deckmyn and Vrijheidsfonds*, [ECLI:EU:C:2014:2132](#), 03/09/2014).

The Court of Appeal concluded that SVT must pay compensation to the author according to copyright law; partly reasonable compensation for the use of the record, and partly compensation for the

additional damage that the infringement has brought. The Court of Appeal has allowed the judgment to be appealed.

The text of the decision is available (in Swedish) on the website of [the Svea Court of Appeal](#).

### **Patent infringement and enforcement (Protocol on the Interpretation of Article 69 of the EPC, Protocol on the Interpretation of Article 6; Article 69(2) EPC; Article 139(2) German Patent Act, Articles 843a, 1019a Dutch Code of Civil Procedure; Article 56(1) Italian Industrial Property Code)**

#### **UK Court of Appeal (Civil Division): EWCA Civ 2219 *Icescape Limited and Ice v World International BV & Ors* [10 October 2018]**

This case deals with the issues of priority and further develops the principle of equivalence, enshrined in the [Protocol on the Interpretation of Article 69 of the European Patent Convention \(EPC\)](#) and the [Protocol on the Interpretation of Article 6](#), as set down in [Actavis v Eli Lilly \[12 July 2017\]](#). It provides clarification on the enforcement of potential patent infringement where the inventive concepts share an obvious similarity to persons skilled in the area.

Icescape had developed a mechanism for a mobile ice rink with moveable elements making the cooling system capable of being folded and moved with ease. However, Ice-World was the proprietor of an earlier EPO patent protecting a similar portable ice rink system. Ice-World sent threatening letters to Icescape. At first instance, the High Court found against Ice-World in all aspects of the case. Ice-World did not enjoy priority in the patent as the priority document did not disclose the entirety of the elements set down in their claim. The patent was therefore invalid due to a prior use by Ice-World during the priority year. Ice-World appealed the finding that their EPO patent was invalid.

The Court of Appeal, while again finding that the patent was invalid for lack of priority, did, however, find that, had the patent been valid, there would have been an infringement. This was achieved by applying *Actavis* where the Court had taken a literal approach to the reading of the patent. Lord Kitchin developed this by applying a purposive interpretation to the principle of equivalence. Hence, the variant substantially achieved the same result as the inventive concept revealed by the patent. In addition, it was deemed that for a person skilled in the area, it was obvious that the Icescape system was substantially the same. Nor would a skilled person have believed that strict compliance to the patent was necessary for the function of the invention. In addition, had the patent been valid, Ice-World would also have had recourse under [Section 70\(2\) of the Patent Act 1977 \(section 70\(2\)\)](#) against Icescape's claim that the letters to cease received from Ice-World were unwarranted. However, as the patent was invalid, there was no recourse for infringement.

The text of this judgment is available on the [BAILL website](#).

**Bundesgerichtshof (German Federal Supreme Court), Case No X ZR 109/16, ‘Spannungsversorgungsvorrichtung’ (‘power supply device’) [26 March 2019]**

This judgment clarifies the scope of the claims against a patent infringer, including with regard to the time period for which damage claims have become subject to the statute of limitations.

According to [Article 139\(2\)](#) of the Patentgesetz ([German Patent Act](#)), damages can be calculated on the basis of lost profits, profits made by the infringer, or compensation based on an appropriate licence fee. When these claims arising from patent infringement have expired, civil law rules will apply when the infringer has obtained something at the expense of the rights holder (Article 141 of the Patent Act, [Article 852](#) of the Bürgerliches Gesetzbuch, the [German Civil Code](#)).

The claimant holds a European patent relating to a power supply device (which has in the meantime expired). The defendant is a supplier of power supply devices, in particular for national seat manufacturers supplying aircraft manufacturers. The district court admitted the claims for injunctive relief, information and rendering of accounts, product recall and payment of damages. The Court of Appeal limited the liability for damages for acts committed before 1 January 2007 to the surrender of what was obtained by unjustified enrichment.

The German Federal Supreme Court confirms the appeal court’s reasoning. Even after the period of limitation of damage claims, the patent infringer has to surrender the profits gained from the patent infringement. Such profits have been obtained at the expense of the injured party according to the provisions on unjust enrichment.

The infringer has to provide information on the profits made, on production costs and on advertising used for the infringing object.

The text of the judgment is available on the Bundesgerichtshof [website](#).

**High Court of Justice: Business and Property Courts of England and Wales Patent Court, Claim No: HP-2017-000050 EWCA 991 (Pat) E. *Mishan & Sons, Inc T/A EMSON v. Hozelock Limited, Blue Gentian LLC and Telebrands Corp.* [17 April 2019]**

This case concerns the alleged infringement and invalidity of a UK and European patent for an extendable garden hose (the ‘Xhose’). It amongst others discusses the criteria for public disclosure.

The claimant developed the Xhose in his garden in Florida (USA), which is visible from the road. On 04/11/2011, he applied for a US patent. In early 2013, the Xhose was marketed in the UK. Prior to this no extendable garden hose was marketed in the UK (or Europe). The defendants allegedly manufactured their own extendable hose — the Superhoze, a similar extendable garden hose. The defendants argued that the claimant had disclosed his invention to the public before application for a patent, and that the latter should be declared invalid.

Under [Windsurfing International Inc v Tabur Marine \(Great Britain\) Ltd \(\[1985\]\)](#) the principle is that if a member of the public could view someone developing an invention prior to patent application, then the object would be deemed to have been disclosed to the public, invalidating the patent.

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Justice Nugee resolved the *Windsurfer* principle due to the location of the claimant's activities (the claimant's own garden). It would be unreasonable to say that ordinary people should be so vigilant as not to use their own property but rather to take every measure to protect their invention.

In addition, Justice Nugee noted that it would be unlikely for a skilled person to take note of or make an effort to view the claimant's activities in his garden as it would merely appear to be a man using a hose; furthermore, the claimants took measures to protect their work.

These accumulative circumstances enabled Justice Nugee to find that the obviousness attack based on prior use by the defendant failed due to a lack of disclosure to the public.

Several prior cases in the US and the UK have dealt with the novelty and skilled person test of the Xhose. In the US it was argued that two patents from 2003, one relating to extendable hoses in oxygen masks (McDonald) and the second entitled 'pressure-actuated Linearly Retractable and Extendable Hose' (Ragner) removed the novelty of the Xhose meaning that there was no infringement. Justice Nugee found the patent invalid due to lack of an inventive step in view of a cited prior art document (McDonald).

Had the patent been valid there would have been an infringement resulting from the doctrine of equivalents as the Superhoze was produced in such a similar fashion.

The judgment is available on [Bailli](#).

### **Rechtbank Den Haag (The Hague District Court), Case No C/09/557229/KGZA18-771 [1 February 2019]**

This decision of the District Court of The Hague concerns the application of the measure of exhibition in proceedings for interim relief in patent infringement cases (Article 843a of the Dutch Code of Civil Procedure in conjunction with Article 1019a of the Dutch Code of Civil Procedure).

Anheuser-Busch InBev ('ABI') brought an infringement action against Heineken, claiming infringement of a patent related to beer bag-in-containers (Patent EP 486). ABI requested the seizure of evidence, taking of samples and preparation of a detailed description. In the application for interim relief, ABI now seeks the rendering of the seized documents, samples and prepared description to be able to demonstrate in an infringement action that Heineken is infringing EP 486.

