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Copyright

1. INTERNATIONAL STANDARDS FOR THE PROTECTION OF BROADCASTERS' RIGHTS TO BE UPDATED

World Intellectual Property Organisation (WIPO) reported on 10 June 2004 that WIPO Member States have made significant progress towards the adoption of a new international treaty on the protection of broadcasting organisations.

The intellectual property rights of broadcasters, which are currently protected by the 1961 Rome Convention on the Protection of Performers, Producers of Phonograms and Broadcasting Organisations, are increasingly facing problems of piracy. As a consequence, the Standing Committee on Copyright and Related Rights (SCCR) started work on a new instrument for their protection in 1997. At the eleventh session of the SCCR which took place in Geneva from 7 to 9 June 2004, WIPO proposed a consolidated text for a new WIPO Treaty on the Protection of Broadcasting Organisations, which is made up of 31 articles. WIPO Member States further recommended that the WIPO General Assembly consider convening a diplomatic conference on the protection of broadcasting organisations, which would be the final step in the process of developing the new international treaty that would update the rights of broadcasting organisations.

Despite the recent progress of the SCCR, many issues still remain to be addressed. Amongst those are the differences of opinions between Member States as to the scope of the rights to be granted to broadcasters, some delegations considering that protection should be limited to rights necessary to fight piracy. Other issues include the term of protection and the beneficiaries of the new rights. Indeed, while some Member States think that only traditional broadcasters should be protected, others consider that protection should also be extended to cablecasters and webcasters.

Even though most WIPO Member States seemed to favour a new international treaty for the protection of broadcasters' rights, the project encountered criticism from consumer rights organisations, saying that the future treaty would endanger the public interest by allowing broadcasters to control the public's use of broadcast audio and video performances. It was argued, amongst other things, that the draft text's intention to afford copyright protection over broadcast signals for 50 years was far exceeding the economic lifespan of a broadcast and the time necessary for a broadcasting corporation to recoup its investment in the programming.

Indeed, according to Robin Gross, the executive director of IP Justice, a civil liberties organisation that seeks to promote balanced intellectual property rights, the treaty is "a 'back-door' attempt to extend copyright protections indefinitely, by permitting companies to broadcast public domain material and then control the public's use of the underlying public domain programming".

2. BRITISH HORSERACING BOARD V WILLIAM HILL

The Advocate General (the “A-G”) was of the view that the term database should be interpreted widely and would, in certain circumstances, allow the owner to prevent use of the data contained in it. The case at issue involves the British Horseracing Board (BHB), who have database recording information on fixtures, horses, trainers, owners and jockeys, which bookmakers and newspapers pay for access. When William Hill offered an internet betting service using the information contained in the database, the BHB claimed it fell foul of Directive 96/9/EC of the European Parliament on the legal protection of databases (the “Database Directive”). William Hill obtained its information from information services for subscribers and various newspapers which obtain their information from the BHB’s database. It is important to note that the BHB does not give permission to sublicense any of the information given to William Hill by these sources which has been obtained from its database.

The High Court held that William Hill was infringing the BHB’s database right by extracting or reutilising a substantial part of the database. William Hill appealed, arguing that the High Court had construed the database right too widely. It said that the right protected the form rather than the content of the database. The Court of Appeal referred the case to the ECJ for its interpretation of the legislation.

The A-G’s opinion broadly followed the approach taken at first instance and gave a wider interpretation to the right. It clarified what constitutes a qualifying database and what act amounts to infringement. Data copied to another medium and made available to the public is contrary to the Database Directive, depending on whether the data is a substantial part of the database or, if an insubstantial part, is utilised repeatedly.

The A-G did specify that the database right is there to protect the database itself and its contents rather than the information itself, and provides protection in the investment found in creating the database. The investment required a ‘substantial investment’ in qualitative and quantitative terms in the creation of the database. It would be for the national court to determine whether the creation of the database involved a substantial investment. In this case the court would need to take into consideration the matters involved in obtaining the fixtures list.

The A-G went further in the examination of ‘investment’ and stated that it would only be investment in obtaining, verifying (including ensuring the database is up to date) and presenting the contents of the database which would be afforded protection.

