



Hot Topic

Repackaging and parallel import of pharmaceutical products

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INTRODUCTION

On 27 April 2007, the European Court of Justice (the “ECJ”) handed down yet another decision in the case of *Boehringer Ingelheim & others v Swingward Ltd and Dowelhurst Ltd, Case C-348/04 (“Boehringer II”)*. This second reference to the ECJ from the UK courts had raised further questions relating to the repackaging of pharmaceutical products for parallel trade in the EU and the exhaustion of trade mark rights.

BACKGROUND

The facts of the case are now well-known. The defendants, Swingward and Dowelhurst, are parallel importers of pharmaceutical products, including products manufactured and sold by the claimants: Boehringer Ingelheim, Glaxo, Wellcome, SmithKline Beecham and Eli Lilly. Once the products are sold in the EU by the claimants under their respective trade marks, the defendants purchase the products and import them into the UK. However, they then make certain alterations to the packaging and labelling of the products in order to sell them in the UK. In some cases, the defendants’ repackage the products into boxes designed by the parallel importer, either bearing the claimants’ trade marks as well as its own marks (“co-branding”), or boxes which only bear the products generic names, and not their trade marks (“de-branding”). In other cases, rather than repackaging the products, the importers merely relabel the original packaging with new label setting out certain critical information, such as the name of the parallel importer and its parallel import licence number. Thus, in such cases, wording in languages other than English remained visible and the trade mark was not covered up. However, in all cases, it is clear from the packaging that the goods come from the EU and are repackaged by the defendants.

REFERENCE

The questions referred to the ECJ in this second reference from the Court of Appeal concerned both reboxed products and relabelled products, and the conditions under which parallel

importers are entitled to repackage pharmaceutical products. These questions can be summarised as follows:

- Do the conditions in respect of repackaging, which need to be fulfilled by a parallel importer in order to be entitled to import trade marked goods, apply to relabelling as well as reboxing?
- Does the condition that repackaging must be necessary to market the product in a Member State only apply to the actual act of reboxing/relabelling or does it also apply to the precise manner and style of the reboxing/relabelling?
- Is the presentation of the repackaged product liable to damage the reputation of the trade mark only if the packaging is defective, of poor quality or untidy, or does it extend to anything which damages the reputation of the trade mark?
- Is it damaging to the reputation of a trade mark if the parallel importer either (i) fails to affix the trade mark to the new exterior carton (‘de-branding’) or (ii) applies either his own logo or a house-style or a get-up or a get-up used for a number of different products (‘co-branding’) or (iii) the additional label is positioned so as wholly or partially to obscure one of the proprietor’s trade marks or (iv) the additional label fails to state that the trade mark in question is a trade mark owned by the proprietor or (v) the name of the parallel importer is printed in capital letters?
- Who bears the burden of proving that the new packaging complies with the conditions of repackaging?
- What are the consequences of failing to give adequate prior notice to the trade mark owner that its products are going to be repackaged?

The ECJ answered as follows.

RELABELLING

The ECJ reviewed the different methods of repackaging which were employed by the parallel importers and concluded that relabelling was a form of repackaging which was envisaged by the Court in *Boehringer I*. The ECJ found that relabelling poses the same risks as reboxing, to the trade mark owner in terms of potentially undermining the guarantee of origin of the mark. Thus, the conditions in respect of reboxing also apply to relabelling.

MANNER AND STYLE OF REPACKAGING

As per the Court's earlier case law, repackaging must be necessary to market the product in the importing Member State. The ECJ confirmed that this condition is directed only to the fact of repackaging and not to the manner and style of the repackaging. In other words, a parallel importer does not have to show that the style and manner in which the products are repackaged are necessary, but merely that it is necessary to repack the products.

DAMAGE TO REPUTATION

In respect of the question of what is liable to damage the reputation of a trade mark, the ECJ held that damage was not limited to cases where the repackaging was defective, of poor quality or untidy. Rather, there are other aspects of the presentation of repackaged products which may be judged to be inappropriate and therefore liable to damage the reputation of the trade mark. By way of example, the Court said that other features which would be liable to damage a trade mark's reputation included the situation where the carton or label "*are such as to affect the trade mark's value by detracting from the image of reliability and quality attaching to such a product and the confidence it is capable of inspiring in the public concerned*".