The District Court of The Hague inter alia points out that the claimant must show and have a legitimate interest in exhibition, and that the claim must relate to certain documents or other evidence which the defendant actually has or may obtain. As in any proceedings for interim relief, the case concerns a weighing up of interests, namely gathering the necessary evidence to prove patent infringement against the interest of the alleged infringer to protect its trade secret.

The court took into account that there was a serious chance that ABI's patent could be invalid (which will be assessed in the proceedings on the merits), and that Heineken's trade secrets which are at stake are of considerable value. ABI was held to have not act diligently, due to its long period of inactivity while the alleged infringement was allowed to continue. The court therefore held that in this case interim proceedings are not suitable for granting access. Access to the seized material was refused, except in

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respect of seized samples of bag-in-containers. ABI must claim access in the proceedings on the merits, where the judge can first assess whether the patent is valid, examine the reasoning on infringement and then decide whether access is necessary.

The text of the judgment (in Dutch) is available on [uitspraken.rechtspraak.nl](https://uitspraken.rechtspraak.nl).

**Corte di Cassazione, Prima Sezione Civile (Italian Supreme Court of Cassation, First Civil Section), Case No. 17325/15 [14 August 2019]**

In this decision, the Italian Supreme Court clarifies from which moment post-grant patent limitations are effective.

Article 69(2) [Convention on the Grant of European Patents](#) (EPC) states that when the scope of protection is amended in limitation proceedings, that (narrower) scope applies retroactively. Article 56(1) [Italian Industrial Property Code](#) (CPI) is one of the provisions that implement at a national level the limitation procedure taking place before the European Patent Office (EPO, see Article 105b(3) EPC). According to that provision, the scope of protection of a patent subjected to limitation is effective as of the publication of the decision on the limitation.

The case involved two producers of healthcare products and devices. Artsana S.p.a sought a declaration of invalidity for lack of novelty of the Italian validation of a European Patent owned by Tecnimed s.r.l. In 2010 the Court of First Instance of Milan upheld Artsana's claims, based on the existence of a US registered patent constituting relevant prior art. Tecnimed appealed before the Court of Appeal of Milan. In order to avoid a declaration of invalidity, it requested a post-grant limitation of the scope of the patent at the EPO. The EPO limited the scope by removing the claim in conflict with the US patent. Following this new fact, the Court of Appeal amended the Court of First Instance's decision. Nevertheless, it stated that Tecnimed's invention could only receive protection from the date of the EPO's decision onwards.

The Italian Supreme Court rejected the Court of Appeal's solution. In particular, it stressed the clarity of Article 69(2) EPC in attributing protection to the patent owner from the moment of the grant and as if the patent 'was born with that limitation'. The Supreme Court considered the interest of the patent owner, especially with regard to the possibility of finding documents demonstrating the existence of relevant prior art that can reduce the scope of the patent. It also considered the interests of third parties in having legal certainty, especially on the invalidity of conflicting patents. According to the Supreme Court, the letter of the provision and the interest of the patent owner do not hinder legal certainty of third parties, which is also safeguarded by the impossibility to extend the scope of a patent beyond the original claims.

Therefore, the Supreme Court stated that, where a European Patent granted with for Italy is limited by a decision of the EPO, protection according to the limited scope lasts from the grant. The possible invalidity of the original claims, which were later amended in limitation proceedings is irrelevant.

The text of the judgment (in Italian) is available on [cortedicassazione.it](https://cortedicassazione.it)



## **Plant variety rights protection (Article 11(1) R 1768/95/EC; Articles 5(3), 14(3), 95 R 2100/94/EC)**

### **Case C-239/18 Saatgut-Treuhandverwaltungs GmbH v Freistaat Thüringen, EU:C:2019:869 [17 October 2019]**

This preliminary ruling concerns the scope and conditions of the possibility for plant variety rights holders to obtain information from official bodies.

The Court of Appeal of Thuringia had asked the CJEU to clarify, in particular, if a right to be informed by official administrative bodies exists with regard to information related only to plant species, where the request is not aimed at obtaining information related to a plant variety. According to Article 11(1) [R 1768/95/EC](#), an information request on ‘the actual use of material, by planting, of specific species or varieties ...’ made by a holder to official bodies, needs to specify, inter alia, ‘the variety or varieties ...’ and the rights holder has to provide evidence of his ownership of those rights. Furthermore, according to Article 14(3) [R 2100/94/EC](#), small farmers will not be ‘required to pay any remuneration to the holder’.

Saatgut-Treuhandverwaltungs GmbH (STV) is a company established in Germany that represents several farmers, who are owners of Community plant variety rights. It requested data regarding the farmers and the extension of their respective farmed lands from the State of Thuringia, contained in a database managed by that State. The State of Thuringia rejected the request, and STV brought proceedings before the regional courts.

In the view of the CJEU, a rights holder cannot request information related to the use of a particular species from an official body if the request does not specify the protected variety in relation to which the information is requested.

The rights holder, in order to uphold his request, needs to provide evidence regarding the variety itself and not just the species. The CJEU referred to previous case-law (see C-305/00, Schulin, [EU:C:2003:218](#), 10/03/2003) and explained that interpreting EU law in a way that would allow any rights holder to request information about never used plantings protected under Article 14(1) R 2100/94 would be contrary to the legitimate interests of the plant breeder.

According to the Court, it is only up to the small farmer to prove they hold the necessary requisites to exploit the exception set forth within Article 14, meaning that rights holder cannot obtain information regarding the width of the land on which the farmer is cultivating plant species for their own purposes, since this does not constitute a measure necessary for protecting rights holders.

Moreover, a request addressing the official body has to be treated the same way as a request to a farmer (see Article 8 R 1768/95; Schulin case) or to a processor (see Article 9 R 1768/95; C-336/02, Brangewitz, [EU:C:2004:622](#), 14/10/2004). Since both of these requests require the specification of the protected plant variety, the same specification is necessary when a rights holder addresses official bodies.

The text of the judgment can be found on the [Curia website](#) (not yet available in English).

**Case C-176/18 Club de Variedades Vegetales Protegidas v Adolfo Juan Martínez Sanchís  
[19 December 2019]**

This preliminary ruling concerns the concept of provisional protection under the CPVR Regulation ([R 2100/94/EC](#)). It sheds light on whether remedies are available to the rights holder for acts conducted during the period of provisional protection beyond the reasonable compensation foreseen in Article 95 of the CPVR Regulation. According to that provision, a rights holder may claim reasonable compensation for acts effected during the time between the publication of the application for a CPVR and the grant thereof.

A variety is a plant grouping that consists of ‘variety constituents’, that is, of entire plants or parts of plants, when such parts are capable of producing entire plants (Article 5(3) CPVR Regulation). The CJEU clarified whether propagation and sales of variety constituents of a protected variety during the period of provisional protection constitute ‘unauthorised use’ for the purpose of exercising the right on the fruits harvested from the plants after the grant of CPVR. In connection to this question, the CJEU also analysed the scope of protection of a CPVR with respect to propagating material on the one hand, which is the primary subject of protection, and harvested material on the other hand, which enjoys a type of secondary-level protection since it can only be evoked if certain conditions are fulfilled.