The implications of the A-G’s opinion is that once the owner of a database can establish that it is protected by the Database Directive, they will have the right to prevent the rearrangement of the content of the database, as well as the extraction/reutilisation of insubstantial parts of the contents of the database if carried out at regular intervals and subsequently prevent the owner from economically exploiting its contents or suffer damage in its economic interest. The A-G went on to add that the extraction of the data does not have to be taken directly

from the database and can still be an infringement even if taken from another source. More importantly, an extraction from the database will be prohibited as regarding the contents of which there has been a substantial change and therefore is the result of a substantial new investment and hence, a new database right.

3. DATABASE RIGHT – PROTECTING INFORMATION OR EFFORT?

The Opinions on the Database Directive 96/9/EC, dated 8 June, are given in *British Horseracing Board v William Hill* C-203/02, *Fixtures Marketing v Svenska* C-338/02, *Fixtures Marketing v CPAP* C-444/02, *Fixtures Marketing v Oy Veikkaus* C-46/02.

The Directive aims to protect the “misappropriation” of investment made in creating the database (recital 39) but nonetheless states that the right “should not give rise to the creation of a new right in the works, data or materials themselves” (recital 46).

The Opinions make clear that a right can be owned in a database even if it is merely the by-product of the owner’s other activities, whether measured qualitatively or quantitatively. That is, there is no need for a connection between the nature of the activity that led to the creation of the database and the infringer’s use of that database in his own economic interests. It is sufficient that the infringer is taking the collection of data for his own use.

It is sufficient for infringement by ‘extraction’ (Article 7(2)(a)) that only a small quantity of data is taken if the data taken represents a substantial technical or commercial investment. For infringement by ‘re-utilisation’ (Article 7(2)(b)) the data does not even have to be presented to the public in the form of the database, the justification presumably being that such data could only have been so easily searched or collected for use because it was in the form of the database.

Given that the owner’s investment was not aimed at the infringer’s type of use, it seems that it is not the investment that is protected but the data itself, a broader type of protection. For example, say there is a list of addresses of professional firms on an association’s website, designed to give the public contacts for professional advice. The names of individuals will not be necessary for the initial contact by the public and will not be included in that list. However, a person wishing to advertise to an individual at each firm might establish a basic list from the association’s list and then investigate the individuals’ names elsewhere for that personal contact. The data is being put to use in a different way from that envisaged by the association and the consequent construction of the database, nonetheless the right in the database is infringed.

This broader protection is limited where insubstantial parts of the database are extracted or re-utilised repeatedly when these acts conflict with the ‘normal exploitation’ of the right or ‘unreasonably prejudice’ the economic interests of the owner (Article 7(5)). The Opinions make clear that the former relates only to exploitation of the database itself, not the individual data. The latter relates to economic interests of the owner and

is subject to a threshold requirement.

This narrower protection appears closer to a concept of misappropriation of the owner's investment than the broader protection given to substantial use of the database.

The broad protection for databases was introduced partly in order to prevent market distortions as a result of differing levels of protection found across the EU (recital 11). However, in introducing the new independent protection for databases, the Directive has significantly increased the possible protection for data itself, even if the same data can be obtained from elsewhere. For a right owner this is good news especially in areas such as sports (use in betting) and address lists (use in marketing). However, the right itself is unlikely to increase the number of databases created and will make it more difficult, and expensive, for many other types of day-to-day business activities to continue without constant reference to where the data itself originated.

4. ELECTROLUX SETTLES VACUUM CLEANER LAWSUIT

Electrolux reported on 19 May that it had reached a settlement agreement in the vacuum cleaner trade secrets case with John North, a British inventor. Under the agreement, Electrolux will pay Mr North £17 million (\$30 million) and Mr North has agreed to drop all claims, including future claims, in the matter.

Mr North, an engineer from Norwich in England, had claimed that he had invented an upright, bagless vacuum cleaner and had signed a confidentiality agreement under which he disclosed his design, which had taken him 10 years to complete, to Electrolux.

He claimed the company showed no interest at the time. However, a few months later he saw a similar machine in an electrical store. He said he took the machine apart and looked at the workings. He then accused Electrolux of copying his invention without permission.

