

THE EUROPEAN IP BULLETIN

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Hot Topics

1. UK LAUNCHES NATIONAL INTELLECTUAL PROPERTY CRIME STRATEGY

On 10 August 2004, Industry Minister, Jacqui Smith, launched a blueprint to crackdown on the trade in fake goods as she unveiled the first National Intellectual Property Crime Strategy.

The strategy is the government's response to tackle the impact on society of the trade in fake goods. Industry estimates suggest that 18% of world trade is in counterfeit products and it seems that no product is too cheap to counterfeit and no brand immune. Several categories of effects were widely recognised:

- Consumer health and safety: there is a risk in buying fake goods of all kinds as they can be harmful to the consumer. For example, counterfeit children's toys and clothing are not safety-tested, fake perfumes may burn the skin, counterfeit mobile phone and appliance batteries may explode, whilst fake vodka can present serious health risks
- Quality: fake goods have no guarantee of quality. For example, films on DVD run for limited periods before breaking up whilst the quality of sound and vision is often poor
- Economic impact: fake goods cost the worldwide economy in lost revenues, damage legitimate businesses, and affect employment. Counterfeiting is part of the black market economy where only the seller profits as no tax is payable to the State. Last year alone counterfeiting and piracy is estimated to have cost the UK economy £10 billion and 4,000 jobs
- Links to other crime: counterfeiting is a global business run by highly-organised criminals using it as a low-risk way of laundering money and raising funds for other criminal activities.

The IP crime strategy, developed in conjunction with the Patent Office, brings together brand owners, police, trading standards and customs to coordinate the response to the trade in fake goods. It aims to better co-ordinate the agencies involved in the fight against intellectual property crime by increasing intelligence sharing, improving training for those working at the front-line and monitoring progress and success through publishing an annual national enforcement report.

Creative industry plays a vital role in the UK economy, and piracy and counterfeiting threaten to hinder the development and utilisation of innovative technologies. It is important that both government and industry work together to support this key economic sector and find ways to maximise the benefit from appropriate IP protection. Hopefully the first National IP Crime Strategy will help inform the public of the risks associated with fake goods and confirm the government's commitment to tackle offenders.

2. PROTECTION OF GEOGRAPHICAL INDICATIONS AND DESIGNATIONS OF ORIGIN IN THE EUROPEAN UNION

In an increasingly global market, Protected Geographical Indications (PGI) are important distinctive signs that allow for product identification and differentiation. PGIs identify and distinguish natural or manufactured products from a specific geographical area that possesses specific qualities and a reputation which are due to their place of origin.

Most commonly, PGIs consist of the name of the place of origin of the goods (e.g. a town, region or country). PGIs may be used for a variety of agricultural products. The famous “Mozzarella” Italian cheese, the French wine “Bordeaux” or the famous German sausages “Nürnberger Bratwürste” are only a few examples of the variety of PGIs. However, the use of PGIs is not restricted to agricultural products. PGIs can also highlight qualities of a product that are due to human factors such as traditions or specific manufacturing skills. For example, watches made in Switzerland.

Only producers who make their products in the place determined by a PGI and whose products share the special qualities assigned to a PGI are allowed to label their products with the specific PGI.

Commercial and non-commercial value

PGIs provide an important economic as well as non-economic value to a country's economy. Many PGIs have acquired special reputations among consumers and allow for the development and, where appropriate, preservation of the local agricultural economies. PGIs indicate to the consumer the products' origin, high quality and expected characteristics. Furthermore, they guarantee that products are produced using traditional methods. These characteristics have gained importance for the consumers so that they accept higher pricing of the products. The result is an increase in sales and exports. Under the protection of the PGIs, producers are able to earn a considerably higher return on their investment. Within the European Union, for example, a total of 600 PGIs for foods and 4,000 PGIs for wine and spirits are protected which realise a total of over 40 billion Euros in annual sales. France, on its own, registered 593 PGIs in 2003, generating a value of 19 billion Euros and providing a lifeline for 138,000 farms.