The Club de Variedades Vegetales Protegidas (CVVP) is a Spanish entity entitled to bring infringement proceedings concerning the protected mandarin tree variety *Nadorcott*. In respect of this variety, an application for a CPVR was launched in 1995, and protection was granted on 4 October 2004. Later, an appeal with suspensive effect was launched, which resulted in a decision dismissing the appeal published on 15 February 2006. Between the date of application and the actual grant of the CPVR title, Mr Martínez Sanchís purchased plants of the *Nadorcott* variety from a nursery open to the public. Based on the granted right, the CVVP brought an action against Mr Martínez Sanchís for the planting of the protected variety and for the subsequent harvesting and commercialisation of its fruits in the absence of the authorisation of the rights holder.

First, the CJEU clarified that the protection granted by Article 13(2) of the CPVR Regulation applies primarily to acts in respect of propagating material of a variety which implies (according to Article 5(3)) that such material is capable of producing entire plants. Article 13(3) then clarifies that the protection only extends to harvested material (not capable of producing entire plants) under the conditions that this harvested material was obtained through the ‘unauthorised use’ of the propagating material, and unless the rights holder had reasonable opportunity to exercise his rights on the propagating material. The Court qualified this protection on harvested material as a sort of ‘secondary protection’. The CJEU then concluded that acts such as those carried out by Mr Martínez Sanchís, that is the planting of the protected mandarin tree and the harvesting of fruits from the plants, may not be regarded as production or reproduction of propagating material of the protected variety. It should instead be considered as the production of harvested material, which is not covered by the scope of the right.

Since the fruit harvested from the mandarin tree is to be considered harvested material, the Court also looked into the question whether the propagation and sales of plants of the protected variety during the period between the application and the granting of the right, without the authorisation of the rights holder

can be regarded as ‘unauthorised use’ for the purpose of exercising the right on the harvested material. The Court concluded that according to Article 95 of the CPVR Regulation, the rights holder may require reasonable compensation for acts that would require his authorisation after the granting of the right; however, the same Article did not confer a right on the rights holder to authorise or prohibit the use of propagating material of the variety before the actual grant. Thus, the Court concluded that the propagation and sales by the nursery of plants of the Nadorcott variety cannot be regarded as ‘unauthorised use’; therefore, the fruit that Mr Martínez Sanchís harvested from the plants cannot be considered as obtained through the ‘unauthorised use’ of the propagating material.

Lastly, the CJEU stated that the fruits obtained by Mr Martínez Sanchís from plants that were propagated and sold by the nursery to him after the granting of the CPVR title, may be regarded as obtained through the unauthorised use of the propagating material. Both the multiplication and the sales of the variety by the nursery are acts that would require the authorisation of the rights holder. Nevertheless, to be able to exercise his right on the harvested material, the fruits *in casu*, the rights holder would also need to prove that he did not have a reasonable opportunity to exercise his right in respect of the propagating material.

The text of the decision is available on the [Curia website](#).

### **Protected geographical indications and denominations of origin (Article 1 R 583/2009/EC; Article 16(a), (b), (c) R 110/2008/ECM; Article 103(2)(a)(ii), (b), (c) R 1308/2013; Articles 13(1), (2) R 1151/2012; Articles 13(1), (2) R 510/2006; Article 13(1), (3) R 2081/92)**

#### **Court of Justice, Case C-44/17 *Scotch Whisky Association v Michael Klotz*, Judgment of 7 June 2018; EU:C:2018:415**

The decision clarifies the scope of protection of geographical indications (GI) under [R 110/2008/EC](#) on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks. Article 16(a) to (c) protects GI against certain commercial uses that exploit the reputation of the GI; against misuse, imitation or evocation (even if the true origin of the product is indicated); and against other indications that are false or misleading as to the origin of the product.

The Landgericht Hamburg (Regional Court, Hamburg) requested a preliminary ruling during a dispute between the Scotch Whisky Association and an online distributor. The former had asked the latter to stop marketing a whisky produced in Germany under the designation ‘Glen Buchenbach’. Next to that designation, the label included other information, which also specified the actual origin of the whisky.

In the Court’s view, there is ‘indirect commercial use’ in the sense of Article 16(a) when the disputed element is used in a form that is either identical or phonetically and/or visually similar to the GI. Evocation in the relevant public of some kind of association with the indication or the geographical area in question is not sufficient.

In order to determine whether there is 'evocation' in the sense of Article 16(b), the national court has to decide whether an average consumer, when confronted with a comparable product that bears the disputed designation, directly thinks of the PGI. In the event that the PGI and the designation differ phonetically and visually, the court must take into account their conceptual proximity. The context surrounding the disputed designation, or, in particular, the fact that it is accompanied by an indication of the true origin of the product, are *not* relevant for this assessment. Additional (correct) information on the label is also irrelevant to determine whether the indication is 'false or misleading' in the sense of Article 16(c).

The decision is available on the [Curia website](#).

**Court of Justice, Case C-432/18 *Consorzio Tutela Aceto Balsamico di Modena v Balema GmbH*, EU:C:2019:1045 [4 December 2019]**

This preliminary ruling concerns whether the protection of the compound name 'Aceto Balsamico di Modena' extends to the use of the individual non-geographical components of that term.

Article 1 [R 583/2009/EC](#) allows for the names contained in its Annex 1 to be entered in the register of protected designations of origin and PGIs; the annex contains the name 'Aceto Balsamico di Modena'. Articles 13(1) and (2) [R 1151/2012](#) essentially reproduce what is stated in Articles 13(1) and (2) [R 510/2006](#) and Article 13(1) and (3) [R 2081/92](#), and define the scope of protection of a registered name.

The German company Balema GmbH produces and markets vinegar-based products whose labels bear the terms 'Balsamico' and 'Deutscher balsamico'. The Consorzio Tutela Aceto Balsamico di Modena (Consorzio), a consortium of producers of products designated by the name 'Aceto Balsamico di Modena (PGI)', claimed that the use of the term 'Balsamico' infringed the PGI. The German Federal Court of Justice asked the CJEU to clarify whether PGI protection covers only the entire name, or extends to the use of the individual non-geographical terms thereof.

The CJEU first specified that, under the system of protection of geographical indications, questions concerning protection granted to constituent parts of registered names are matters to be decided by national courts on the basis of a detailed analysis of the facts. Second, the Court of Justice highlighted that according to Article 13 R 2081/92 and previous related case-law, the protection covers not only a 'compound' name as whole, but also each of its constituent parts, provided they are not generic or common terms; this interpretation remains relevant under the current regulatory system.

Nevertheless, the operative part of an act (Annex 1 to R 583/2009/EC) has to be interpreted according to the statement of reason for it. It clearly appears from recitals 8, 10 and 11 R 583/2009/EC that the name as a whole enjoys undeniable specific reputation, and that 'individual non-geographical components ...may be used ...' provided the EU principles, rules and legal order are respected. Therefore, the non-geographical terms 'aceto' and 'balsamico' and their use in combination or translated do not benefit from the protection granted to the PGI. The term 'aceto' is a common term; 'balsamico' has no geographical connotation and is 'commonly used to refer to a vinegar with a bitter-sweet flavour'. In conclusion, use of these terms cannot be considered as infringing the registered PGI.

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The CJEU therefore stated that Article 1 R 583/2009/EC must be interpreted as meaning that the protection of the name 'Aceto Balsamico di Modena' does not extend to the use of individual non-geographical terms of that name.

The text of the judgment can be found on the [Curia website](#).