The trial ran for over three weeks in El Paso, Texas, before the two parties reached a settlement agreement. The jury heard that the new vacuum cleaner sold nearly three million units, amassing profits of more than £58 million.

Mr North's claimed design allowed the vacuum cleaner to exert greater downward force on a surface than previous devices had been able to achieve. Electrolux maintain that there is no merit to the charges despite reaching the settlement.

5. BTG ASSERTS PATENT RIGHTS OVER TECHNOLOGIES AND IS NOW SEEKING ROYALTIES

On 14 June, The Daily Telegraph reported that British Technology Group (BTG) (whose main role is to represent inventors and patent owners who want to protect and enforce their patents) was asserting its patent rights over Teleshuttle Corporation technologies and is seeking both down payments and future royalties from a "number of companies"

that it claims have already produced products that infringe its patents.

In 1998 BTG became the exclusive licensee for a patented technology from inventor Richard Reisman, founder of Teleshuttle Corporation. BTG has not yet divulged details of the patents in question. However, the technology in question relates to Internet information delivery and covers various ways of downloading software updates over the Web, including virus fixes and product enhancements. BTG has declined to say which firms could be affected by its claims although Microsoft is reportedly included.

When BTG became the exclusive licensee, Teleshuttle's technologies were already being used by Blockbuster to automatically download monthly updates for the rental chain's "Guide to Movies & Videos". Unsurprisingly people question why BTG waited until now to enforce it. Some view that the company is trying to extract money from companies trying to make products and computers more secure. Indeed, BTG may be trying to make up for losses after one of its most promising technologies, its Varisolve varicose vein treatment, was not approved by the US drug regulator.

The privatised BTG is in the business of turning inventors' ideas into commercial products, which originally formed in 1981 as a result of the merging of the two statutory corporations, the National Research Development Corporation and the National Enterprise Board. BTG has a history of taking on bigger organisations and winning. In 1989 the company won an out-of-court settlement of £6 million from the Pentagon on a patent relating to the cushion of air used by a hovercraft.

It remains to be seen what will be the outcome of this issue.

Trade Marks

6. EC ACCESSES INTERNATIONAL TRADEMARK TREATY

On June 21, the EC submitted its instrument of accession to the Madrid Protocol for the international registration of trade marks. This is the first time that the EC as such has accessed a WIPO Treaty.

From an operational point of view, the accession will enter into force on 1 October. This will enable access to the Community Trademark System that includes all the EC Members and is administered by the Office of Harmonization in the Internal Market (OHIM) via the Madrid Protocol System that constitutes more than sixty countries worldwide, among them, countries that constitute key international markets such as Japan, US, Russia, China and Switzerland. The EC accession will facilitate and simplify the registration of trade marks worldwide. Thus, applicants and holders of the Community Trademark will be able to apply for the validation of their trade mark through the Madrid Protocol System by filling an international application, and conversely, trade mark holders granted through the Madrid Protocol will have the opportunity to acquire protection of their trade marks under the EC regional system.

The accession of the EC to the Madrid Protocol and its interoperability with the Community Trademark constitutes a step forward for the

worldwide business community that will lower bureaucracy expenses and facilitate the validation of trade mark rights in the different jurisdictions.

7. PRIVY COUNCIL: ENTRY IN TM REGISTER IS NOT CONCLUSIVE EVIDENCE OF VALIDITY OF REGISTRATION

On 14 June 2004, Privy Council delivered its judgment in *Cigarrera Bigott, SUCS v Phillip Morris Products Inc.* [2004] UKPC 28

The appeal concerned a dispute over the right to proprietorship of the word BELMONT as a registered mark for tobacco products in class 45, which arose between Appellants Cigerra Bigott SUCS (Bigott) and Philip Morris Products Inc (PM Products). Earlier the Registrar had refused the amended application of Philip Morris Inc. (PM Inc.) an associated company of PM Products for BELMONT mark and advised the company to get its rights determined by the Court. However, PM Inc. did not take any further action till 31 December 1987, on which date due to internal reorganisation within the PM Group, PM Inc. assigned various assets to PM Products, including the unregistered marks and the applications for registration of BELMONT.

