

## European and International Intellectual Property Law

### I. Basics

1. The concept of IP
2. The territoriality of IP rights
3. International treaties
4. European law

### II. Patents

1. Concept and justification
2. Treaties and EU law
3. Conditions of protection
4. Scope and infringement
5. Defences

### III. Copyright

1. Concept and justification
2. Treaties and EU law
3. The concept of work
4. Rights and infringement
5. Exceptions and limitations
6. The liability of intermediaries

### IV. Trade Marks

1. Concept and justification
2. Treaties and EU law
3. Conditions of protection
4. Infringement

### V. Designs

1. Concept and justification
2. Treaties and EU law
3. Conditions of protection
4. Infringement
5. The protection of shapes in IP and unfair competition law

### VI. Unfair competition law (overview)

1. Introduction
2. Three paradigms
3. EU law: harmonised areas
4. Product imitation

# European and International Intellectual Property Law

## Selected reading

### Treaties and statutes

- Selected treaties and EU legislation (available on our website)
- Butterworths Intellectual Property Handbook, 15<sup>th</sup> ed (2021)

### European IP law

- A Kur, T Dreier and S Luginbuehl, *European Intellectual Property Law*, 2<sup>nd</sup> ed (2019), available as paperback and as e-book via [www.e-elgar.com](http://www.e-elgar.com)
- J Pila and P Torremans, *European Intellectual Property Law*, 2<sup>nd</sup> ed (2019)

### Specific areas of IP (overview, references to commentaries and handbooks will be given in the respective chapters)

- G B Dinwoodie and M Janis, *Research Handbook on Trademark Law Reform*, (2021)
- J C Ginsburg and I Calboli, *The Cambridge Handbook of International and Comparative Trademark Law* (2020)
- J C Ginsburg and E Treppoz, *International Copyright Law* (2015)
- P Goldstein and B Hugenholtz, *International Copyright*, 4<sup>th</sup> ed (2019)
- A Kur and M Senftleben, *European Trade Mark Law* (2017)
- A Stack, *International Patent Law* (2011)

### Journals

- Berkeley Technology Law Journal (Berk Tech LJ)
- European Intellectual Property Review (EIPR)
- Intellectual Property Quarterly (IPQ)
- International Review of Intellectual Property and Competition Law (IIC)
- Journal of Intellectual Property Law & Practice (JIPLP)
- Harvard Journal of Law and Technology (Harv J L & Tech)
- GRUR International (GRUR Int)

### Websites

- EU Court of Justice (database of EU decisions): [www.curia.europa.eu](http://www.curia.europa.eu)
- EU Intellectual Property Office (with search facility for EU trade marks): [www.euipo.europa.eu](http://www.euipo.europa.eu)
- IP Kat (blog with up-to-date information on UK, EU and international IP): <http://ipkitten.blogspot.de>
- Unified Patent Court: <https://www.unified-patent-court.org>
- World Intellectual Property Organization (WIPO) (with database of international treaties and national IP statutes): [www.wipo.int](http://www.wipo.int)
- World Trade Organization (WTO) – TRIPS: [www.wto.org/english/tratop\\_e/trips\\_e/trips\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/trips_e.htm)

# European and International Intellectual Property Law

Prof. Dr. Ansgar Ohly, LL.M. (Cambridge)

WS 2021/22



# Practical Information



## Classroom teaching and Covid concept

- Lecture taught as usual before lockdown.
- You are required to wear a face mask (medical mask or FFP2 mask) during the lecture.
- The LMU is following a GGG policy: geimpft (vaccinated) – genesen (recovered) – getestet (tested) → proof may be required.

## Zoom livestream

- Link available at LMU Moodle.
- Apologies in advance for technical hiccups.
- The lectures will not be recorded.



# Practical Information

## Lecture and tutorial

- No lecture on Tuesday, 2 November.
- As a compensation, all lectures before Christmas will be 105 minutes (until 6:00 pm)
- Block tutorial (Diana Liebenau): date and place to be announced

## Final exam

- 1 February 2022, 4-6 pm, place to be announced
- Duration: 120 minutes
- Small hypothetical cases and discussion questions
- You are allowed to use a printed copy of the course reader (“Selected Treaties and Legislative Texts”), but no other written materials.

# Outline

- I. The international and European IP system: introduction and basics
- II. Patents
- III. Copyright
- IV. Designs
- V. Trade Marks
- VI. Trade Secrets and Unfair Competition

# I.1 The concept of IP

## The concept of intellectual property

- Subject-matter = intangible goods

# I.1 The concept of IP



$$E = mc^2$$

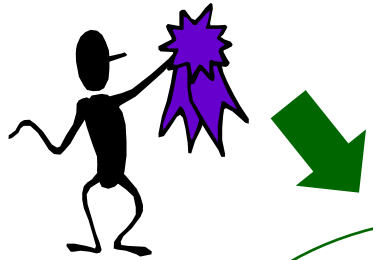


# I.1 The concept of IP

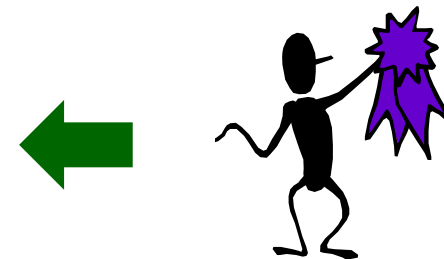
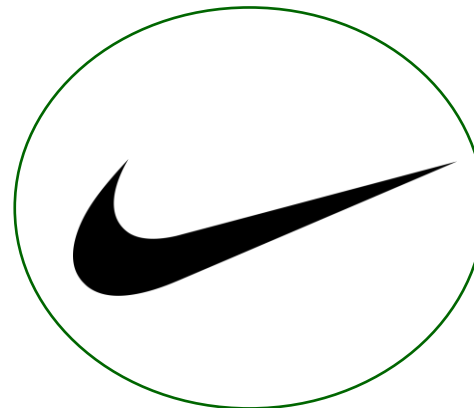
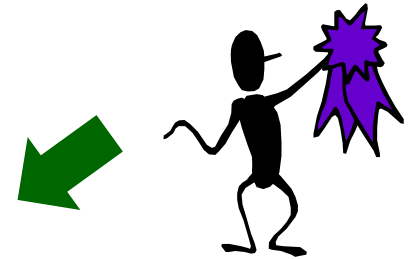
## The concept of intellectual property

- Subject-matter = intangible goods
  - Examples: invention, work, sign
  - Difference from tangible goods (land, a chair): non-exclusivity and non-rivalry
  - Non-exclusivity: impossible to keep others from using inventions, music, etc.
  - Non-rivalry: many people can use them at the same time
- Intellectual property rights (IPRs) = property-like (absolute) rights in intangible subject-matter

# I.1 The concept of IP



$$E = mc^2$$

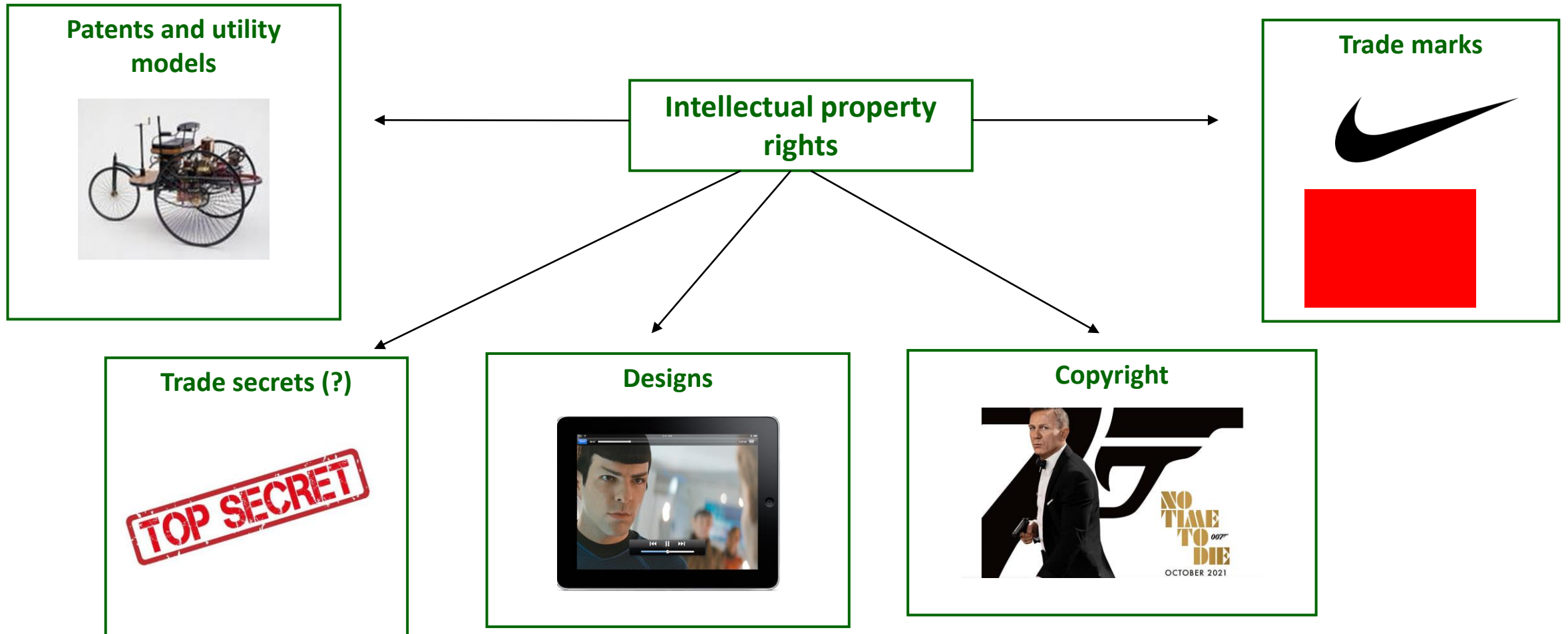


# I.1 The concept of IP

## The concept of intellectual property

- Subject-matter = intangible goods
- Intellectual property rights (IPRs) = property-like (absolute) rights in intangible subject-matter
  - Owner = author, inventor, but perhaps also investor
- Terminology:
  - Intellectual property = generic term for all IPRs
  - Industrial property: rights in intangible assets of trade relevance (patents, designs, trade marks)
  - Copyright: right protecting creative activity in the cultural sector

# I.1 The concept of IP





# I.1 The concept of IP



## Registered rights

- Patent, utility model, plant variety right
- Registered design
- Registered trade mark

## Unregistered rights

- Copyright
- Unregistered trade mark
- Trade names
- Unregistered Community design

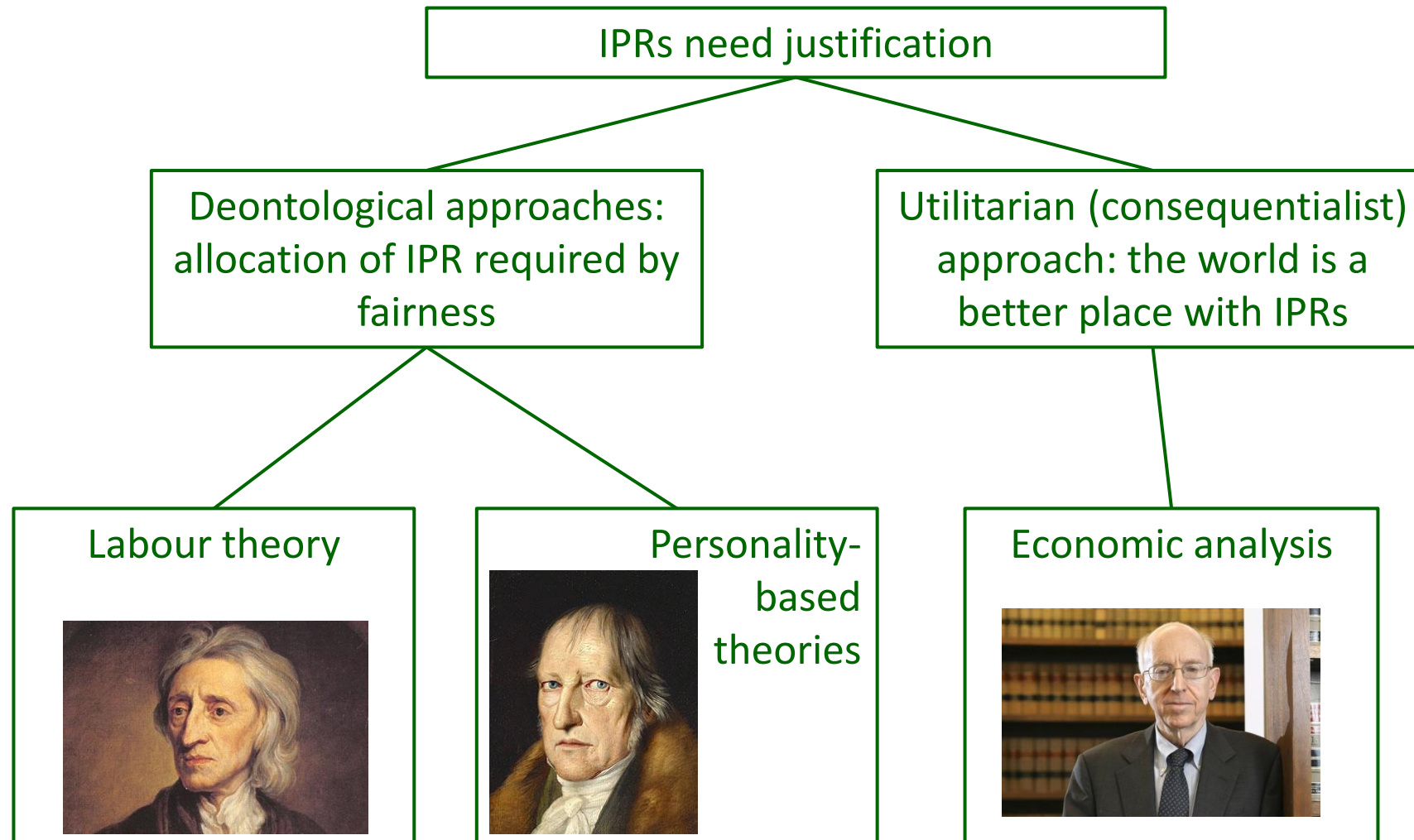
# I.1 The concept of IP

## Justification as a challenge

- A world without IP is possible
- Non-exclusivity and non-rivalry: couldn't inventions, music etc. be freely available to all?
- Modern challenges
  - Freedom of the internet, freedom of information
  - Copyright: Open source and open access
  - Patents: availability of Covid vaccines, standardisation, patent trolls



# I.1 The concept of IP



## I.2 The territoriality of IPRs

### Territoriality of IP rights

- Principle of territoriality: IP rights are only granted for a certain territory and they only provide protection within that territory.
- Reasons:
  - Patent offices are national and only have jurisdiction for their territory → no “world” patent office
  - IPRs as tools of economic policy, example: German Patent Act of 1877, whereas Netherlands abolished patent protection in 1883 and only re-introduced it in 1910

## I.2 The territoriality of IPRs

### Case study 1

(CJEU, case C-281/05,  
*Montex v Diesel*, now  
overruled by Art 14(4)  
Trade Marks Directive)





# I.2 The territoriality of IPRs



## Case study 2

WTO case 408/1 and  
409/1 of 19 May 2010 –  
*Seizure of Generic  
Goods in Transit*

## I.2 The territoriality of IPRs

### **Territoriality of IP rights**

- Principle of territoriality: IP rights are only granted for a certain territory and they only provide protection within that territory.
- Reasons
  - Patent offices are national
  - IPRs as tools of economic policy
- Territoriality v universality in copyright law
- Territoriality is a given – but it causes problems:
  - Difference of laws may result in lower standards and discrimination based on nationality
  - Administrative inconvenience: need for multiple applications
  - Territorially restricted rights might clash on the internet

## I.2 The territoriality of IPRs

### Issue 1: difference of national laws

- Example: creator of a (non-original) database receives IP protection in the EU but not in the US
- Which law applies when a US company offers a database copied from a French database in the US?
- Applicable law → in international disputes the applicable law must be determined
  - **Lex loci protectionis**: right of country for which protection is sought
  - But lex contractus applicable to licencing contracts.
  - Art 8 (1) Rome II Regulation: “The law applicable to a non-contractual obligation arising from an infringement of an intellectual property right shall be the law of the country for which protection is claimed.”



## I.2 The territoriality of IPRs

### Issue 1: difference of national laws

- Example: creator of a database receives IP protection in the EU but not in the US
- Which law applies when a US company offers a database copied from a French database in the US?
- Applicable law: *lex loci protectionis* → US law → tough luck for the French producer
- What to do?
  - International minimum standards
  - Regional harmonisation (eg in the EU)
  - Harmonisation of conflict of law rules

## I.2 The territoriality of IPRs

### Issue 2: no “world patent/TM/copyright”

- Registered rights: application in all countries necessary for which protection is sought
- Unregistered rights: protection only if state grants such protection to foreigners
- What to do?
  - Principle of national treatment
  - Single application for many countries (“clearing house”)
  - Single granting procedure (e.g. EPC)

## I.2 The territoriality of IPRs

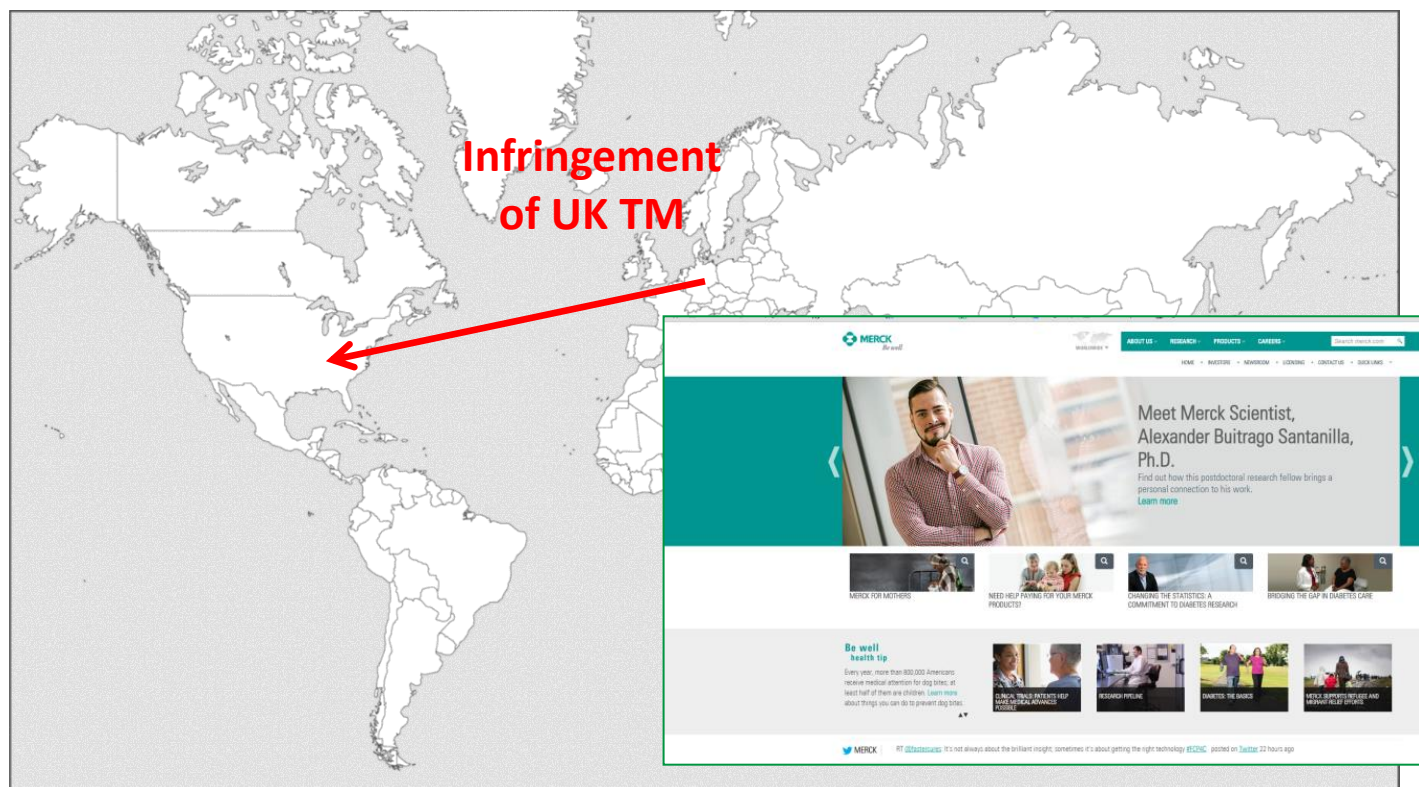
### Issue 3: Conflict of rights

- Conflicts also arise because the same intangible subject-matter may be owned by different persons in different countries
- This conflict arises irrespective of different applicable legal systems
- Often occurs in internet cases
- What to do?

## I.2 The territoriality of IPRs

### Case study: *Merck v Merck* (England & Wales High Court, *Merck KGaA v Merck Sharp & Dohme Corp* [2016] EWHC49 (Pat))

Merck US:  
owner of Merck  
TM in USA,  
operates  
website  
[www.merck.com](http://www.merck.com)



Merck DE:  
owner of  
Merck TM in  
Europe  
(including UK)

## I.2 The territoriality of IPRs

### Case study: *Merck v Merck*

- Jurisdiction of English court?
  - Brussels I Regulation, Art 7 (2): in case of tort place where harmful event occurred
- Applicable law
  - Infringement: lex loci protectionis → UK law
  - Contract: 1975 coexistence agreement → German law
- Infringement
  - Identical sign, identical goods
  - But: right to use mark in US
  - What to do?

## I.2 The territoriality of IPRs

### Issue 3: Conflict of rights

- Conflicts also arise because the same intangible subject-matter may be owned by different persons in different countries
- This conflict arises irrespective of different applicable legal systems
- Often occurs in internet cases
- What to do?
  - Rules of conflict governing collisions on the internet
  - Creation of supranational IP rights (e.g. Union Trade Mark in EU)
  - Geoblocking?

## I.3 International treaties

### International treaties

- Function
  - Can create minimum standards
  - Can provide for principle of national treatment
  - Can allow international registration
- Conclusion
  - By states
  - Ratification by parliaments necessary
  - Can only be changed unanimously → changing treaties is difficult
- Interpretation
  - Vienna Convention on the Law of Treaties
  - Limits of international court system

## I.3 International treaties

### The early treaties: Paris Convention (1883) and Berne Convention (1886)

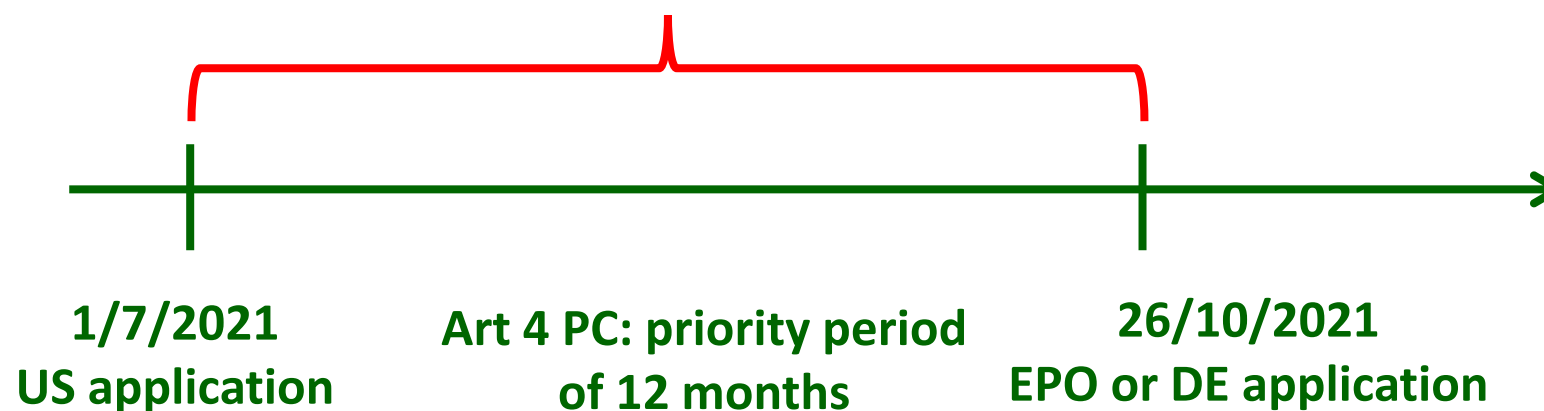
- Division industrial property (PC)  $\leftrightarrow$  copyright (BC)
- Minimum standards
  - Patents (Art 4 et seq PC): priority, independence, naming of inventor, irrelevance of use restrictions
  - Trade marks (Art 6 et seq PC): protection of well-known marks, cancellation period, telle-  
quelle-protection
  - Copyright (BC): no formalities, reproduction right, performance right, adaptation right etc.
- Principle of national treatment (Arts 2 PC, 5 BC)
- Priority (Art 4 PC)



## I.3 International treaties

### Priority (Art 4 PC)

- Patents: 12 months
- Trade marks: 6 months
- Example: US and European patent application



## I.3 International treaties

### **Member States may conclude special agreements (Articles 19 PC, 20 BC)**

- Provided they are consistent with the rules of the conventions
- Will be discussed in the context of the specific IP rights
- © law:
  - Rome Convention for the Protection of Performing Artists, Producers of Phonograms and Broadcasting Organisations
  - WIPO Copyright Treaty (WCT), WIPO Performances and Phonograms Treaty (WPPT)
  - Beijing and Marrakesh Treaties
- Patent and TM law
  - Treaties allowing international registration (Madrid system, PCT)
  - Treaties on registration procedure (TM Law Treaty and Singapore Treaty, Patent Law Treaty)
  - Classification agreements (eg Nice Classification Agreement)

## I.3 International treaties

### **The Agreement on Trade-Related Aspects of Intellectual Property Rights – TRIPS Agreement (1994) (1)**

- Idea: integration of IP protection into world trade law
- Annex to Agreement establishing the World Trade Organization (WTO)
- “Paris / Berne plus”: member states to comply with Paris and Berne conventions
- But also commitment to balancing of interests
  - Transfer of technology, mutual advantage (Art 7)
  - Health and nutrition, measures against abuse (Art 8)
- Stricter minimum standards
  - Patents: availability of protection, scope, compulsory licensing, duration
  - Trade marks: well-known marks, duration, no compulsory licences
  - Copyright: computer programs, rental right, performers and producers

## I.3 International treaties

### **TRIPS Agreement (1994) (2)**

- Broader scope
  - Trade secrets (Art 39)
  - Geographical indications (Art 22)
- Enforcement
  - General obligations (Art 41)
  - Injunctions (Art 44)
  - Damages (Art 45)
  - Interim relief (Art 50)
- Application of WTO dispute settlement mechanism
  - First instance: panel
  - Second instance: appellate body
  - Cross-retaliation allowed

## I.3 International treaties

### Example: Australia Plain Packaging cases

- Tobacco Plain Packaging Act 2011
- 2012 and 2014: consultation requests by by several tobacco-growing countries (Honduras, Cuba, Indonesia, Dominican Republic)
  - Article I.22 TBT Agreement on Technical Barriers to Trade (TMT Agreement): technical regulations must not cause unnecessary obstacles to international trade
  - Articles 16.1 (TM owner has exclusive right), 20 TRIPS (use of a TM must not be unjustifiably encumbered by special requirements)
- 2018: panel report rejects complaint
- 2020: Appellate Body confirms panel report



## I.3 International treaties

### Post-TRIPS developments

- TRIPS and public health
  - Doha Declaration (2001)
  - Inclusion of new article 31<sup>bis</sup> TRIPS, allowing compulsory licences for export to countries without manufacturing capacities
- Further international agreements, eg WCT and WPPT
- Bilateral trade agreements
  - Example: EU- Canada trade agreement (CETA)
  - But EU-US agreement (ACTA) failed
  - Often contain TRIPS-plus obligations
- Bilateral investment treaties / investor-state dispute settlement procedures