**Bundesgerichtshof (German Federal Supreme Court), No I ZR 268/14 'Champagner Sorbet II' (19 July 2018)**

This decision concerns the scope of protection conferred by a protected designation of origin (PDO). Article 103(2)(a)(ii), (b) and (c) [Regulation \(EU\) 1308/2013](#) (repealing Regulation (EC) 1234/2007) protect PDOs against, inter alia, any direct or indirect commercial use that exploits the reputation of a PDO, any misuse, imitation or evocation, or any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product.

A German food discounter sold a frozen product manufactured by a Belgian company, marketed under the name 'Champagner Sorbet'. The product contained, among other ingredients, 12 % champagne. The French Comité Interprofessionnel du vin de Champagne (CIVC), an association of champagne producers, brought an action for infringement of the PDO 'Champagne' before the Munich District Court, which found in favour of CIVC (18 March 2014). The defendants appealed before the Munich Court of Appeal, which dismissed the decision of the Munich District Court. CIVC appealed before the German Federal Supreme court, which asked the CJEU to clarify whether the protection conferred by a PDO covers a case in which a PDO is used as part of the name of a foodstuff.

In a preliminary ruling on 20 December 2017, the CJEU established principles for the use of a PDO as part of the name of a foodstuff containing an ingredient for which a designation of origin is protected. The Court considered that the use of 'Champagner Sorbet' is lawful if the sorbet has, as one of its characteristics, a taste attributable primarily to the presence of that ingredient in the sorbet. The CJEU found it necessary to examine whether the use of 'Champagner Sorbet' amounts to taking unfair advantage of the reputation enjoyed by a PDO. It is for the national court to decide whether this is the case or not (C-393/16, [EU:C:2017:991](#)).

On 19 July 2018, the German Federal Supreme Court followed the judgment of the CJEU, and ruled that the claimant had to prove that the champagne ingredient does not determine the taste of 'Champagner Sorbet'. This reasoning was published on 17 December 2018.

The case has now been sent back to the Munich Appeal Court for further proceedings.

The text of the decision is available on the [website of the Bundesgerichtshof](#).

## Secondary infringement of IPR (Sect. 227 CDPA 1988)

### England and Wales High Court Patents Court, EWHC 345 (Pat), *Cantel Medical (UK) Ltd, Cantel (UK) Ltd v Arc Medical Design Ltd* (23 January 2018)

This case concerns inter alia the secondary infringement of UK unregistered design rights (UDRs) ([Section 227 of the Copyright, Designs and Patents Act \(CDPA\) 1988](#)). Secondary infringement relates to acts such as importing, possessing or selling an infringing Article for commercial purposes, where the infringer knows or has reason to believe that the Article is infringing.

The defendant owned several IPRs relating to a colonoscope cuff, a fitting that improves visibility during colonoscopies, and to an improved version thereof. The claimant, the defendant's distributor, initiated proceedings to clear the way for the marketing of its own colonoscope cuff, seeking inter alia declarations of non-infringement of the defendant's patent rights, registered Community design rights (RCDs) and UDRs. The defendant proved infringement in relation to the patents and the RCD of the improved version of the product.

As regards secondary infringement of the UDRs, the Patents Court found that the claimant had clearly copied the defendant's designs when creating its own product. However, the defendant's design team was not familiar with the existence of UDRs. Until the date of the judgment, they therefore did not have the requisite knowledge that the Articles were infringing.

In addition, the case comments on how infringers can demonstrate that the prior art contains implied disclosures that invalidate a patent's novelty. It also provides guidance on relying on secondary evidence, such as commercial success, when evaluating the inventiveness of a patent.

The text of the decision is available at [bailii.org](http://bailii.org).

## Standard Essential Patents and FRAND licenses

### Court of Appeal of England and Wales (Civil Division), Case No A3/2017/1784 *Unwired Planet International v Huawei Technologies* (23 October 2018)

In this decision the Court of Appeal of England and Wales (Civil Division) confirmed the lawfulness of an injunction obtained by the holder of a Standard Essential Patent (SEP) in a dominant market position. A competitor in the telecommunication field had used the SEP without a proper licence. The injunction order had been issued by order of the England and Wales High Court, Chancery Division (Patent Court) of 7 June 2017.

The Court of Appeal held that in this case launching injunction proceedings does not amount to an abuse of dominant position. According to CJEU case-law (C-170/13, *Huawei v. ZTE*, [ECLI:EU:C:2015:477](#)) SEP owners have an obligation to notify the alleged infringer before commencing proceedings. The nature and the content of that notice, however, depend on the circumstances of the given case.



Moreover, referring to the Commission's communication Setting out the EU approach to Standard Essential Patents, ([COM\(2017\) 712 final of 29 November 2017](#)), the Court of Appeal held that a licence on FRAND (fair, reasonable and non-discriminatory) terms may be global. FRAND negotiations imply good faith. Therefore, a country-by-country licensing approach may not be considered efficient. Charging a rate lower than is considered fair and reasonable (i.e. what the licence is worth) can be compatible with the requirement of non-discrimination.

The text of the judgment is available on the website of the [British and Irish Legal Information Institute](#).

### **Supplementary Protection Certificates (Articles 2, 3(a), 3(d) R 469/2009/EC; D 2001/83/EC; Article 1(4) D 93/42/EEC)**

#### **Court of Justice, Case C-121/17 *Teva UK Ltd and Others v Gilead Sciences Inc.* Judgment of 25 July 2018; EU:C:2018:585**

Supplementary Protection Certificates (SPCs) extend the period of patent protection, accounting for regulatory delays in commercial exploitation. According to Article 3(a) [R 469/2009/EC](#), an SPC will be granted if the product is protected by a basic patent in force at the date of the application.

The defendant in the national proceedings held an SPC relating to a pharmaceutical product that treated the human immunodeficiency virus (HIV). The SPC relied on the patent's claim that the compound could be associated with 'optionally other therapeutic ingredients' to cover the active ingredient emtricitabine. The applicants in the national proceedings wanted to market the generic version in the UK, and challenged the SPC's validity, claiming that it was not protected by a basic patent in force. They submitted that the ingredient was not known to the person skilled in the art for the treatment of HIV in humans, citing C-322/10 *Medeva* ([EU:C:2011:773](#)) and C-493/12 *Eli Lilly and Company* ([EU:C:2013:835](#)). The defendant argued that 'optionally other therapeutic ingredients' relates implicitly, but necessarily to emtricitabine, meaning that the SPC is protected by a basic patent.

The CJEU explained that while active ingredients do not need to be expressly claimed, they must necessarily, considering the patent's description and drawings, be covered by the patent. They must also be specifically identifiable considering all of the information the patent discloses. It is for the patent office or national court to determine on the basis of the prior art at the filing date or priority date from the point of view of a person skilled in the art.

The full text of the decision is available on the [Curia website](#).

#### **Court of Justice, Case C-527/17 *Boston Scientific Ltd v Deutsches Patent –und Markenamt* (25 October 2018)**

This preliminary ruling relates to the conditions for granting supplementary protection certificates (SPCs) for medicinal products. According to Article 2 of Regulation (EC) No [469/2009](#), an SPC may be granted to, inter alia, a medicinal product protected by a patent in a Member State. One condition is that the product has previously been subject to an administrative authorisation procedure as a medicinal product (see Directive [2001/83/EC](#) on the Community code relating to medicinal products for human

use). The German Federal Patents Court (Bundespatentgericht) had asked the Court of Justice to clarify whether a prior authorisation procedure for a medicinal device that incorporates a substance as an integral part (see Article 1(4) of Council Directive [93/42/EEC](#) on medical devices) could be considered as valid. In this case, the quality, safety and usefulness of the medicinal product component had been verified by a competent national authority.