On the same date, PM Products made an application to the registrar to be substituted as an assignee to the application for BELMONT mark. Since the Trinidad and Tobago Trade Mark Act (Act) does not have any provisions for such substitution pending application for registration of a mark, the Attorneys of PM product, M/s. Pollonais & Blanc, adapted the form of request (TM-No 13) prescribed by Rule 62 (an application by an assignee of a registered trade mark) to make a request for assignment of application. However, the adaptation made by the Attorneys of PM Products was marred with some irregularities making it unclear whether the application was for the assignment of a registered trade mark or for assignment of the application pending registration of the mark. Under this confusion, the staff of Registrar office made an entry on 30 March 1988 stating that "PM Products have this day been entered as proprietors of the TM by virtue of a deed of assignment dated 31 December between PM Inc. and PM Products". The next entry was made in the register as "April 12. Certificate issued", while another one on 20 April 1990 stated that Certificate of Assignment had been issued by the registrar.

When Bigott made an application for registration of the BELMONT mark, they were given clearance to advertise their application, which was done on 22 October 1993.

However, when the application was advertised, attorneys of PM Products wrote back to the registrar seeking clarification on the status of their application in respect of the mark without opposing the application of Bigott within the statutory period. Thus rival proceedings ensued before the deputy registrar in which each party asserted their rights on the mark: Bigott on the ground that PM Products were out of time to oppose their application; while PM products intended to keep their 1978 application for seeking priority of application to obtain registration apart from opposing the application of Bigott. The deputy registrar ruled against PM Products. This decision was later challenged on the ground

that entries on the register states that PM Products is the registered proprietor of the mark and no contrary evidence had been produced by Bigott, as required by s 55 of the Act. The Judge accepted this argument which was affirmed by the Court of Appeal.

But on appeal, the Privy Council overturned the decision of the Court of Appeal holding in favour of Bigott. It held that the true construction of the register does not reflect that there has been a valid registration of the mark in the name of PM Products. The absence of an entry of the actual registration of the mark makes it necessary to resort to all admissible evidence to discover what the registration actually means. The entry refers to the deed of assignment and the request for registration only. Hence in the light of these facts it is clear that the entry is concerned only with an assignment of the application and not with an assignment of a registered mark. Thus, it neither raises a *prima facie* presumption of validity of registration in favour of PM Products, nor requires Bigot to produce any contrary evidence.

Their Lordships further held that assuming that the register can be construed as a valid registration of PM Products as proprietor of the mark, the contrary evidence was overwhelming, and in the absence of statutory steps, the registrar would have had no jurisdiction to register PM Products as proprietor of the mark. Such an entry in the register cannot be treated as evidencing proprietorship and conclusive of the point.

Thus from Privy Council's decision in this case, following points arise:

- the entry as proprietor of trade mark in the trade mark register is a *prima facie* evidence of validity of the registration, but it is not conclusive
- before the opposing party has to discharge its onus to challenge the validity of registration, one must resort to all admissible evidence to ascertain whether there is a valid registration of the mark evidencing the proprietorship and subsequent assignments
- the registration as proprietor of a trade mark is *prima facie* evidence of the validity of the registration, only once the statutory steps are followed and an entry has been made to such an effect.

8. PICASSO ESTATE FAILS TO PREVENT REGISTRATION OF PICARO AS A COMMUNITY TRADE MARK

On 22 June 2004, the Court of First Instance (CFI) delivered its judgment in Case T-185/02 Succession Picasso v OHIM - DaimlerChrysler (PICARO).

Daimler Chrysler applied to register PICARO as a Community Trade Mark for vehicles and vehicle parts. The Picasso estate opposed the application based on its earlier PICASSO trade mark for vehicles. The Opposition Division and the Board of Appeal refused the opposition. The Picasso estate appealed to the CFI.

The CFI first found that there had been no breach by the Board of Appeal of Article 74 of Regulation 40/94, which limits OHIM to

examining the facts, evidence and arguments submitted by the parties to the case. The restriction on factual examination does not preclude the Board of Appeal from taking well-known facts from generally accessible sources into account. Moreover, the restriction must be interpreted strictly so as not to exceed what is necessary for its object because it is an exception to the general principle of examination. The purpose of Article 74 is to relieve OHIM of the task of investigating facts during inter partes proceedings. However, this object is not compromised by OHIM taking well-known facts into account. In this case, the Board had not exceeded its powers under Article 74. It had made presumptions about the level of attention of the average consumer of vehicles but this was part of its reasoning necessary for the assessment of likelihood of confusion. As for the Board's having taken into account the fact that PICASSO will be recognised by the public as a famous Spanish painter, the Picasso estate had conceded this so the Board could not be criticised for having taken it into account.