## I.3 International treaties

### Treaties allowing international registration

- No “world IP Office” → no registration by international body
- How to combine international registration with sovereignty of member states?
- Solution
  - TMs: Madrid Agreement (1891) and Protocol to Madrid Agreement (1989)
  - Patents: Patent Cooperation Treaty (PCT) (1970)
- Three-step procedure
  - Step 1: application to national or regional office, forwarded to WIPO
  - Step 2 (international phase): formal examination (Madrid) / preliminary search and examination (PCT), forwarded to designated national offices
  - Step 3: national phase: substantive examination and registration by national office

## I.3 International treaties

### The World Intellectual Property Organization (WIPO)

- Established 1967 in Geneva as UN agency
- 193 member states
- Administers Madrid and PCT systems and other treaties (eg PC, BC)
- Helps to develop IP
- Provides information and training
- Runs Arbitration and Mediation Center





## I.3 International treaties

### The World Trade Organization (WTO)

- Established 1995 in Geneva
- 164 member states
- Administers WTO Trade Agreements, including TRIPS
- Runs dispute settlement mechanism



# I.4 European law

## European Union (EU)

- Founded in 1957 as European Economic Community (EEC) among 6 states: B, D, F, I, LUX, NL
- Now (post-Brexit) 27 member states
- Primary law: the treaties
  - Treaty on the European Union (TEU)
  - Treaty on the Functioning of the EU (TFEU)
  - EU Charter of Fundamental Rights (EUCFR)
- Secondary law: regulations, directives and decisions
- Idea: creation of single market with fundamental freedoms
  - Free movement of goods
  - Freedom to provide services
  - Freedom of establishment
  - Free movement of workers
  - Free movement of capital

# I.4 European law

## The Court of Justice

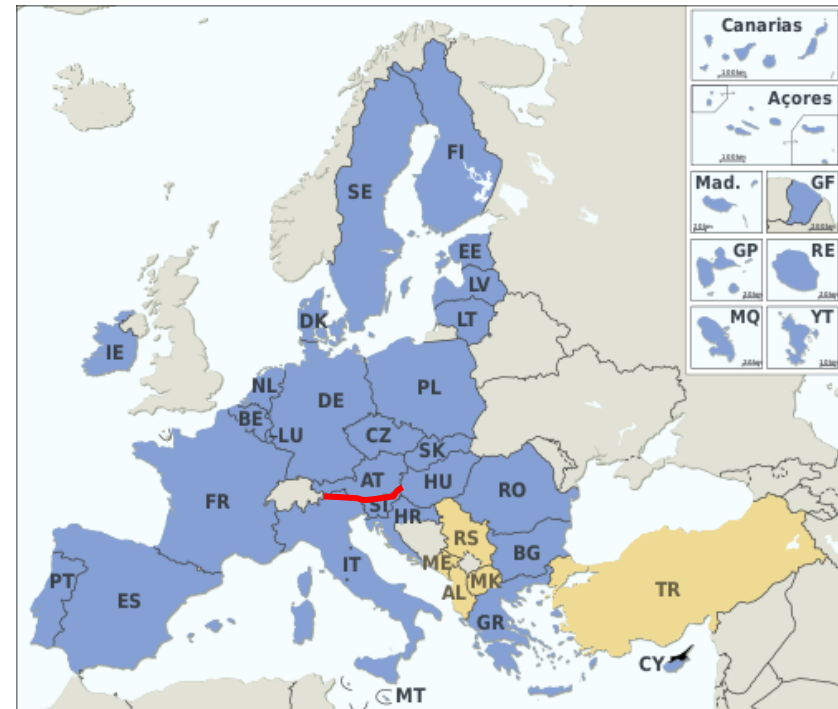
- Two instances
  - General Court (GC)
  - Court of Justice of EU (CJEU)
- No individual action by citizens (apart from exceptions)
- Most important procedure in civil law matters: preliminary reference (Art 267 TFEU)
  - National court *may* request preliminary ruling on interpretation of EU law provisions
  - Supreme courts *must* request ruling unless matter already clarified by CJEU
  - Answers bind national courts
  - But they also provide an interpretation which is binding

# I.4 European law

## (Territorial) IP rights as obstacles in the internal market



Example: BGH GRUR 2007, 871  
– *Wagenfeld-Leuchte*



# I.4 European law

## Primary law: the TFEU

- Art 34 TFEU: free movement of goods
- But Art 36 TFEU: intellectual property justifies restrictions
  - Free movement can be restricted in case of different conditions or periods of protection
  - But principle of EU-wide exhaustion



Example 1: ECJ, case 35/87 – *Thetford/Fiamma*



Example 2: ECJ, case 341/87 – *EMI/Patricia*

## I.4 European law

### Primary law: fundamental rights

- EU Charter of Fundamental Rights = part of EU primary law
- Applicable to
  - acts of EU institutions
  - but also acts of national institutions and judgments of national courts when dealing with fully harmonised EU law
- Growing importance for interpretation of open concepts and for balancing of interests
- Case study: blocking injunctions (CJEU, case C-314/12 – *UPC Telekabel v Constantin Film*)

## I.4 European law



**Strategy 1:**  
approximation  
of national laws  
by means of  
directives

**Strategy 2:**  
creation of  
Community  
rights by means  
of regulations

## I.4 European law

### Harmonisation of law by directives

- Directive addressed at member states
- Binding as to the result but leaves to the national authorities the choice of form and methods (Art 288 TFEU)
- Main function: approximation of laws
- Directives have the effect of harmonising the law, but they cannot overcome territoriality.
- Important directives:
  - Patents: Directive on biotechnological inventions (1998)
  - Trade Marks Directive (1998 / 2008 / 2015)
  - Designs Directive (1993)
  - Copyright law: no general directive, but 10 directives harmonising parts of copyright law
  - IP enforcement directive (2004)



## I.4 European law

### **Creation of EU rights by regulations**

- Regulation = binding and directly applicable
- Art 118 TFEU allows creation of EU rights by regulation

## I.4 European law

### **Art 118 Treaty on the Functioning of the European Union**

In the context of the establishment and functioning of the internal market, the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall establish measures for the creation of European intellectual property rights to provide uniform protection of intellectual property rights throughout the Union and for the setting up of centralised Union-wide authorisation, coordination and supervision arrangements. The Council, acting in accordance with a special legislative procedure, shall by means of regulations establish language arrangements for the European intellectual property rights. The Council shall act unanimously after consulting the European Parliament.

# I.4 European law

## Creation of EU rights by regulations (1)

- Regulation = binding and directly applicable
- Art 118 TFEU allows creation of EU rights by regulation
- Regulations allow
  - The establishment of an EU IP office → EU Intellectual Property Office, Alicante
  - Creation of EU rights which are autonomous from national law



## I.4 European law

### Creation of EU rights by regulations (2)

- Existing EU rights:
  - EU Trade Mark (EUTM)
  - Community Design
  - Community Plant Variety Right
  - Geographical Indications for wines, spirits and agricultural products
- Characteristics: autonomy, unity, co-existence
  - Autonomous from national law
  - Cannot be broken up into national pieces
  - Can co-exist with national IP rights

## I.4 European law

### And how about the European Patent Office (EPO)?

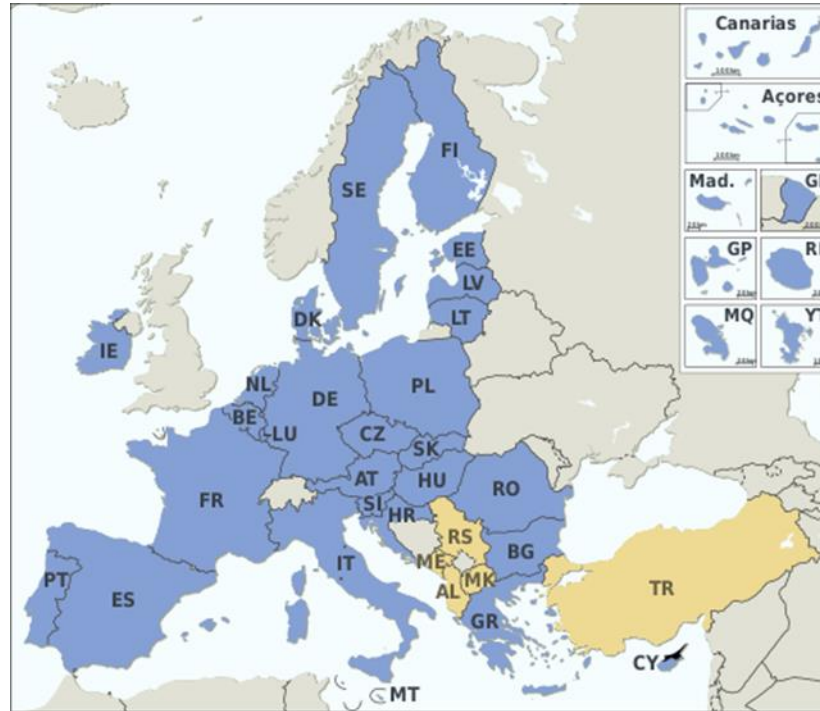
- European Patent Convention (EPC) = international treaty
- Revision of 2000 entered into force in Dec. 2007
- 38 member states, incl. all EU states, but also AL, CH, FL, HR, TR, IS, MC, MK, N, RSM, SRB, UK
- Official languages: German, English, French
- European patent
  - not an EU patent
  - but a “bundle patent”



## I.4 European law



**bundle patent**  
→ EPC



**unitary EU right**

## I.4 European law

### European phase:

- application
- search report and examination
- grant of European patent valid for designated states

### National phase:

- Patent has same effects as national patent, but:
  - protocol on interpretation of Art. 69 EPC
  - direct products of patented process (Art. 64 (2) EPC)
  - term of protection (Art. 63 EPC)
  - grounds of invalidity
- Infringement proceedings subject to national law
- Revocation proceedings subject to national law

# European and International Intellectual Property Law

## Part 2: Patents





# Agenda

1. Concept and justification
2. Treaties and EU law
3. Conditions of protection
4. Scope and infringement
5. Defences

# Selected literature

- T Cook, G Roberts and K Kasper, *A Practical Guide to European Patent Law* (forthcoming)
- M Haedicke and H Timmann, *Patent Law: A Handbook on European and German Patent Law* (2013)
- L McDonagh, *European Patent Litigation in the Shadow of the Unified Patent Court* (2016)
- E Muir and M Brandi-Dohrn, *European Patent Law: Law and Procedure under the EPC and PCT*, 2nd ed (2003)
- J Pila and C Wadlow (eds), *The Unitary EU Patent System* (2015)
- M Singer and D Stauder, *European Patent Convention*, 3rd ed (2003)
- A Stack, *International Patent Law* (2011)

# 1. Concept and justification

## What is a patent? Patent law in a nutshell (1)

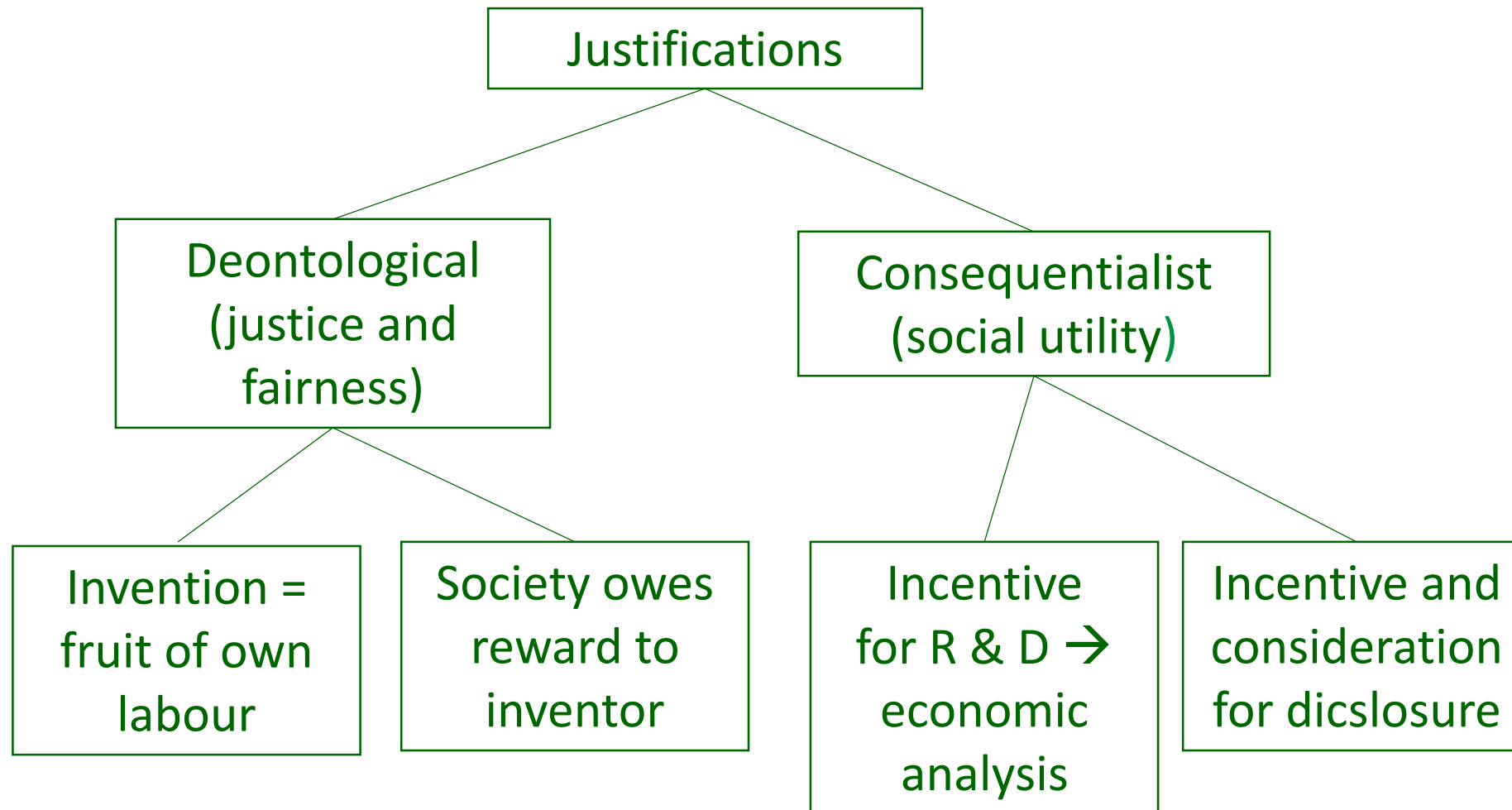
- Patent = exclusive right to an invention
- Subject-matter = technical (mainly or entirely)
- Patents require registration by a national or a regional office
- Conditions of grant
  - Protectable subject-matter
  - Novelty
  - Inventive step
  - Industrial applicability

# 1. Concept and justification

## Patent law in a nutshell (2)

- Scope of protection
  - Defined by the claims
  - Protection against independent inventors
- Exceptions
  - Private use
  - Limited research exception
- Compulsory licences
  - Can be granted under patent law
  - But also on the basis of antitrust law
- Term: 20 years from application

# 1. Concept and justification



# 1. Concept and justification

## The economic model

- Patent system “adds the fuel of interest to the fire of genius” (*Lincoln*)
- Starting-point: invention = public good
  - non-rivalry
  - non-exclusivity
- No investment in public goods → market failure
- Patent allow patentee to recoup costs of R&D
- Patents create artificial scarcity and hence turn inventions into tradable commodities
- Information function of patents
- Patents create incentive (i) to invent, (ii) to disclose the invention, (iii) to develop it into a marketable commodity and (iv) to transfer technology by granting licences

# 1. Concept and justification

## 21st century challenges

- But patents create social costs
  - Static inefficiency (monopoly pricing)
  - Risk of dynamic inefficiency = risk that research is impeded
  - Enables rent-seeking behaviour: problem of patent-assertion entities (“patent trolls”)
- Crisis of 19<sup>th</sup> century model in 21<sup>st</sup> century?
  - “patent thickets” in some sectors, notably ICT
  - Patents no longer concern the whole product but tiny components → risk of cumulation
  - Standardisation and patents
  - “Evergreening” of pharma patents
  - World-wide state of the art difficult to research (*Gurry*: the “Cambrian explosion”)

## 2. Treaties and EU law

### Paris Convention (1883): key features

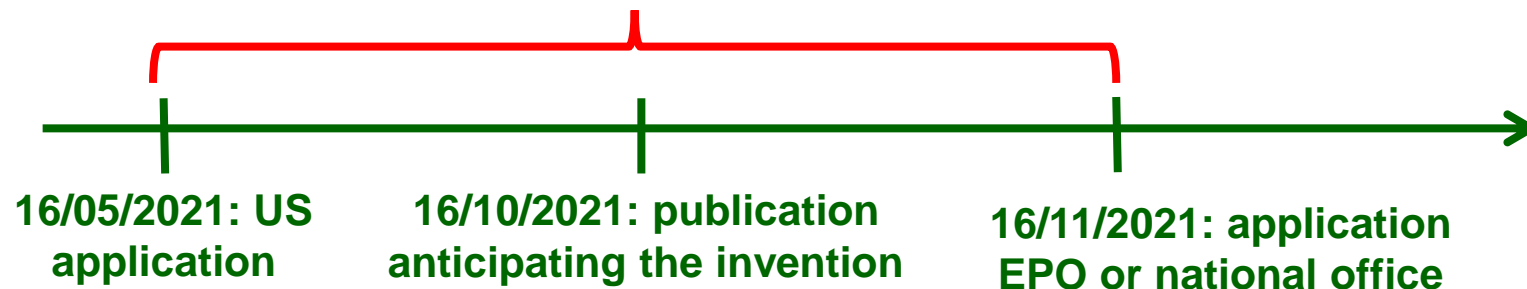
- Principle of national treatment (Art 2)
- Priority (Art 4)
- Few minimum standards and mandatory exceptions
  - Independence of national rights (Art 4<sup>bis</sup>)
  - Right of inventor to be mentioned (Art 4<sup>ter</sup>)
  - Patentability in case of sales restrictions (Art 4<sup>quater</sup>)
  - Basic provisions on compulsory licenses (Art 5)
  - Exception for inventions used on vessels, planes, land vehicles (Art 5<sup>ter</sup>)
  - Import in case of protected processes (Art 5<sup>quater</sup>)



## 2. Treaties and EU law

### Priority (Art 4 PC)

- Idea: adapting an application to requirements of many legal systems takes time → applicants should be able to benefit from priority date of first filing
- Conditions:
  - Patent application filed in one of the PC countries
  - Same applicant or successor in title
  - Same invention
  - Subsequent application(s) made within 12 months (Art 4 C (1) PC)
- Effect: priority date relevant for purposes of assessing novelty and inventive step (see Art 89 EPC) and in case of conflicting applications



## 2. Treaties and EU law

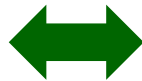
### TRIPS and patents

#### High minimum standards:

- all fields of technology (Art 27)
- definition of rights (Art 28)
- 3-step-test for exceptions (Art 29)
- restrictions on compulsory licensing (Art 31)
- duration = 20 years (Art 33)

+

- Obligations concerning enforcement (Part III)



#### “Antidotes”:

- objectives (Art 7)
- protection of health and nutrition, measures preventing abuse (Art 8)
- exceptions in Art 27 (2),(3)
- availability of revocation proceedings (Art 32)
- Doha Declaration (2001)
- Waiver of Art 31(f) (2003)
- Art 31<sup>bis</sup> (2005)

## 2. Treaties and EU law

### Patents and developing countries

- Position 1: on balance, TRIPS is beneficial
  - strong IP rights facilitate transfer of technology
  - encouragement for creative industries in developing countries
  - requirement of international fairness
- Position 2: dangers prevail
  - TRIPS strengthens rights of IP holders of which 90 % are European, North American, Japanese or Chinese
  - imitation is a necessary step in the “catching up” process
  - IP rights as entry barriers for enterprises from developing countries
  - IP rights may increase cost of medicine and foodstuffs

## 2. Treaties and EU law

### Issue 2: patents and public health

- Article 27 requires patentability of medicines, Article 28 requires product protection
- Problems:
  - access to medicine for poor population
  - orphan diseases
- Some conditions for compulsory licensing (Article 31):
  - user must try to obtain licence, requirement may be waived in cases of national emergency
  - use must be authorised predominantly for supply of domestic market
  - adequate remuneration

## 2. Treaties and EU law

### Issue 2: patents and public health (cont'd)

- Doha Declaration on the TRIPS Agreement and Public Health (2001)
  - Member states have the right to define what a “national emergency” is
  - Further consideration of problem that states may not have sufficient manufacturing capacities
- Decision of WTO General Council (2003)
  - Waiver of requirement set forth in Article 31 (f)
- TRIPS Amendment: Art. 31<sup>bis</sup>
  - In force since January 2017
  - Allows grant of compulsory licenses for benefit of other states
  - EC Reg. 816/2006 provides for procedure

## 2. Treaties and EU law

### Issue 2: patents and public health – the COVID crisis

- Should patents on COVID vaccines be waived?
  - Yes, because the population in poorer countries cannot pay the monopoly price and the industry in threshold countries and developing countries should be enabled to manufacture the vaccine itself
  - No, because you also need trade secrets / tacit knowledge and a lot of know-how to make a COVID vaccine. Patents are not the problem, and there is the possibility of compulsory licensing

## 2. Treaties and EU law

### Issue 2: patents and public health – the COVID crisis

- Should patents on COVID vaccines be waived?
- What else could we do to disseminate COVID vaccines?
  - Government buyout
  - Patent pledge → Open Covid Pledge, P!: participants = more or less only IT companies
  - Patent pools → WHO-initiated Medicines Patent Pool (MPP), P!: major vaccine producers do not participate
  - Extension of patent term for the time the patent is suspended due to a pledge
  - Tying government funding to readiness to grant licences / join a patent pool

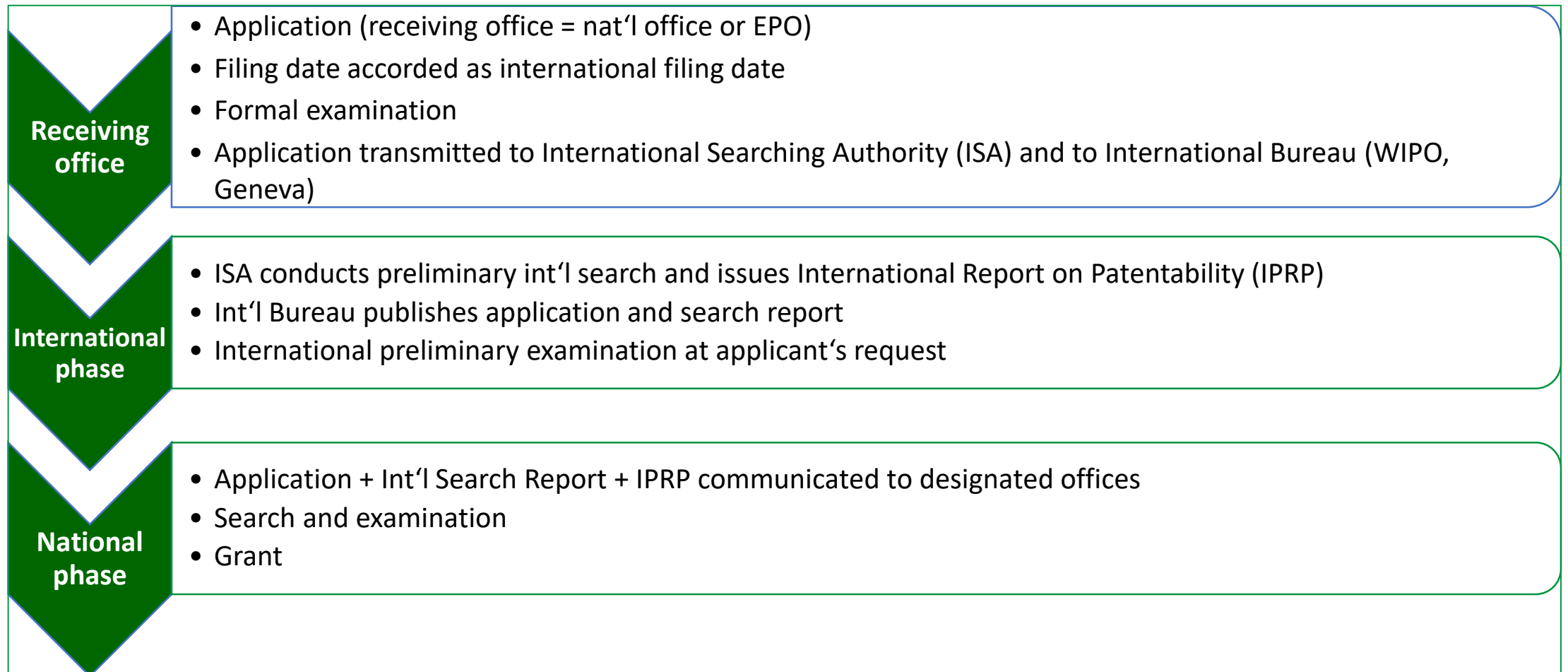
## 2. Treaties and EU law

### The PCT: Key features

- Concluded 1970 at Washington
- 153 contracting states
- **International phase:** preliminary assessment of patentability
- **National phase:** search, examination and grant by national Patent Office
- Idea: Making international applications easier, sharing work while at the same time respecting national sovereignty



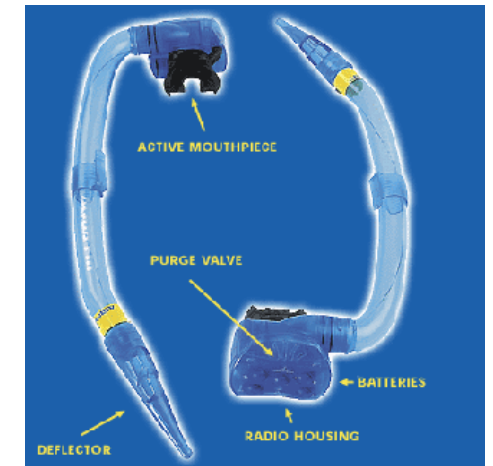
## 2. Treaties and EU law



## 2. Treaties and EU law

### Some notable PCT inventions

(according to <http://www.wipo.int/pct/en/inventions/inventions.html>)



## 2. Treaties and EU law

### **Patent Law Treaty (PLT)**

- 43 contracting states
- Harmonisation of certain formal requirements, such as filing date, form, element of application

### **Substantive Patent Law Treaty (SPLT)**

- Not yet in force, negotiations have reached stalemate
- Aims at harmonising substantive requirements such as novelty, inventive step / non-obviousness, utility

### **Other agreements**

- Strasbourg Convention (1963)
- Strasbourg Agreement Concerning the International Patent Classification (IPC Agreement, 1971)
- Budapest Treaty on the Deposit of Microorganisms (1977)

## 2. Treaties and EU law

### EU law and the EPC

#### EU law

- SPC regulations (1992/2009)
- Directive on the legal protection of biotechnological inventions (1998)
- IP enforcement directive (2004)
- But no EU patent

#### EPC

- International Agreement
- 38 member states, only 27 bound by EU law
- “Bundle patent” = effects after grant governed by national law, allows territorial restrictions
- No recourse to CJEU

## 2. Treaties and EU law

### Supplementary Protection Certificates (SPCs)

- Sui generis right which extends the term of a patent
- Available for medicine and plant protection products (insecticides and herbicides)
- Idea: should compensate for time lost during process of obtaining marketing authorisation for medicine
- Legal basis: SPC Regulation (469/2009)
- Granted by national offices [EPO can be authorised by member states, but this has not happened yet]
- Term = date of first marketing authorisation in EU (example: 1/04/2017) – filing date (1/04/2011) – 5 years (= 1 year in example), maximum 5 years

## 4. European law

### And how about the European Patent Office (EPO)?

- European Patent Convention (EPC) = international treaty
- Signed in 1973, entered into force in 1977
- First patents granted in 1980
- Revision of 2000 entered into force in Dec. 2007
- 38 member states, incl. all EU states, but also AL, CH, FL, TR, IS, MC, MK, N, RSM, SRB, UK
- Official languages: German, English, French
- European patent
  - not an EU patent
  - but a “bundle patent”