The applicant in the national proceedings held a European patent related to the use of medicinal substances designed to reduce restenosis following angioplasty. The patent also disclosed Paclitaxel, the principal active ingredient known for treating certain human diseases. In addition, the patent holder obtained a certificate of conformity for a medical device that contained Paclitaxel as an adjuvant product. During the certification procedure, Paclitaxel was also assessed. The German Patent Office rejected the rights holder's application for an SPC for Paclitaxel, noting that the latter did not have a valid marketing authorisation.

The Court of Justice explained that the national authorities should focus on the principal mode of action of a product to assess whether it is a 'medicinal product' or a 'medical device'. A substance cannot be classified as a medicinal product if it forms an integral part of a medical device and performs on the body an action ancillary to that of the device into which it is incorporated. This is true even if the substance could be classified as a medicinal product if it were used separately. Such a substance has not been subject to the authorisation procedure necessary to obtain an SPC, even if its quality, safety and usefulness has been verified.

The decision is available on the [Curia website](#).

### **Court of Justice, C-443/17 Abraxis Bioscience LLC v Comptroller General of Patents [21 March 2019]**

In this decision, the Court of Justice of the EU (CJEU) clarifies the conditions for obtaining a supplementary protection certificate (SPC). According to Article 3(d) of the regulation concerning the supplementary protection certificate for medicinal products ([R 469/2009/EC](#)), an SPC should be granted if, in the Member State where the application is submitted and at the date of that application, the valid authorisation to place the product on the market as a medicinal product is the *first authorisation to place the product on the market as a medicinal product*.

Abraxis is a pharmaceutical company which markets 'Abraxane', a medicinal product for the treatment of certain cancers. Abraxane contains a substance called 'nab-paclitaxel', a combination of nanoparticles of paclitaxel coated with albumin and protected by European Patent EP 0 961 612 (the basic patent). In 2008, the [European Medicines Agency](#) granted Abraxane a marketing authorisation (MA). Prior to that date, paclitaxel had been marketed in another form by other companies under previous MAs. Abraxis applied for an SPC on the basis of the basic patent. In 2016, the Comptroller General of Patents rejected the application stating that Article 3(d) of R 469/2009/EC does not extend to a new and inventive formulation of an old active ingredient. Abraxis appealed against that decision to the High Court of Justice (England & Wales), Chancery Division (Patents Court), referring to the solution of *Neurim Pharmaceuticals (1991)* (C-130/11, 19 July 2012, [EU:C:2012:489](#)). The High Court considered that the scope of that judgment was not clear, and asked the CJEU to clarify whether an

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SPC may be granted where the MA is the first one within the scope of the basic patent to place the product on the market as a medicinal product, and where the product is a new formulation of an old active ingredient.

The CJEU clarifies that, based on prior case-law (*Glaxosmithkline Biologicals and Glaxosmithkline Biologicals, Niederlassung der Smithkline Beecham Pharma* (2013), C-210/13, [EU:C:2013:762](#)), a new formulation of an old active ingredient with a carrier which has no therapeutic effect on its own linked together in the form of nanoparticles, cannot be regarded as being a product distinct from the one containing solely that active ingredient. In this respect, the CJEU considers the increased efficiency of this new formulation as irrelevant.

The Court explains that an MA granted for a new formulation of an old active ingredient cannot be regarded as being the first MA for that product as a medicinal product, when that active ingredient has already been the subject of an MA.

The judgment is available on the [Curia website](#).

### **England and Wales High Court, Case No [2019] EWHC 745 (Pat) [18 March 2019]**

This decision clarifies the conditions under which an injunction with immediate effect may be granted upon refusal from the defending party to agree to a RAND (Reasonable and Non-Discriminatory) licence agreement.

The claimant, a US company with a primary focus on DSL technology, is the owner of the SEP (Standard Essential Patent) '268 <sup>(2)</sup>, a multicarrier communication with a variable overhead rate. The defendant, a multinational company offering wireless services, had used and benefitted from SEP '268 since 2013, without agreeing on a RAND licence with the claimant. During earlier proceedings, the defendant refused to commit to any court-determined RAND licence and, on three occasions, it refused to negotiate with the SEP owner. In the present case, the defendant stated that they were not seeking to settle for a court RAND licence. The SEP was going to expire less than two months later, which would not be sufficient time to abide by any agreement.

The England and Wales High Court took the view that the defendant was 'holding out', which occurs when an implementer delays paying an SEP owner 'whilst infringing [SEPs], because it wants to hang on to its money and exhaust the resources and will of the opposite party'. The question was therefore whether the defendant could avoid an injunction, whilst continuously infringing the patent. Since the defendant had refused to submit to the outcome of an appropriate [RAND] determination, whilst using and infringing the SEP, the court concluded that the defendant owed injunctive relief to the patent holder.

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<sup>(2)</sup> Abbreviation for EP 1 453 268, see the [European Patent](#)

The defendant also submitted an application for a stay for one month, to allow certain pending orders to be fulfilled. The court rejected the request as no convincing evidence to support the application was submitted.

The text of the judgment is available on [BAILII](#).

**Trade mark infringement (Article 9, 9(1), 14 EUTMR, Article 5, 5(1), 5(2) D 2008/95/EC now Article 10 D 2015/2436/EU; Article 7 D 2008/95/EC, now Article 15 D 2015/2436; Article 5(1)(a) D 2008/95/EC now Article 10 D 2015/2436/EU; Article L 713-5 French IP Code; Article 10(1) UK Trademark Act, Sections 14(2) sentence 1, 14(5), 24(1) German Trade Mark Act)**

**Court of Justice, Case C-129/17 Mitsubishi Shoji Kaisha Ltd, Mitsubishi Caterpillar Forklift Europe BV v Duma Forklifts NV, G.S. International BVBA, Judgment of 25 July 2018; EU:C:2018:594**

This preliminary ruling concerns the so-called debranding and rebranding of goods before their import to the European Economic Area ([EEA](#)). Article 9 CTMR ([R 207/2009/EC](#), now the EUTMR, [R 2017/1001](#)) and Article 5 Trade Mark Directive ([D 2008/95/EC](#)) grant trade mark holders, among others, the right to prohibit that the sign is affixed to certain goods or their packaging, or that such goods are offered, marketed, stocked, imported or exported under the sign. These rights are usually exhausted in relation to goods which have been put on the market lawfully in the EEA (Article 7(1) Trade Mark Directive, 15(1) EUTMR).

Two importers placed goods (forklift trucks), which they had acquired from a company outside the EEA and affiliated to the trade mark holder, under a customs warehousing procedure. They made some technical modifications to the goods, replaced the trade mark with their own signs, and imported and marketed the goods.

In the view of the Court of Justice (CJEU), ‘debranding’ and ‘rebranding’ under such circumstances can infringe trade mark rights. It prevents the trade mark holder from controlling how the goods bearing the trade mark are first placed on the market in the EEA, and thereby adversely affects the trade mark’s origin, investment and advertising functions.