However, the ECJ refused to provide any further clarification in respect of whether any of the actions listed by the Court of Appeal, including de-branding, co-branding and the manner of relabelling, in its reference were actually liable to damage the reputation of a trade mark. The ECJ said that this was a question of fact for the national courts to decide in the light of the circumstances of each case and provided no specific guidance.

THE BURDEN OF PROOF

The ECJ held that where it is established that the pharmaceutical products have been repackaged, it is for the parallel importers to prove the existence of the conditions under which they are entitled to repack pharmaceutical products, and prevent trade mark owners from opposing further commercialisation of their trade marked pharmaceutical products.

However, in respect of the conditions that (i) the repackaging may not affect the original condition of the product inside the packaging; and (ii) the presentation of the repackaged product must not be such as to be liable to damage the reputation of the trade mark and of its proprietor; the parallel importer need only provide evidence that leads to the reasonable presumption that the condition has been fulfilled. Further, once the parallel importer has furnished such initial evidence that the latter condition has been fulfilled, it is then for the trade mark owner to prove that his reputation and that of the trade mark have been damaged by the repackaging.

NOTICE

In its first decisions in this case, the ECJ had confirmed that a parallel importer must fulfil the prior notice requirement in order to be entitled to repack trademarked pharmaceutical products and that it was not sufficient that the trade mark owners be notified by other sources. In the present case, the ECJ added that it therefore followed that a parallel importer who fails to give prior notice to the trade mark owners will infringe the rights of those owners by subsequently importing repackaged products, so long as the proprietor has not received notice from that parallel importer. Therefore, trade mark owners are entitled to prevent importation of those products in the same way as they are entitled to prevent importation of spurious goods.

In terms of the consequences of failure to give prior notice, the ECJ once more shied away from laying down specific sanctions for such infringements. Again, ECJ said it was for the national courts to develop effective, reasonable and proportionate rules to deal with such situations and to determine any damages by reference to the circumstances of each case.

The case has now been referred back to the UK Court of Appeal. It will remain to be seen how this Court interprets and applies the ECJ's decision to the facts of the case.

Copyright & Technology

The House of Lords' OK to damages against Hello

This was an appeal to the House of Lords, by OK! Magazine (OK), against the decision of the Court of Appeal in *Douglas v Hello* [2005] EWCA Civ 595 which had reversed the High Court's decision on OK's breach of confidence claim and the damages awarded to OK.

This long dispute surrounds the publication by Hello Ltd of the unauthorised photographs of the wedding of Hollywood stars, Michael Douglas and Catherine Zeta-Jones, who had given exclusive publication rights in certain photographs approved by the pair to Northern & Shell Plc, publishers of OK, in consideration of £1million. The unauthorised pictures were taken by paparazzi who sold them to Hello, which later published the photographs in its magazines. OK sued Hello for breach of confidence and for the tort of causing loss by unlawful means. The High Court decided in favour of the Douglasses and OK, holding that the photographs were confidential information unavailable to public, and that OK had the exclusive right to publish the photographs. This was known to Hello, and the obligation of confidence was binding on Hello. Thus, Hello was liable for the damages arising from its publication of the unauthorised photographs.

On appeal by Hello, however, the Court of Appeal reversed the High Court's decision to the extent that the obligation of confidence on the part of Hello was limited to the photographs to be published and did not extend to other photographs. Thus, Hello did not infringe OK's right, but may have infringed the Douglases' privacy rights.

Most recently, the House of Lords has reversed the Court of Appeal's ruling on 2 May 2007 in a split decision of 3:2. In his judgment, Lord Hoffmann distinguished the case of *Campbell v MGN Ltd* [2004] 2 AC 457, which concerned the unauthorised disclosure of personal information based on Articles 8 and 10 of European Convention on Human Rights, from the present case, which concerned OK's claim to protect 'commercially confidential information' within the control of the Douglases. This enabled the imposition of an obligation of confidence in respect of any pictures of the wedding. He further clarified that such right was not an 'image-right', but was merely a right OK had to protect information of commercial value over which the Douglases had control and which they had exclusively granted to OK. However, with regards to the issue of causing loss by unlawful means, he held that although the intention to cause loss was present, there was no 'interference by unlawful means with the actions of Douglases'.