## 2. Treaties and EU law



bundle patent  
→ EPC



unitary EU rights

## 2. Treaties and EU law

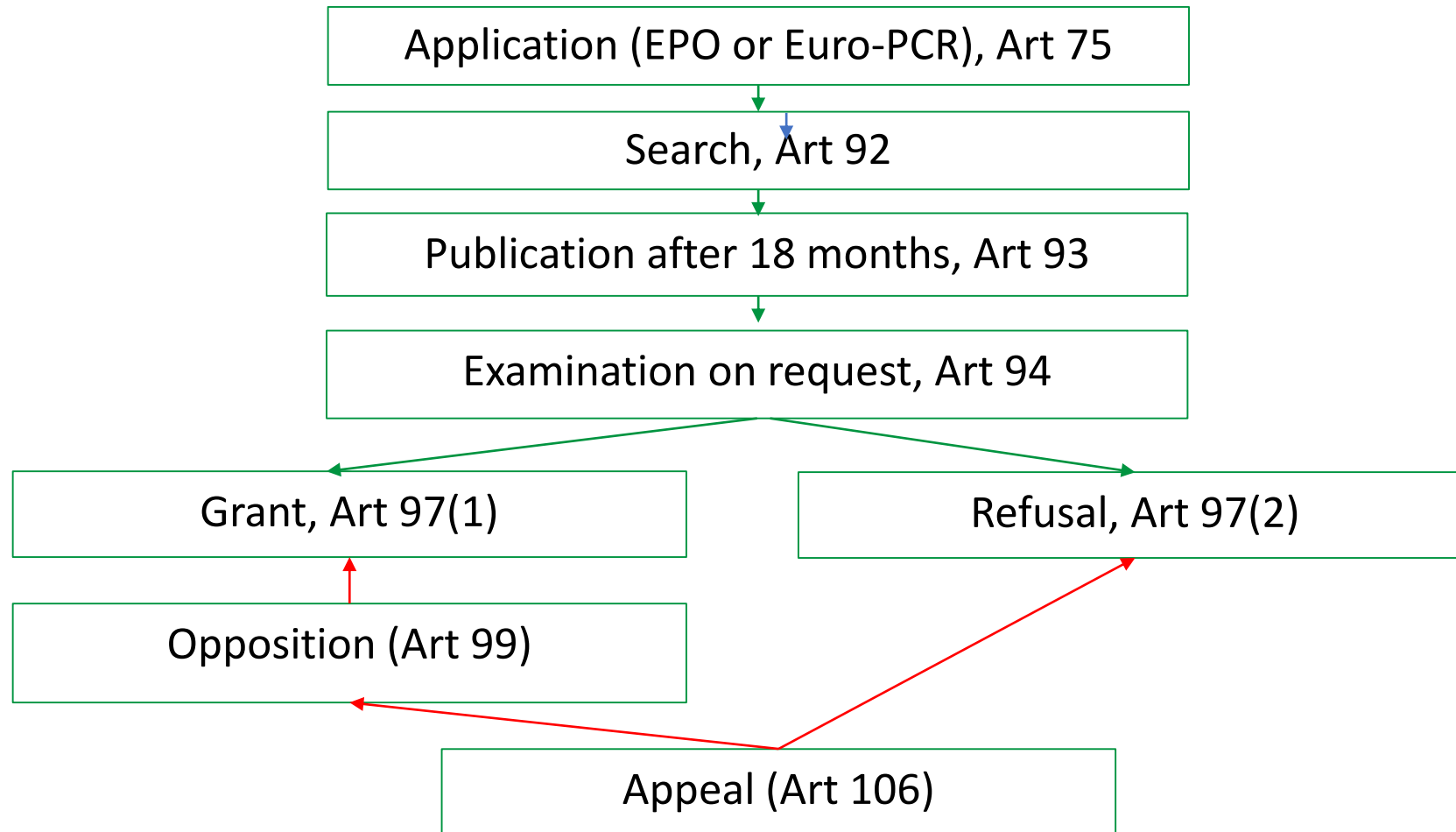
### European phase:

- application
- search report
- examination
- grant of European patent valid for designated states

### National phase:



## 2. Treaties and EU law



**Receiving Section**

**Examination Division**

**Opposition Division**

**Boards of Appeal**

## 2. Treaties and EU law

### European phase:

- application
- search report
- examination
- grant of European patent valid for designated states

### National phase:

- Patent has same effects as national patent, but:
  - protocol on interpretation of Art. 69 EPC
  - direct products of patented process (Art. 64 (2) EPC)
  - term of protection (Art. 63 EPC)
  - grounds of invalidity
- Infringement proceedings subject to national law
- Revocation proceedings subject to national law

## 2. Treaties and EU law

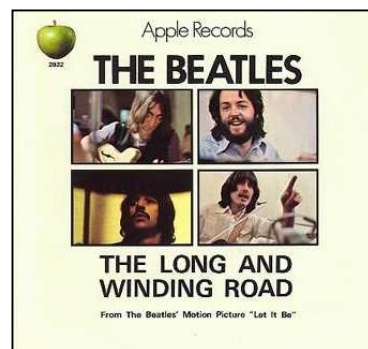
### Shortcomings of the present system

- No unitary patent
  - Territorial restriction of national and European (= “bundle”) patents v unity of internal market
  - High translation costs (Art 65 EPC, partly mitigated by London Agreement)
  - Uneasy relation between EPC and EU law
- No European patent court
  - Cross-border enforcement burdensome (also because of restrictive CJEU case-law on jurisdiction)
  - No central attack on validity
  - Diverging judgments about infringement and validity = legal uncertainty

## 2. Treaties and EU law

## Why has it all been so difficult?

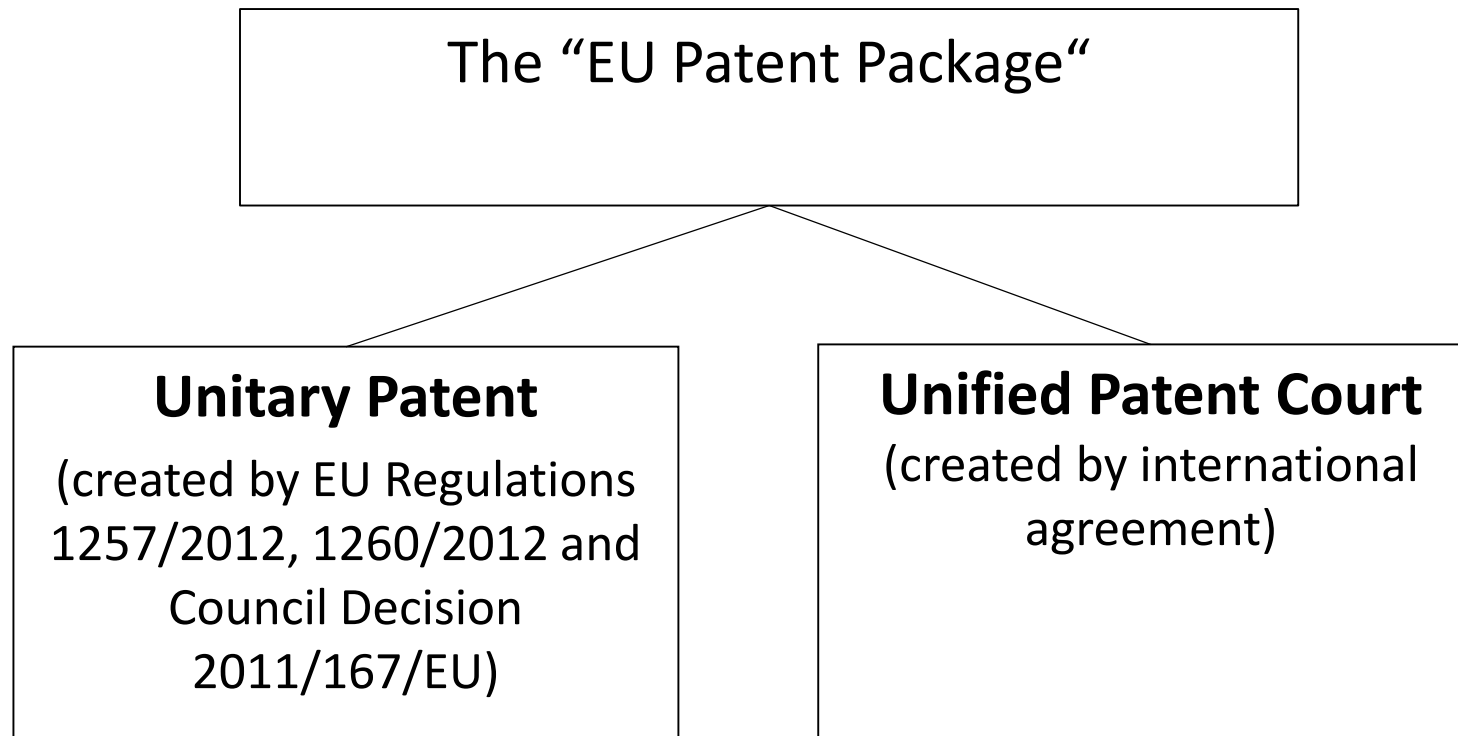
## unitary patent



## European patent court



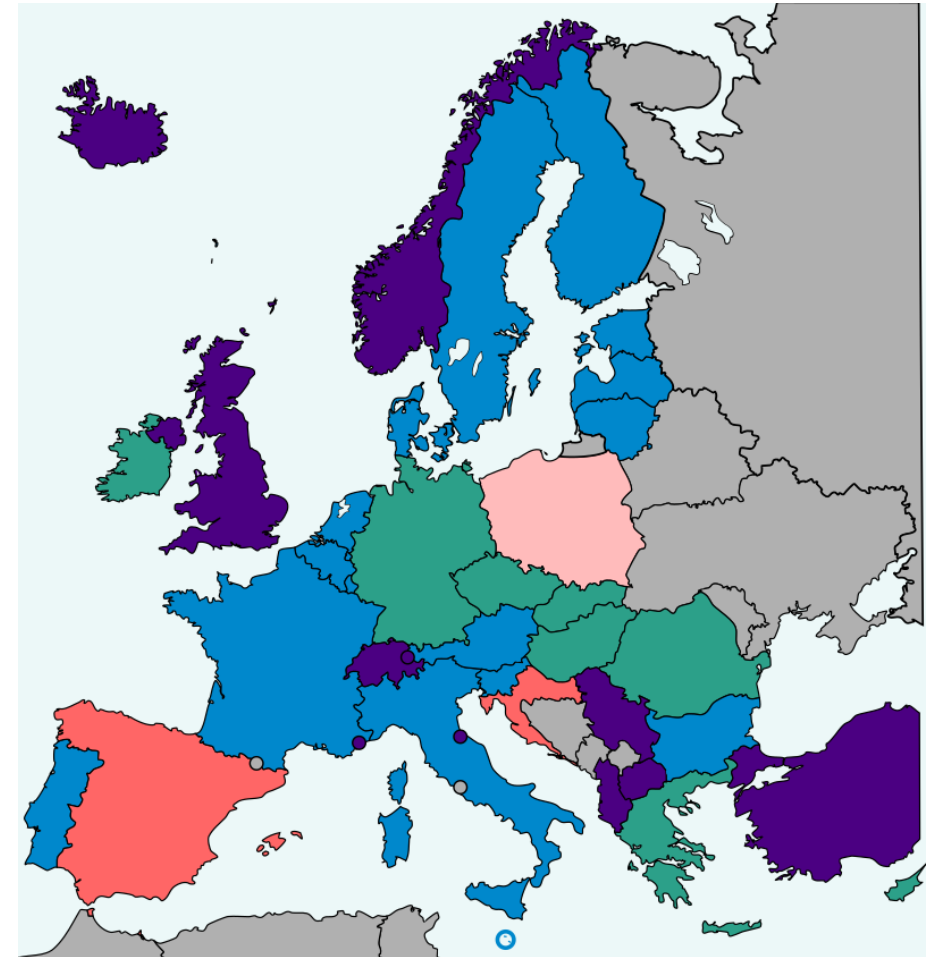
## 2. Treaties and EU law



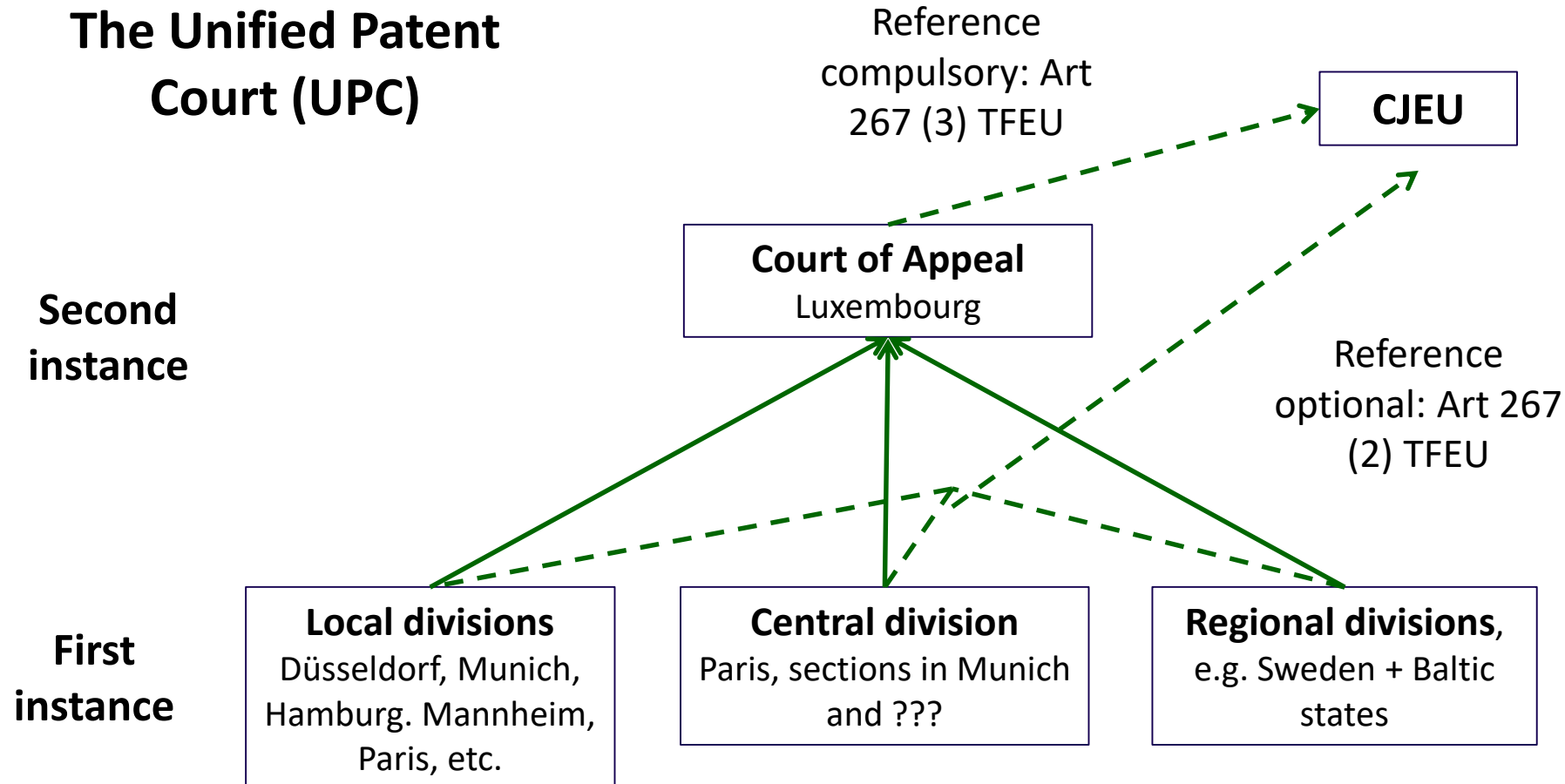
## 2. Treaties and EU law

### The chequered EU patent landscape

- Only EU member states can participate
- 25 signatories: E, HR and PL did not sign
- Ratification by 13 states including the three biggest patent-owning states
- 17 member states have ratified the UPCA
- The UK ratified it, but has withdrawn after Brexit
- In Germany the Constitutional Court stopped the ratification, but has now allowed it to proceed
- Provisional application likely to start soon



## 2. Treaties and EU law



## 2. Treaties and EU law

### Jurisdiction

- Exclusive jurisdiction for unitary patents and for European (ie “bundle”) patents and for SPCs granted on basis of those patents
- Transitional period (Article 83)
  - 7 y, can be extended to 14 y
  - Action for infringement or revocation of a European (ie “bundle”) patent can still be brought before national courts
  - Owner of European patents can opt out completely
  - Open issues, eg: which law will the national courts apply?
- International jurisdiction governed by Brussels Regulation
- Jurisdiction of divisions
  - Local / regional divisions have jurisdiction when infringement has occurred or when defendant has its place of business in district
  - Central division has jurisdiction for revocation actions
  - Counterclaims can be raised in local / regional divisions



## 2. Treaties and EU law

### Substantive law in UPC Agreement

- Why? Because member states were afraid of the CJEU!
  - CJEU does not have jurisdiction to interpret international treaties
- Infringing acts and defences (Articles 25-29)
  - Direct and indirect infringement (Articles 25, 26)
  - List of exceptions (Article 27)
  - Prior user right → national law (Article 28)
  - Exhaustion (Article 29)
- Remedies (“powers of the court”)
  - Provisional measures and preserving evidence (Articles 59-62)
  - Permanent injunctions (Article 63)
  - Revocation (Article 65)
  - Damages (Article 68)

## 2. Treaties and EU law



“bundle patent”



“unitary patent”



unitary right

## 2. Treaties and EU law

### The unitary patent

- Grant by EPO on the basis of Art 142 EPC
- Unitary effect by virtue of Art 5 UPR

## 2. Treaties and EU law

### Article 5 UPR

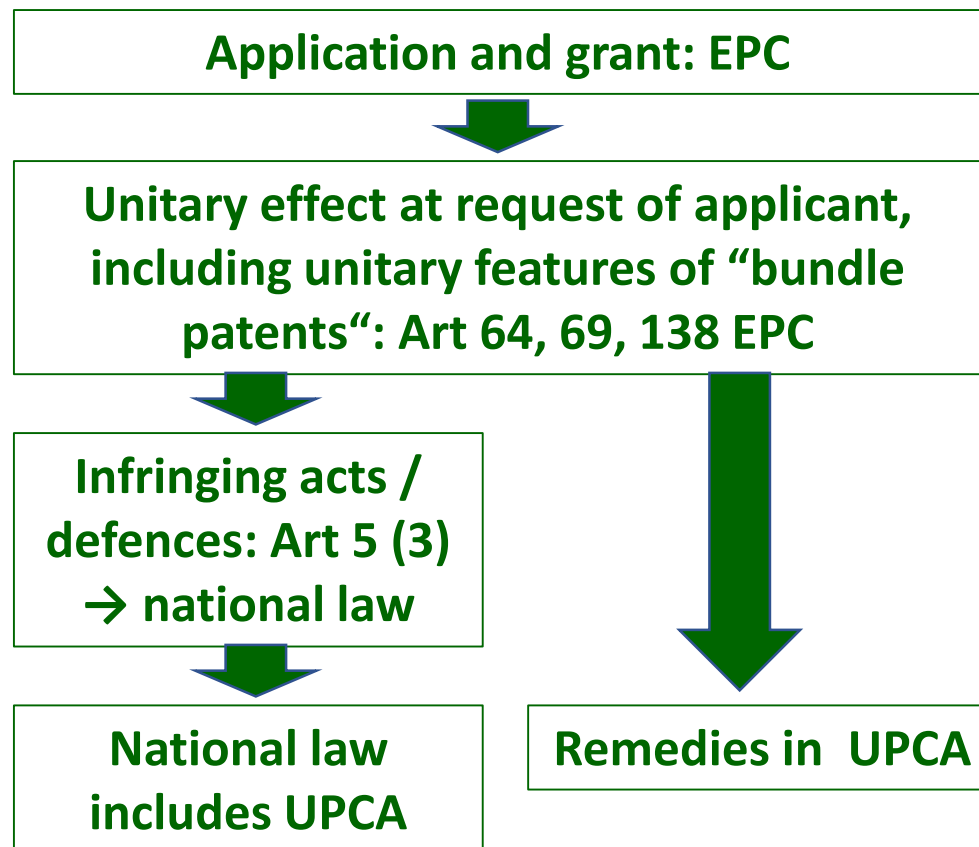
- (1) The European patent with unitary effect shall confer on its proprietor the **right to prevent any third party from committing acts against which that patent provides protection throughout the territories** of the participating Member States in which it has unitary effect, subject to applicable limitations.
- (2) The **scope of that right and its limitations shall be uniform** in all participating Member States in which the patent has unitary effect.
- (3) The acts against which the patent provides protection referred to in paragraph 1 and the applicable limitations shall be those **defined by the law applied to European patents with unitary effect in the participating Member State** whose national law is applicable to the European patent with unitary effect as an object of property in accordance with Article 7.
- (4) (...)

## 2. Treaties and EU law

### The unitary patent

- Grant by EPO on the basis of Art 142 EPC
- Unitary effect by virtue of Art 5 UPR
- But why does Art 5 (3) refer to national law? And where are the provisions on scope, infringement and remedies?

## 2. Treaties and EU law



## 2. Treaties and EU law

CTM system	Future EU patent system
<b>Autonomy</b> = CTMs subject to EU law only (with some exceptions)	Grant under EPC, scope governed by EPC, infringement and remedies by AUPC
<b>Unity</b> = CTM has unitary effect and stands and falls for all member states	Unitary effect in participating states
<b>Coexistence</b> = CTM coexists with national TMs	Coexistence with national TMs and “bundle patents”
<b>National courts</b> sit as CTM courts, preliminary reference (Art 267 TFEU) to CJEU	Unified Patent Court replaces national courts, judgments have unitary effect

# 3. Conditions of grant

1. Patentable subject-matter
  - a) Invention (Art 52 EPC)
  - b) No exclusion (Art 53 EPC)
2. Novelty (Art 54, 55 EPC)
3. Inventive step (Art 56 EPC)
4. Industrial applicability (Art 57 EPC)



# 3. Conditions of grant

1. Patentable subject-matter
  - a) Invention (Art 52 EPC)
  - b) No exclusion (Art 53 EPC)
2. Novelty (Art 54, 55 EPC)
3. Inventive step (Art 56 EPC)
4. Industrial applicability (Art 57 EPC)

## Where relevant?

- Examination
- Post-grant opposition before EPO (Art 99 et seq EPC)
- Revocation proceedings before national offices or courts
- Counter-claim for invalidity? UK (+), DE (-)
- Declaration of non-infringement
- Remedy for groundless threats

# 3. Conditions of grant

## 1. Patentable subject-matter

- a) Invention (Art 52 EPC)
- b) No exclusion (Art 53 EPC)

## 2. Novelty (Art 54, 55 EPC)

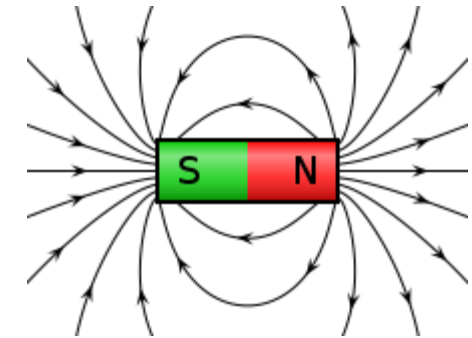
## 3. Inventive step (Art 56 EPC)

## 4. Industrial applicability (Art 57 EPC)

# 3. Conditions of grant

## What is an invention?

- Not defined in Art 52 (1) EPC
- Negative list in Art 52 (2) EPC → invention must
  - be technical
  - offer a concrete solution to a technical problem
- Invention v discovery
- Available in all fields of technology (see Art 27 TRIPS)
- Product claims and process claims



# 3. Conditions of grant

## Patentable subject-matter (1): software

- Why is software different from other technical inventions?
  - Overlap with © law
  - Convergence of technical and non-technical subject-matter
  - Horizontal as opposed to vertical innovation
- Article 52
  - Exclusion of „programs for computers“ in Article 52(2)
  - But only for programs „as such“ (Article 52(3)) → software is not patentable, but computer-implemented inventions are
- How to draw the line?

# 3. Conditions of grant

## Patentable subject-matter (1): software

- Option 1: making sense of Art 52
  - BGH: (1) Is the invention at least partly technical? (2) Does it solve a technical problem which goes beyond the mere operation of a computer?
  - England & Wales High Court: (1) construe claim, (2) identify actual contribution, (3) ask whether it falls solely within the excluded subject-matter
- Option 2 (EPO): ignoring Art 52 and deciding the issue under inventive step
  - Art 52 (2) lists non-technical subject matter. This hurdle can be overcome by mentioning a computer
  - But lack of inventive step if inventive activity only concerns excluded subject-matter

# 3. Conditions of grant

## **EPO, G 3/08 – *programs for computers*, para 80**

The present position of the case law is thus that (...) a claim in the area of computer programs can avoid exclusion under arts 52(2)(c) and (3) EPC **merely by explicitly mentioning** the use of a computer or a computer-readable storage medium.

But no exposition of this position would be complete without the remark that it is also quite clear from the case law of the Boards of Appeal (...) that if a claim to program X falls under the exclusion of arts 52(2) and (3) EPC a claim which specifies no more than “Program X on a computer-readable storage medium,” or “A method of operating a computer according to program X,” will always still fail to be patentable for lack of an inventive step under arts 52(1) and 56 EPC . Merely the EPC article applied is different.

### 3. Conditions of grant

#### Patentable subject-matter (2): AI and AI-generated inventions

inventor



invention

### 3. Conditions of grant

#### Patentable subject-matter (2): AI and AI-generated inventions

inventor



invention



# 3. Conditions of grant

## Patentable subject-matter (2): AI and AI-generated inventions

**(inventor)**



**invention**

- Issue 1: protection of AI → like computer-implemented inventions
- Issue 2: protection of AI-generated inventions

# 3. Conditions of grant

## Inventions without an inventor?

- Can AI be an inventor (and be named as such)?
  - No, say EPO and English Court of Appeal (majority vote) in DABUS case ([2021] EWCA Civ 1374)
  - AI can't be an inventor, but a human inventor does not need to be named (Birss LJ, dissenting)
- Does the “inventor principle” require a human inventor?
- Do the provisions which require the identification of the inventor require a human inventor?
- Do we need incentives created by the patent system, given that AI inventions are cheaper?

# 3. Conditions of grant

## Computer programs: examples

### Patentable

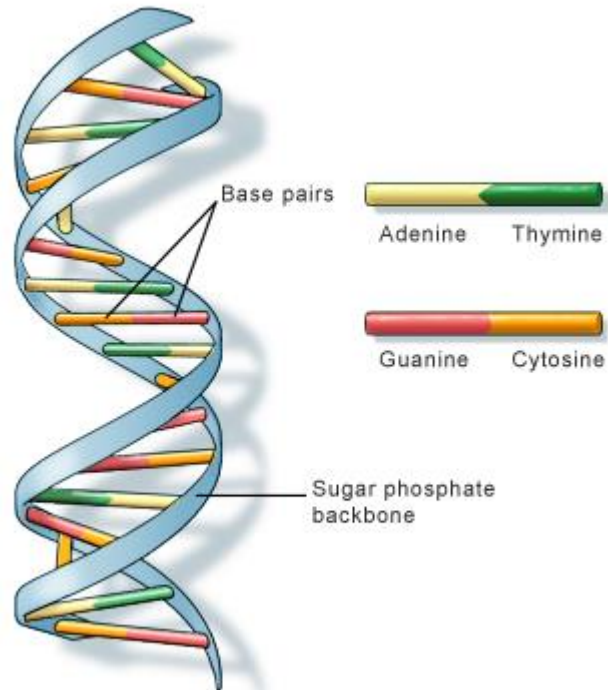
- Program which operates X-ray
- CAD program
- Operating system (eg Windows)
- Telephone exchange system

### Not patentable

- Pension benefit system
- System operating „Dutch auction“
- Method hedging risk in commodity trading
- Method allowing use of western-style keyboard for Chinese characters

# 3. Conditions of grant

## Patentable subject-matter (2): gene sequences



U.S. National Library of Medicine

# 3. Conditions of grant

## **Art 5 Biotech Directive (98/44/EC)**

1. The human body, at the various stages of its formation and development, and the simple discovery of one of its elements, including the sequence or partial sequence of a gene, cannot constitute patentable inventions.
2. An element isolated from the human body or otherwise produced by means of a technical process, including the sequence or partial sequence of a gene, may constitute a patentable invention, even if the structure of that element is identical to that of a natural element.
3. The industrial application of a sequence or a partial sequence of a gene must be disclosed in the patent application.