Regarding the appeal on the assessment of likelihood of confusion under Article 8(1)(b), it was agreed that the parties goods were partially identical and partially similar. Therefore, it had to be examined whether the degree of similarity between the signs was great enough for there to be a likelihood of confusion between the marks. Contrary to the Picasso estate's argument, the composition of the relevant public had to be taken into account during the assessment of similarity of the parties' signs. It could not be delayed until the global assessment of confusion stage because assessing the similarity of signs is part of the global appreciation of confusion.

The two signs were visually and phonetically similar since they both consisted of three syllables and had their vowels in the same position. Also, it was particularly important that their first two syllables and last letters were identical. However, the degree of phonetic similarity was low because "ss" is pronounced very differently from "r". Conceptually the signs were dissimilar because the relevant public would understand PICASSO as being the name of the well-known Spanish painter Pablo Picasso while, although PICARO is a character in Spanish literature, the sign would have no meaning to most relevant consumers. Because PICASSO had a clear and specific meaning, the conceptual difference between the signs thwarted the visual and phonetic similarities between them. It was irrelevant that the meaning of the PICASSO sign had no connection with the goods in question since Picasso's reputation was such that it was implausible that the PICASSO sign for cars would override it.

Confusion was also unlikely because the goods were expensive and of high technological character, so the relevant public would pay a high degree of attention at the time of purchase and the Picasso estate was wrong to muddy the issue by making reference to the degree of attention that would be paid by those seeing the cars after purchase e.g. those who saw them on the road. It was also wrong to

rely on case law that states that highly distinctive marks enjoy broader protection against confusion. The fact that the word PICASSO was well known as corresponding to the name of the famous painter Picasso did not mean that it was capable of increasing the likelihood of confusion between the two signs for the goods concerned. Finally, an argument based on unfair advantage was rejected because such an argument could only be made out under Article 8(5) of Regulation 8(5), but that ground had not been raised.

This case has been eagerly awaited in some quarters because the Board of Appeal decision suggested that where a mark is very highly distinctive, the ECJ's teaching that the more distinctive a mark, the greater the likelihood of confusion, does not apply. It is unclear though whether the CFI's decision conflicts with the ECJ's case law because the CFI specifically bases its ruling on the fact that Picasso is a famous painter rather than the fact that it is a well-known mark. It is uncertain whether in future cases it will adopt the position favoured in this country by Jacob LJ that more distinctive marks are less rather than more likely to be confused.

9. BOEHRINGER INGELHEIM V SWINGWARD

On 17 June 2004, the Court of Appeal referred fourteen questions to the European Court of Justice (ECJ) in the case of Boehringer Ingelheim v Swingward EWCA Civ 757. The Court of Appeal had been hearing a dispute over parallel imports of pharmaceutical products between Glaxo Group, SmithKline Beecham, Eli Lilly and Boehringer Ingelheim against Swingward and Dowelhurst. This was the second time the ECJ had been called on to resolve points of law in this case.

The case involved the reboxing and relabelling of various pharmaceutical products. Lord Justice Jacob referred the decision to the ECJ earlier this year, and after receiving submissions from the parties involved in the dispute he specified various questions to the ECJ in this latest ruling. The questions were broken down to particular areas. Five of the questions related to relabelling products, five questions related to reboxing products and four questions concerned the requirements needed for parallel importers to provide notice to the manufacturers.

Justice Jacob had set the questions out to the ECJ with the hope that the answers would provide a definitive answer to repackaging within the EU. Some of the questions focused on whether the importer or the proprietor of the mark had the onus of proving that the packaging complied with the law. On the matter of relabelling the Court of Appeal has asked whether five conditions set out in joined cases C-427/93, C-429/93 and C-436/93 of Bristol-Myers Squibb v Paranova were applicable if an external label was affixed over the original packaging. This case was heard by the ECJ in 1996 and held that an importer was required to prove to the court that the

repackaging was a necessary step, the repackaging must display both the names of the trade mark owner and the importer, provide notice of intention and not to damage the trade mark or distort the quality of the trade mark in the process.