The decision is available on the [Curia website](#).

**Court of Justice, Case C-690/17 ÖKO-Test Verlag GmbH v Dr. Rudolf Liebe Nachf. GmbH & Co. KG [11 April 2019]**

The preliminary ruling relates to the scope of rights afforded by a trade mark consisting of a quality label.

Article 9(1) CTMR ([R 207/2009/EC](#), now the EUTMR, [R 2017/1001/EU](#)) and Article 5(1) and (2) Trade Mark Directive ([D 2008/95/EC](#), now Article 10 [D 2015/2436/EU](#)) describe the exclusive rights conferred by a trade mark. According to Article 9(1)(c) of the regulation and 5(2) of the directive, protection for

trade marks with a reputation also covers goods or services not similar to the ones for which the trade mark is registered.

A German publisher which organises product testing holds an EU trade mark in a sign representing a quality label. It grants licences allowing companies to place quality labels showing the test results on their products' packaging. The licence remains valid until the magazine publishes another review of the product. In 2005, the publisher gave a toothpaste manufacturer a 'very good' rating. After expiration of the licence agreement, the toothpaste manufacturer continued to use the mark on a toothpaste product, packaged also in a different way. The publisher initiated infringement proceedings claiming that the licence agreement permitting the use of its label for marketing purposes had expired, and that the manufacturer had no right to use the sign on its products. The Düsseldorf Regional Court asked the CJEU to clarify whether the trade mark holder was entitled to oppose the use of its mark in relation to goods and services for which it is not protected, or alternatively the use of the mark when 'the individual mark enjoys a reputation only as a test label', and a third party derives an undue advantage from this reputation.

The CJEU stressed that based on the so-called specialty principle the holder of an individual mark consisting of a test label cannot prohibit third party use on dissimilar products.

However, the holder of an individual trade mark that consists of a quality label with a reputation could benefit from the extended protection under the following conditions: it is established that, by affixing the mark on dissimilar products, the third party takes unfair advantage of the distinctive character or the reputation of the mark concerned or causes detriment to that distinctive character or reputation; the third party has not established the existence of a 'due cause'.

The judgment is available on the Curia [website](#).

### **Cour de cassation (Supreme Court, France), commercial chamber, No 16-23.694 (10 July 2018)**

In this decision, the Cour de cassation clarifies how possible justifications for alleged unlawful use of trade marks with a reputation are to be assessed.

Article 5(2) of the Trade Mark Directive ([2008/95/EC](#)) gives holders of reputed trade marks the right to prevent certain uses of the sign that would **without due cause** take unfair advantage of, or be detrimental to, the distinctive character or the repute of the trade mark. In France, the protection of reputed trade marks falls under the civil liability regime. Article [L 713-5](#) of the French IP Code ([Code de la propriété intellectuelle](#)) refers, inter alia, to unjustified exploitation of the reputed trade mark.

The defendant in the initial proceedings is the member of a family whose family name is also the reputed name of their company. After leaving the company, the defendant registered her surname as a trade mark and domain name, and carried out activities in the same sector. The owners of the reputed mark initiated proceedings for, inter alia, trade mark infringement, unfair competition and parasitism. The Court of Appeal found that the defendant/appellant was not taking undue advantage of the mark's reputation or causing any harm to its distinctive character by recalling her family origin. Her name simply identified her professional background or past experience.

The Cour de cassation criticised this reasoning. First, the court should assess whether any undue advantage was taken of a reputed mark. Then, in a separate step, it should assess whether there is any due cause for use of the sign. This last element cannot be taken into consideration when assessing infringement.

The text of the decision (in French) can be found on the website of the [Cour de cassation](#).

**England and Wales Intellectual Property Enterprise Court (IPEC), *Nomination di Antonio e Paolo Gensini SNC and Anor v Sebastian Brealey and Victoria Brealey (t/a JSC Jewellery)* EWHC 599 (IPEC) [29 January 2019]**

This decision concerns the question whether and under what conditions a purchaser who disassembles a product and sells the individual components via an online platform can be found liable for trademark infringement.

According to the so-called exhaustion principle, a trade mark owner may not prohibit use of a mark in relation to goods which have been put on the EU market under that trade mark by themselves or with their consent. The principle does not apply where rights holders have legitimate reasons to oppose further commercialisation of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market (Article [7 of the Trade Mark Directive, D 2008/95/EC](#), now Article 15 [D 2015/2436](#))

The claimant, a high-end Italian jeweller, manufactures a ‘composable bracelet’ consisting of individual links which can be detached and re-linked with other bracelet links, allowing the wearer to create their own style of bracelet. The claimant also sells ‘base links’ bearing its mark and a wide variety of decorated links and links with charms attached, as well as a ‘basic bracelet’ composed of 13 or 18 links. The defendants, two individuals trading jewellery online, started to buy the claimant’s ‘basic bracelets’. After disassembling these base bracelets the defendants sold individual links alongside their own links in bundles. The packaging had a label showing both marks, explaining who the manufacturer of the product was, and who was responsible for the repackaging.

The claimants brought an infringement action for the use of the trademark in relation to selling genuine, individual ‘base links’ bearing the claimant’s mark, and the use of the trademark in relation to the defendants’ own products.

The England and Wales Intellectual Property Enterprise Court first examined whether the trademark was exhausted, given that the official retailers had already launched the link in form of a whole bracelet. The claimant was unable to demonstrate to the court that the individual links were placed on the market in the EU without its consent. However, the jewellery manufacturer had legitimate reason to object to these particular further dealings with its goods. Their bracelets are normally sold in high quality packaging whereas the defendants’ packaging had a distinctly budget feel.

Next, the court held that the mix and match advertising and sale of links bearing the claimant’s trademark together with the defendant’s own links would have led the typical reader to have ‘received a blurred message about the manufacturing source of the two bundled links.’ As some non-authentic charms could be perceived as genuine ones coming from the claimant, the judge held that there was a



trade mark infringement based on Article [10\(1\) of the Trademark Act](#). The use also amounted to passing off.

The text of the decision can be found on [bailii.org](http://bailii.org).

**Bundesgerichtshof (Federal Court of Justice, Germany, BGH), Case No. I ZR 29/18, ‘ORTLIEB’ [25 July 2019]**

This decision concerns whether and under what conditions the use of a trade mark in an ‘AdWord’ for marketing goods amounts to trade mark infringement.

Section 14(2) sentence 1 [MarkenG \(German Trade Mark Act\)](#) lays down the trade mark holder’s exclusive right over the use of a sign identical to the one registered in relation to identical goods in the course of trade. Section 24(1) MarkenG provides that rights are exhausted when the goods are put on the market in Germany or in any state part of the European Economic Area.

The applicant in the initial proceedings manufactures and sells bike bags under the German and EU trade mark ‘ORTLIEB’. The defendants, companies part of the Amazon group, advertised offers by means of AdWords containing the word ‘ORTLIEB’. The applicant does not sell via the defendants’ platform. When a Google user types ‘ORTLIEB’ in the search engine, an advertisement as well as an URL appear. When the advertisement is selected, an overview of offers of the applicant’s products, as well as offers of products manufactured by other companies appear. The applicant initiated proceedings against Amazon for trade mark infringement, which was upheld in the first instance decision and on appeal.