## **US Supreme Court, Association for Molecular Pathology v. Myriad 133 S Ct 2107 at 2117 (2013)**

Myriad found the location of the BRCA1 and BRCA2 genes, but that discovery, by itself, does not render the BRCA genes “new TTT composition[s] of matter,” § 101, that are patent eligible.”

# 3. Conditions of grant

1. Patentable subject-matter
  - a) Invention (Art 52 EPC)
  - b) No exclusion (Art 53 EPC)
- 2. Novelty (Art 54, 55 EPC)**
3. Inventive step (Art 56 EPC)
4. Industrial applicability (Art 57 EPC)

### 3. Conditions of grant

**Novelty is a relative concept.**



**New College Oxford  
(founded 1379)**



# 3. Conditions of grant

## Is the invention novel?

- (1) What is the relevant date for assessing novelty?
- (2) What forms the state of the art? → “absolute novelty”
- (3) What information does it disclose to the person skilled in the art?



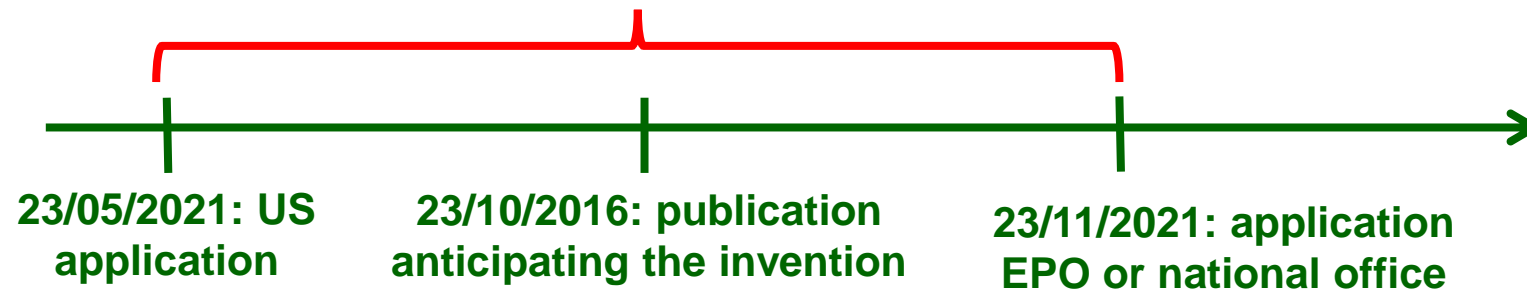
# 3. Conditions of grant

## Article 54 EPC: Novelty

- (1) An invention shall be considered to be new if it does not form part of the state of the art.
- (2) The state of the art shall be held to comprise everything made available to the public by means of a written or oral description, by use, or in any other way, **before the date of filing of the European patent application (see also Art 89 EPC)**.
- (3) Additionally, the content of European patent applications as filed, the dates of filing of which are prior to the date referred to in paragraph 2 and which were published on or after that date, shall be considered as comprised in the state of the art.
- (4), (5)

### 3. Conditions of grant

- Date of filing *or*
- Priority date – Art 89 EPC: “The right of priority shall have the effect that the date of priority shall count as the date of filing of the European patent application for the purposes of Article 54, paragraphs 2 and 3, and Article 60, paragraph 2.”



# 3. Conditions of grant

## Article 54 Novelty

- (1) An invention shall be considered to be new if it does not form part of the state of the art.
- (2) The **state of the art** shall be held to comprise everything made available to the public by means of a written or oral description, by use, or in any other way, before the date of filing of the European patent application.
- (3) Additionally, the content of European patent applications as filed, the dates of filing of which are prior to the date referred to in paragraph 2 and which were published on or after that date, shall be considered as comprised in the state of the art.
- (4), (5)

### 3. Conditions of grant



State of the art:

# 3. Conditions of grant

## Article 54 EPC: Novelty

- (1) An invention shall be considered to be new if it does not form part of the state of the art.
- (2) The state of the art shall be held to comprise **everything made available** to the public by means of a written or oral description, by use, or in any other way, before the date of filing of the European patent application **(= absolute novelty)**.
- (3) Additionally, the content of European patent applications as filed, the dates of filing of which are prior to the date referred to in paragraph 2 and which were published on or after that date, shall be considered as comprised in the state of the art.
- (4), (5)

# 3. Conditions of grant

## Article 54 EPC: Novelty

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- (4), (5)

# 3. Conditions of grant



## **State of the art:**

- Everything made available to the public in any way, anywhere, at any time
- Unpublished patent applications
- Types of disclosure: written description, oral description, public use

## 2. Novelty

### **Is the invention novel?**

- (1) What is the relevant date for assessing novelty?
- (2) What forms the state of the art? → “absolute novelty”
- (3) What information does it disclose to the person skilled in the art?
  - The concept of “enabling disclosure”
  - No “mosaic approach”
  - No additional inventive effort



# 3. Conditions of grant

## Article 54 EPC: Novelty

- (1) An invention shall be considered to be new if it does not form part of the state of the art.
- (2) The state of the art shall be held to comprise everything made available to the public by means of a written or oral description, by use, or in any other way, before the date of filing of the European patent application.
- (3) Additionally, the content of European patent applications as filed, the dates of filing of which are prior to the date referred to in paragraph 2 and which were published on or after that date, shall be considered as comprised in the state of the art.
- (4) Paragraphs 2 and 3 shall not exclude the **patentability of any substance or composition, comprised in the state of the art, for use in a method referred to in Article 53(c)**, provided that its use for any such method is not comprised in the state of the art. **[first medical use]**
- (5) Paragraphs 2 and 3 shall also not exclude the patentability of any substance or composition referred to in paragraph 4 for **any specific use** in a method referred to in Article 53(c), provided that such use is not comprised in the state of the art. **[second medical use]**

# 3. Conditions of grant

1. Patentable subject-matter
  - a) Invention (Art 52 EPC)
  - b) No exclusion (Art 53 EPC)
2. Novelty (Art 54, 55 EPC)
3. **Inventive step (Art 56 EPC)**
4. Industrial applicability (Art 57 EPC)

# 3. Conditions of grant

## Art 56 EPC: Inventive Step

An invention shall be considered as involving an inventive step if, having regard to the state of the art, it is **not obvious to a person skilled in the art**. If the state of the art also includes documents within the meaning of Article 54, paragraph 3, these documents shall not be considered in deciding whether there has been an inventive step.

### 3. Conditions of grant

common  
general  
knowledge



skilled, but not  
inventive

a determinedly prosaic,  
undefatigable but uninspired  
individual (*Cornish*)

person skilled in the art

# 3. Conditions of grant

## The problem-and-solution approach (EPO)

- identification of the closest prior art in the technical field of the invention
- identification of the technical problem which can be regarded as solved in relation to this closest prior art
- an assessment of whether or not the technical feature(s) which alone or together form the solution claimed, could be derived as a whole by the skilled person in that field in an obvious manner from the state of the art.

# 3. Conditions of grant

## Issue 2: What are the impacts of AI on inventive step?

- Does the person skilled in the art become a machine skilled in the art?
- Does this result in significantly higher requirements of inventive step, or, simply: does this raise the bar a lot?
- Too high?
- Ultimately “death of patentability” because everything is obvious?
- See M Stierle, ‘A De Lege Ferenda Perspective on Artificial Intelligence Systems Designated as Inventors in the European Patent System’, [2021] GRUR Int 115

# 3. Conditions of grant

1. Patentable subject-matter
  - a) Invention (Art 52 EPC)
  - b) No exclusion (Art 53 EPC)
2. Novelty (Art 54, 55 EPC)
3. Inventive step (Art 56 EPC)
4. **Industrial applicability (Art 57 EPC)**

# 4. Scope of protection

## European patent: bibliography

(19)		
		(11) EP 1 964 022 B1
(12)	EUROPEAN PATENT SPECIFICATION	
(45) Date of publication and mention of the grant of the patent: 10.03.2010 Bulletin 2010/10	(51) Int Cl.: G06F 21/20 (2006.01) G06F 3/048 (2006.01)	
(21) Application number: 06846405.6	(86) International application number: PCT/US2006/061370	
(22) Date of filing: 30.11.2006	(87) International publication number: WO 2007/076210 (05.07.2007 Gazette 2007/27)	
(54) UNLOCKING A DEVICE BY PERFORMING GESTURES ON AN UNLOCK IMAGE ENTSPERRUNG EINER VORRICHTUNG DURCH DURCHFÜHRUNG VON GESTEN AUF EINEM ENTSPERRUNGSBILD DEVERROUILLAGE D'UN DISPOSITIF PAR DES GESTES EFFECTUES SUR UNE IMAGE DE DEVERROUILLAGE		
(84) Designated Contracting States: AT BE BG CH CY CZ DE DK EE ES FI FR GB GR HU IE IS IT LI LT LU LV MC NL PL PT RO SE SI SK TR	<ul style="list-style-type: none"><li>• VAN OS, Marcel San Francisco, CA 94110 (US)</li><li>• LEMAY, Stephen, O. San Francisco, CA 94122 (US)</li><li>• FORSTALL, Scott Mountain View, CA 94040 (US)</li><li>• CHRISTIE, Greg San Jose, CA 95129 (US)</li></ul>	
(30) Priority: 23.12.2005 US 322549		
(43) Date of publication of application: 03.09.2008 Bulletin 2008/36		
(60) Divisional application: 09170574.9 / 2 128 782	(74) Representative: Lang, Johannes Bardehle, Pagenberg, Dost, Altenburg, Geissler Postfach 86 06 20 81633 München (DE)	
(73) Proprietor: Apple Inc. Cupertino, CA 95014 (US)	(56) References cited: WO-A-2004/001560 US-A- 5 821 933 US-A- 5 907 327	
(72) Inventors: <ul style="list-style-type: none"><li>• CHAUDHRI, Imran San Francisco, CA 94102 (US)</li><li>• ORDING, Bas San Francisco, CA 94131 (US)</li><li>• ANZURES, Freddy, A. San Francisco, CA 94117 (US)</li></ul>	<ul style="list-style-type: none"><li>• "ACCESS/CONTROL ICONS (ICON KEYS)" IBM TECHNICAL DISCLOSURE BULLETIN, IBM CORP. NEW YORK, US, vol. 38, no. 4, 1 April 1995 (1995-04-01), pages 407-409, XP000516196 ISSN: 0018-8689</li></ul>	



# 4. Scope of protection

1	EP 1 964 022 B1	2
<b>Description</b>		
TECHNICAL FIELD		unlocked states). In addition, there is a need for sensory feedback to the user regarding progress towards satisfaction of a user input condition that is required for the transition to occur.
<b>[0001]</b> The disclosed embodiments relate generally to user interfaces that employ touch-sensitive displays, and more particularly, to the unlocking of user interfaces on portable electronic devices.	5	SUMMARY
BACKGROUND	10	<b>[0006]</b> A method of controlling a portable electronic device with a touch-sensitive display is defined by the appended claims.
<b>[0002]</b> Touch-sensitive displays (also known as "touch screens" or "touchscreens") are well known in the art. Touch screens are used in many electronic devices to display graphics and text, and to provide a user interface through which a user may interact with the devices. A touch screen detects and responds to contact on the touch screen. A device may display one or more soft keys, menus, and other user-interface objects on the touch screen. A user may interact with the device by contacting the touch screen at locations corresponding to the user-interface objects with which she wishes to interact.	15	<b>[0007]</b> The aforementioned method may be performed by a portable electronic device having a touch-sensitive display with a graphical user interface (GUI), one or more processors, memory and one or more modules, programs or sets of instructions stored in the memory for performing these methods. In some embodiments, the portable electronic device provides a plurality of functions, including wireless communication.
<b>[0003]</b> Touch screens are becoming more popular for use as displays and as user input devices on portable devices, such as mobile telephones and personal digital assistants (PDAs). One problem associated with using touch screens on portable devices is the unintentional activation or deactivation of functions due to unintentional contact with the touch screen. Thus, portable devices, touch screens on such devices, and/or applications running on such devices may be locked upon satisfaction of predefined lock conditions, such as upon entering an active call, after a predetermined time of idleness has elapsed, or upon manual locking by a user.	20	<b>[0008]</b> Instructions for performing the aforementioned methods may be included in a computer program product configured for execution by one or more processors.
<b>[0004]</b> Devices with touch screens and/or applications running on such devices may be unlocked by any of several well-known unlocking procedures, such as pressing a predefined set of buttons (simultaneously or sequentially) or entering a code or password. Document WO 2004/001560 discloses unlocking a touch screen upon detecting touches on predetermined areas in a given order. These unlock procedures, however, have drawbacks. The button combinations may be hard to perform. Creating, memorizing, and recalling passwords, codes, and the like can be quite burdensome. These drawbacks may reduce the ease of use of the unlocking process and, as a consequence, the ease of use of the device in general.	25	BRIEF DESCRIPTION OF THE DRAWINGS
	30	<b>[0009]</b> For a better understanding of the aforementioned embodiments of the invention as well as additional embodiments thereof, reference should be made to the Description below, in conjunction with the following drawings in which like reference numerals refer to corresponding parts throughout the figures.
	35	<b>[0010]</b> Figure 1 is a block diagram illustrating a portable electronic device, according to some embodiments of the invention.
	40	<b>[0011]</b> Figure 2 is a flow diagram illustrating a process for transitioning a device to a user-interface unlock state, according to some embodiments of the invention.
	45	<b>[0012]</b> Figure 3 is a flow diagram illustrating a process for transitioning a device to a user-interface unlock state, according to some embodiments of the invention.
		<b>[0013]</b> Figures 4A - 4B illustrate the GUI display of a device in a user-interface lock state, according to some embodiments of the invention.
		<b>[0014]</b> Figures 5A - 5D illustrate the GUI display of a device at various points of the performance of an unlock action gesture, according to some embodiments of the invention.
		<b>[0015]</b> Figure 6 is a flow diagram illustrating a process for indicating progress towards satisfaction of a user input condition according to some embodiments of the invention.

description

# 4. Scope of protection

## claims (English)

(and releases the second unlock image 1008). In some embodiments, the unlock action is completed when the unlock image 1008 is moved to the end of the channel 1010, with or without the user breaking contact, and the second unlock image 1008 disappears. As shown in Figure 11D, upon completion of the unlock action with respect to the second unlock image 1008, the device displays on the touch screen the user-interface objects 1106

Claims

1. A computer-implemented method of controlling a portable electronic device (400, 1000) comprising a touch-sensitive display (408, 1014), comprising:

12

23

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24

detecting (308, 908) contact with the touch-sensitive display (408, 1014) while the device is in a user-interface lock state;  
transitioning (314, 914) the device (400, 1000) to a user-interface unlock state if the detected contact corresponds to a predefined gesture; and  
maintaining (312, 912) the device (400, 1000) in the user-interface lock state if the detected contact does not correspond to the predefined gesture;  
**characterized by**  
moving an unlock image (402, 1002, 1008) along a predefined displayed path on the touch-sensitive display (408, 1014) in accordance with the contact, wherein the unlock image (402, 1002, 1008) is a graphical, interactive user-interface object with which a user interacts in order to unlock the device (400, 1000).

2. The computer-implemented method of claim 1, further comprising displaying (304) the unlock image (402) and one or more visual cues on the touch-sensitive display (408) while the portable electronic device (400) is in a user-interface lock state, wherein the one or more visual cues indicate a movement of the unlock image (402) along the touch-sensitive display (408) that will unlock the device (400).

transitioning (914) the device (1000) to a first active state corresponding to the first unlock image (1002) if the detected contact corresponds to a predefined gesture with respect to the first unlock image (1002); and  
transitioning (914) the device (1000) to a second active state distinct from the first active state if the detected contact corresponds to a predefined gesture with respect to the second unlock image (1008).

6. A portable electronic device (100, 400, 1000), comprising:

a touch-sensitive display (126, 408, 1014);  
one or more processors (106);  
memory (102); and  
one or more programs (132 to 146), wherein the one or more programs (132 to 146) are stored in the memory (102) and configured to be executed by the one or more processors (106), the programs (132 to 146) including instructions for:

detecting (308, 908) contact with the touch-sensitive display (126, 408, 1014) while the device (100, 400, 1000) is in a user-interface lock state;  
transitioning (314, 914) the device (100,

# 4. Scope of protection

wherein the one or more programs (132 to 146) further comprise instructions for displaying (304) the unlock image (402) and one or more visual cues on the touch-sensitive display (126, 408) while the portable electronic device (100, 400) is in a user-interface lock state, wherein the one or more visual cues indicate a movement of the unlock image (402) along the touch-sensitive display (126, 408) that will unlock the device (100, 400).

13. The portable electronic device of claim 12, wherein the one or more visual cues include an arrow.

14. The portable electronic device of claim 12, wherein the one or more visual cues include text.

15. The portable electronic device of claim 6, wherein the one or more programs (132 to 146) further comprise instructions for displaying (304) the unlock image (402) on the touch-sensitive display (126, 408) while the device (100, 400) is in a user-interface lock state; and wherein the predefined gesture corresponds to moving the unlock image (402) along the predefined displayed path on the touch-sensitive display (126, 408) to a predefined location on the touch-sensitive display (126, 408).

16. The portable electronic device of claim 6, wherein the one or more programs (132 to 146) further comprise instructions for displaying (304) the unlock image on the touch-sensitive display while the device is in a user-interface lock state; and wherein the predefined gesture corresponds to moving the unlock image (402) across the touch-sensitive display (126, 408) according to a predefined displayed path on the touch-sensitive display (126, 408).

18. A computer program product with instructions configured for execution by one or more processors (106), which when executed by a portable electronic device (100, 400, 1000) with a touch-sensitive display (126, 408, 1014), cause the device (100, 400, 1000) to perform the method of any of claims 1 to 5.

## Patentansprüche

1. Computerimplementiertes Verfahren zur Steuerung einer tragbaren elektronischen Vorrichtung (400, 1000), umfassend eine berührungsempfindliche Anzeigevorrichtung (408, 1014), umfassend:

Detektieren (308, 908) eines Kontaktes mit der berührungsempfindlichen Anzeigevorrichtung (408, 1014), während sich die Vorrichtung in einem gesperrten Zustand einer Benutzerschnittstelle befindet;  
Überführen (314, 914) der Vorrichtung (400, 1000) in einen entsperrten Zustand der Benutzerschnittstelle, wenn der detektierte Kontakt zu einer vordefinierten Geste korrespondiert; und  
Beibehalten (312, 912) der Vorrichtung (400, 1000) in dem gesperrten Zustand der Benutzerschnittstelle, wenn der detektierte Kontakt nicht zu der vordefinierten Geste korrespondiert;

### gekennzeichnet durch

Bewegen eines Entsperrbildes (402, 1002, 1008) entlang eines vordefinierten angezeigten Pfades auf der berührungsempfindlichen Anzeigevorrichtung (408, 1014) im Einklang mit dem Kontakt, wobei das Entsperrbild (402, 1002, 1008) ein graphisches interaktives Benutzerschnittstellenobjekt ist, mit dem ein Benutzer interagiert, um die Vorrichtung (400, 1000) zu entsperren.

## claims (German)

## 4. Scope of protection

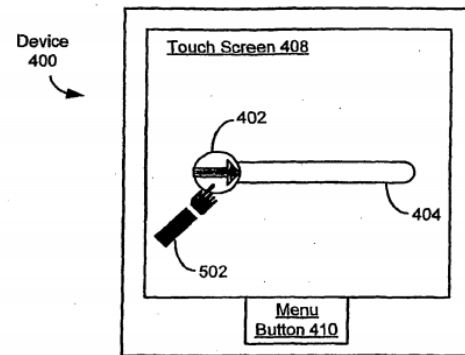


Figure 5A

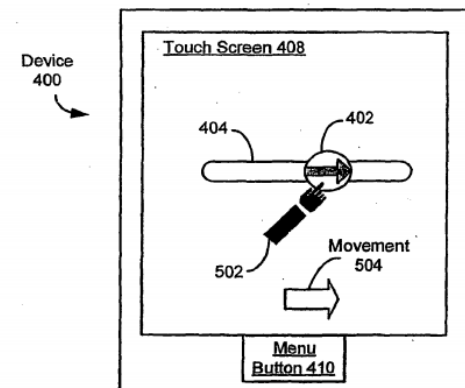


Figure 5B

drawings

## 4. Scope of protection

### **Infringement = scope + infringing act – defences**

1. Scope: does the allegedly infringing embodiment fall under the claims?
2. Has there been an act of direct / indirect infringement (Articles 25, 26 UPCA / national law)?
3. Is the allegedly infringing act covered by any defences (Articles 27-29 UPCA / national law)?

# 4. Scope of protection

## The relevance of the claims

- Art 69 (1) EPC

“The extent of the protection conferred by a European patent or a European patent application shall be determined by the claims. Nevertheless, the description and drawings shall be used to interpret the claims.”
- But claims are words, and words must be interpreted.
- Protocol on the Interpretation of Art 69
  - not defined by strict, literal wording
  - nor claims only to be regarded as a guideline
  - position between these extremes
  - including equivalents

## 4. Scope of protection

**Epilady v Smooth & Silky ... or London v Düsseldorf**  
(Patents Court, *Improver v Remington* [1990] FSR 181,  
OLG Düsseldorf, *Improver v Remington* [1993] IIC 838)



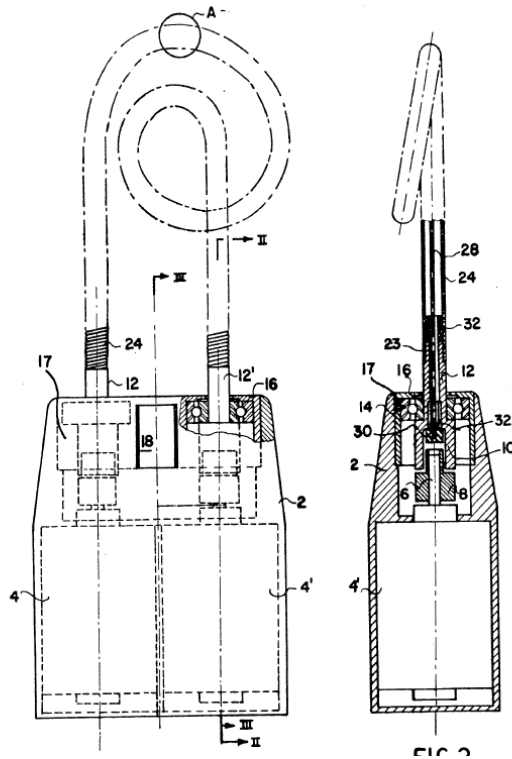
Epilady



Smooth & Silky

## 4. Scope of protection

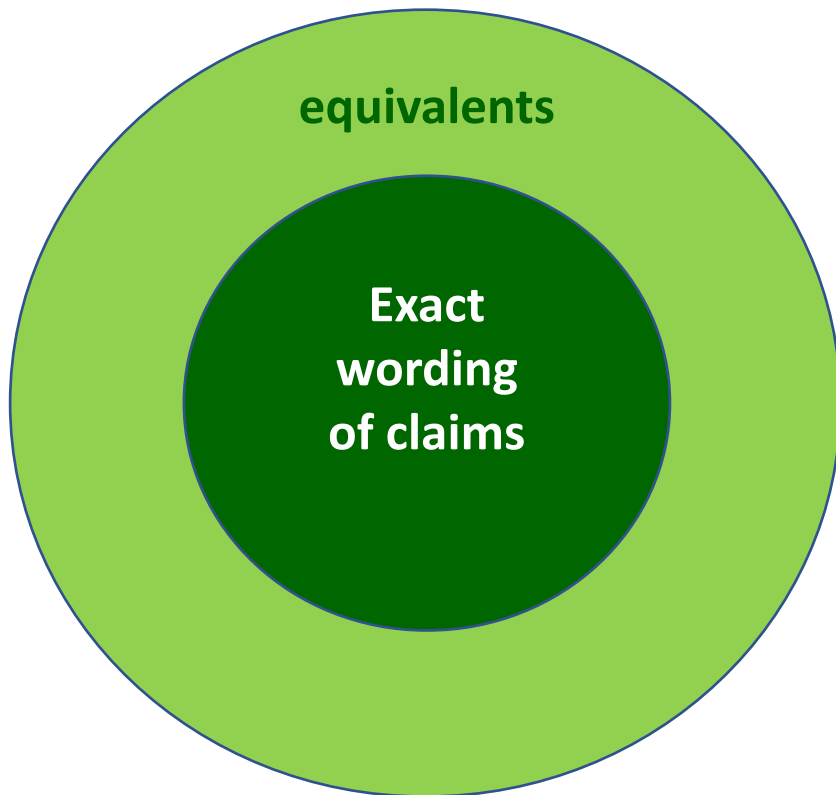
### EP 0101656 – Apparatus for hair removal



Claim 1: An electrically powered depilatory device comprising: a hand held portable housing (2); motor means (4, 4') disposed in said housing; and a **helical spring (24)** comprising a plurality of adjacent windings arranged to be driven by said motor means in rotational sliding motion relative to skin bearing hair to be removed, said helical spring (24) including an arcuate hair engaging portion arranged to define a convex side whereat the windings are spread apart and a concave side corresponding thereto whereat the windings are pressed together, the rotational motion of the helical spring (24) producing continuous motion of the windings from a spread apart orientation at the convex side to a pressed together orientation on the concave side and for the engagement and plucking of hair from the skin of the subject, where by the surface velocities of the windings relative to the skin greatly exceed the surface velocity of the housing relative thereto."



# 4. Scope of protection



## The doctrine of equivalents

(e.g. BGH GRUR 2016, 921 - *Pemetrexed*; UK Supreme Court, *Actavis v. Eli Lilly* [2017] UKSC 48)

- (1) Is the problem solved with objectively equivalent means?
- (2) Would this be obvious to the PSA?
- (3) Would the skilled reader nevertheless have understood that the patentee intended to confine his claim to the wording?

# 4. Scope of protection

## Infringing acts

- Direct infringement (Article 25 UPCA / national law)
  - product: making, offering, marketing, using, importing, storing
  - process: using the process or (in case of knowledge or constructive knowledge = “should have known”) offering for use
  - products directly obtained by patented process
- Indirect infringement (Article 26 UPCA / national law)
  - supplying / offering to supply means relating to an essential element of the invention for putting it into effect
  - within the territory
  - to a person who is not entitled to use the invention (but see Art 26(3) UPCA)
  - knowledge or constructive knowledge (“should have known”)
  - exception for staple commercial products (Art 26(2) UPCA)

# 4. Defences

## Art 30 TRIPS

- The “three-step-test”: Members may provide **(1) limited exceptions** to the exclusive rights conferred by a patent, provided that such exceptions **(2) do not unreasonably conflict with a normal exploitation** of the patent and do **(3) not unreasonably prejudice the legitimate interests of the patent owner**, taking account of the legitimate interests of third parties.
- Example: the Canadian regulatory review and stockpiling exceptions (WT/DS114/R)
- See also the list of defences in Articles 27-29 UPCA



# 4. Defences

## Challenge 1: standardisation



Europäisches Patentamt  
European Patent Office  
Office européen des brevets

Publication number: **0 101 656 B1**

EUROPEAN PATENT SPECIFICATION

Date of publication of patent specification: 06.11.86 Int. Cl.<sup>4</sup>: A 45 D 26/00  
Application number: 83401674.5  
Date of filing: 28.07.83

Apparatus for hair removal.

Priority: 20.08.82 IL 66595  
15.06.83 IL 68890

Date of publication of application:  
29.02.84 Bulletin 84/10

Publication of the grant of the patent:  
06.11.86 Bulletin 86/45

Designated Contracting States:  
AT BE CH DE FR GB IT LI LU NL SE

References cited:  
US-A-1 743 880  
US-A-2 582 484  
US-A-2 900 861  
US-A-4 079 141

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Note: Within nine months from the publication of the mention of the grant of the European patent, any person may give notice to the European Patent Office of opposition to the European patent granted. Notice of opposition shall be filed in a written reasoned statement. It shall not be deemed to have been filed until the opposition fee has been paid. (Art. 93(1) European patent convention).

Courier Press, Leamington Spa, England.