The final set of questions addresses the point, of the consequences of when an importer failed to give the 15 days' notice. The number of questions raised clearly illustrates the complexity of this matter and the confusion and uncertainty in the law.

10. CFI CLARIFIES OPPOSITION PROCEDURE IN GALAXIA CASE

On 22 June 2004, the CFI delivered its judgment in *Koffiebranderij en Theehandel 'Drie Mollen sinds 1818' BV v OHIM Case-T66/03*.

The present action before CFI concerned an opposition procedure between *Koffiebranderij en Theehandel 'Drie Mollen sinds 1818' BV* ("Appellant") and *Manuel Nabeiro Silveria* ("Respondent"). The Respondent had applied for a Community trade mark with the word "Galaxia" represented figuratively, relating to goods in Class 30. This was opposed by the Appellant based on earlier marks protecting the word sign "Gala", covering goods of the same class. However, both the Opposition Division and the Second Board of Appeal of OHIM rejected Appellant's opposition on the ground that the marks were visually, phonetically and conceptually dissimilar.

On appeal, the CFI concurred with the Second Board of Appeal, and held that there would not be any likelihood of confusion under Article 8 (1)(b) of the Regulation on the Community Trade Mark 40/94 (the "Regulation") even though the products were identical and the marks similar. It based its decision on following reasoning:

- Galaxia and Gala are clearly different in length, and Galaxia is perceived as a whole rather than as a word made up of different parts including the word 'Gala', making it visually dissimilar;
- the use of consonant 'x' in the middle of the word 'Galaxia' makes it aurally dissimilar; and
- there is no conceptual similarity as 'Gala' means milk in Greek, while 'Galaxia' suggests the idea of group of stars.

The CFI also rejected the Appellant's contention of 'well-known mark and likelihood of confusion' in the absence of necessary facts and evidence. It held that no confusion would arise due to the reasons stated above. It further rejected the argument of the Appellant regarding breach of Article 8 (5) of the Regulation on the ground that CFI can't go beyond the law, facts and evidence brought before the Opposition Division and Board of Appeal.

The judgment of CFI in this case lays down the following principles of law, which will have major implications for the opposition procedure:

- for the purposes of assessing the likelihood of confusion under Article 8 (1)(b), only the view of the public in the Member States where the earlier mark is registered shall be taken into account

- in proceedings relating to the relative grounds for refusal of registration under Article 8 (1)(b), the examination to be carried out by OHIM is to be restricted to the facts, evidence and arguments provided by the parties and the reliefs sought. If the party bringing the opposition proceedings intends to rely on the fact that its mark is well known, it is required to put forward facts and, if necessary, evidence to enable OHIM to determine the truth of such a claim
- the use of wording in Article 8 (1)(b) suggests that the concept of 'likelihood of association' is not an alternative to 'likelihood of confusion', but serves to define its scope. 'Likelihood of confusion' within the meaning of that provision will exist only if it is shown that consumers might believe that the products sold under the opposing marks come from the same undertaking or from economically linked undertakings. Thus, in the absence of such perception on the part of the public, this provision will not apply.

The CFI cannot go beyond the law, facts and evidence brought before the Board of Appeal while considering the application of Article 8 (5), as this would be outside the subject-matter of proceedings (Article 135 (4) of Rules of Procedure).

11. DUTCH COURT STOPS IMPORTS OF CHEAP AIDS DRUGS

The Dutch court in the Hague has stopped the importation into Europe of anti-retroviral AIDS drugs supplied cheaply to African countries under Glaxo-Smith Kline's (GSK) contribution to the Accelerating Access Initiative. The order was directed at a Dutch medical and hospital company, Asklepios, requiring them to identify their sources and to pass on profit figures to GSK. The court was able to use trade mark laws on parallel importation of the drugs to prevent the potential undermining of the programme.

The world fight against the spread of HIV/AIDS is being coordinated by the World Health Organisation (WHO) with input from the United Nations Development Programme (UNDP) and involves disparate organisations including various pharmaceutical (for example GSK) and charitable (for example Medecins Sans Frontiers (MSF)) organisations. As yet there has been no press statement from the Dutch company concerned.