Legal protection of PGIs

PGIs are protected under national laws against unfair competition and trademark law in general, and specific laws for the protection of PGIs. On an international level, they are protected by multilateral agreements such as the Paris Convention for the Protection of Industrial Property 1883, the Lisbon Agreement for the Protection of Appellations of Origin 1958, and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) 1995 together with specific European legislation. Further, some are covered by bilateral agreements (e.g. EU-Australia Wine Agreement of 1994).

TRIPS Agreement

Present status

The TRIPS Agreement, enacted 1 January 1995, represents a milestone in the development of multilateral treaties. It is binding on all member states of the World Trade Organisation (WTO) and establishes standardised minimum protective rules. Articles 22 to 24 of the TRIPS Agreement deal with the international protection of PGIs, especially focusing on wine and spirits. However, the TRIPS Agreement provides the following two exceptions to the general requirement to protect PGIs:

- First, WTO member states are not required to protect a PGI if a term represents the generic name for the product in the same member state. For example, the United States may continue to use the word “Champagne” as a synonym for sparkling wine or Chablis for white wine because those appellations are established generic terms within the US
- Second, if a trademark was registered, applied for, or acquired in good faith prior to the date of application of the TRIPS Agreement for a particular WTO

member state or before the PGI was protected in its country of origin, the trademark maintains its presumptive legal superiority based on the principle of “first-in-time, first-in-right”.

Current PGI proposals

The protection of PGIs was debated in the last WTO Doha Round (WTO member states). In particular, the European Union and other important members of the WTO expressed special interest in improving the level of protection of PGIs.

The European Union is especially interested in the expansion of the PGI scheme due to the shift in agricultural policy that now encourages producers to compete on quality instead of price. Sufficient protection of the respective PGI is essential to implement this change.

The objectives of the discussions included:

- The creation of an automatic multilateral registration and notification system for PGIs for wines and spirits
- The establishment of additional regulations under the TRIPS Agreement for products other than wine and spirits
- The revival of certain PGIs which have been worthless in the past because they have been considered trademarks or generic terms in several countries. According to this plan, the appellation “Parmesan” could no longer be used globally as a generic term for hard cheese but only for cheese produced in the relevant restricted areas.

Protection within the European Union

Regulation No. 2081/92

Within the European Union, Regulation No. 2081/92 as amended has adopted strict rules to protect the PGIs for agricultural products and all kinds of foodstuffs.

This Regulation provides a strong basis for protection. It differentiates between the terms Protected Geographical Indication (PGI) and Protected Designation of Origin (PDO). The fundamental difference lies in the type of relationship required between the product and the specific geographical area.

The requirements for PDOs are more stringent than for PGIs. A PDO requires that the products are produced, processed and prepared in the geographical area. For example, the use of the PDO Parma-Ham (Prosciutto di Parma) requires that not only the meat itself has to originate from the specific area, but also the slicing and packaging has to be performed locally.

In contrast, a PGI (e.g. cheeses from Roquefort) only requires that at least one stage of the entire production process (consisting of production, processing and preparation) is performed within the geographical area.

Protection is obtained by submitting an application to the Member State in which the geographic area is located. If the Member State supports the application, it is sent to the EU Commission, which decides whether the product qualifies for protection. Third parties may file objections to either the Member State or the Commission. If no agreement can be reached, the Commission will decide whether or not the PGI should be registered.

Regulation No. 692/2003

Regulation No. 692/2003 amends Regulation No. 2081/92 and creates consistency between the EU regulations and the TRIPS Agreement. There are three important modifications:

- It allows non-EU nationals to file objections against an application to register a PGI or PDO
- Non-EU nationals will also be entitled to secure protection for geographical indications, if their country provides the same protection on the basis of reciprocity
- Product specification may provide that packaging must take place in the specific geographical area, where this is necessary to guarantee quality, traceability and control.