The German Federal Court of Justice first assessed whether the exclusive rights granted to a trade mark holder extend to the use of keywords. It notes that section 14(2) sentence 1 MarkenG implements Article 5(1)(a) Trade mark Directive ([D 2008/95/EC](#), now Article 10 [D 2015/2436/EU](#)), and must be interpreted in line with EU law. The court found that there was an actual use in the course of trade. The selected keyword triggers the display of advertisements offering goods for sale, without the trade mark owner’s consent, in relation to identical goods offered for sale on the defendant’s website, using an identical sign as a keyword.

In addition, the court analysed whether that use adversely affected the trade mark’s origin function. It referred to case-law of the CJEU which considers the origin function to be adversely affected if the advertisement does not enable normally informed and reasonably attentive internet users to ascertain the origin of the good, or enables them to do so only with difficulty. In this case, the court concluded that the specific presentation of the advertisement combined with the mixed list of results had an adverse effect; the mixed result list displayed both original products and third-party products, whereas the public targeted by the rights holder expected to see only ORTLIEB products.

The court also assessed whether the use of the trade mark could be lawful because the rights were exhausted. The principle of exhaustion extends to all acts that may constitute an infringement. Using a trade mark to advertise goods would be lawful if the trade mark holder had placed the goods on the market in the European Economic Area. However, the exhaustion principle applies only for original products. According to CJEU case-law (08/07/2010, C-558/08, Portakabin, [EU:C:2010:416](#)), a reseller

offering competitors' products as well as its own products may use the trade mark in advertising, unless there are legitimate reasons to oppose that use. A legitimate reason would be the damage caused to the origin or quality function of the sign.

On the basis of these findings, the German Federal Court of Justice concludes that the misleading use of the trade mark in advertisements which follow a Google search, directing internet users to the offers of third-party products, constitutes trade mark infringement, even though these products are listed alongside the goods of the trade mark holder.

The text of the decision (in German) is available on the website of the [Bundesgerichtshof](#).

**Bundesgerichtshof (Federal Court of Justice, Germany, BGH), Case No I ZR 108/18 'MO' [11 April 2019]**

This decision concerns the question of whether a model name can function as an indicator of commercial origin; and how the likelihood of confusion for the relevant public is assessed in trade mark (TM) infringement cases.

Section 14(5) of [MarkenG](#) (German Trade Mark Law) allows for the granting of injunctive relief in the event of risk of recurrent infringement against any person using a sign contrary to subsections (2) to (4). In particular, subsection (2) prohibits a third party from using a sign in trade, without consent, 'if the likelihood of confusion exists for the public because of the identity or similarity of the sign to the trade mark and the identity or similarity of the goods or services covered ..., including the likelihood of association with the trade mark'.

The claimant in the initial proceedings is the proprietor of the word mark 'MO', entered into the German register in 1999, in respect of women's outerwear and trousers. The defendant sells trousers for women in Europe via the platform Amazon, using the description 'Bench Damen Hose MO'. In 2016, the claimant carried out a test purchase and the defendant issued an invoice containing the product description 'Bench Damen Hose MO Large walnut marl' and 'B005FPJ0AG' on the line below. The claimant sought injunctive relief, and the regional court upheld the action. The appellate court dismissed the appeal; and the defendant appealed on points of law before the Federal Court.

The Federal Court stressed that according to previous case-law, the 'use of a sign impairs the functions of a trade mark where said sign is used by third parties as a trade mark or as what corresponds to a trade mark' and 'this use impairs or is liable to impair ... in particular its essential function of guaranteeing to consumers the origin of the goods or services' (see case [I ZR 214/11, Volks.Inspektion](#)). As a consequence, the Federal Court focused on assessing whether the relevant public had understood the overall designation 'Bench Damen Hose MO Large walnut marl' as an indication of origin, and whether it had perceived the specific use of the sign 'MO' as an indication of origin of the products. The Federal Court challenged the appellate court's assumption that the defendant's use of the sign 'MO' impaired the indication-of-origin function of the trade mark 'MO'.

According to the Federal Court, when assessing whether a model name used in sales offers in catalogues or on the Internet will be recognised as an indication of origin, these offers must be considered in their entirety.

In particular, the fact that a model name is well known, as is the case with the sign '501' for Levi's jeans, 'strongly supports' the argument that the public perceives it as a TM, even without the addition of the manufacturer's identification or an umbrella mark. Furthermore, if a model name is well known, the public will also perceive it as an indication of origin in a sales offer, 'even if it is not emphasised in any particular way'.

In the event that the model name could not be assumed to be well known, the examination of whether its use is understood as indicating origin 'must consider the design of the offer'. The idea that it is perceived by the public as a TM can be supported by the nature of its use and, particularly, by its use in direct connection with the manufacturer's TM or umbrella mark, as opposed to its use 'at an unobtrusive point in the offer description'. Furthermore, if a little-known model name is used together with a manufacturer's TM or an umbrella mark, the circumstances of the individual case should be considered. In this respect, decisive importance should be attributed to the specific features of the 'sign's design that are present and the labelling practices that are customary in the relevant sector'.

The assessment of whether the sign used as part of the description on the invoice issued in 2016 will be perceived as an indication of origin is subject to similar criteria. Therefore, even if the appellate court were to conclude that the public perceives the use of the sign 'MO' in the defendant's internet offer as a trade mark, 'consideration must be given to the fact that the sequence of indications is longer on the defendant's invoice'. In the case of this kind of sequence of indications, which additionally contains letters and numbers, there is 'considerable evidence to suggest that the public only perceives the preceding name of the manufacturer as the indication of origin'.

In accordance to its reasoning, the Federal Court remitted the decision to the appellate court for re-examination in relation to the understanding of the relevant public.

The text of the judgment (in German) is available on the [Bundesgerichtshof](#) website.

### **Bundesgerichtshof (German Federal Court of Justice), Case No I ZR 195/17 'SAM' [7 March 2019]**

This decision concerns the conditions under which a model name used in online trade is perceived by the public as a mere article designation, rather than as a trade mark.

Point 1 of Section 14(2) of the [MarkenG \(German Trademark Act\)](#) lays down the trade mark holder's exclusive rights over the use of a sign identical to the one registered in relation to identical goods in the course of trade.

The claimant in the initial proceedings is the owner of the German word mark 'SAM' for clothing. The defendant is one of Germany's leading suppliers of mens clothing in online stores. It used the sign 'SAM' in the written explanation of an offer for a pair of men's trousers; the offer was titled 'EUREX BY BRAX', which is the designation used by the manufacturer for the pair of trousers in question. The claimant successfully sought an injunction at the Amtsgericht München (Munich Regional Court), prohibiting the defendant from using the designation 'MODEL SAM'. The defendant's appeal was rejected by the Higher Regional Court of Frankfurt (Oberlandesgericht Frankfurt); the defendant brought an appeal before the Bundesgerichtshof (Federal Court of Justice).

The German Federal Court of Justice first assessed the conditions for trade mark infringement laid down in Section 14(2) of the German Trademark Act. The court confirmed that there was use in the course of trade in relation to identical goods. As to the identity of the signs, the Federal Court of Justice confirmed the findings of the appellate court; the fact that the jeans were sold under the trade mark 'EUREX BY BRAX' did not prevent an assumption of identity, and the term 'Model' used as a prefix was a secondary descriptive addition which had no impact on the overall impression of the use of the term 'SAM'. Therefore, the defendant used a sign identical to the trade mark sign 'SAM'.