EP 0 101 656 B1

## 4. Defences

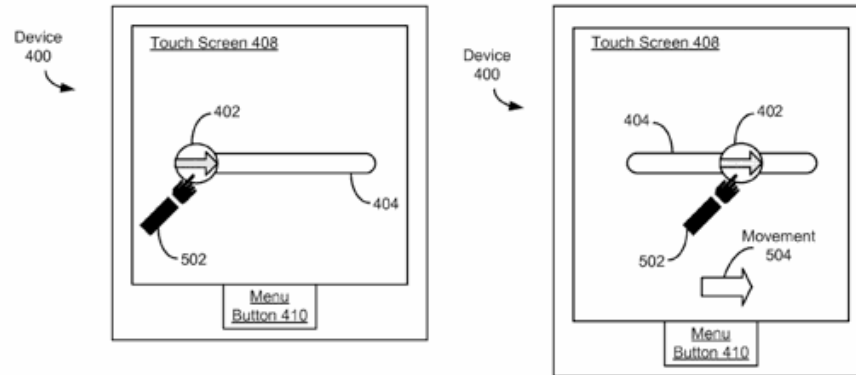


### Challenge 2: non-practicing entities

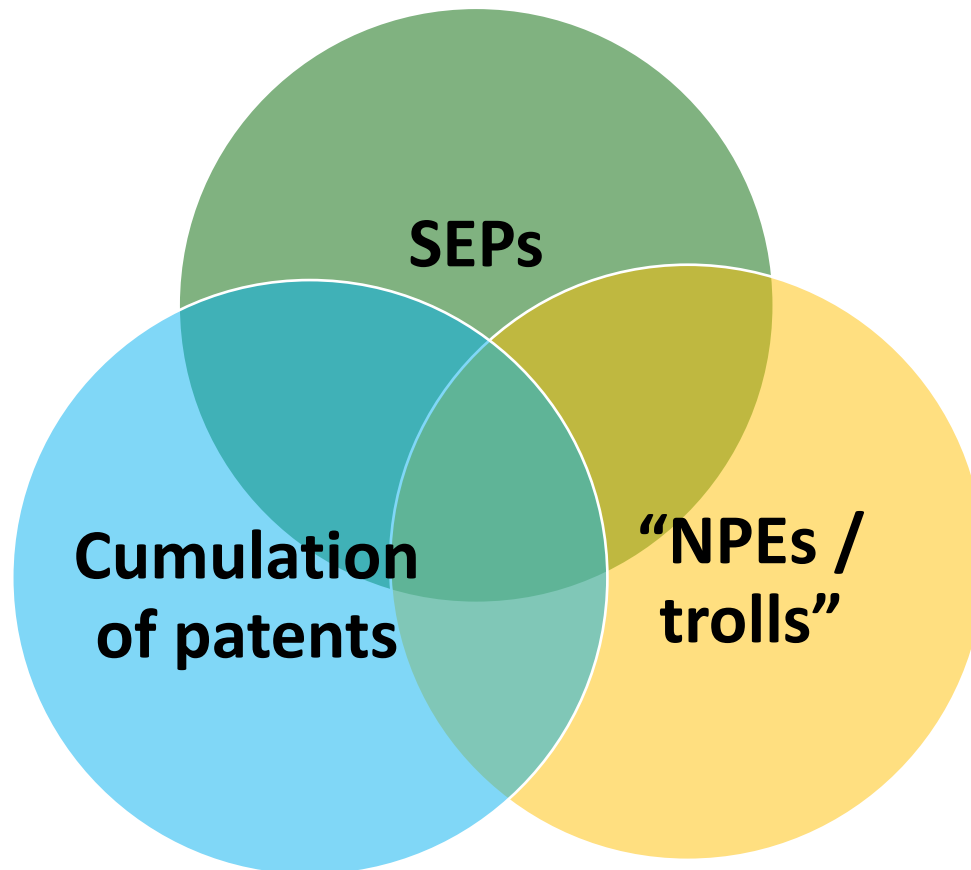
- Patent troll = “Somebody who tries to make a lot of money from a patent that they are not practicing and have no intention of practicing and in most cases never practiced” (*Peter Detkin*)
- But patent-assertion entities may add to the efficiency of technology markets
- → focus on non-practiced patents rather than on non-practicing entities

## 4. Defences

### Challenge 3: complex products and cumulation of patents



## 4. Defences



# 4. Defences

## Standardisation (1)

- Types of standards
  - de iure standard = set by a standardisation organisation such as ETSI (European Telecommunications Standards Institute)
  - de facto standard = standard is the result of the market development, eg Microsoft Windows
- Abuse of a dominant position (Article 102 TFEU)
  - Does the patent give / reinforce a dominant position? In general patent law, this is the exception, in the case of standards, this is the rule.
  - Abuse? Categories: discrimination, non-compliance with FRAND commitment, preventing access to secondary market (→ criteria from CJEU, C-241/91 P and C-242/91 P – *Magill*)



## 4. Defences

(1)

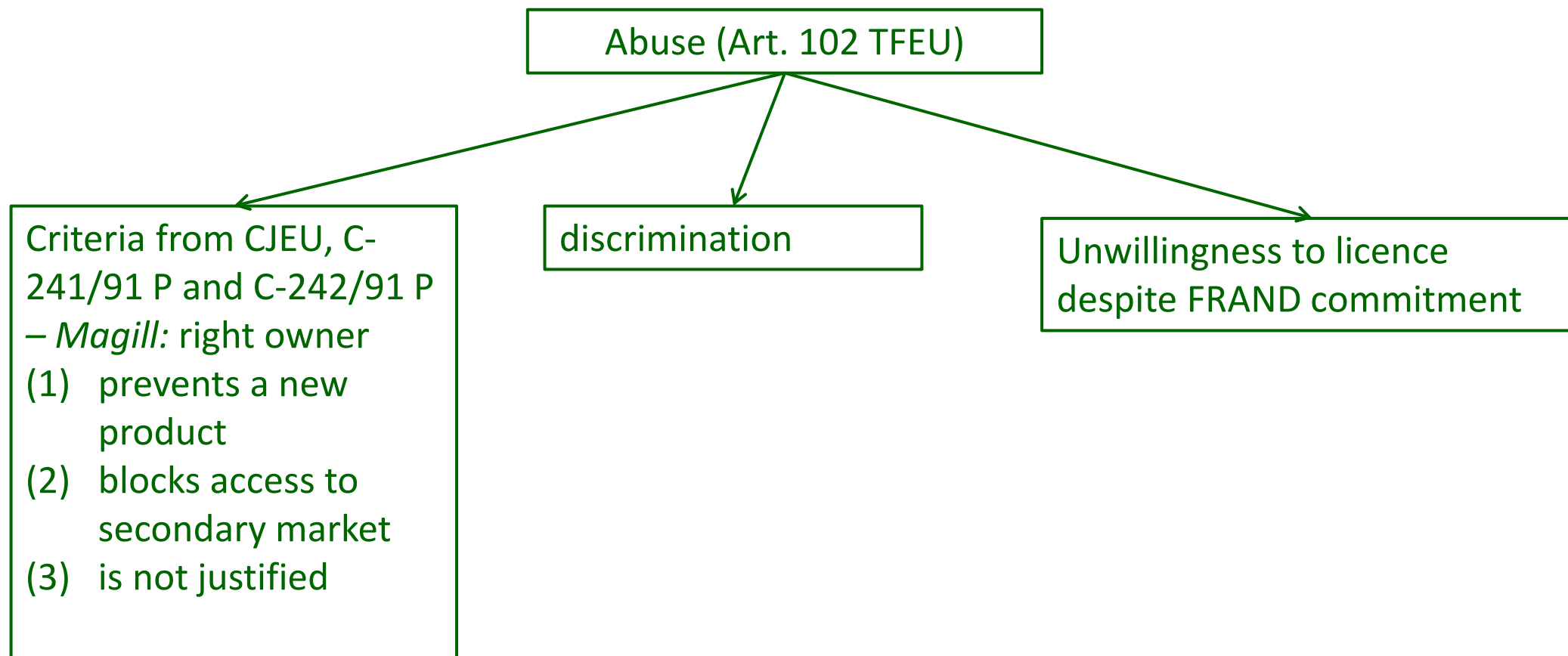
- Dominant position?
- Only when technology not substitutable

Usually (-), but in  
case of  
standardisation  
often (+)

(2)

- Abuse

## 4. Defences



# V. Schranken

## CJEU, C-170-13, Huawei v ZTE: the „ping pong procedure“

**Patent owner**

**Implementer**

(1) Notice of infringement



(3) Offer of licence on FRAND terms



(5) Rejection or modified offer



(2) Declaration of willingness to conclude licence agreement



(4) Acceptance or counter-offer within reasonable time



(6) In case of use despite rejection provision of adequate security



## 4. Defences

### Limiting injunctive relief? (1)

- Property rule v liability rule
  - Property rule = injunction in case of infringement
  - Liability rule: owner must tolerate infringing act, but can claim compensation
  - G. Calabresi and A.D. Melamed, 'Property Rules, Liability Rules and Inalienability: One View of the Cathedral', 85 *Harv LR* 1089 (1972)
- Common law approach: injunction → equity
  - US Supreme Court, *eBay v MercExchange*, 547 US 388: four factor test
  - "That test requires a plaintiff to demonstrate: (1) that it has suffered an irreparable injury; (2) that remedies available at law are inadequate to compensate for that injury; (3) that considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction."

## 4. Defences

### Limiting injunctive relief? (2)

- IP Enforcement Directive
  - Article 3(2): principle of proportionality
  - Article 11: courts may issue injunction
- Civil law approach
  - Injunction as a matter of right
  - But recent addition to § 139(1) German Patents Act allows disproportionality defence
- Art 63 UPCA

“Where a decision is taken finding an infringement of a patent, the Court may grant an injunction against the infringer aimed at prohibiting the continuation of the infringement.”

# European and International Intellectual Property Law Part 3: Copyright

Winter semester 2021/22



# Agenda

- 1. Concept and justification**
2. Treaties and EU law
3. The concept of work
4. Rights and infringement
5. Exceptions and limitations

# 1. Concept and justification

## What is copyright? Copyright law in a nutshell (1)

- Copyright = exclusive right to a work
- Subject-matter = literary, dramatic, musical, artistic work
- Copyright comes into existence without any formalities
- Condition of protection:
  - originality = intellectual creation of author reflecting author's personality (CJEU)
  - Personal intellectual creation → individuality (DE)
- First owner: creator (DE, FR) or investor = producer, employer (US, UK)?



# 1. Concept and justification

## Copyright law in a nutshell (2)

- Scope of protection
  - expression, not idea
  - economic rights (reproduction, communication to the public, distribution)
  - moral rights (paternity, integrity, non-paternity [FR, UK])
- Exceptions
  - EU: Long catalogue of exceptions (e.g. private use, teaching and research, parody, quotation), some subject to compensation
  - US: fair use
- Term: 70 years post mortem auctoris
- Related rights (EU) / entrepreneurial copyright (UK) for performing artists, phonogram and film producers, etc.

# 1. Concept and justification

## Copyright



## Related (neighbouring) rights



# 1. Concept and justification

## Example: “Shivers” (Ed Sheeran)



**Authors: Edward Christopher  
Sheeran, Steve McCutcheon, Kai  
Lavelle Johnny McDaid**

**Performing artist: Edward  
Christopher Sheeran**

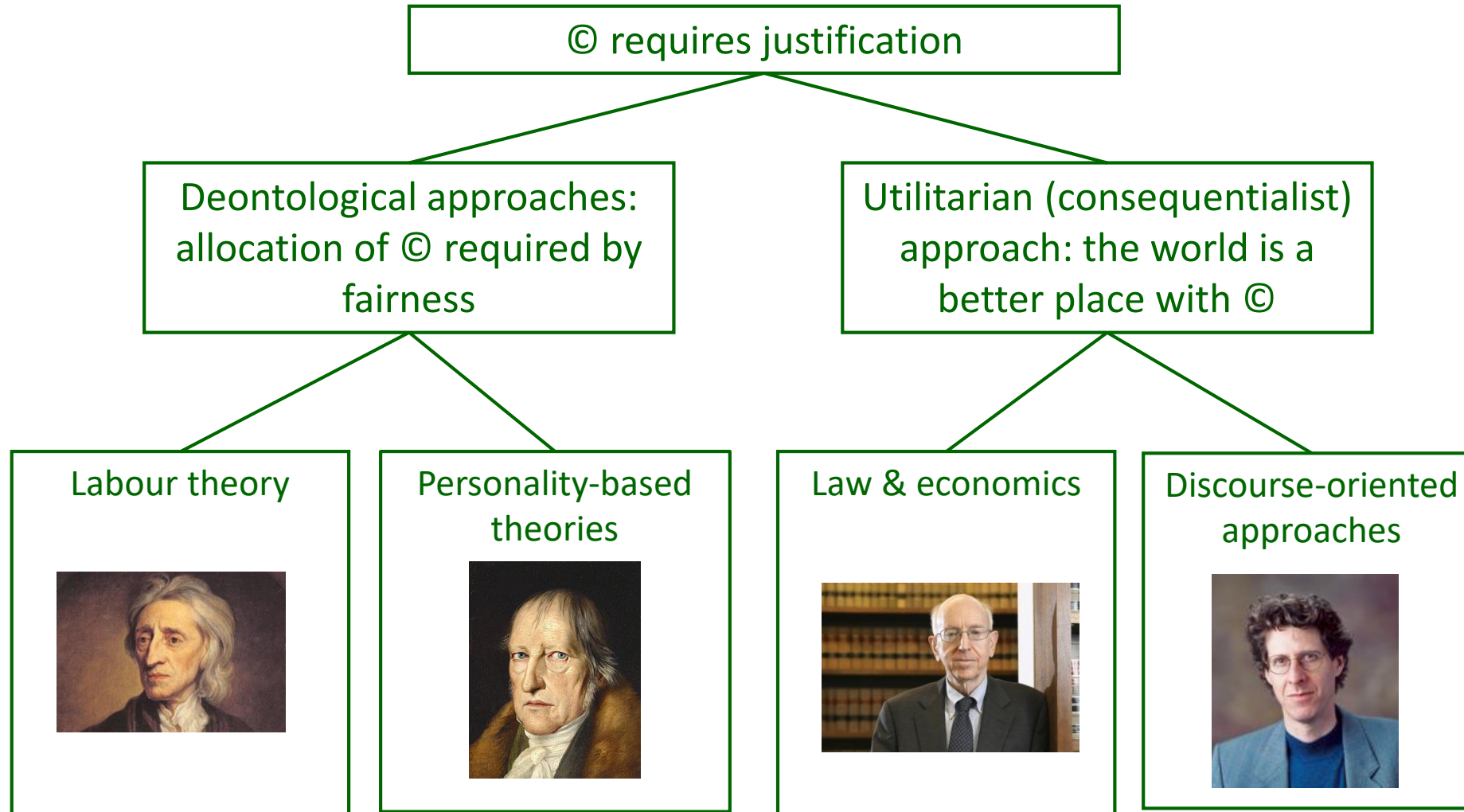
**Sound recording: Asylum Records  
UK (Warner Music Group)**

# 1. Concept and justification

## Copyright and industrial property

- Distinction traditionally drawn in continental Europe (see also distinction between Paris and Berne Conventions)
- Industrial property rights (patents, designs trade marks) are purely economic rights
  - They protect economic interests
  - They can be freely assigned
  - They can only be infringed in the course of trade.
- Copyright relates to culture and communication
  - It also protects ideal interests
  - In some jurisdictions (e.g. DE) it cannot be freely assigned
  - It can be infringed by acts done for private purposes
- But: convergence with industrial property rights (see TRIPS, EU Enforcement Directive)

# 1. Concept and justification



# 1. Concept and justification

## EU InfoSoc Directive, Recitals (9) – (12)

(9) Any harmonisation of copyright and related rights must take as a basis a high level of protection, since such rights are crucial to intellectual creation. Their protection helps to ensure the maintenance and development of creativity in the interests of authors, performers, producers, consumers, culture, industry and the public at large. Intellectual property has therefore been recognised as an integral part of property.

(10) If authors or performers are to continue their creative and artistic work, they have to receive an appropriate reward for the use of their work, as must producers in order to be able to finance this work. The investment required to produce products such as phonograms, films or multimedia products, and services such as "on-demand" services, is considerable. Adequate legal protection of intellectual property rights is necessary in order to guarantee the availability of such a reward and provide the opportunity for satisfactory returns on this investment.

(11) A rigorous, effective system for the protection of copyright and related rights is one of the main ways of ensuring that European cultural creativity and production receive the necessary resources and of safeguarding the independence and dignity of artistic creators and performers.

(12) Adequate protection of copyright works and subject-matter of related rights is also of great importance from a cultural standpoint. (...)

# 1. Concept and justification

## Wittem Code, Preamble

### *Recognizing*

- that copyright protection in the European Union finds its **justification and its limits** in the need to protect the **moral and economic interests** of creators, while serving the public interest by promoting the production and dissemination of works in the field of literature, art and science by granting to creators limited exclusive rights for limited times in their works;
- that copyright legislation should achieve an **optimal balance between protecting the interests of authors and right holders in their works and securing the freedom to access, build upon and use these works**;
- that **rapid technological development** makes future modes of exploitation and use of copyright works unpredictable and therefore requires a system of rights and limitations with **some flexibility**;

# 1. Concept and justification

## US Constitution, Sec 8

The Congress shall have Power (...)

8: **To promote the Progress of Science and useful Arts**, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;



# 1. Concept and justification

**For discussion: hypothetical draft Art 2 (a) EU Copyright Directive**

Copyright does not subsist in a literary, dramatic, artistic or musical work created by university employees.

# 1. Concept and justification

## Author's rights systems (Continental Europe) versus copyright systems (US, UK)

- Philosophy: deontological v utilitarian / economic justification
- Distinction between copyright and related rights v single concept of copyright
- Level of creativity required: individuality v originality
- Right owner = creator only v work made for hire doctrine
- Strong role of moral rights (eg inalienability) v weaker role (e.g. assignability)
- But: international and European development results in convergence

# Agenda

1. Concept and justification
- 2. Treaties and EU law**
3. The concept of work
4. Rights and infringement
5. Exceptions and limitations

## 2. Treaties and EU law

### Berne Convention

- ... on the Protection of Literary and Artistic Works (1886)
- Principle of national treatment (Art. 5 (1))
- Copyright not subject to formalities (Art. 5 (2))
- Minimum standards
  - Economic rights (Arts. 8-12) : reproduction, performance, translation, adaptation, broadcast
  - Moral rights (Art. 6<sup>bis</sup>): rights to attribution and integrity
- Exceptions must satisfy “three-step test” (Art. 9 (2))
  - Exceptions limited to special cases
  - Must not conflict with normal exploitation of work
  - Must not unreasonably prejudice legitimate interests of author
- Term of protection: at least author’s life + 50 years (Art. 7)

## 2. Treaties and EU law

### Other important international conventions (1)

- Rome Convention (1961)
  - Concerns protection of “neighbouring rights” = phonogram producers’, performers’, broadcasters’ rights
- TRIPS (1994)
  - Member states must implement Arts. 1-21 (excl. 6<sup>bis</sup>) of the Berne Convention
  - Some “Berne-plus” provisions
- WIPO Copyright Treaty (WCT, 1996)
  - Concerns copyright in digital environment
- WIPO Performances and Phonograms Treaty
  - (WPPT, 1996), upgrades the protection afforded to performers and Producers by Rome Convention

## 2. Treaties and EU law

### **Other important international conventions (2)**

- Beijing Treaty on Audiovisual Performances (2012)
  - Grants Economic and moral rights to performers in audiovisual performances
- Marrakesh Treaty (2013)
  - Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled (2013)
  - Limitations protecting the disabled

## 2. Treaties and EU law

### Issue 1: introducing formalities?

#### Art 5 (2) BC

“The enjoyment and the exercise of these rights shall not be subject to any formality; ... .”



#### Realpolitik →

Which formalities would be consistent with Art 5 (2)?

#### Utopia →

Should formalities be introduced if Art 5 (2) was not there?

## 2. Treaties and EU law

### Issue 2: territoriality or universality?

- Example: Cour de cassation – John Huston, [1992] IIC 702
- colourisation of John Huston's movie „Asphalt Jungle“ (1950) in 1988
- Opposed by John Huston's widow in France
- Which law is applicable?
  - F: copyright owned by author, has moral right (integrity right)
  - US: copyright owned by producing company = MGM, no integrity right





## 2. Treaties and EU law

### **Model 1: territoriality + lex loci protectionis**

- Copyright subject to principle of territoriality
- Consequence: bundle of national rights (in all Berne Convention states) which is brought into existence by creation of work
- Choice of law: lex loci protectionis applicable to
  - Conditions of protection
  - First ownership
  - Scope and exceptions
  - Copyright contracts subject to law applicable to contract

## 2. Treaties and EU law

### Model 2: universality

- Creation of one work brings into existence one universal copyright
- Consequence: no bundle, but one “monolithic” right
- Choice of law
  - Conditions of protection and first authorship governed by *lex originis* = law of state where author is domiciled or where work was created
  - Scope, term and exceptions governed by *lex loci protectionis*

## 2. Treaties and EU law

### Territoriality v. universality: arguments

#### For territoriality

- Art 5 (2), (3) Berne Convention
- One single rule for all IP rights
- States' interest in deciding policy issues like first ownership
- Users can be sure that the same law applies to all works within the territory

#### For universality

- „Bundle of rights“ theory = unpractical
- Universality is easier for licensing
- Problems of territoriality in internet cases
- No justification for territoriality in case of unregistered rights

## 2. Treaties and EU law



## 2. Treaties and EU law

### EU copyright directives

- Computer Programs Directive (1991 / 2009)
- Rental Rights Directive (1992 / 2006)
- Cable and Satellite Directive (1993 / 2019)
- Term Directive (1993 / 2006 / 2011)
- Database Directive (1996)
- **Information Society Directive (2001)**
- Resale Right Directive (2001)
- Directive on Orphan Works (2012)
- Directive on Collective Management (2014)
- **Directive on Copyright in the Digital Single Market (2019)**
- [E-Commerce Directive (2000)]
- [IP Enforcement Directive (2004)]

## 2. Treaties and EU law

### Computer Programs Directive (1991 / 2009)

- “Copyright approach” to protection of computer programs
- Protects all forms of expression (algorithm and code) but not ideas, computer languages or the functionality (CJEU, case C-406/10 – *SAS Institute*)
- Threshold of protection = originality in the sense that the program is the author’s own individual creation, no qualitative criteria
- Author’s rights: reproduction, adaptation, distribution to the public
- Exceptions:
  - Exhaustion (problem: digital exhaustion?)
  - Acts necessary for legitimate use
  - Back-up copy
  - Decompilation for achieving interoperability

## 2. Treaties and EU law

### **Rental Rights Directive (1992 / 2006)**

- Creates rental and lending right
- Grants authors a remuneration right in case of assignment to producer
- But also grants certain rights to performers: fixation right, right of communication to the public, distribution right

## 2. Treaties and EU law

### Cable and satellite directive (1993 / 2019)

- Problem 1: cable retransmission companies cannot possibly clear all rights →  
Solution: remuneration right for author
- Problem 2: broadcasters usually only take out licences for their territory, but satellite “footprints” may reach other states, and could infringe copyright →  
Solution: act of broadcasting only takes place in country of uplink (“country of origin principle”)
- Problem 3: different treatment of broadcasts and online services (BBC iPlayer or ARD / ZDF Mediathek) → extension of “country of sender” principle to “ancillary” online services offered by TV and radio stations by Dir 2019/789



## 2. Treaties and EU law

### **Term directive (1993 / 2006 / 2011)**

- Fixes copyright term at 70 years post mortem auctoris, thereby generalising the previous German law
- Controversial discussion about the extension of performers' and sound recording rights from 50 to 70 years in 2011
- Related rights for publication of previously unpublished works (editio princeps)
- Member states may grant right in critical and scientific publications
- Copyright in photographs:
  - Originality = author's own creation, no additional criteria
  - Member states may protect other photographs

## 2. Treaties and EU law

### Database directive (1996)

- Dual protection for databases
- Original databases protected under copyright law, originality = author's own creation
  - Example: table of football league unprotected, even if it requires significant skill and labour (CJEU, case C-604/11 – *Football Dataco v Yahoo*)
- But also sui-generis right in non-original databases (such as telephone directories)
- Condition of protection: substantial investment
  - Only investment in collection and arrangement, not in the production of data (CJEU, case C-203/02 – *BHB v Hill*)
- Scope: extraction / utilisation of substantial part or repeated and systematic extraction / utilisation of unsubstantial parts
  - Example: “screen-scraping” (CJEU, case C-202/12 *Innoweb v Wegener*)

## 2. Treaties and EU law

### **InfoSoc Directive (2001)**

- Implements WCT and WPPT
- But takes a big step towards harmonisation of economic rights and exceptions (“copyright directive”)
- Provisions concern both copyright and related rights
- Does not harmonise concept of work (but the CJEU did on the basis of Art 2)
- Economic rights
  - Reproduction right (Art 2)
  - Right of communication to the public (Art 3)
  - Distribution right (Art 4)
- Closed list of (mostly optional) exceptions (Art 5)
- Technical protection measures (Art 6)
- Sanctions and remedies (Art 8)

## 2. Treaties and EU law

### Resale Right Directive (2001)

- Resale right (droit de suite) first invented in france
- Idea: artists often sell works when they are young, and they do not benefit from rising prices
- Remuneration right in case of commercial resale: percentage of sale price which drops from 4 % (< 50,000 €) to 0.25 % (> 500,000 €)

## 2. Treaties and EU law

### Orphan works directive (2012)

- Problem: owner of work may be unknown, especially in case of internet
- Google Books: scanning of entire libraries without licence
  - “fair use” in US law
  - Illegal in EU law → but how to obtain licences?
- Directive allows public libraries, educational establishments and museums the use of orphan works after a diligent search
- Authors can come forward and end orphan status
- In this case a remuneration is due

## 2. Treaties and EU law

### Directive on collective management (2014)

- Idea of collective management: mass use of works prevents licencing → creation of a “clearing house”
- Example: music
  - Club or organiser of public party wants to play music
  - Obtains licence from music collecting society (GEMA, SACEM, PRS for Music)
  - Collecting society distributes fees to authors / publishers / performing artists
- Problem: national collecting societies are monopolists
- Directive does not abolish this but grants certain rights to users and sets up conditions for operation of collecting societies

## 2. Treaties and EU law

### Directive on Copyright in the Digital Single Market (DSM Directive)

- Idea: further harmonisation of rules on copyright in digital environment without changing InfoSoc Dir
- New exceptions:
  - Text and data mining (Articles 3,4)
  - Cross-border teaching and research cultural heritage (Articles 5-7)
- Use of out-of-commerce works (Articles 8-11)
- Introduction of neighbouring right for press publishers (Articles 15)
- Participation of publishers with respect to compensation claims (Article 16)
- **Obligations of content-sharing service providers (like YouTube) (Article 17)**
- **Fair remuneration for authors (Articles 18-23)**

## 2. Treaties and EU law

### **Areas not yet fully harmonised:**

- General conditions of protection (originality/individuality, fixation), but proactive role of CJEU (see below)
- Exceptions (only optional list)
- Moral rights
- Copyright contracts, apart from rules on adequate remuneration in Articles 18 et seq DSM Directive
- No “community copyright” as yet, but creation on the basis of Art. 118 TFEU possible



# Agenda

## Agenda

1. Concept and justification
2. Treaties and EU law
- 3. The concept of work**
4. Rights and infringement
5. Exceptions and limitations

# 3. The concept of work

## Starting points

- Differences between author's rights systems → individuality / originality = personal creation and copyright systems → labour, skill and judgment
  - *University of London Press Limited v University Tutorial Press Ltd* (1916) 2 Ch. 601 per Peterson J.: “what is worth copying is prima facie worth protecting”
- Art 2 BC lists types of work but does not set threshold of protection (but see Art 2 (5))
- Art 9 (2) TRIPS: copyright protects the expression, not the idea
- No harmonisation in EU except computer programs, databases and photographs

# 3. The concept of work

## **CJEU, case C-5/08, *Infopaq v. DDF***

- Decided under Art 2 InfoSoc Dir (reproduction right)
- Issue: does reproduction of 11 words amount to “reproduction in part”?
- need for uniform application of Community law
- EU law provisions on computer programs, databases, photographs: author’s own creation
- Art. 2 only applies “only in relation to a subject-matter which is original in the sense that it is its author’s own intellectual creation”
- But member states can determine when that is the case