Lord Nicholls, dissenting from Lord Hoffman's analysis, found that since the content of the unapproved pictures was the same as that of the approved pictures, the information lacked any 'confidentiality'. This coupled with the fact that the pictures were published following the publication of the approved pictures meant that there was no breach of confidentiality. Lord Walker held that the claim for such confidentiality by the Douglases and OK amounted to a claim for a character or image right, unprecedented in English law. He also dissented from Lord Hoffman's finding that since the information and the exclusive right had significant market value, they must attract an obligation of confidentiality. Lord Walker emphasized that it was the nature of the information and not its market value which determined the confidentiality of information.

This case illustrates that extensive commercialisation of information, albeit in the form of pictures or data, can be protected by the law of privacy and also the law of confidential information

Threats against an allegedly dormant company

In *Microsoft Corporation v (1) P4 Com Ltd. (2) Dr. Mozaffar Nami* [2007] EWHC 746 (Ch), Microsoft had received information relating to the trading of counterfeit software. According to third party invoices, a business entity named Phase 4 had been a trade buyer of counterfeit Microsoft package software. Prices for the counterfeit Microsoft Office Professional were only 10% of the normal distributor rate and were described as being "too good to be true". The argument

thus was that the defendants must have known that they were not buying genuine licensed products.

After a significant amount of correspondence between both parties' solicitors, in which both parties appeared to assume that P4 Com Ltd had been the entity trading in the allegedly infringing products, Microsoft sued P4 Com Ltd and its director, Dr Nami, for infringement of Microsoft trade marks, copyright and for passing off. The defendants subsequently argued that during the relevant time P4 Com Ltd had in fact been dormant and the second defendant had been operating as a sole trader under the name Phase 4. However, the evidence was contradictory as to whether the company really had been dormant. The defendants also filed a counterclaim alleging that Microsoft had made groundless threats to sue a dormant company based on trade mark infringements and that the defendants had suffered damages, and made an application for summary judgment on their counterclaim.

Mr Justice Rimer dismissed the application for summary judgment and sent the matter for full trial. As the evidence showing whether the defendants had traded as Phase 4 or not during the relevant period was largely in the hands of the defendants, this could only be determined during the disclosure and cross-examination stages.

The decision is interesting as Dr Nami was sued solely on the basis of his directorship of P4 Com Ltd, rather than his relationship with Phase 4. The defendants appeared to try to exploit Microsoft's omission in taking action against Dr Nami on a personal basis, without success.

Patents

Liability for infringing a patent that never existed

The recent case *Unilin Beheer v Berry Floor NV, Information Management Consultancy Limited (t/a Responsive Designs and/or Tapis UK) and B&Q plc* [2007] EWCA Civ 364 explores the crossover of issues between national courts and the European Patent Office ("EPO") in relation to granted national patents which are subject to a validity challenge before the EPO. Unilin sued Berry Floor and B&Q for infringement under their EP(UK) patent and Berry Floor filed an opposition against the European patent. In the UK proceedings, the patent was held valid and infringed. In the EPO, the opposition proceedings are still ongoing.

At the heart of this matter before the Court of Appeal, was the question of whether the defendant was liable to pay damages for a patent held to be valid and infringed by a UK court, if the patent was subsequently found to be invalid *ab initio* by the EPO. The Court accepted that any injunction based on the finding of validity in the UK would fall away if the patent was later found invalid.

Whether the leading authority was the EPO or the UK Court was not a helpful way of viewing the problem, and the Court accepted that some might say it would be an injustice for a man to have to pay for doing what, with hindsight, was known to have been lawful. Conversely, the Court also noted that a person paying royalties for an invalid patent would not get their money back and a person refraining from some commercial activity could not be compensated if he later found out it was lawful to undertake such activity. Rather, the Court took into account the importance of public policy of providing certainty for business and in court decisions.