Conclusion

While the European countries together with several other countries want to extend the PGI protection globally, other countries, led by the US, are more reluctant. In particular, the US does not want to jeopardise existing trademarks and monopolise generic names like Feta, Sherry or Burgundy. Due to these different points of view, a multilateral agreement is unlikely in the near future. Nevertheless, the European Union continues to advance its own protection of PGIs and recently added seven new names to the ever-growing list of protected PGIs in the European Union.

Copyright

3. SONY PLAYSTATION COPY PROTECTION UPHeld: EXTRA-TERRITORIAL ARGUMENTS REJECTED

Kabushiki Kaisha Sony Computer Entertainment Inc & Ors v Ball & Ors [2004] EWHC 1738 (Ch) (19 July 2004)

Sony include a two-part authorisation system in their Playstation 2 console. One part is embedded in the console, while the other part is in the discs carrying the games. The two parts act as lock and key to open up a game for use. Ordinary copying systems do not reproduce the part incorporated onto the original discs, so cannot produce working copies. Consoles, games and copy protection codes are specific to different TV standards used in Europe, America and Japan. This means that games coded for the Japanese market cannot be played on European consoles and so forth.

Mr Ball, the first defendant, designed, manufactured and sold an electronic chip called 'Messiah 2'. This circumvents the requirement for a code to be present on the disc and so enables consoles to play Sony games from other regions and also to play unauthorised copies.

Sony sued the defendants under sections 296, 296ZA, ZD and ZF of the UK's Copyright Designs and Patents Act 1988, as amended by EC directive 2001/29/EC on copyright in the information society, which deal with circumvention of copy-protection measures.

The main issues addressed by the court were whether

1. The Sony two-part copy protection system was a copy-protection system under s.296

2. A transient copy in RAM could be regarded as an 'article' pursuant to the definition of 'infringing copy' in the 1988 Act. The defendants argued that since the only point at which Messiah2 was used to make copies was during play, when works on the CD were reproduced as transient copies in the console's RAM, these were not infringing copies within the definition
3. Mr Ball had the requisite knowledge in accordance with s.296 that the circumvention device would be used to make 'infringing copies'. Mr Ball did not deny importing, selling and advertising the Messiah2 chips, but denied he had knowledge that the chips would be used for an illegitimate purpose
4. The 'sole intended purpose' of the article pursuant to s.296 (as amended) was to facilitate unauthorised removal or circumvention of the copy-protection device. The defendant argued that Messiah2 had a legitimate purpose for making back-up copies or allowing games and consoles from different regions to be used together
5. There was any defence under s.296ZA in relation to circumvention of technological measures in the knowledge that one is so doing
6. The defendant could be held to be liable under s.296 in relation to the Messiah chips which were exported. It was argued for Sony that the provisions could take effect against circumventions outside the jurisdiction
7. There is a difference between copy-protection applied to works (eg on CD or DVD) and copy-protection applied to hardware (the consoles).

Justice Laddie addressed each point in turn. On the first question, he found that although the Sony system was designed to prevent use of unauthorised copies rather than to prevent copying of the games in the first place, it was a copy-protection system under s.296. Secondly, RAM bearing a transient reproduction was an article and a copy. Thus there would be liability for chips imported or sold in the UK. He also determined that Mr Ball could not escape from liability by showing that he did not know or have reason to believe the Messiah2 chips would be used to make infringing copies of Sony copyright works. Further, since the Messiah2 facilitated the unauthorised removal or circumvention of the copy-protection device, unless Sony authorised any other of the activities (as claimed by the defendant to be legitimate) the fact that there may be other purposes for the Messiah2 was no defence. On the fifth question, Justice Laddie held that there was no defence under section 296ZA. Sony's system was a 'technological measure' within the meaning of the new s.296ZF. However, he did find that there could be no liability under s.296 for the chips that were exported. Liability was limited by the territorial nature of the 1988 Act. Section 296ZD could not be read as covering circumvention out of the jurisdiction. However, s.296ZD(1)(b)(i) covered possession and advertisement in the UK and had been contravened. Finally, it was held that there was nothing in the statute limiting where the copy protection should be applied.