The court analysed whether the origin function of the trade mark was actually impaired. If the use of the mark is found not to impair the trade mark functions, the trade mark holder could not object to it. This has to be assessed based on the perception of the relevant public of the sign 'SAM' in online advertising. A relevant indication can be the customary labelling in the relevant sector. The Federal Court of Justice rejected the appellate court's view that it is sufficient to find the sign distinctive in itself, and not purely descriptive.

For these reasons, the Federal Court of Justice annulled the contested judgment and ordered the appellate court to re-examine whether the relevant public perceives the sign 'SAM' as an indication of origin, taking all the specific circumstances of the case into account. The Federal Court of Justice gave the following indications: firstly, the appellate court has to consider customary labels in the sector; for instance, printed model names on sales labels, or sewing the sign on the clothes might be an indication of origin. Secondly, if a model name is well-known (such as the '501' jeans), it might be an indication that the relevant public perceives it as an origin indicator. If the mark is not well known, the design of the offer in question must be examined to assess whether the nature of its use makes the public perceive it as a trade mark. This would for example be the case where the sign is used in relation to the manufacturer's name or to an umbrella trade mark. Finally, if the model name used is identical to a well-known trade mark, this might indicate that the relevant public might consider it in an offer as a trade mark, irrespective of its use.

The decision can be found on the [German Federal Supreme Court](#) website.

**Bundesgerichtshof (Federal Court of Justice, Germany, BGH), Case No I ZR 61/18 'Kühlergrill' ('radiator grille') [7 March 2019]**

In this decision, the German Federal Court of Justice clarified the conditions for the application of the so-called spare parts limitation in trade mark (TM) law.

Limitations of the effect of EU trade marks are provided for by Article 14 EUTMR ([R 2017/1001/EU](#)), which amended Article 12 of the previous Regulation on Community trade marks ([R 207/2009/EC](#)). Article 14(1)(c) forbids an EUTM proprietor to prohibit third-party use of the EUTM for the 'purpose of identifying or referring to goods or services as those of the proprietor ..., in particular, where the use is necessary to indicate the intended purpose of a product ..., in particular as accessories or spare parts'.

The claimant in the initial proceedings is the proprietor of the word marks 'AUDI' and 'A6', and of a figurative mark depicting four horizontal, adjacent, overlapping rings, registered in respect of land vehicles and parts thereof. The defendant sells spare parts for vehicles, also via an online platform. It

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had placed an offer for a radiator grille 'Kühlergrill Audi A6 C6 4f Limo Kombi 04-08' for sale, accompanied by a photo of the radiator grille showing the same rings. A purchaser had received a radiator grille clearly not manufactured by the claimant, featuring four horizontal, adjacent rings each with an opening on one side, with only the two inner rings overlapping on the sides facing one another. The claimant brought an action against the defendant, claiming information about the purchase (for the calculation of damages), the recall of the product, its destruction, damages and reimbursement of pre-trial legal costs. The Regional Court upheld the claim. The defendant's appeal was rejected by the appellate court. Following this decision, the defendant appealed on a point of law before the Federal Court.

First, the Federal Court clarified which provisions were applicable with regard to the claims for the provision of information, damages, recall, destruction and reimbursement. It then underlined that, with regard to those matters, there are no sanctions recognised by Article 102 (previous version) or Article 130 (new version) of the EUTMR, and that, therefore, national law had to be applied. Furthermore, it outlined the applicability of the German substantive law, in accordance to the [Rome II Regulation](#).

The Federal Court subsequently clarified that all the abovementioned claims require an EUTM infringement to be upheld, with no limitation being applicable. The right at issue was in fact infringed; there was a likelihood of confusion between it and the sign used in the advertisement, and the one on the radiator grill.

As to the applicability of the limitation, according to CJEU case-law, the use of a trade mark must be the only way to provide the public with complete information as to the intended purpose of the product. The Federal Court underlined that the use of a sign does not represent the only means of informing the relevant public that the product is a spare part. As it was not necessary to use the TM at issue to indicate the intended purpose, the limitation cannot apply. The sign similar to the TM directly affixed to the product gave the impression of originality, therefore being a matter of imitation and of taking unfair advantage of the trade mark's reputation.

The limitation seeks in fact to reconcile the interests of a TM owner with the free movement of goods in the EU. The Federal Court highlighted the difference between the case at issue and the earlier BMW-Emblem case (see Case No [I ZR 153/14, BMW-Emblem](#)), where the BMW badge amounted to nothing more than a physical embodiment reproducing a well-known mark. In the view of the Senate, the rights holder has a monopoly to produce such badges to identify its business and the vehicles it manufactures; that monopoly is not limited by the limitation. However, in the current case, the radiator grille contained a mounting fixture for a physical embodiment of the TM. Generally, there is an expectation from the public that spare parts should have the same appearance as the original; however, in this case, the defendant has not claimed that the mounting fixture was necessary to allow the radiator grille to look the same as the original one, once the applicant's original badge was affixed.

The Federal Court rejected the appeal on a point of law brought by the defendant at his cost.

The text of the judgment (in German) is available on the [Bundesgerichtshof](#) website.

## Unfair competition (Art. L 121-1. French Consumer Code)

### **Cour d'appel de Versailles (Versailles Court of Appeal), 14th Chamber [7 November 2019]**

This decision of the Versailles Court of Appeal concerns misleading and unfair commercial practices in e-commerce.

More specifically, it concerns the question of whether referencing market competitors on a website search tool constitutes an unlawful commercial practice forbidden by [Art. L 121-1. Code de la Consommation \(French Consumer Code\)](#). According to this provision, a practice is considered unlawful when it is contrary to professional diligence, and when it alters or is likely to substantially alter the economic behaviour of a consumer who is reasonably well informed and reasonably observant and circumspect with regard to a product or a service.

The appellant (defendant in the initial proceedings) operates a website which also contains a directory of pharmacies; customers can order products directly from the appellant's partner pharmacies. The respondent (claimant in the initial proceedings) is a network of independent pharmacies which are also referenced in the directory, but without their consent. They consider that this practice can confuse consumers, who might believe that all pharmacies referenced in the directory belong to the appellant's network. The first instance court had ordered the appellant to remove from the directory any direct or indirect mention of the pharmacies which belong to the respondent's network.

The Versailles Court of Appeal states that the appellant and respondent are competitors; both entities operate a network of pharmacies for economic gain. The commercial practice of referencing pharmacies which are not part of the appellant's network misleads consumers. The directory is displayed under the appellant's brand, which leads consumers to believe that all pharmacies listed in the directory are part of that network. Moreover, when typing the name of a specific pharmacy which is part of the respondent's network on Google, the first result displayed is the appellant's website. The appellant thus directs internet users' searches to its own website where they can only buy products from its own partner pharmacies.

When going through the directory, consumers are informed at a later stage that some pharmacies are not part of the network via alerts. Nonetheless, the page encourages consumers to continue their purchase on the appellant's website from a partner pharmacy. The Versailles Court of Appeal finds this kind of practice unlawful and confirms the judgment of the first instance court.

The text of the decision (in French) can be found on [Legalis.net](#).





**RECENT EUROPEAN CASE-LAW  
ON THE INFRINGEMENT AND  
ENFORCEMENT OF  
INTELLECTUAL PROPERTY  
RIGHTS**