The Court accepted that several issues would arise if the patent was revoked before the EPO but also stated that there is nothing in the Patents Act 1997 which suggests that rules as to estoppel (which form part of our procedural law) are displaced by a revocation in an opposition. The Court highlighted several points in relation to this matter:

- English law viewed the judgment of a court not as a course of action but as a piece of ‘property’ in itself – a right to claim damages;
- the EPC said nothing about taking national courts’ autonomy with regard to procedure – and thus the property right of the judgment;
- that the law of estoppel was of “fundamental importance” to English law and there was nothing in the 1977 Patents Act to suggest that final and binding decisions of UK courts were to be regarded as anything more than provisional;
- that parties had one opportunity to put their best case in proceedings and no more than that.

Whilst it appears unjust that there is potential for a defendant to be liable for infringing a patent that is later revoked, this case results from the slow and unpredictable nature of EPO post-grant opposition proceedings. As the Court noted, the legal relationship between the national court and EPO proceedings is a necessary but inadequate compromise. Tribunals should attempt to make decisions that do not conflict with one another, and speeding up granting procedures would give business the clarity and certainty it required. The case has become another example in support of the creation of a single European patent litigation tribunal.

Trade Marks & Domain Names

Celltech: What’s in a name?

Celltech had filed an application with the Office of Harmonization for the Internal Market (“OHIM”) for registration of the word mark “Celltech” (combination of two terms ‘cell’ and ‘technology’) as a Community Trade Mark for goods and services in classes 5,10 and 42: ‘pharmaceutical, veterinary and sanitary preparations, compounds and

substances’, ‘surgical, medical, dental and veterinary apparatus and instruments’ and ‘R&D services, consultancy services’.

The OHIM examiner rejected the application for registration based on Article 7(1)(b) & (c) of Regulation No 40/94 stating that the mark could not serve as an indicator of origin for the goods and services in respect of which registration was sought, because the terms “cell” and “tech” were descriptive within the field of cell technology. The first appeal by Celltech to the OHIM second Board of Appeal was rejected on the ground that the mark lacked inherent distinctiveness. However, Celltech succeeded in its second appeal to the Court of First Instance (“CFI”). The CFI accepted the contention of Celltech that both the examiner and the Second Board of Appeal failed to show how the mark was descriptive of those goods and services within the meaning of Article 7(1)(b), more particularly as to how the mark gives any information about the intended purpose and nature of the goods and services, and the way in which these goods and services would be applied to cell technology, or how they would result from it.

OHIM appealed to the European Court of Justice (“ECJ”) against the decision of the CFI on a number of grounds, primarily arguing that the CFI wrongly required it to demonstrate the lack of inherent distinctiveness in the mark. The ECJ rejected OHIM’s appeal holding that it is primarily the duty of OHIM to establish that the average consumer would take the term ‘celltech’ as definite and directly descriptive of goods and services. Moreover, there is no presumption that a term which is a combination of two descriptive terms will also lack distinctiveness for the purposes of Article 7(1)(c). Before being rejected as a trade mark, the global assessment of the sign as a whole must be taken into consideration.

The judgement is in line with the other ECJ judgments that require a global assessment of the marks before they can be accepted or rejected as trade marks. As in the present case, it is true that certain terms may describe an upcoming technology and that they should not be monopolised; but at the same time, just because a term can be descriptive of a technology should not in itself be sufficient for its rejection as a trade mark. It must be shown that the relevant public would make a definite and direct association between the goods and services, and the meaning of the mark before it can be rejected for being descriptive.

ECJ enjoys drinking “Champagnebier”

De Landsheer Emmanuel SA (“De Landsheer”) was producing beer with a sparkling wine method under the trade mark “Malheur”. In its marketing materials, De Landsheer used the signs: BRUT, RÉSERVE, BRUT RÉSERVE, LA PREMIÈRE BRUT AU MONDE (the first BRUT beer in the world), BIÈRE BLONDE À LA MÉTHODE TRADITIONNELLE (traditionally-brewed light beer), and

REIMS-FRANCE, as well as references to the wine-growers of Reims and Épernay. It also used the expression *CHAMPAGNEBIER* to demonstrate that its beer was made using the same methods as are used for making sparkling wine. Subsequently, Comité Interprofessionnel du Vin de Champagne (“CIVC”) and Veuve Clicquot Ponsardin SA (“Veuve Clicquot”), both organisations representing French Champagne producers, brought an action against De Landtsheer before the Commercial Court of Nivelles, Belgium, to prohibit De Landtsheer from using the phrase *CHAMPAGNEBIER* and other phrases on its products on the grounds of misleading and illicit comparative advertising. The tribunal granted an injunction against some terms, but not against BRUT, RÉSERVE and BRUT RÉSERVE.