The wide interpretation of technological measures within the meaning of the new provisions coupled with a narrow interpretation of the scope of knowledge required means that it will be more difficult for designers of circumvention measures to avoid liability for infringement. Furthermore, the territorial restriction of the act will not protect defendants who possess or advertise infringing devices for commercial purposes even if they are to be exported.

4. LAMBRETТА CLOTHING COMPANY V TEDDY SMITH

On 15 July 2004, the Court of Appeal handed down its judgement in *Lambretta Clothing Company Ltd v Teddy Smith (UK) Ltd and Anor* [\[2004\] EWCA Civ 886](#)

Lambretta is a designer and manufacturer of fashion clothing and in 2000 it designed a 'retro-vintage' track top. The issues at hand were the shape and colour of this garment. The shape did not result from the designer's work. He merely contributed to the colour coordination i.e. the colours blue for the body, red for the arms and white for the zip. This also included the stripes on the garment and the size and location of Lambretta's logo. In 2002, the first defendant, Teddy Smith, imported and sold a track top in the same colourways as Lambretta's and in June 2002 the second defendant, Next, independently designed a similar track top.

Lambretta became aware of the defendants' activities and subsequently brought an action for unregistered design right infringement. Lambretta alleged that the defendants had infringed its design right in the track top, or in the alternative, infringed its literary and artistic copyright in the design drawings. It argued that the purpose of section 51 of the [Copyright Designs and Patents Act 1988](#) (CDPA) was to continue to allow copyright protection to subsist in those aspects of a design in which there was no design right protection.

On 23 May 2003, the High Court held that there was sufficient evidence to infer copying by Teddy Smith. However, on the interpretation of law, the court held that unregistered design right did not subsist in the design and that there was arguably a defence to infringement of artistic copyright in accordance with s.51 CDPA. There had only been copying of an article made to the design drawings, and the design drawings did not fall into the exclusion of being for an artistic work or typeface.

Lambretta appealed the court's decision.

Next was found not to have copied Lambretta's design. Therefore, since copying is a pre-requisite for both design right and copyright infringement, Next was not a party to the appeal.

The key points addressed by the Court of Appeal were whether:

- Unregistered design rights may subsist in the variation of colours and more importantly whether they were an aspect of shape and configuration of the whole or part of an article as required by s.213(2) of the CDPA
- The colours were in fact surface decoration within the meaning of s.213 (3)(c) of the CDPA
- Section 51 only provided a defence in so far as the work is protected as a form of artistic copyright.

The court approached each point in turn. On the first point raised by Lambretta the court held that a choice of colours found on an article of clothing was not, as it was claimed, 'an aspect of the shape or configuration of an article or part of an article' and that the choice of colours was excluded as surface decoration within the meaning of unregistered design right. The court went on to say that it was the components which made the complete article, with the colours playing little part in the overall configuration of the article. The court also dismissed the submission that the colours were dyed right through the article and therefore did not technically fall

within the meaning of 'surface decoration'.

On the second point the court held that s.51 of the CDPA was applicable to the circumstances of this case. The court accepted that the drawing was a design document, however it reiterated the fact that surface decoration was excluded from the definition of 'design' within the meaning of s.51 was irrelevant. The court pointed out that the colours were not presented in an abstract form, but were applied to the various shapes of the garment. If Lambretta attempted to enforce the work as an artistic copyright, it could only be enforced in its entirety and that was not permitted under s.51.

In relation to the third point, it was hoped that the Court of Appeal would provide further clarity on the definition of design right such as "commonplace" and "surface decoration", and the interesting juxtaposition between design right and s.51 CDPA. Instead, the decision more or less maintains the status quo.