# 3. The concept of work

## Confirmed in subsequent cases

- C-403/08, C-429/08, *Premier League v. QC Leisure and Murphy*: football match  $\neq$  work
- C-145/10, *Painer*: work = intellectual creation of the author reflecting his personality and expressing his free and creative choices
- C-404/10, *SAS Institute*: no protection of features which are determined by technical requirements
- C-604/10, *Football Dataco*: effort, skill and labour are not relevant



## II.1 Das Werk: Formgebung

### CJEU, C-310/17 – Levola Hengelo/Smilde Foods

- Work: two conditions
  - original in the sense that it is the author's own intellectual creation = reflection of personality and free creative choices
  - expression of the author's own intellectual creation in a manner which makes it identifiable with sufficient precision and objectivity, even though that expression is not necessarily in permanent form
- Differences from common law:
  - Fixation not necessary
  - No exhaustive catalogue of works (for UK law, see *Lucasfilm v Ainsworth* [2011] UKSC 39)



### 3. The concept of work

Case study: *Temple Island v New English Teas* [2012] EWPC 1



# 3. The concept of work

## Works of applied art

- Problem: liberal protection could undermine limitations of design law
  - Registered designs are protected for up to 25 years in the EU
  - Unregistered Community design right: 3 years of protection
- Art 2 (7), 7 (4) BC: member states can determine extent of protection, term can be limited to 25 years
- Art 17 Designs Directive: copyright protection must be available, but “the extent to which, and the conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Member State.”
- Double protection or national possibilities of distinguishing:
  - Former UK law.: 25 years for works of industrial application
  - Former DE law: higher threshold of individuality for works of applied art

# 3. The concept of work

- **CJEU, C-683/17 – *Cofemel v G-Star***
  - general conditions of work apply
  - concurrent protection with design law can be envisaged only in certain situations
  - specific, aesthetically significant visual effect must not be required
- **CJEU, C-833/18 – *Brompton Bicycle v Chedech***
  - Shapes exclusively dictated by technical function excluded from © law as this would result in the protection and monopolisation of ideas
  - Irrelevant: Existence of alternative shapes and Intention of author to achieve technical / aesthetic result
  - Earlier patent protection and Effectiveness of shape in reaching technical result may be taken into account

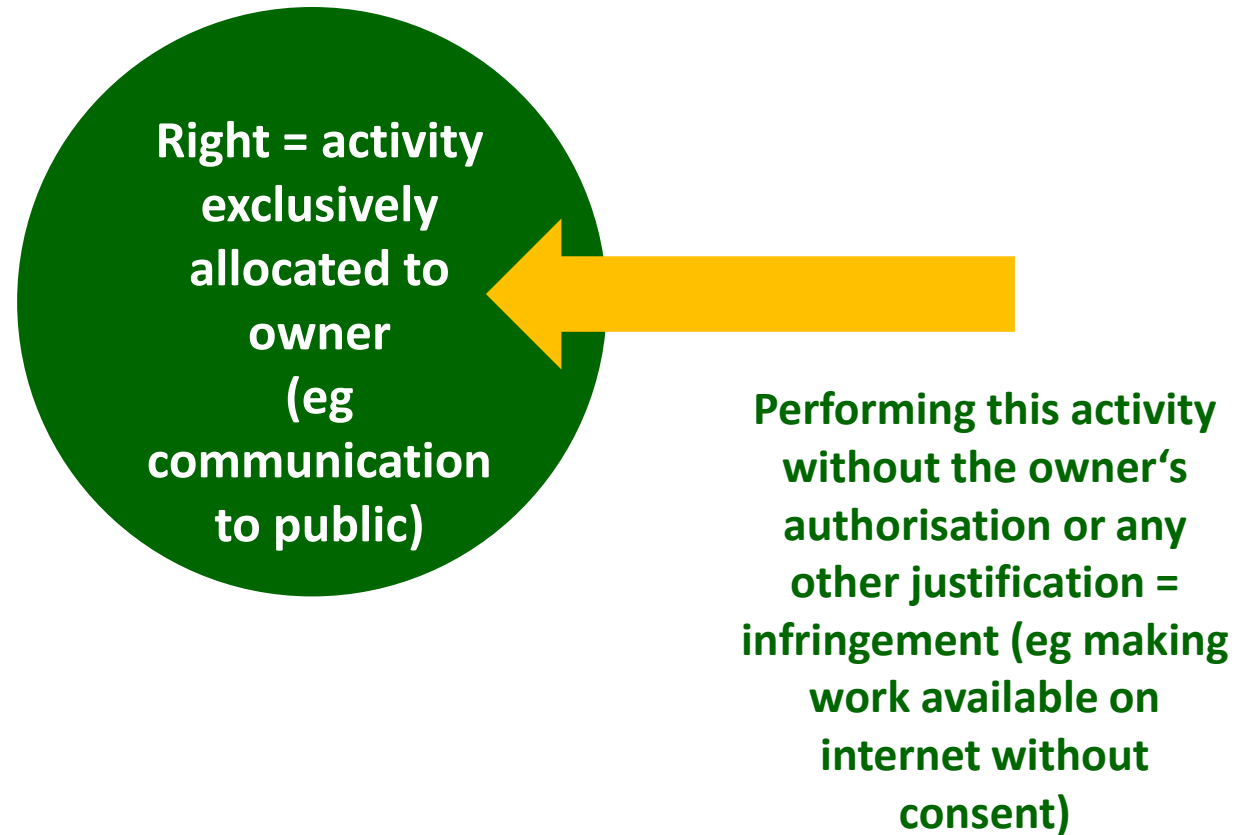




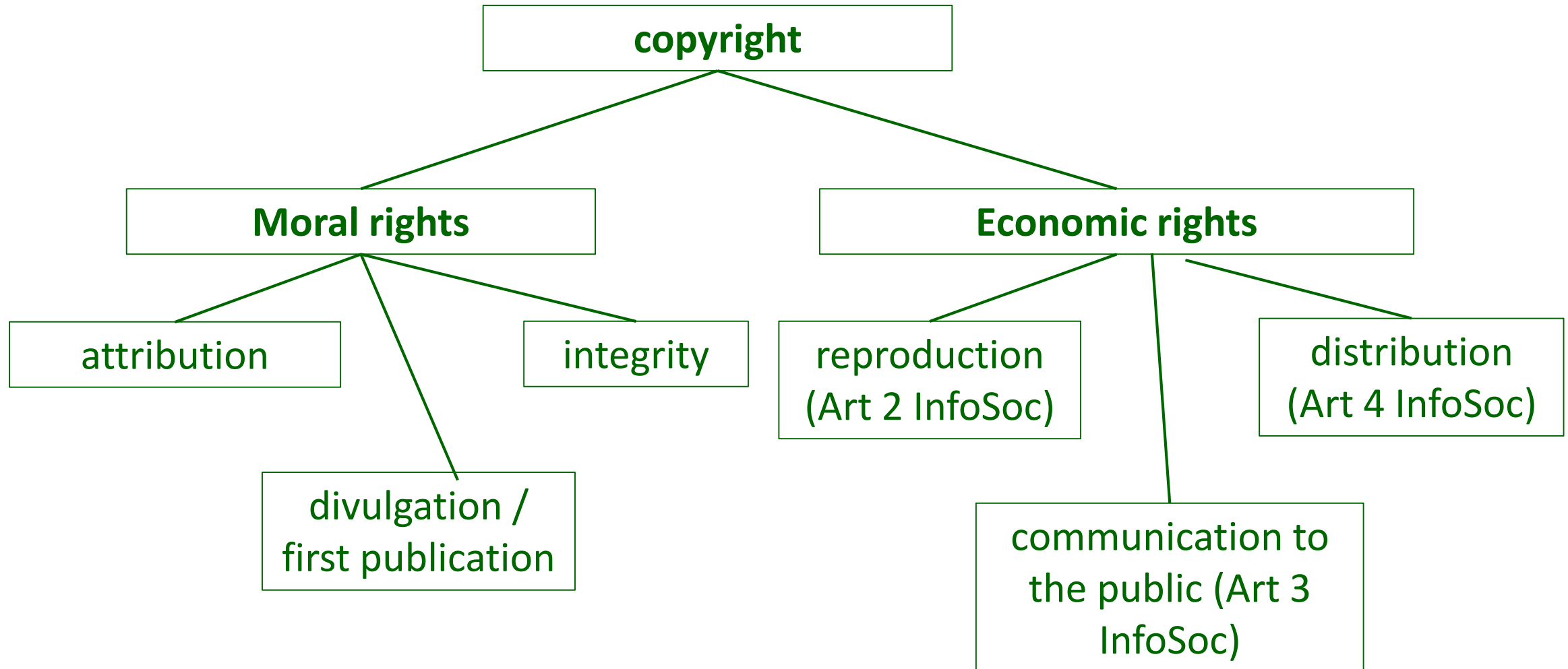
# Agenda

1. Concept and justification
2. Treaties and EU law
3. The concept of work
- 4. Rights and infringement**
5. Exceptions and limitations

## 4. Rights and infringement



# 4. Rights and infringement



# 4. Rights and infringement

## Reproduction right (Art 2 InfoSoc)

- = making a copy (analogue or digital)
- Permanent or transient, whole or in part = all transient copies made while browsing etc. are covered
- But exception for transient copying in Art 5 (1)
- Test case: is watching an illegal internet stream of a movie an illegal reproduction?
  - CJEU, case C-403/08 and C-429/08 – Football Association Premier League: watching a TV programme shown in a bar without the © owner's consent is not an infringement
  - But see CJEU, case C-527/15 – *Stichting Brein v Wullems*: this does not apply to illegal internet streams (which may, however, be covered by private copying exceptions)
- Problem of the reproduction right: in analogue times a copy was a marketable good, in digital times every use of a work involves copying

# 4. Rights and infringement

## Communication to the public (Art 3 InfoSoc): principles

- EU law only concerns communication to a public which is not present at the place of communication (this is regulated by national law)
- Includes making works available on the internet
- Two-step test in CJEU case-law
  - (1) Act of communication = making a work available in a way that enables the public to access the work
  - (2) Public
    - (a) Indeterminate and fairly large group of persons, inclusive “successive audience”
    - (b) New public or new technical means

# 4. Rights and infringement

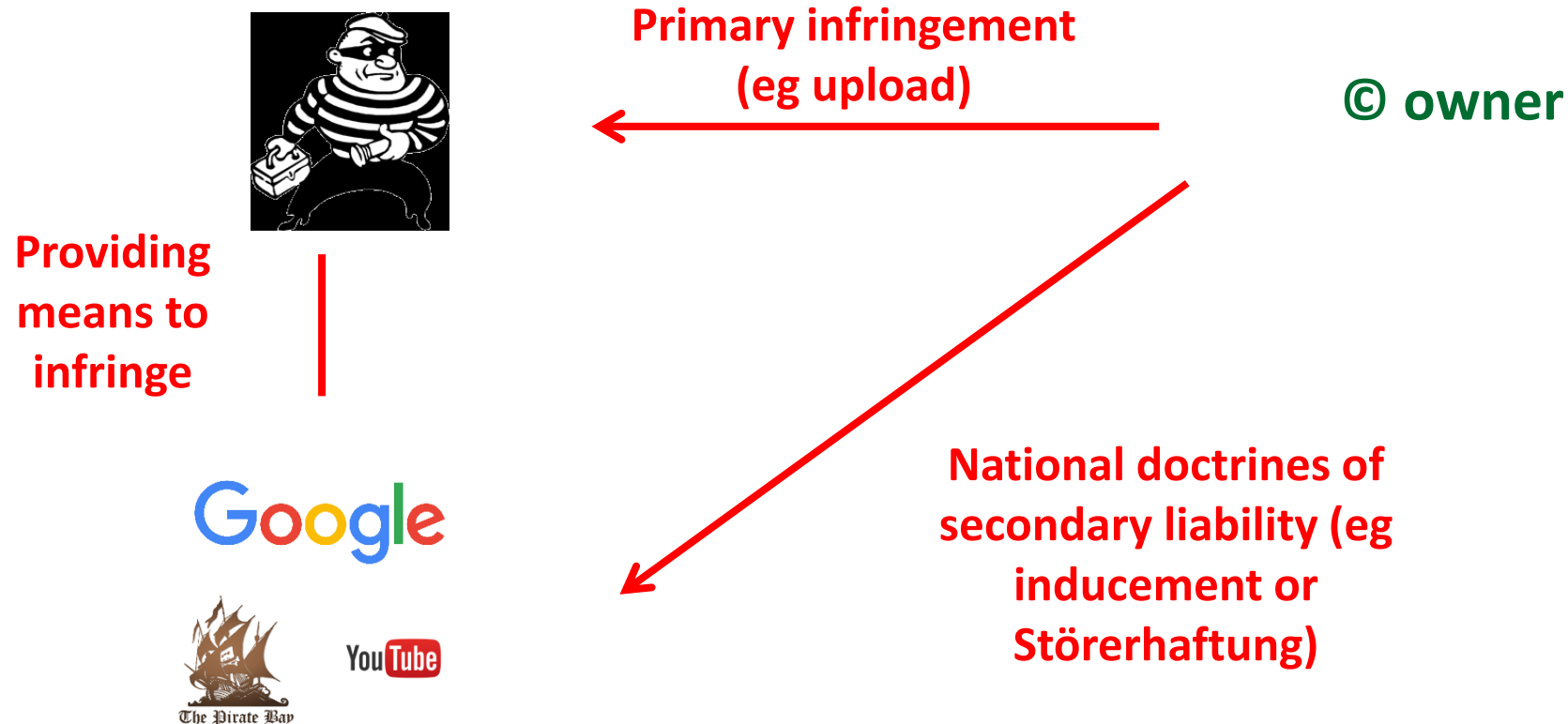
## Communication to the public (Art 3 InfoSoc): examples

- Upload of a photo (C-161/17 – *Renckhoff*)
- Retransmission of TV signals to rooms in hotels and spas (C-306/05 – *Rafael Hoteles*, C-351/12 – *OSA v Léčebné lázně Mariánské lázně*)
- Background music in training centre (C-117/15 – *RehaTraining*)
- But how about indirect communication?



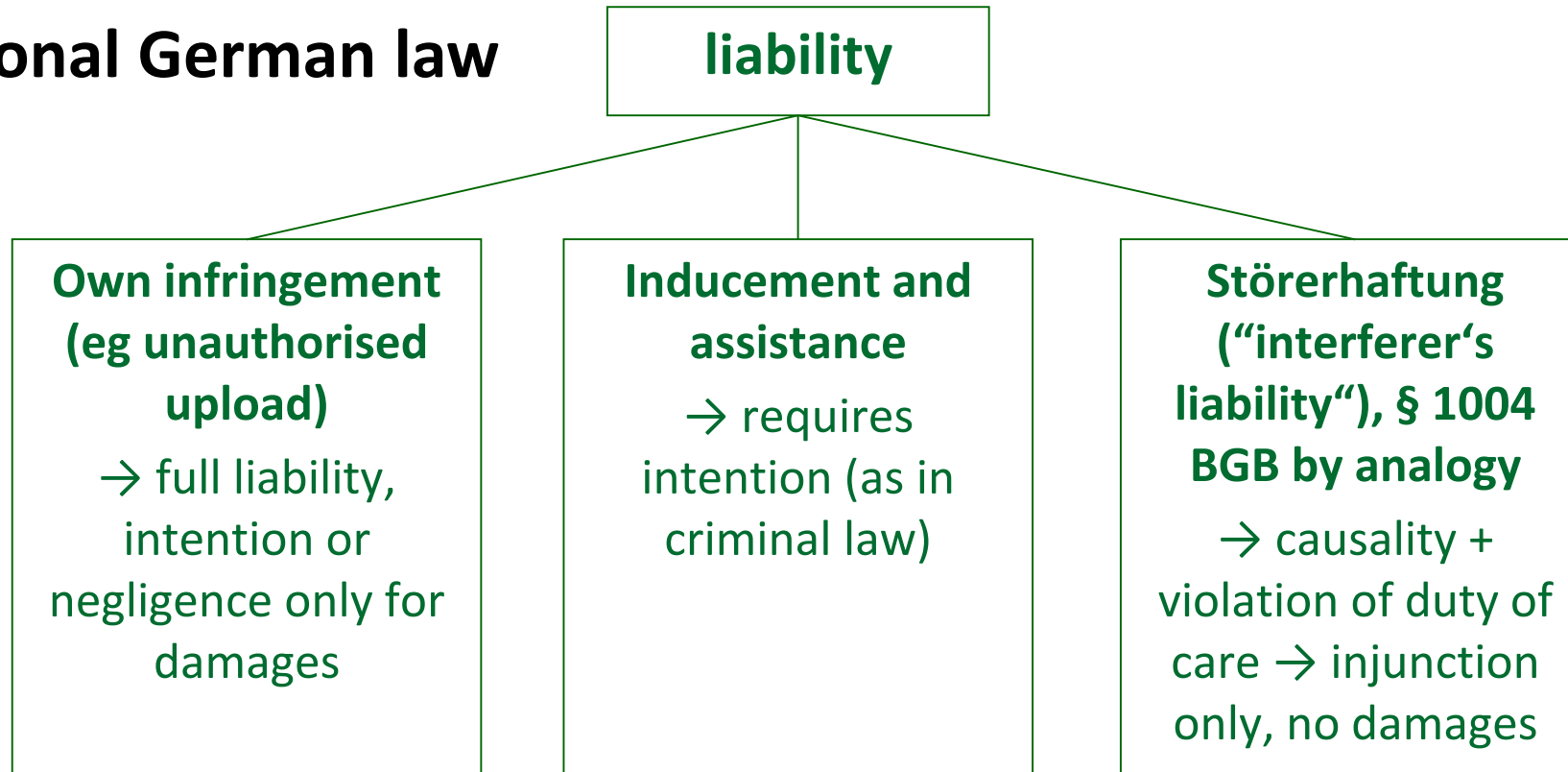
# 4. Rights and infringement

## Communication by intermediaries?



# 4. Rights and infringement

## Traditional German law





## 4. Rights and infringement

**EU Charter of Fundamental Rights : Art. 17 II v.  
Art.16 und 8, 9, 11, 13**

Art 3 and Art. 8  
(3) InfoSoc Dir

Art 12-15 E-  
Commerce Dir

# 4. Rights and infringement

## Art 12-15 ECRL: “notice and takedown light”

No general monitoring duty (Art 15)

Conduit and access providing (Art 12): no liability unless transmission initiated or receiver / content selected or changed

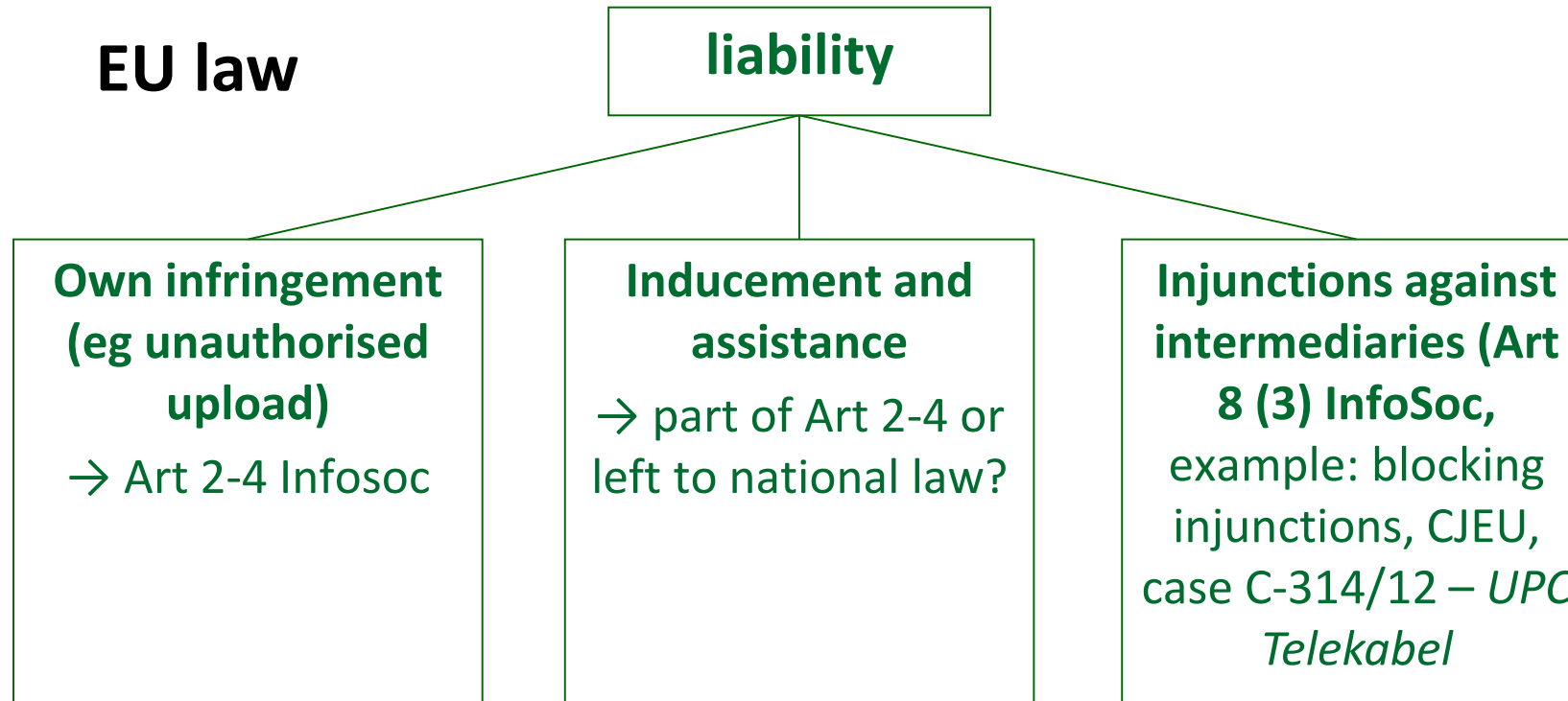
Caching (Art 13): likewise, but duty to remove content after having acquired knowledge

Hosting (Art 14): no liability for contents provided by user, but duty to remove illegal content after having acquired knowledge

### Limits:

- Only for services of a mere technical, automatic and passive nature (Recital 42 and CJEU, *Google France*)
  - Courts can require to terminate the infringement.
  - Courts can require prevention in specific cases (CJEU *L'Oréal*)

# 4. Rights and infringement



# 4. Rights and infringement

## Linking

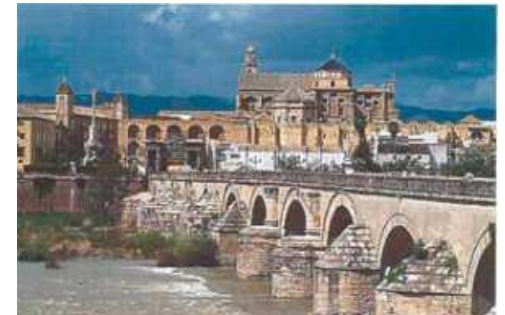
- CJEU, case C-466/12 – *Svensson v Retriever Sverige*: link to content posted with the right owner's consent
  - Communication (+)
  - But no “new public” unless access restrictions are circumvented
- But how about linking to an illegal source?
- CJEU, case C.160/15 – *GS Media v Sanoma*
  - distinction between private and “for profit” links
  - Private links: liability only if link provider knew about lack of authorisation or should have known
  - Commercial links: presumption of knowledge, can be rebutted if provider carried out “necessary checks”



# 4. Rights and infringement

## Related cases

- Framing
  - Same as linking or differences?
  - Same, says CJEU, case C-348/13 – *BestWater*
- Cutting (from someone's website) & pasting (on own website)
  - No “new public”???
  - CJEU (C-161/17 – *Renckhoff*); yes: public that the author had not thought of when giving his initial permission. Background: new use, and no exhaustion of making available right



# 4. Rights and infringement

## Content-sharing service providers like YT (Article 17 DSM Directive)

- Perform act of communication to the public → must take licence (Art 17(1))
- If no authorisation is granted, no liability if the service provider (Art 17(4))
  - (1) provider has made best efforts to get a licence
  - (2) makes works unavailable for which right owners have provided information (= upload filtering)
  - (3) takes infringing works down after notification and makes sure that they stay down (“notice and action / “notice and staydown”)
- Exception for small platforms (Art 17(6))
- Service provider must ensure that quotation, criticism, review, parody, caricature and pastiche exceptions are respected (Art 17(7))
- Complaint mechanism for users (Art 17(9))

# 4. Rights and infringement

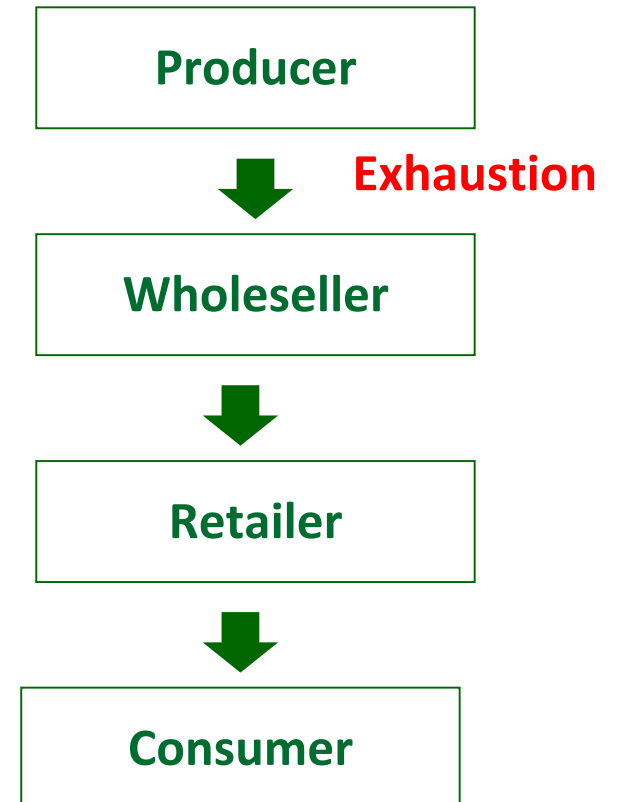
## Other platforms and intermediaries

- CJEU (C-682/18, 683/18 – *Peterson/Google* and *Elsevier/Cyando*): no communication to the public unless service provider
  - does not take down infringing content immediately
  - does not take necessary precautions to prevent infringement
  - offers assistance or incentives to to infringers
- Article 14 E-Commerce Directive
  - Does not apply when service provider infringes under Article 3 InfoSoc
  - Privilege only excluded in case of specific knowledge
- Article 8(3) InfoSoc Directive allows member states to establish “notice and takedown” mechanism

# 4. Rights and infringement

## Distribution (Art 4)

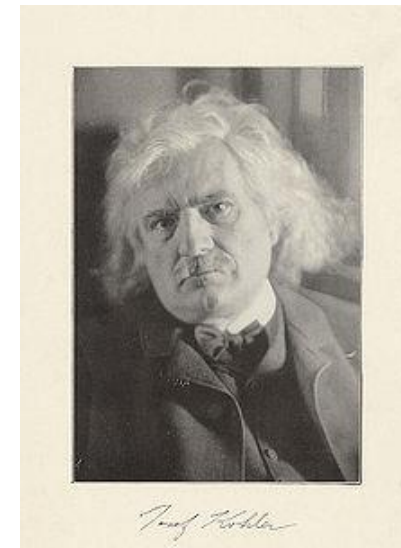
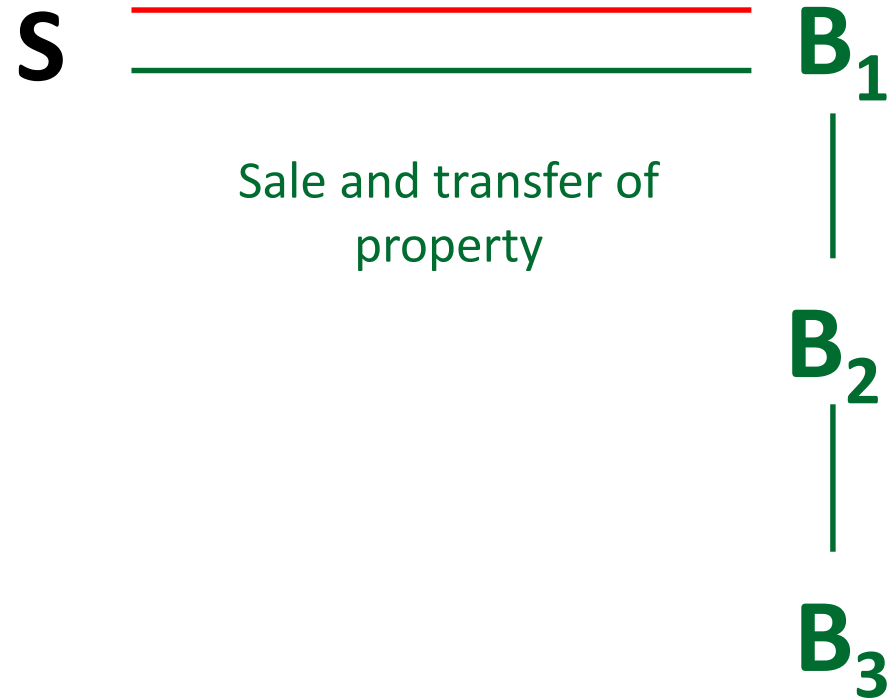
- Right to control marketing of tangible copies
- Does not cover “distribution” in intangible form such as broadcast or making available online
- Subject to exhaustion (“first sale doctrine”)