As a result, De Landtsheer ceased to use *CHAMPAGNEBIER*, but appealed against the judgment in relation to all other elements of the case. At the same time, CIVC and Veuve Clicquot also brought a cross-appeal against the use of the signs BRUT, RÉSERVE, BRUT RÉSERVE, and LA PREMIÈBIÈRE BRUT AU MONDE on the products. At this stage, the Court of Appeal in Brussels decided to stay proceedings and approached ECJ for an interpretation of Directive 84/450 concerning misleading and comparative advertising, on the questions regarding the definition of “comparative advertising” and “competitor”, and the validity of comparative advertising on products protected by a geographical indication.

The ECJ concluded that:

- Comparative advertising can include a reference to a type of product and not to a specific undertaking or product. It is also possible to identify the undertaking or the goods that it offers as being referred by the advertisement. It is not relevant whether the competitors or the goods or services that they offer may be identified by the advertisement;
- The competitive relationship between the advertiser and the undertaking identified in the advertisement cannot be established independently of the goods or services offered by the undertaking and can be determined by many factors such as the current state of the market, consumer habits, the place where the advertising is disseminated and the characteristics of the product;
- The Directive is applicable to advertising which refers to a type of product without identifying a competitor or the goods which it offers. But in such cases, whether the advertisement is permissible or not, depends on the other provisions of national law or, where appropriate, of Community law, irrespective of the fact that that could mean a lower level of protection for consumers or competing undertakings.
- Article 3a(1)(f) of the Directive must be interpreted as meaning that, for products without a designation of origin,

any comparison which relates to products with a designation of origin cannot be prohibited.

It appears that the ECJ views comparative advertising as another means to market trade marked products competitively across the market. Therefore, although geographical identifications can protect a symbol of culture and origination in particular areas, it is inappropriate to rely on claims for misleading comparative advertising based on the use of geographical identifications as a means of restricting fair trade.

Entertainment

High Court clears gamble over Gambling Commission’s Implied Powers

In *Leicester Gaming Club Limited v The Gambling Commission* [2007] EWHC 531 (Admin), Leicester Gaming Club Limited (“Leicester”) applied for and was granted a certificate of consent by the Gambling Commission. However, due to an error made by the Gambling Commission’s solicitor, the application for a casino licence was not made by the stipulated date. Leicester’s request to the Commission, to extend the time, was rejected, hence this application. At the hearing, Leicester contended that because the law gives the Commission broad discretion to determine the time within which the licence application was to be made, the Commission had implied powers to extend the time for the making of the application, provided that a good reason was given. The Commission, however, maintained that it did not have such powers. It argued that it could only exercise such powers to correct an internal error.

The Court, applying the decision of the House of Lords in *A-G The Great Eastern Railway Company* (1880) 5 App Cas 473, held that the test to be used in determining whether the alleged implied power existed was by deciding whether the alleged implied power was properly and reasonably incidental to the relevant express power. The Court agreed with Leicester that the broad discretion granted by the law to the Commission to specify the time within which a licence application should be made, was consistent with an implied power to change that time. The Court further ruled that there was no reason for Parliament to deny the Commission power to alter the timescale, in circumstances it considers appropriate, and that this matter was one which was appropriate. The implied power to extend the time limit was properly and reasonably to be regarded as incidental to an express power to fix such a time limit.

The Court applied the rule of statutory interpretation in deciding that implying the power of the Commission to extend the time would be consistent with reasonableness and fairness whereas absence of the implied power would promote rigidity and could result in unwanted consequences.

This case is a good recent authority for determining the issue of implied powers granted by law. It is also a good authority for the application of the rule that statutory interpretation should be such as to avoid administrative rigidities and should, where appropriate, be flexible.