The decision of the High Court was thus upheld, with the Court of Appeal finding that there was no design right and no copyright infringement. The case does however provide Court of Appeal authority for the proposition that the surface decoration exception extends to 3D decoration.

5. EU COMMISSION LAUNCHES CONSULTATION TO HARMONISE COPYRIGHT AND RELATED RIGHTS LEGISLATION

[The European Commission](#) announced on 19 July 2004 that it had launched consultations to review the existing EU legislation on copyright and related rights. This is part of the Commission's [Better Regulation Action Plan](#) which is an ongoing program reviewing EU law in order to simplify and streamline existing legislation.

The consultations, which are open until 31 October 2004, are based on a Commission [working paper](#) which reviewed the EC legal framework in copyright and related rights. The working paper examined whether there were any inconsistencies in the definitions or the rules on exceptions and limitations between the seven copyright Directives and if any of the Directives have a harmful impact on the fair balance of rights and other interests.

The working paper found that only minor adjustments are necessary at the moment and considered that further action at Community level was unnecessary for the time being. It suggested a number of measures including: aligning the definition of the right of reproduction, clarifying the definition of the right of communication to the public with respect to computer programs, extending the exception for temporary acts of reproduction to computer programs and databases, harmonising the criteria for calculating the term of protection for co-written musical works, and adding a new exception for the benefit of disabled persons for databases. Other issues discussed included the criteria used to determine the beneficiaries of protection in the field of related rights. In particular the extension of copyright protection for recorded music from 50 to 95 years was assessed, so as to bring the EU into line with recent changes on US copyright law. However, the working paper does not regard this change as necessary.

The Commission aims to present legislative proposals for amending the existing copyright Directives at some point during 2005 taking into account comments made under this consultation.

Patents

6. THE FIRST ANTI-SUIT INJUNCTION IN A PATENT CASE BEFORE THE DUTCH COURT OF THE HAGUE

This case highlights the problem of trying to enforce a portfolio of weak patents, the so-called “patent thicket”. It involved an initial action brought by Israeli company Mendinol against Cordis, a subsidiary of Johnson & Johnson, claiming infringement of its family of patents relating to improved stents (structures placed in blood vessels to support and keep the vessels open).

At first, Mendinol obtained an interim injunction against Cordis based on the patent. Subsequently, however, the patent was found to be invalid pursuant to opposition proceedings in the EPO. Only one divisional application was upheld, which was appealed to the Board of Appeal, while a number of other divisional applications remain in opposition before the EPO.

However, before the opposition was heard by the EPO, in order to guard against such a finding of invalidity, Mendinol applied to the Court in The Hague for further injunctions based on two other divisional applications. This tactic failed, as the Court found that the injunctions covered the same invention, the case being dismissed on the grounds of double patenting. Undeterred, once the original injunction had lapsed, Mendinol brought a third action based on a further divisional application. The Court yet again ruled that this divisional application covered the same invention as the patent and dismissed the case on grounds of double patenting. It was at this time that Cordis counter-claimed for an anti-suit injunction. This was granted until the validity of the divisional application is settled by the EPO.

Counsel for Cordis hailed the decision as a warning against the bringing of “frivolous” actions before the Court. Certainly, patentees should regard the case as a note of caution against trying to amass patent portfolios. This decision serves as a reminder to those paying to file and maintain the applications that quality is more important than quantity when it comes to enforcement.

7. SANDOZ GM BH V ROCHE DIAGNOSTIC GM BH

On 28 July 2004, the High Court of Justice, Chancery Division, gave its judgment in relation to an action for revocation of a European patent in *Sandoz GmbH and Roche Diagnostic GmbH* [\[2004\] EWHC 1313 \(Ch\)](#).