In recent years global pharmaceutical companies were criticised for charging commercial prices for their products, only just affordable to western healthcare systems, to African countries. Lacking such funds, countries took various actions, the most dramatic being South Africa where patent protection was unilaterally lifted by the government, prompting a legal challenge from the pharmaceuticals that although ultimately withdrawn, attracted considerable adverse publicity. Other countries were more cooperative in agreeing partnerships with pharmaceutical companies. This has resulted in the supply of cut-price pharmaceuticals in various nations.

There is continuing criticism of the activities of the global

pharmaceutical companies in holding on to control of the HIV/AIDS technology, selling it at cost prices but maintaining their patent rights in developing countries. Some might say that courts should not pander to the world-wide and regional intellectual property rights claimed by these companies and enforced by the Dutch court. Nevertheless to enable continued co-operation by disparate organisations regulation of the supply of these medicines is required.

This decision of the Dutch Courts is therefore important to preserving the supply of cheap medicines to developing nations. Importantly, as well as stopping the re-importation of the drugs by the Dutch General Health Inspection Service, is continuing its investigatory into the network of companies and individuals responsible.

Trade Marks

12. COLOUR COMBINATION MARKS REGISTRABLE ACCORDING TO ECJ

On 24 June 2004 the European Court of Justice (ECJ) delivered its judgment in Case C-49/02 Heidelberg Bauchemie GmbH.

Heidelberg applied to register its corporate colours, blue and yellow, in every conceivable form as a trade mark in Germany for various products used in the building trade. The application was refused by the German Patent Office and Heidelberg appealed to the Bundespatentgericht. That court doubted whether colour combinations without specific contours met the requirements of Article 2 of Directive 89/104 since it was unclear whether: (i) they constituted a sign (ii) they could be represented graphically with sufficient clarity and precision, and (iii) they were capable of distinguishing the goods of different undertakings. The issue was referred to the ECJ.

Although the Council and the Commission made a joint declaration which was entered into the minutes of the Council meeting on the adoption of the Directive stating that Article 2 allowed for the registration of colour combinations, this declaration was not referred to in the wording of Article 2. Therefore it had no legal significance and it was for the court to determine whether or not Article 2 allows for the registration of colour combinations.

The court noted that Article 15(1) of TRIPS states that colour combinations should be eligible for registration as trade marks, although it does not define such combinations. The EU is a party to TRIPS and therefore it is required to interpret EU law provisions as far as possible in the light of the wording and purpose of TRIPS. Therefore, the court examined Article 2 to see if it was capable of being interpreted to allow the registration of colour combinations, finding that in principle it could.

Colours are capable of being a sign when they are used in relation to a product or service. Under Article 2, it must be established that a colour or colour combination is a sign to avoid applicants from obtaining an unfair competitive advantage. The colours must also be capable of graphic representation in a form which is precise to enable both the competent authorities and other economic operators to know with clarity and precision what is required of them. This allows the function of the mark as an indication of origin to be guaranteed. They must also be

durable since trade marks can be protected for variable periods. Therefore, a graphic representation of two or more colours in the abstract without contours must be systematically arranged by associating the colours concerned in a predetermined and uniform way. A mere juxtaposition of two or more colours without shape or contours, or a reference to two or more colours “in every conceivable form” does not meet these requirements.

Regarding each of the colours, a sample of the colour together with a designation using an internationally recognised code may constitute a graphic representation for the purposes of Article 2.

Colour combinations may in principle be capable of distinguishing the goods or services of one undertaking from those of other undertakings. However, they possess little capacity for communicating specific information, especially because they are commonly used for advertising and marketing goods without any specific message. Colours only have inherent distinctive character in exceptional cases, though they may acquire it through use. Moreover, even if a colour combination does satisfy the requirements of Article 2, it must also meet the requirements of Article 3 to be registered.

This case basically replays last year’s Libertel decision. What is new is the application of the principles spelled out in Libertel to colour combinations, particularly the court’s statement that for a colour combination to be registrable, it must include a systematic arrangement associating the colours concerned in a predetermined and uniform way.

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