Privacy

Public recognition of the right to a private life: two effective implementations of the European Convention of Human Rights

Copland v UK [2007] ECHR 253, 3 April 2007 concerns a case of a university college employee (Copland) who worked as personal assistant to the college principal and alongside the deputy principal. For several months prior to November 1999, on the instruction of the deputy principal, Copland's telephone usage was monitored and records kept of her use of the internet including emails. At that time, no policy was in place at the college in relation to use of the telephones, email or the internet by college employees. Moreover, the Telecommunications (Lawful Business Practice) Regulations 2000, which now govern such acts, did not come into force until after this time, on 24 October 2000.

The Government, directly responsible for the actions of the College under the European Convention of Human Rights (the "ECHR"), said that the information was automatically generated and only being used to ensure that there was no abuse by the staff of the college's resources.

The Court nevertheless held that telephone calls from business premises are prima facie covered by the terms 'private life' and 'correspondence' for the purposes of Article 8 of ECHR (which provides for the protection of private life), and ruled that the same should apply to internet usage. Furthermore, the information gathered was an integral part of such correspondence whilst no warning had been given to the employee that this information was being stored. The Government maintained that the interference was permissible under Article 8(2) of the ECHR but the Court rejected such defence because it found that no measure of domestic legal protection was available at that time for such interferences by public authorities, as the Telecommunications Regulations were not in force in November 1999.

There are also signs that the protection of private life is approaching a consistent standard, under the doctrine of 'breach of confidence'. In March 2007, the House of Lords rejected the application for permission to appeal against the ruling of the Court of Appeal in *Ash v McKennitt* [2006] EWCA Civ 1714.

The issue concerned a book that the appellant wrote about Ms McKennitt (a celebrated folk singer), providing details of her

private life, including a full account of the bereavement that the folk singer had experienced after the death of her fiancé. The decision of the Court of Appeal considered first whether the information was provided via a confidential relationship and found that indeed it was. This was also apparent from the evidence that showed Ms Ash 'was well aware that some material was imparted to her in the context of close friendship and [she was] nevertheless prepared to reveal it in order to attract readers'. Given the private character of such information, the information was in principle protected under Article 8 of the ECHR and the Court had to operate a balancing exercise to determine whether this outweighed Ms Ash's right to freedom of expression under Article 10 of the ECHR. The Court of Appeal upheld the decision that it did not. Ms McKennitt not being a public figure in whom there was legitimate public interest to justify exposure of her private life.

The decision by the House of Lords to refuse Ms Ash's further appeal, and therefore to uphold the decision by the Court of Appeal, fits into the wider international scenario and the recent judgments of the European Court of Human Rights, and provides further guidance for the English courts when hearing future disputes concerning the external intrusions, especially by the media, into the private lives of individuals.

Commercial information, the press and privacy: Lord Browne of Madingley

The CEO of BP, sought to restrain the defendant from publishing, in the Mail on Sunday, any details of the relationship between the claimant and his former partner, Mr. Jeff Chevalier (JC) and any confidential or private information that JC had obtained in the course of that relationship on the grounds that they were matters in respect of which the claimant had a 'reasonable expectation of privacy' and/or because they were communicated to the press in breach of a duty of confidence arising from an intimate personal relationship. In January 2007, the High Court granted his petition by ordering a wide-ranging injunction. In the substantive hearing, Eady J. maintained the injunction in part but refused to restrain publication of information pertaining to the claimant's alleged misuse of company's resources, the claimant's alleged breach of confidentiality by leaking confidential BP issues and documents to JC and lastly, the mere fact of the relationship between the two. This part of the decision was upheld by the Court of Appeal. Eady J. also included in his judgment details of a lie told by the claimant in the early part of the proceedings, about the circumstances in which he met JC. The Court criticised the judgment on this point, but declined to grant an injunction restraining the defendant from publishing such details.

The case highlights the ongoing tension between the right to privacy of the claimant under Article 8 and the right of freedom of expression of the defendant under Article 10 of the European

Convention on Human Rights (ECHR). To gauge this tension the Court of Appeal first discussed the question as to whether the claimant had a reasonable expectation of privacy in the specific information which he wanted to protect. The claimant contended that his privacy expectations arose from his relationship with JC. The Court, after taking into account the cases that did and did not involve pre-existing relationships of confidence, held that the mere fact that the information was imparted in the course of a relationship of confidence did not satisfy the test of 'expectation of privacy' as set out in *Campbell v MGN*[2004] 2 AC 457. Next, the Court opined on Article 10. It reiterated the balancing test that the newspapers' right to publish information must be balanced against any reasonable expectation of privacy as incorporated in Article 8.