The main issue in the case was the determination of inventiveness and the definition of the person skilled in the art and his relation to prior art. Pursuant to section 3 of the Patent Act 1977, an invention must involve an inventive step which is not obvious to a person skilled in the art. Therefore, it is important to know the standard of the person having skills in the art which will be used in patent litigation.

The patent in question related to the way injectible liquid formulations (also known as parenteral), which have proteins as their active ingredient, might be prepared for multidose. The main purpose of the invention was to ensure that no contamination happened while it was used. This was achieved by a combination of antimicrobial preservatives. The question was whether the process involving the combination of low concentration of two or more of the identified preservatives was obvious as at the priority date.

While there were differences in opinion in defining whether the skilled addressee could be either a team or an individual, the Court mostly focused on the way the skilled addressee could use available knowledge. To that extent, it was re-affirmed

that the ability of the skilled addressee may include making a mosaic out of relevant documents, either when it is part of his technical background or where a sufficient cross-reference justified an association, but that this must be achieved with no inventive capacity, *Rockwater v Technip France SA* [2004] ECWA Civ 381.

The skilled addressee's access to knowledge was reviewed under three sources: common knowledge, an international patent application and previous publications. The court found that as at the priority date of the patent, combining those antimicrobial preservatives was a common practice. Further, the court viewed the teaching of the international patent as irrelevant because it would not have been used unless verified by the skilled addressee's own common general knowledge. Therefore, the claims for revocation of the patent were dismissed.

Pursuant to this decision, when considering litigation in relation to the inventive step, it is important to note that not only will the prior art be limited to the skilled addressee knowledge, but the way the skilled addressee might incorporate different knowledge may be restrained to what the standard will allow him to use, even though information is available regarding the teaching of the patent at stake.

8. PATENT AND DESIGN RIGHTS IN ULTRAFRAME V EUROCELL : ONE AND ONE MAKES ELEVEN

On 22 July 2004, Justice Lewison gave his decision in the case of *Ultraframe (UK) Ltd. v Eurocell Building Plastics Ltd. & Ors* [2004] 1785 EWHC (Ch).

Ultraframe (UK) Ltd is one of the market leaders in the manufacture and supply of conservatories called "Ultralite 500" and "Ultralite 250", which Eurocell distributed until it started manufacturing and selling its own conservatory system "Pinnacle 500", in competition with Ultralite 500. Ultraframe brought the suit of infringement against Eurocell for infringing its patents and design rights. Eurocell counterclaimed that the Ultraframe patent and designs were invalid, or alternatively that their system falls outside the monopoly claim, and/or that its designs were original and did not infringe Ultraframe's design rights, or alternatively the designs fell within the "must-fit" and "must-match" exclusions.

The patent related to a structure comprising building elements of plastic material inter-engaged by a stiffening beam to build a roof. After going through the industry background and legal propositions, Lewison J held that the outcome of the patent dispute related to the construction of patent itself. Having recourse to the patent claim and specification, expert evidence, and the protocol questions relating to how Article 69 of the European Patent Convention is to be interpreted, the Court rejected Eurocell's contention that the patent was invalid. However, having considered the Court rules, it was found that the Pinnacle 500 fell outside the monopoly claimed by Ultraframe and did not infringe the patent.

Therefore, Ultraframe's case was narrowed down to whether it could claim design rights in the panels, ducts, channels and caps forming part of the structure, and on the interpretation of concepts such as original, commonplace, 'must fit' and 'must-match' under [Section 213](#) of Copyright, Designs and Patents Act, 1998.

The Court concluded that while the Pinnacle 500 did not infringe Ultraframe's design right in the top caps or end caps, it infringed Ultraframe's design right in the assembly and panels, as a whole.