## 4. Rights and infringement

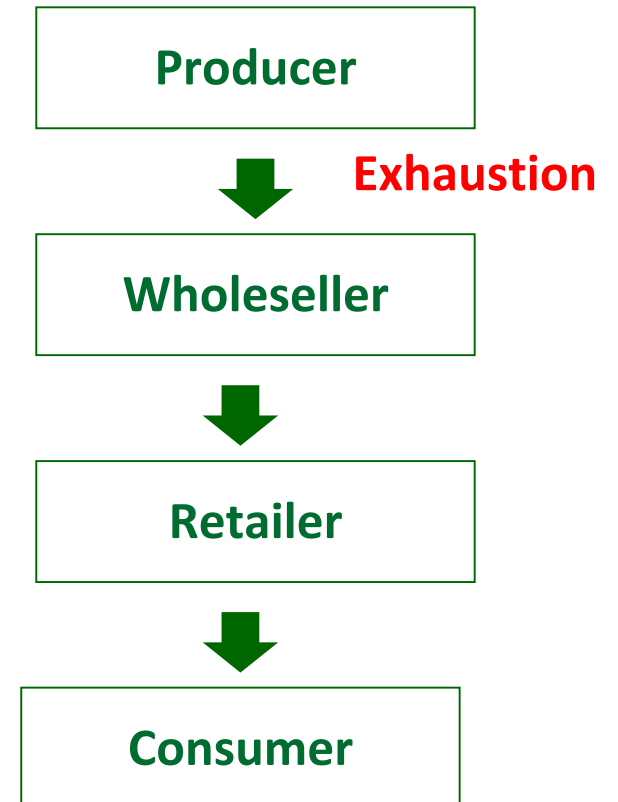
Distribution of work



# 4. Rights and infringement

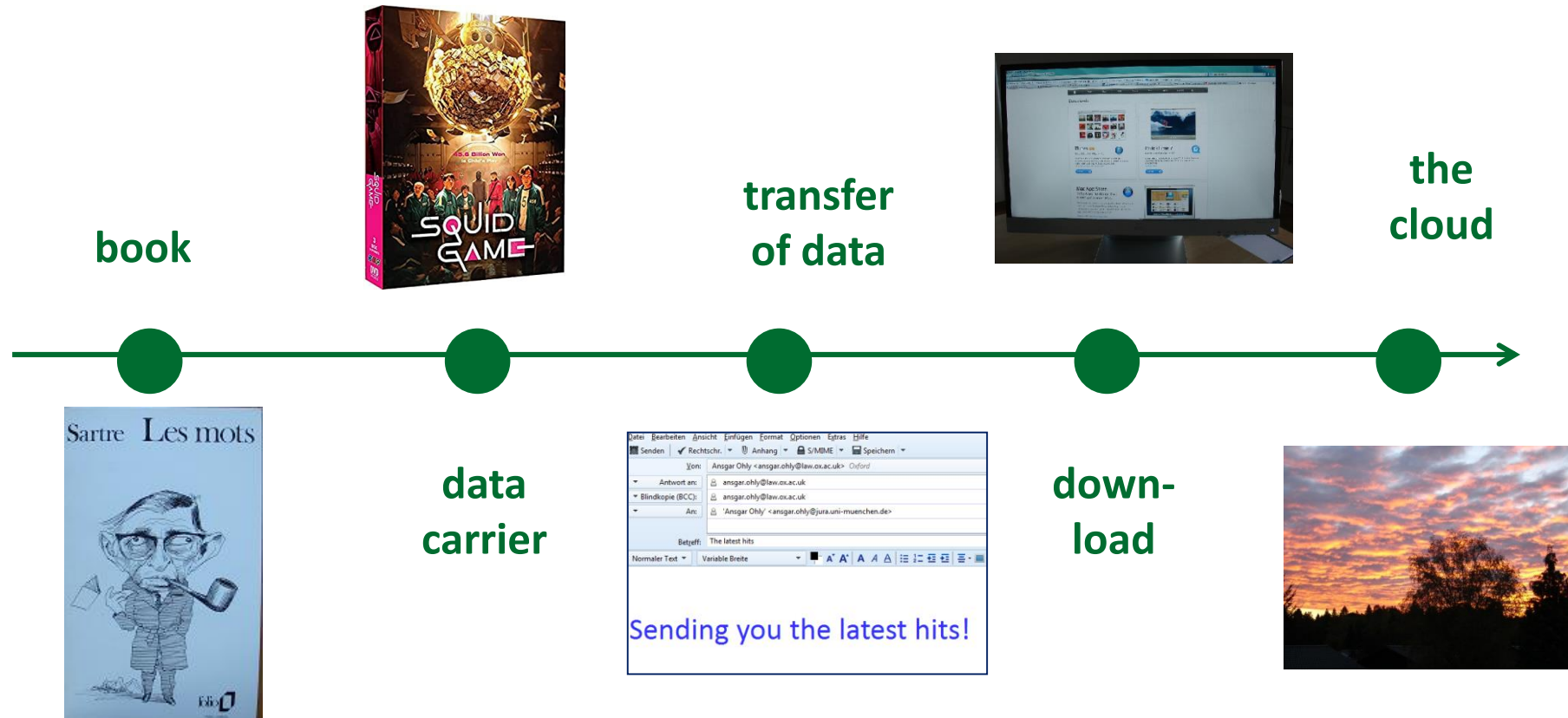
## Distribution (Art 4)

- Right to control marketing of tangible copies
- Does not cover “distribution” in intangible form such as broadcast or making available online
- Subject to exhaustion (“first sale doctrine)
- Issue 1: national, regional or international exhaustion?
  - EU: regional, see Art 4 (2)
  - US: international, see *Kirtsaeng v Wiley*
- Issue 2: online exhaustion?



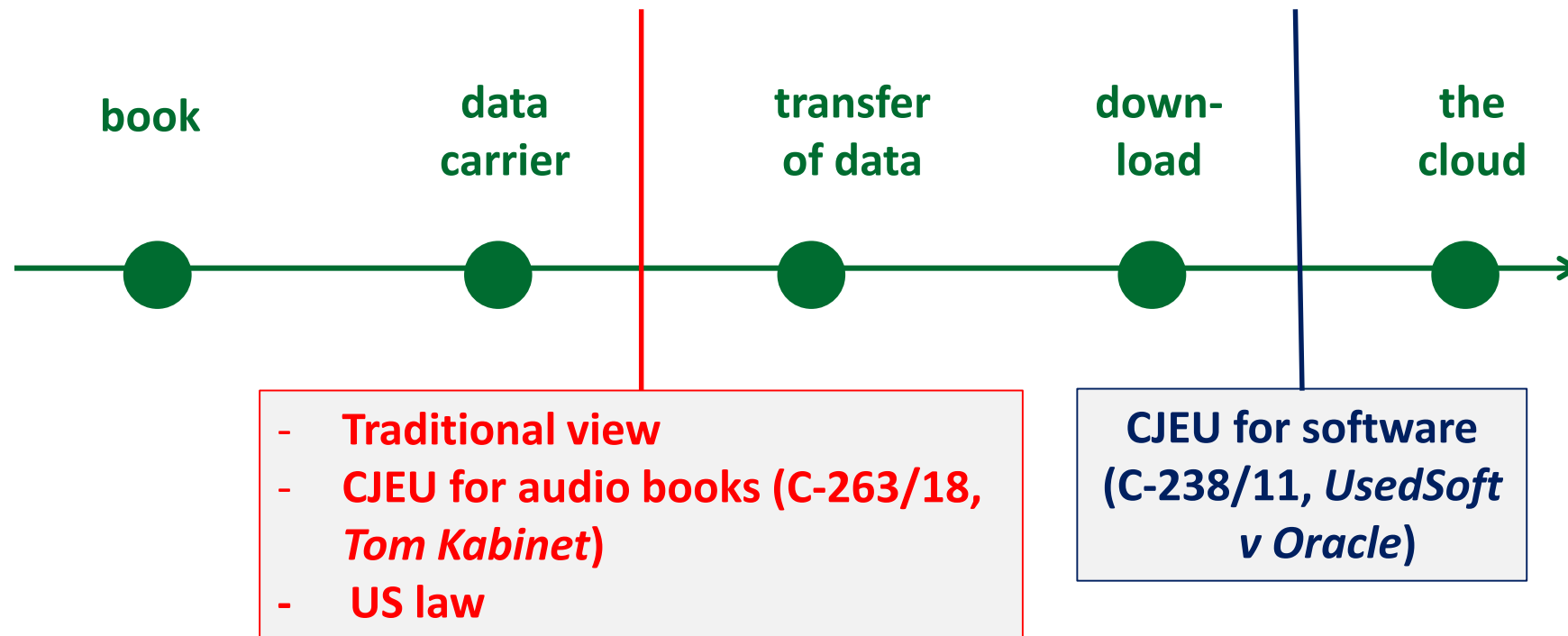
# 4. Rights and infringement

## Dematerialisation of IP embodiments



# 4. Rights and infringement

## Dematerialisation of IP embodiments



# Agenda

1. Concept and justification
2. Treaties and EU law
3. The concept of work
4. Rights and infringement
5. **Exceptions and limitations**

# 5. Exceptions

The three-step test (Art. 9 II BC, 13 TRIPS, 5 V InfoSoc Dir)

Exceptions and limitations ...

3. do not unreasonably prejudice  
interests of right-holders

2. do not conflict with normal exploitation of  
work

1. only applied in certain special cases

# 5. Exceptions

## Interpretation of the three-step test

- “conservative” interpretation (e.g. WTO Panel Decision, WT/DS160/R, 15 June 2000)
  - The three conditions apply on a cumulative basis, each being a separate and independent requirement that must be satisfied.
- Public domain-friendly interpretation (eg Max Planck Declaration “A balanced interpretation of the three-step test in copyright law”)
  - The three steps are to be considered together and as a whole in a comprehensive overall assessment.

# 5. Exceptions

## Case study: WTO Panel Decision, WT/DS160/R, 15 June 2000, Sec. 110 (5) of the US Copyright Act

- Section 110(5) of the US Copyright Act permits, under certain conditions, the playing of radio and television music in public places (bars, shops, restaurants, etc.) of smaller size without the payment of a royalty fee.
- Compatible with three-step-test?



# 5. Exceptions

## Exceptions and limitations in US law: fair use (17 USC § 107)

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work (...) for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

# 5. Exceptions

## Fair use: *Authors Guild v Google* (2<sup>nd</sup> Cir, 16 October 2015)

- Google Books: scanning entire libraries, providing a search function, displaying snippets, all without consent
- Google Book Settlement between Authors Guild and Google, rejected by District Court
- Issue: fair use factors met? Yes, day District Court and 2<sup>nd</sup> Circuit
  - Purpose and character of use → transformative use, (+), because purpose is to provide information about the books, not the books themselves
  - Nature of work: factual works, but factor not dispositive
  - Amount and substantiality of the portion used: full copy, but it is not revealed to the public, ancillary to transformative purpose
  - Market effect: “Snippet view, at best and after a large commitment of manpower, produces discontinuous, tiny fragments, amounting in the aggregate to no more than 16% of a book. This does not threaten the rights holders with any significant harm to the value of their copyrights or diminish their harvest of copyright revenue.”

# 5. Exceptions

## Exceptions and limitations in EU law (Art 5 InfoSoc)

- Few mandatory exceptions:
  - transient copying (Art 5 (1))
  - TDM and cross-border research (Art 3, 5, 6 DSM Directive)
  - Quotation and parody in case of platform use (Article 17 DSM Directive)
- Optional, but exhaustive list of exceptions to reproduction right (Art 5 (2)) and to reproduction + communication rights (Art 5 (3))
- Some exceptions allow use only in exchange for remuneration
- Counter-exception: three-step test (Art 5 (5))

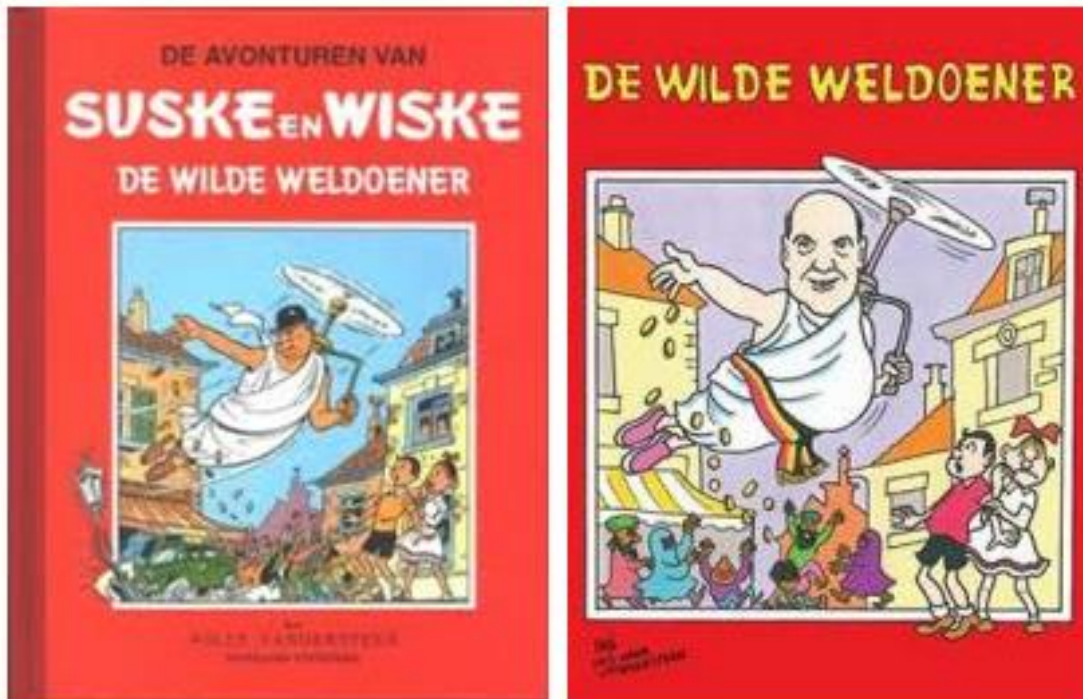
# 5. Exceptions

**Case study 1: printing and downloading works at library terminals,  
CJEU case C-117/13 – *TU Darmstadt v Eugen Ulmer KG***



## 5. Exceptions

### Case study 2: parody, CJEU case C-201/13 – *Deckmyn u.a. / Helena Vandersteen*





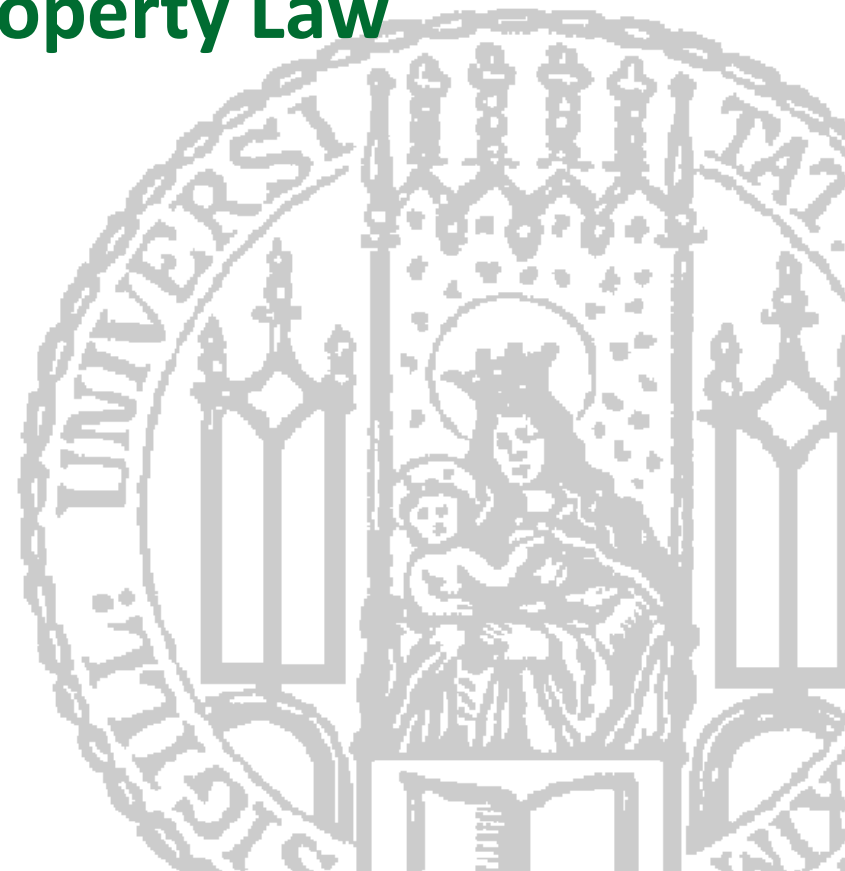
LUDWIG-  
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# European and International Intellectual Property Law

## Part 4: Trade Marks

*Prof. Dr. Ansgar Ohly, LL.M. (Cambridge)*

**Winter semester 2021/22**



# Agenda

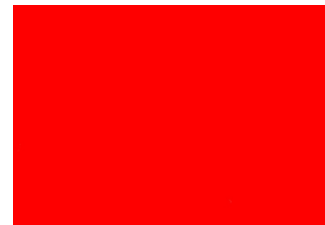
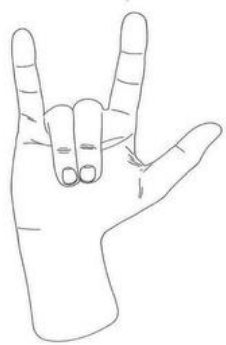
1. **Concept and justification**
2. Treaties and EU law
3. Conditions of protection
4. Infringement

# 0. Introduction

ROLEX



**Trade Mark** = sign capable of  
distinguishing products of one trader  
from those of another trader





# 1. Concept and justification



AG Dutheil de Lamothe, Case C-40/70, *Sirena v Eda*,  
[1971] ECR 69

“Both from the economic and from the human point of view the interests protected by patent legislation merit greater respect than those protected by trademarks. .... From the human point of view, the debt which society owes to the ‘inventor’ of the name “Prep Good Morning” is certainly not of the same nature, to say the least, as that which humanity owes to the discoverer of penicillin.”



# 1. Concept and justification

## AG Dutheillet de Lamothe was right because...

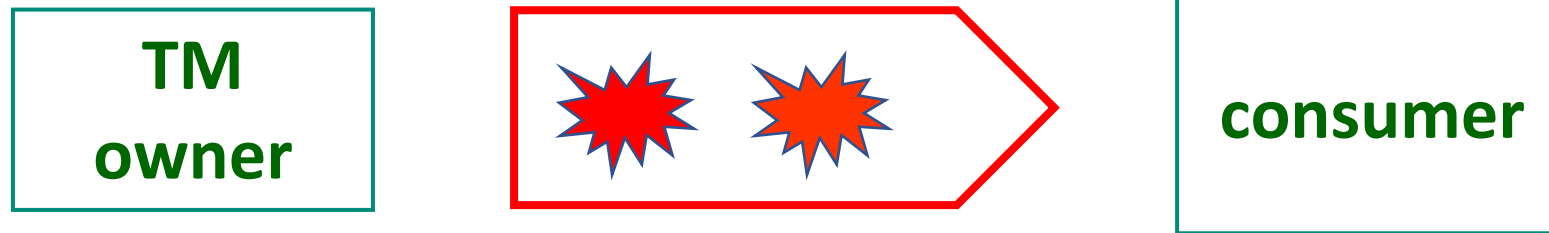
- The “invention” of a TM is often not a creative activity – many TMs are not even invented.
- There is no reason to “reward” the creator or even the investor. Society does not owe a debt to the inventor of “Prep Good Morning”.
- The economics of TM law are different. There is no public interest in the creation of new marks and there is no “public goods” risk of underinvestment in the creation of marks.
- TM law does not primarily serve as an incentive to create.

# 1. Concept and justification

## **But he was also wrong because...**

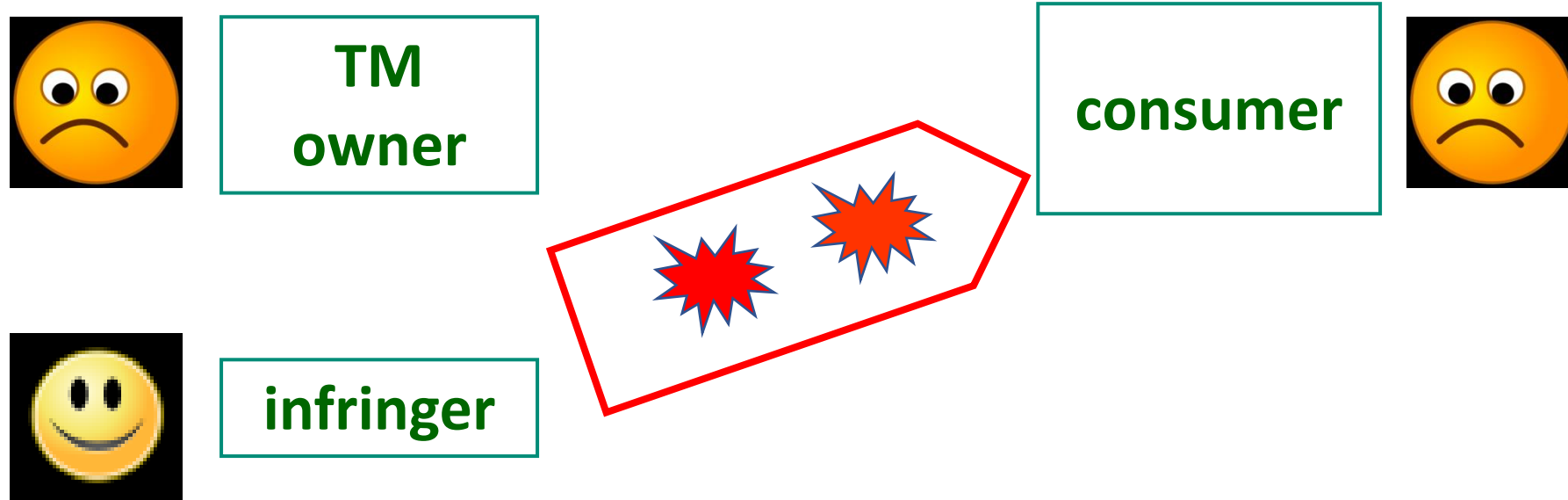
- TMs play an essential role in a market economy.
- Their function is entirely different from the function of a patent.
- There are sound economic reasons for protecting the owner (not the creator!) of a TM.

# 1. Concept and justification



**TMs establish a channel of  
communication.**

# 1. Concept and justification



# 1. Concept and justification

## The classical function = the origin function

- Recital 16 Dir 2015/2434 (TM Directive):  
„(...) the function of which [of a registered TM] is in particular to guarantee the trade mark as an indication of origin
- ECJ, case C-206/01, *Arsenal v Reed*, para 48  
“In that context, the **essential function** of a trade mark is **to guarantee the identity of origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin.** For the trade mark to be able to fulfill its essential role in the system of undistorted competition which the Treaty seeks to establish and maintain, it must offer a guarantee that all the goods or services bearing it have been manufactured or supplied under the control of a single undertaking which is responsible for their quality.”

# 1. Concept and justification

---

## **So we protect trade marks because**

- They allow consumers to distinguish between products – which is essential in a market economy
- They allow owners to convey information about quality or prestige

# 1. Concept and justification

## The market for lemons

- George A Akerlof, 'The Market for 'Lemons': Quality Uncertainty and the Market Mechanism, 84 *Quarterly Journal of Econ's* 440 (1970)
- Information asymmetry acts as a disincentive for investment
  - When it is impossible for a buyer to tell the difference between a bad car and a good car, good (and more expensive) cars will be driven out of the market by lemons.
- Brands as counteracting institutions:
  - "Brand names not only indicate quality but also give consumers a means of retaliation if the quality does not meet expectations".





# 1. Concept and justification

## **So we protect trade marks because**

- They allow consumers to distinguish between products – which is essential in a market economy
- They allow owners to convey information about quality or prestige
- They create an incentive to invest in quality, thereby avoiding Akerlof's “market for lemons”
- Establishing brand reputation requires significant investment, which brand owners would like to see protected

# 1. Concept and justification

## Protecting other functions?

- CJEU, case C-487/07, *L'Oréal v Bellure*, para 58

“The (...) exclusive right (...) was conferred in order to (...) ensure that the trade mark can fulfil its functions and that, therefore, the exercise of that right must be reserved to cases in which a third party’s use of the sign affects or is liable to affect the functions of the trade mark. **These functions include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising.**”
- TMs have these functions – but should the law protect them when there is no confusion?
- Brand owners want these protection, of course. But should they get it?