Upon analysis of the facts, the Court upheld Eady J.'s decision that the claimant could have no reasonable expectation of privacy with regard to information pertaining to claimant's alleged misuse of company's resources and the leakage of confidential BP information. The Court opined that it was important to ask the question as to whether the law would protect as private, information that a senior executive had allegedly misused company resources for his partner's benefit. Also, the Court agreed with Eady J. in upholding that even if the claimant had established a reasonable expectation of privacy, the need to balance the competing interests enshrined in Article 8 and 10 respectively favoured the disclosure of such information, as BP shareholders' interests prevailed over that of the claimant. Moreover, the latter could not have overcome the requirement in Article 12(3) of the Human Rights Act, 1998 (HRA) and shown that he was likely to establish at a trial that such publication should be disallowed.

In case of information regarding the mere fact of the relationship, the Court held that the defendant could disclose it as it provided the context to base all other information.

Lastly, with regard to the issue of the lie, the Court of Appeal opined that Eady J had erred in refusing to exclude the details of the lie from his judgment as it was not in accordance with the principles set out in *Cream Holdings v Bannerjee* [2005] 1 AC 263, where it was held that a court should not publish such information as it would pre-empt any publication by the defendant and would or might pre-empt any remedy in damages which a claimant might have if the information were published by the defendant.

The English law is devoid of a tort of invasion of privacy. It could perhaps be said that the instant case, which follows a long line of cases involving similar issues, is another attempt by the courts to develop a sui generis protection of privacy, separate from the tort of breach of confidence, by importing values, enshrined in Articles 8 and 10 of the ECHR into extant laws like the HRA and mould them accordingly.

Boehringer Ingelheim Ltd v Vetplus Ltd (unrep)

Boehringer Ingelheim succeeded in obtaining an *ex parte* interim injunction to prevent the publication by Vetplus of scientific results relating to a Boehringer product.

The test results (which had been provided to VetPlus in confidence) were to due to be published in a press release. Boehringer argued that release of the results could have denigrated its product and provided scientific studies carried out by itself and third parties to demonstrate that the tests in question were not reliable.

Patten J, applied *Cream Holdings Ltd and others v Banerjee* [2004] 4 All ER 617 and held that the claimants were "more likely than not" to succeed at trial and considered it appropriate in the circumstances to prevent publication pending trial. This was not a case in which irreversible harm would be caused, and illustrates the different tests applicable to obtaining interim injunctions in different circumstances.

E-commerce

The new Rome II Regulation and its implications for e-commerce

The European institutions are currently discussing the draft Regulation on the Law Applicable to Non-contractual Obligations (Rome II) which attempts to harmonise the relevant rules on the law applicable to non-contractual liability, including tort. Rome II allows the parties to choose the law applicable to non-contractual liability by agreement.

Rome II provides as a general rule that the applicable law should be the law of the place where the damage occurred and not the law of the place where the event giving rise to the damage occurred. However if both parties have their habitual residence in the same jurisdiction, the law of that jurisdiction should apply. Then if the situation has a closer connection with the law of another country that law should apply. This would, for example, apply if the non-contractual obligation is closely linked to a contractual obligation and there is an expectation that the contractual and non-contractual obligations would be governed by the governing law of the contract.

The general rule that the applicable law should be the law of the place where the damage occurred may be in conflict with country of origin regulation in the E-commerce Directive 2000/31/EC. This provides that, as a matter of principle, a provider of e-commerce services (or, more precisely information society services) only has to comply with the laws applicable at its place of origin. By contrast, damage arising out of an e-commerce activity is likely to occur in the jurisdiction of the recipient's residence (country of destination). Therefore, the provision on applicable law in Rome II would in many instances result in an applicable law other than that of the country of establishment of the e-commerce provider.

In other words, the effect of Rome II is that e-commerce providers still have to comply with the standards of tort law applicable in the countries in which they are providing services. This prospect has sent shockwaves to the business community.