In arriving at its conclusion, the court laid down the following propositions relating to designs:

- Subject to the exception for “commonplace” designs, a design is “original” for the purpose of design right if it is the product of skill and labour, and it has not been copied from another pre-existing design. This type of originality is called originality “in the copyright sense”. It is not necessary that the design be novel
- If a design is original in that sense, the court must then consider whether it is “commonplace”. If it is commonplace then it cannot be “original” within the meaning of section 213. To that extent, there is a difference between a design that is original “in the copyright sense”, and a design that is original “in the design right sense”
- The exclusion from originality may apply to a design that is commonplace, but not to the individual parts of a design that is commonplace. In other words, the fact that a design is made up of features which, individually, are commonplace does not necessarily make the design as a whole commonplace
- Since a design right has a relatively short life and confers only limited protection against copying, references to “commonplace” designs should be narrowly construed. The court reiterated the five stage test laid down in *Farmers Build Ltd v Carrier Bulk Materials Handling Ltd* for deciding whether a design is a) original in copyright sense and b) not commonplace
- The genesis of the “must-fit” exception under section 231 (3)(b)(i) lies in the policy that there should be a free market in spare parts which must, therefore, be manufactured so as to fit into the assembly of which they are parts
- The “must-match” exclusion referred to in section 231 (3)(b)(ii) is a narrow one, which applies only to those features of the design that must match the remainder of the assembly of which it is a part. This means that it is limited to features dependent on the appearance of another article. Thus internal (invisible) features of an article are not excluded by this exception
- To the interpretation of term “design”, the court expressed its reservation on Justice Laddie’s definition in *Ultraframe UK Ltd v. Fielding*, which provided that “The combination of features left after individual features are excluded under the “must fit” and “must match”, is the design in issue. If that combination of features is commonplace, the design is not protected.” Rather, the court held that whether a design is commonplace is a question that must be considered before subtracting from it any features that will fall within those two exceptions
- In order to determine whether a person is guilty of infringement of a design right by substantially copying a design, the evaluation of the design must be viewed through the eyes of the person to whom the design was directed.

9. PATENTS ACT RECEIVES ROYAL ASSENT

[The Patents Act 2004](#) (the “2004 Act”) received Royal Assent on 22 July 2004. The Act will come into force after the [commencement](#) order is made.

The 2004 Act amends the Patents Act 1977 (the “1977 Act”) with a view to modernising, and updating the patent law in the United Kingdom and bringing it in line with the revised European Patent Convention. The UK patent practice will thus become similar to that of other European countries making it easier for UK

businesses to operate in Europe. It is hoped that the changes will reduce the number of patent cases determined by the courts by encouraging alternative dispute resolution and reducing the cost of patent litigation especially for the small and medium sized enterprises, and thereby create a more efficient patent system in the United Kingdom.

Some of the major [amendments](#) to the 1977 Act are as follows

- Section 1 – methods of treatment and diagnosis will not be able to be patented
- Section 2 – in relation to amendments to the patent after the grant, any pre amendment cases may be deemed to have been done in good faith
- Section 3 – relief for infringement may be granted if the proprietor of the European patent (UK) limits it at the EPO
- Section 4 – where the court or comptroller finds a patent partially invalid, the court may order the revocation of the patent unless the proprietor limits his patent at the EPO
- Section 6 – the new application will be treated as if it were filed on the original date of application without the requirement of publication
- Section 10 – compensation will be granted to the employee inventor where the patent or the invention or a combination of both has been of outstanding benefit to the employer
- Section 11 – damages awarded by the comptroller in infringement proceedings may be recovered through the enforcement mechanisms of the county courts
- Section 13 – the Patent Office may provide independent non binding opinions on patent validity or infringement.

Trade Marks

10. COFFEE VISITS CFI IN CONSUMER INTEREST

On 15 July 2004, the CFI gave its judgment in the case of *Douwe Egberts NV v Westrom Pharma NV* [C-239/52](#).

This case arose pursuant to a reference to CFI by *Rechtbank van Koophandel* (Commercial Court) *te Hasselt* for a preliminary ruling on the interpretation and relationship between Article 28 of the [EC Treaty](#), Article 2 of Directive [1994/4/EC](#) relating to coffee extracts and chicory extracts, and Article 18 of Directive [2000/13/EC](#) on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs.

The reference was made in the course of a dispute concerning the marketing in Belgium of a product called 'BynaSvelte Cafe' under conditions which, according to Douwe Egberts NV, ran counter to the national provisions on advertising and labelling of foodstuffs. Douwe Egberts NV claimed that the statements on the jar about weight control and slimming properties used by Westrom Pharma infringed various national legislative provisions, namely those of Royal Decree of 5 March 1987 relating to coffee and coffee substitutes, which prohibit such labelling.

As the outcome of the dispute depended on the interpretation of the Community law and on assessment of the validity of Directive 1994/4, the Belgian Commercial Court stayed the proceedings and referred the following questions to the CFI for a

preliminary ruling:

- Whether, when products mentioned in the Annex to Directive 1999/4 are marketed, exclusively the product names, such as invented or trade name may be used, or whether, alongside those product names, others names such as invented or trade names may also be used
- Whether Articles 28 EC and 18 of Directive 2000/13 preclude national legislation which prohibits references to 'slimming' and to 'medical recommendations, attestations, declarations or statements of approval' in the labelling, presentation and advertising of foodstuffs.

CFI laid down the following principles of law in response to the questions raised:

- Article 2 of Directive 1999/4/EC must be interpreted as meaning that, when products mentioned in the Annex to the Directive are marketed, other names such as invented or trade names are not precluded from being used alongside the product names
- Article 18 of Directive 2000/13/EC must be interpreted as precluding national legislation such as Belgian legislation, which prohibits references to 'slimming' and 'medical recommendations, attestations, declarations or statements of approval' in the labelling and presentation of foodstuffs
- Articles 28 EC and 30 EC must be interpreted as precluding national legislations which prohibit references to 'slimming' and 'medical recommendations, attestations, declarations or statements of approval' in the advertising of foodstuffs imported from other Member States .

11. ECJ ALLOWS SUBSTITUTION OF OPPONENT IN CTM DISPUTE

On 27 July 2004, the Court of First Instance issued an order in *Gerolsteiner Brunnen GmbH & Co v OHIM – Kerry Spring*, Case [T-131/03](#).

[Gerolsteiner](#) was the proprietor of a German trade mark which it used to oppose an application to file a CTM by the intervener, Kerry Spring, made in 1997. Gerolsteiner opposed the application in 1998 but its opposition was rejected in 2002 and its appeal was dismissed by the Board of Appeal in January 2003. In February 2003 Gerolsteiner appealed to the CFI. However, in December 2003, Gerolsteiner informed the CFI that it had transferred the trade mark on which the opposition was based to Sinziger Mineralbrunnen and that Sinziger Mineralbrunnen wished to be substituted for Gerolsteiner in the dispute before the CFI. OHIM, Kerry and Gerolsteiner had no objections to the substitution taking place.

The CFI authorised the substitution of Sinziger for Gerolsteiner, finding that it may authorise a substitution of a new owner for the original owner where an intellectual property right that is the subject of a dispute is transferred to a new owner. In this situation the new owner submits his claim through the original owner who is a party to the dispute. However, this substitution can only take place where the original owner of the IP right has no objection and the CFI, after hearing the other parties to the dispute, considers that the substitution is appropriate.

Since there is no provision in the [Statute of the Court of Justice](#) or the [Rules of Procedure of the Court of First Instance](#) expressly governing the substitution of one party for another, the provisions of Arts.115 and 116 (which cover intervention) were applied by analogy. This meant that the new owner of the IP right had to

accept the dispute in the state that it was in at the time of the substitution.

Although this case involved Community trade marks, there seems to be no reason why it should not apply to disputes involving other intellectual property rights that may come before the EU Courts. In fact, this seems to have been envisaged by the CFI.

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