On the other hand, Rome II provides expressly that Community law, such as the provision of a country of origin rule under the E-commerce Directive, shall not be prejudiced. This can be read as meaning that the harmonised rules on the law applicable to torts would not apply to e-commerce as governed by the ECommerce Directive and implementing legislation. Instead, as e-commerce providers would hope, the country of origin would govern their tort liability exclusively.

However the wording of the Draft Regulation is opaque and the meaning of the provision is far from clear. An alternative reading of this provision in Rome II is that the country of origin rule only applies to public enforcement as opposed to private enforcement action. Read in this way, in the case of enforcement by public authorities, the country of origin rule will apply. This would bar a public authority from applying for an injunction against a foreign service provider established in another Member State in connection with incoming information society services. On the other hand, in an action by a private party for a civil remedy, the harmonised rules on applicable law in Rome II and in particular the general rule on the place of the damage would determine the applicable tort law. Rome II does not provide a clear answer to the conflict of whether the country of origin rule applies to private disputes.

Arguably, the Draft Regulations do not clarify at all whether the country of origin rule overrides private international law. It only states the reverse, i.e. that Rome II is not intended to override the country of origin rule established in the E-commerce Directive (and other Directives). Thus it leaves open the question about the scope of the country of origin rule in the E-commerce Directive.

One specific bone of contention relevant to e-commerce which is still disputed between the European Parliament and the Council is the issue of personality rights (privacy and defamation). The relevance of this is that the law and remedies concerning defamation and the protection of personality rights differ significantly between EU Member States. This area of law is difficult to harmonise and may constitute a barrier to the Internal Market for e-commerce.

The European Parliament at its Second Reading insisted on including special provisions concerning privacy and defamation rights, which had been deleted by the Council. The proposal of the European Parliament is that the applicable law is that of the country to which a publication or broadcast is principally directed, taking into account the language and size of the audience. Hence it can be said that the Parliament favours a targeted approach. For e-commerce this targeted

practice may be impossible to determine: the language may be ambiguous, certainly if the information (on a website, for example) is in English and the location of the people accessing the website may be difficult to determine and/or quantify. However, if the targeted jurisdiction cannot be determined, Parliament proposes that the applicable law is the law of the country where editorial control is exercised. This latter criterion may prove unsuitable for user-generated-content (such as blogs or video hosting websites), but where editorial control is exercised by a provider, the Parliament's proposal is more favourable to e-commerce providers than the general rule, as the place where editorial control is exercised will frequently be the place of establishment of the e-commerce provider under the country of origin principle.

News

UK Intellectual Property Office Reviews 2006

UK IPO (formerly UK Patent office) has published its review of 2006 online. The review is divided into four parts and focuses on the new initiatives undertaken in 2006, the expectations of stakeholders, the best practices to be followed by the office in delivering services, and enforcement initiatives undertaken by IPO for the benefit of the right holders.

European Commission plans after European Patent Litigation Agreement

After serious doubts were expressed on the success of the European Patent Litigation Agreement ("EPLA"), the European Commission has put forward another proposal before the European Parliament that contemplates having chambers in each member state to conduct patent litigation, from where appeals will go to an appellate court under the auspices of European Court of Justice. This system is proposed to co-exist with the national courts.

Enforcement Directive: approval for tougher sanctions against counterfeiters

Members of the European Parliament have voted in favour of tougher sentences against commercial counterfeiters. Offences could even lead to criminal sanctions in certain circumstances. The harmonisation of this aspect seeks to raise the profile of the fight against 'organised crime'. The issue will now be discussed by ministers of the Member States.

Legislation

Trading Standard Officers to act against piracy and counterfeiting goods

The Criminal Justice and Public Order Act 1994 (Commencement No. 14) Order 2007 (SI 2007 No. 621) prescribes that Trading Standards Officers of local weights and

measures authorities have now also been granted the powers within sections 107 and 198 of the CDPA in relation to piracy and counterfeiting material. These measures came into force on 6 April 2007.

Copyright in works of the National Assembly for Wales

The Parliamentary Copyright (National Assembly for Wales) Order 2007 modifies the provisions of section 165 of the CDPA so that the National Assembly for Wales Commission is now the first owner of any copyright in works made by or under the direction or control of the National Assembly for Wales. The Order comes into force immediately after the ordinary election under section 3 of the Government of Wales Act 1998 held in 2007.

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