# Agenda

1. Concept and justification
- 2. Treaties and EU law**
3. Conditions of protection
4. Infringement

## 2. Treaties and EU law: PC

### Paris Convention

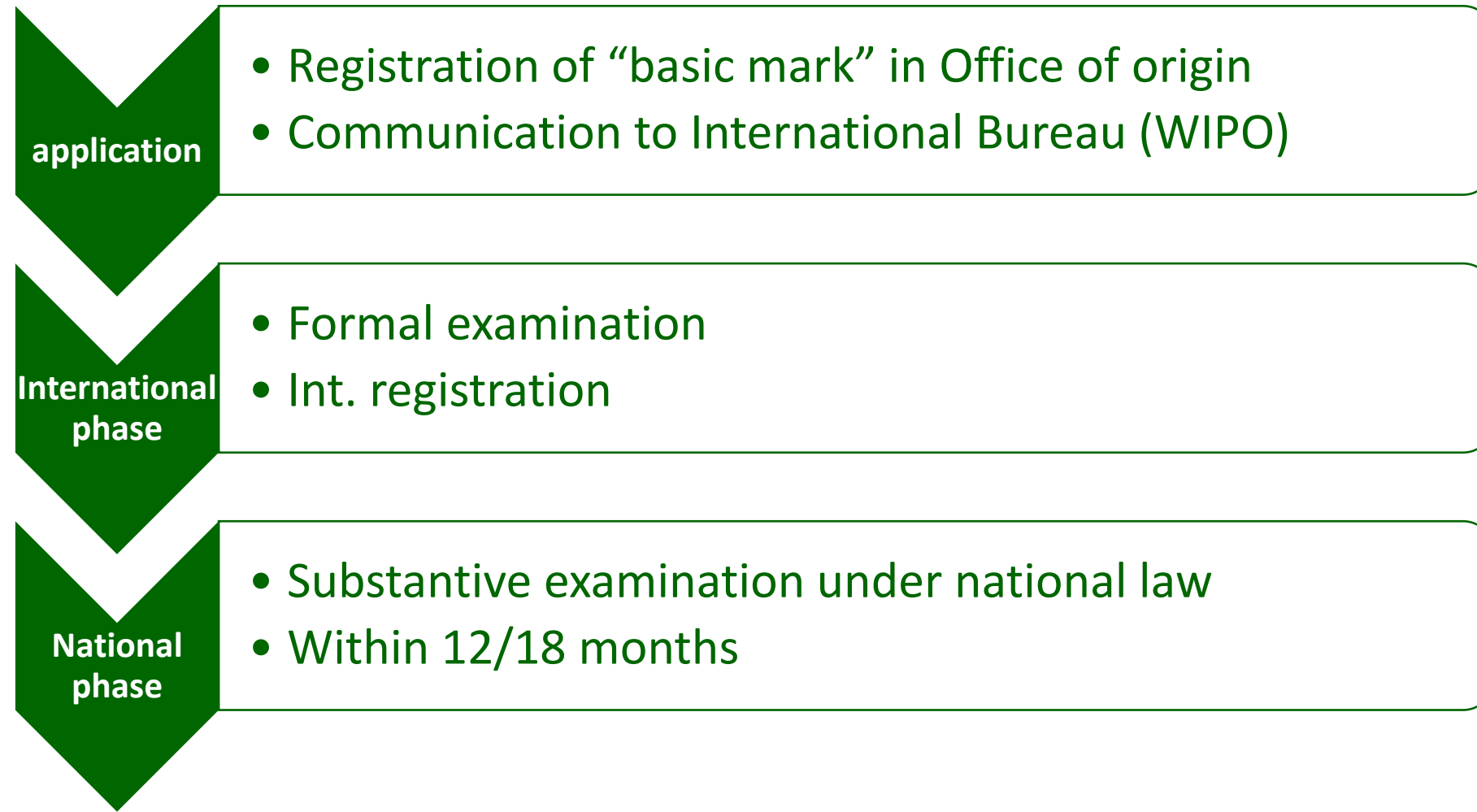
- Priority (Art 4): 6 months
- Independence of national marks (Art 6)
- Protection of well-known marks from registration by others (Art 6<sup>bis</sup>)
- No registration of state symbols (Art 6<sup>ter</sup>)
- TM duly registered in country) of origin must be accepted for registration in this form subject to certain exceptions (Art 6<sup>quinquies</sup>)
- Protection of service marks (Art 6<sup>sexies</sup>)
- Protection against registration by agent in his own name (Art 6<sup>septies</sup>)

## 2. Treaties and EU law: TRIPS

### TRIPS Agreement (Arts 15 – 21)

- Registration requirements (Art 15 (1))
  - Any sign capable of distinguishing able to constitute TM (Art 15 (1))
  - Actual use must not be required (Art 15 (3))
- Rights conferred (Art 16)
  - Protection against confusion, confusion presumed in cases of double identity
  - Extended protection for well-known marks
- Exceptions must be limited and must take account of interests of TM owner and of third parties (Art 17)
- Term of protection (Art 18)
- Consequences of non-use (Art 19)
- No compulsory licenses (Art 21)

## 2. Treaties and EU law: international registration



## 2. Treaties and EU law: international registration

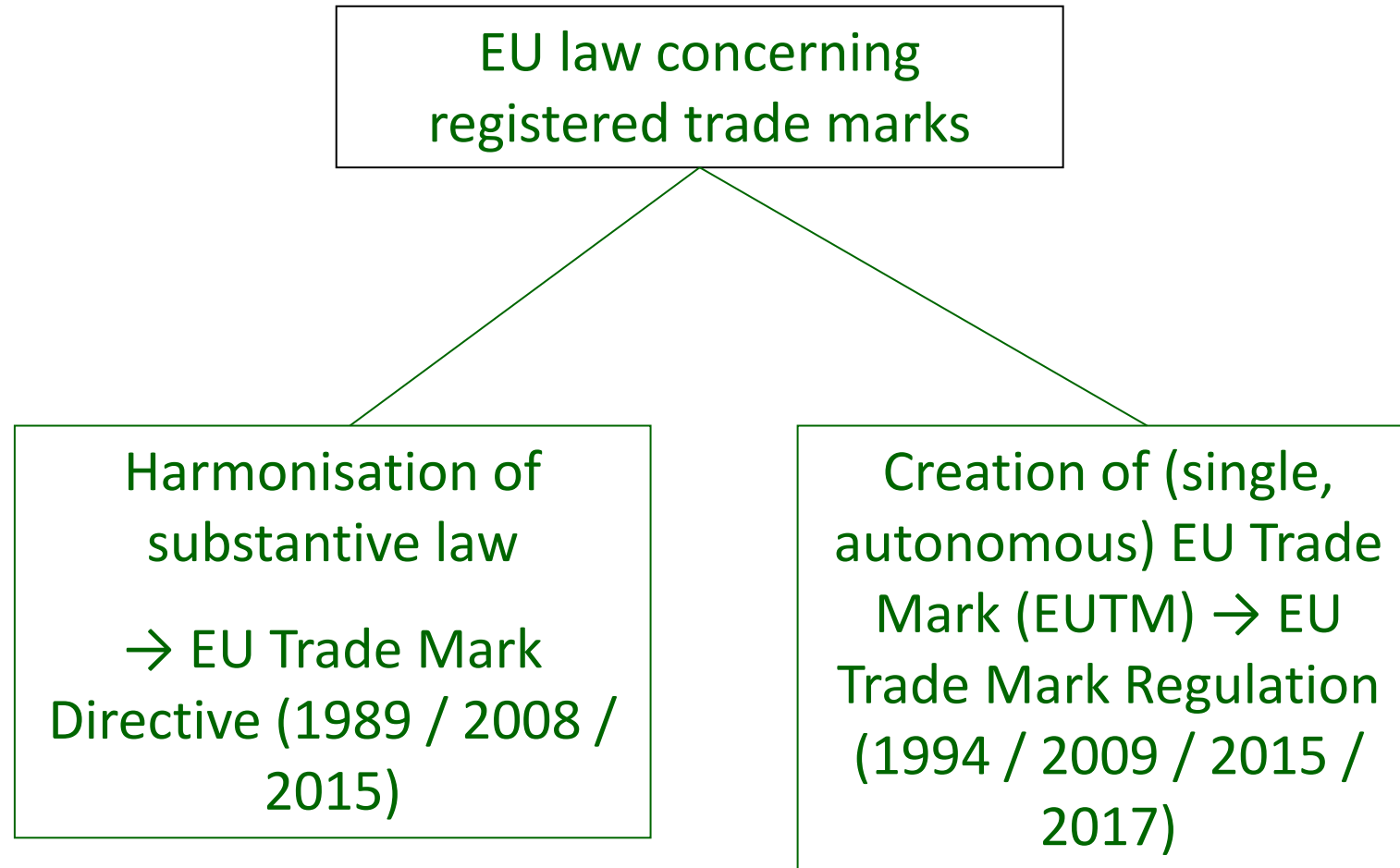
### Madrid Agreement (1891)

- Members = states only
- Registration of basic mark in country of origin
- Mark depends on basic mark for 5 years → “central attack” destroys mark everywhere
- Application for international registration initially in French only, meanwhile also in EN and SP
- Notice of refusal within 12 months

### Protocol to Madrid Agreement (1989)

- EU is a member → link with EUTM
- Application sufficient
- After “central attack” the registration can be transformed into a national registration with the same priority
- Application for international registration in EN, SP, FR
- Notice of refusal within 18 months

## 2. Treaties and EU law





## 2. Treaties and EU law

### The TM Directive

- Passed in 1988 (Directive 89/104/EEC), amended in 2008 (2008/95/EC), recast (reform and new numbering) in 2015 (Directive (EU) 2015/2436)
- Scope: requirements of registration, infringement, exceptions, licensing, revocation of registered TMs
- Aims at full harmonization → member states must neither be stricter nor more liberal
- No harmonisation of law of unregistered TMs or signs
- Implemented in Germany by the Markengesetz of 1994, amended in 2019

## 2. Treaties and EU law



**bundle patent**  
→ EPC



**EU Trade Mark**



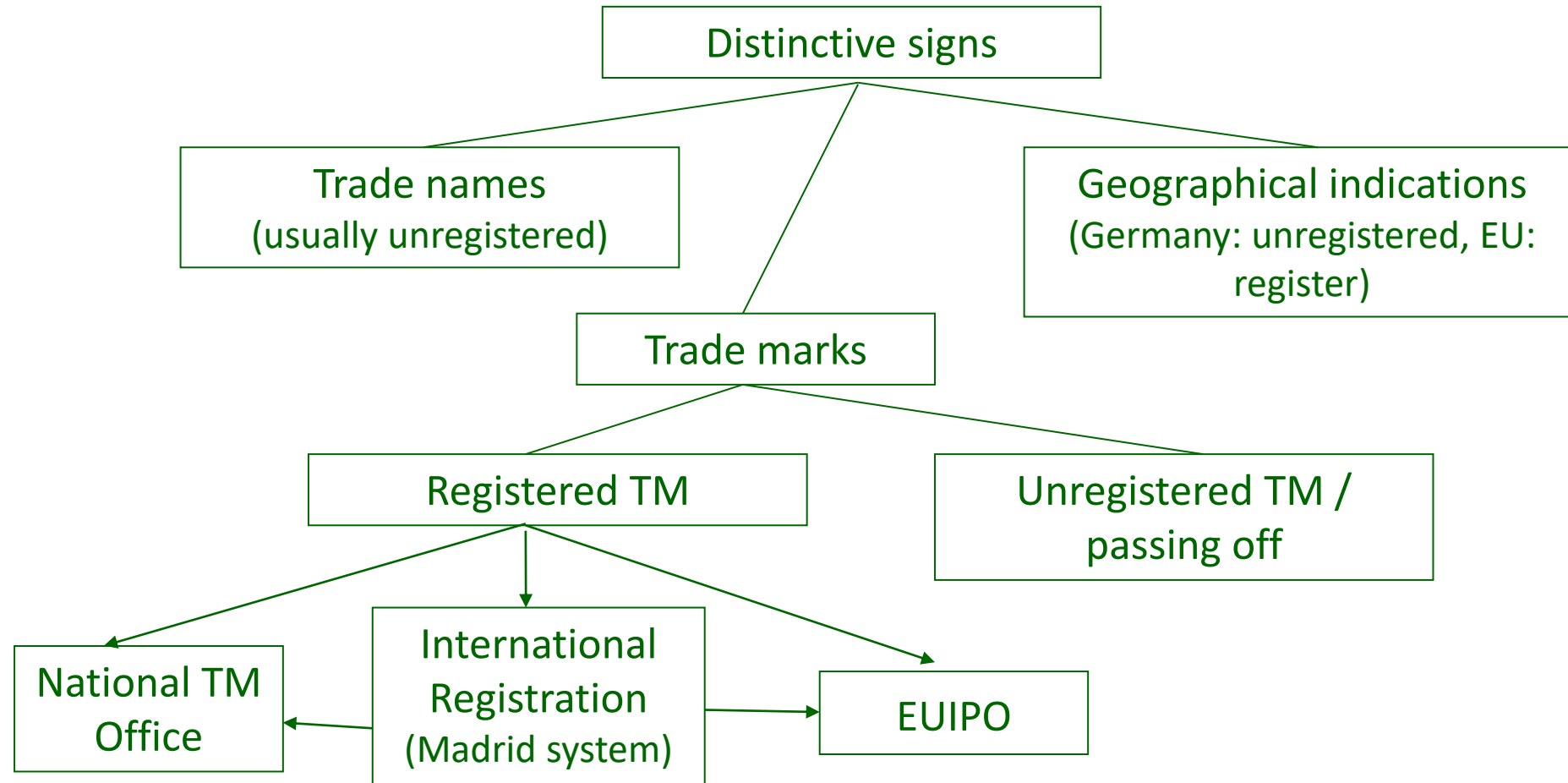
**EU IPO (Alicante,  
Spain)**

## 2. Treaties and EU law

### The Union Trade Mark Regulation (UTMR): key features

- **Autonomy**
  - Registration, scope and validity only governed by EUTM regulation (exception: certain provisions on sanctions)
- **Unity**
  - Single application to EU Intellectual Property office (EUIPO – [www.euipo.europa.eu](http://www.euipo.europa.eu))
  - Right conferred for entire EU area (no designation of individual states)
  - TM can only be declared invalid for entire area
  - “all or nothing rule”
- **Coexistence**
  - EUTM coexists with national rights
  - Many provisions in the UTMR and the TMD are identical and are interpreted similarly

## 2. Treaties and EU law



# Agenda

1. Concept and justification
2. Treaties and EU law
- 3. Conditions of protection**
4. Infringement

# 3. Conditions of protection

## General requirements (Arts 4 UTMR, 3 TMD)

- Sign  $\leftrightarrow$  abstract concept
  - CJEU, C-C321/03 – *Dyson*
- Capable of distinguishing goods / services
- Capable of being represented on the register
  - CJEU, C-273/00 - Sieckmann: clear, precise, self-contained, easily accessible, intelligible, durable, objective



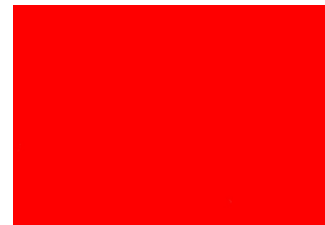
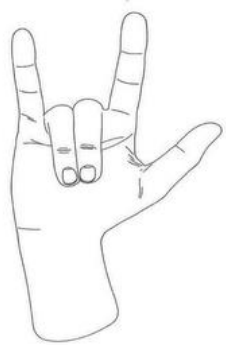
**C6H5CH =  
CHCOOCH3**

### 3. Conditions of protection

ROLEX



**No closed catalogue of TM  
types**



# 3. Conditions of protection

## Absolute grounds of refusal (Arts 7 UTMR, 4 TMD)

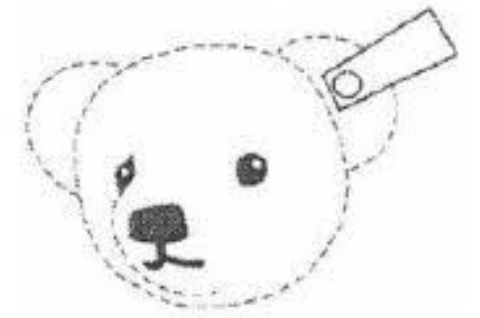
- Lack of distinctive character (Art 7(1)(b) UTMR, 4(1)(b) TMD)
  - Examples: descriptive words, single letters, usual shapes or colours
  - P!: different languages
  - National TM: lack of distinctiveness in other language does not matter, CJEU C-421/04 – *Matratzen Concord v Hukla*, earlier national TM can prevent EUTM in this case
  - EUTM: lack in any language may be fatal, GC T-219/00 – *Ellos*
- Descriptive character (overlap with (b)) (Art 7(1)(c) UTMR, 4(1)(c) TMD)
- Signs which have become customary (Art 7(1)(d) UTMR, 4(1)(d) TMD)



# 3. Conditions of protection

## Absolute grounds of refusal (Arts 7 UTMR, 4 TMD)

- Arts 7 (1)(b)-(d) UTMR, Art 4 (1)(b)-(d) TMD can be overcome in case of acquired distinctiveness (Arts 7(3) EUTMR, 4(3) TMD)
- But distinctiveness must be shown in all countries where the obstacle exists
  - CJEU, C-98/11 P – *Lindt & Sprüngli*, but no evidence for all 27 Member States required
  - Example: GC, cases T-433/12 and T-434/12 – *Steiff*



# 3. Conditions of protection

## In particular: shapes

- P!: TM should not grant an eternal monopoly on technical solutions or attractive designs
- Step 1: Art 7 (1)(e) UTMR, 4 (1)(e) TMD
  - Shapes resulting from nature of goods
  - Shapes necessary to obtain a technical result
  - Shape giving substantial value to goods
- Step 2: distinctiveness



# 3. Conditions of protection

## Shapes resulting from the nature of goods

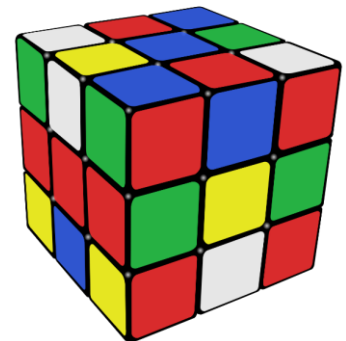
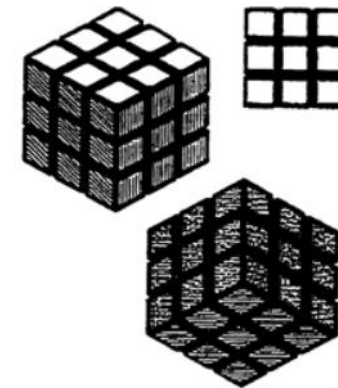
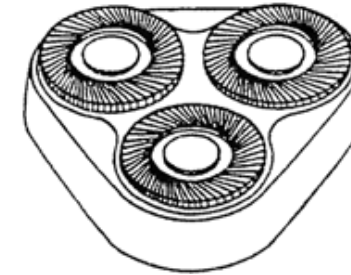
- Purpose: prevention of monopoly on basic characteristics of goods.
- Test: Is a user is likely to seek these characteristics in the goods of competitors / would a consumer look for this element in other goods of a similar nature?



# 3. Conditions of protection

## Shapes necessary to obtain a technical result

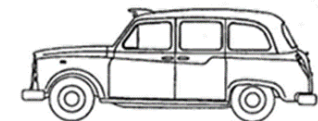
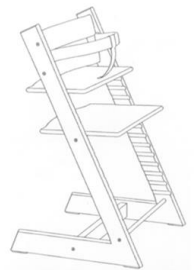
- Purpose: prevention of monopoly in technical solutions, safeguarding the limits of patent law
- Test: (1) identify the essential characteristics of the three-dimensional sign at issue, (2) establish whether they perform a technical function
- Earlier patent protection can be taken into account
- Fact that technical result can also be obtained by other shapes does not alter this result
- Older examples: Gillette shaver, LEGO toy brick
- More recent example: CJEU, C-30/15-P – *Simba Toys/EUIPO*



# 3. Conditions of protection

## Shape giving substantial value to goods

- Purpose: prevention of eternal design protection = preserving the limits of design law
- Criteria (CJEU, C-205/13 – *Hauck/Stokke [Tripp Trapp]*):
  - artistic value
  - difference from usual shapes
  - price difference
  - emphasis on design in advertising
- Criticism: may exclude particularly distinctive shapes from registration



# 3. Conditions of protection

## Relative grounds for refusal (Art 8 UTMR, 5 TMD)

- In case of a collision with an earlier TM the application is not rejected – the owner of the earlier right must file an opposition
  - Priority of earlier PC county application can be claimed (6 months)
  - Seniority (Art 39 UMTR): owner of national TM who surrenders national right in favour of UTM can rely on application date of earlier national TM
- Earlier rights:
  - EUTMs
  - National marks
  - IR marks with effect for EU or member state
  - Sign used in trade or more than local significance
- → different unregistered rights: unregistered TMs (with or without acquired distinctiveness), passing off (IRL)

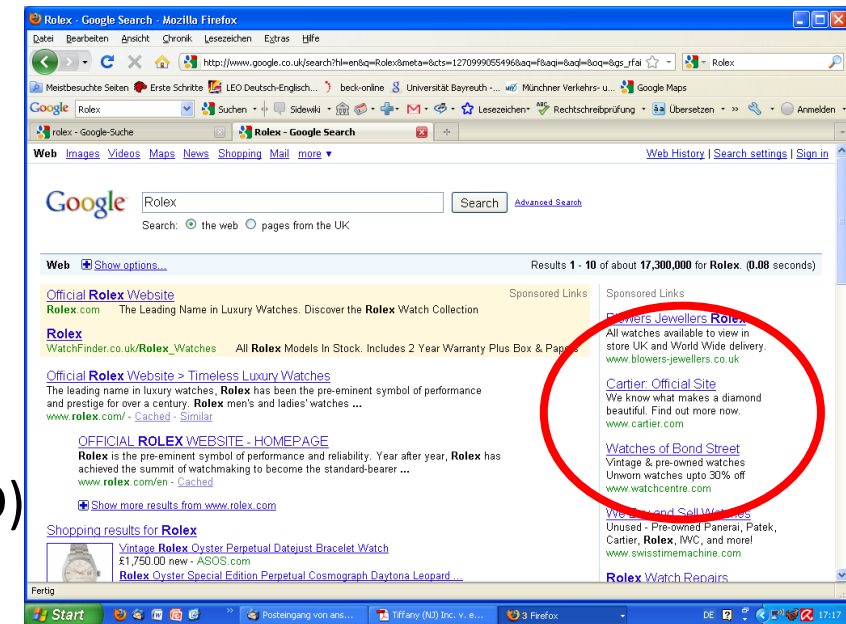
# Agenda

1. Concept and justification
2. Treaties and EU law
3. Conditions of protection
4. **Infringement**

# 4. Infringement

## Infringement: general conditions

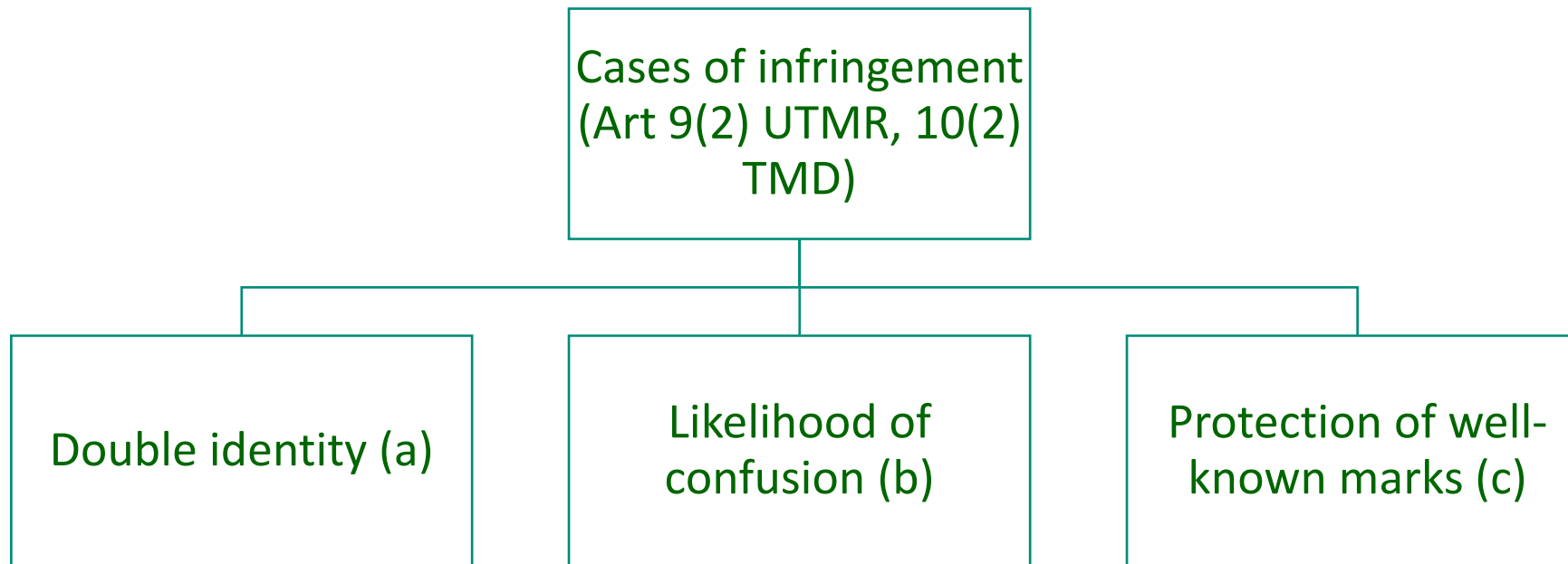
- Use in the course of trade
- Use within EU
  - P!: transit → prima facie infringement, but holder can give evidence that goods can be marketed in country of destination (Arts 9 (4) UTMR, 10 (4) TMD)
- Use in relation to goods or services = Use in infringer's own commercial communication
  - Example: C-236/08 – 238/08 – *Google France*
- Use affecting TM functions





# 4. Infringement

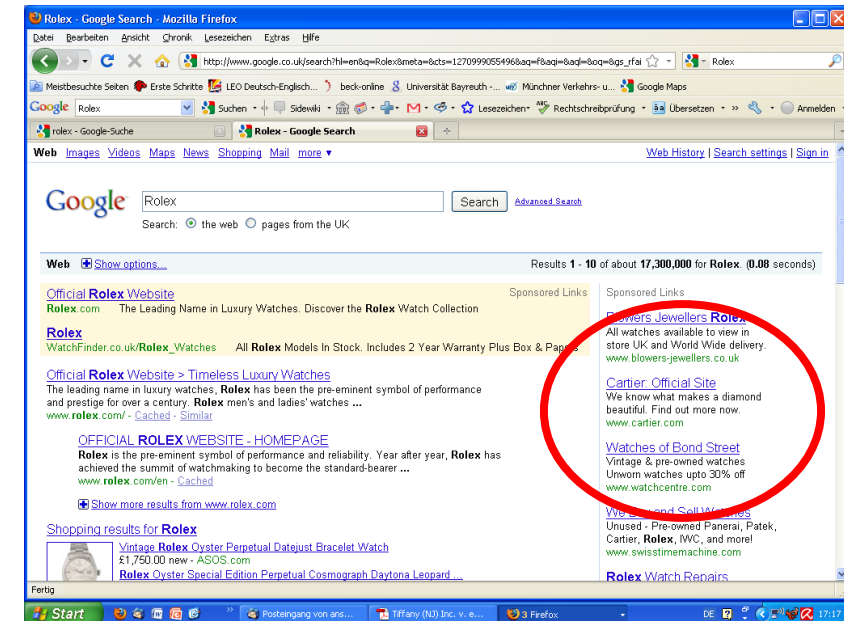
## Infringement: three cases of conflict



# 4. Infringement

## Infringement: three cases

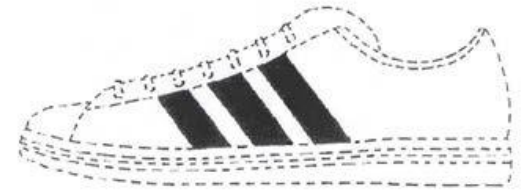
- Arts 9 (2)(a) UTMR, 10 (2)(a) TMD: double identity
  - Identity of signs and of goods/services
  - TM functions: origin function, but also quality, communication, investment, advertising functions
- Arts 9 (2)(b) UTMR, 10 (2)(b) TMD: likelihood of confusion
- Arts 9 (2)(c) UTMR, 10 (2)(c) TMD: extended protection of well-known marks



# 4. Infringement

## Infringement: three cases

- Arts 9 (2)(a) EUTMR, 10 (2)(a) TMD: double identity
- Arts 9 (2)(b) EUTMR, 10 (2)(b) TMD: likelihood of confusion
  - Three parameters: identity/similarity of signs, identity/similarity of goods or services, distinctiveness of TM
  - These factors are interdependent
  - Only protects origin function
  - Infringement only in countries where signs are similar, example: CJEU, C-223/15 – *combit v Commit*
- Arts 9 (2)(c) EUTMR, 10 (2)(c) TMD: extended protection of well-known marks



# 4. Infringement

## Infringement: three cases

- Art 9 (2)(a) UTMR, 5 (1)(a) TMD: double identity
- Art 9 (2)(b) UTMR, 5 (1)(b) TMD: likelihood of confusion
- Art 9 (2)(c) UTMR, 5 (2) TMD: extended protection of well-known marks
  - TM must have a reputation, one member state is sufficient (CJEU, C-301/07 – *PAGO v Tirolmilch*)
  - Similarity of signs: sign must establish a link to well-known TM
  - What if the TM does not have a reputation in the state of infringement? Infringement (+), if consumers nevertheless link the sign to the TM (CJEU, C-125/14 – *Iron & Smith v Unilever*)
  - Causing detriment / taking unfair advantage

# 4. Infringement

**Detriment to distinctive character →  
dilution**

**CJEU, C-252/07 – *Intel v CPM*: serious  
risk + likelihood that consumers will  
change economic behaviour**

**Detriment to reputation →  
tarnishment**

**Taking unfair advantage of reputation or  
distinctiveness → misappropriation**

**CJEU C-487/07, *L'Oréal v Bellure*: riding on  
the coat-tails of the mark in order to  
benefit from its power of attraction,  
reputation and prestige without efforts of  
one's own**

**... without due cause**

# 4. Infringement

Detriment to distinctive character →  
dilution

INTEL (computers) / INTEL MARK  
(marketing services)

Detriment to  
reputation →  
tarnishment



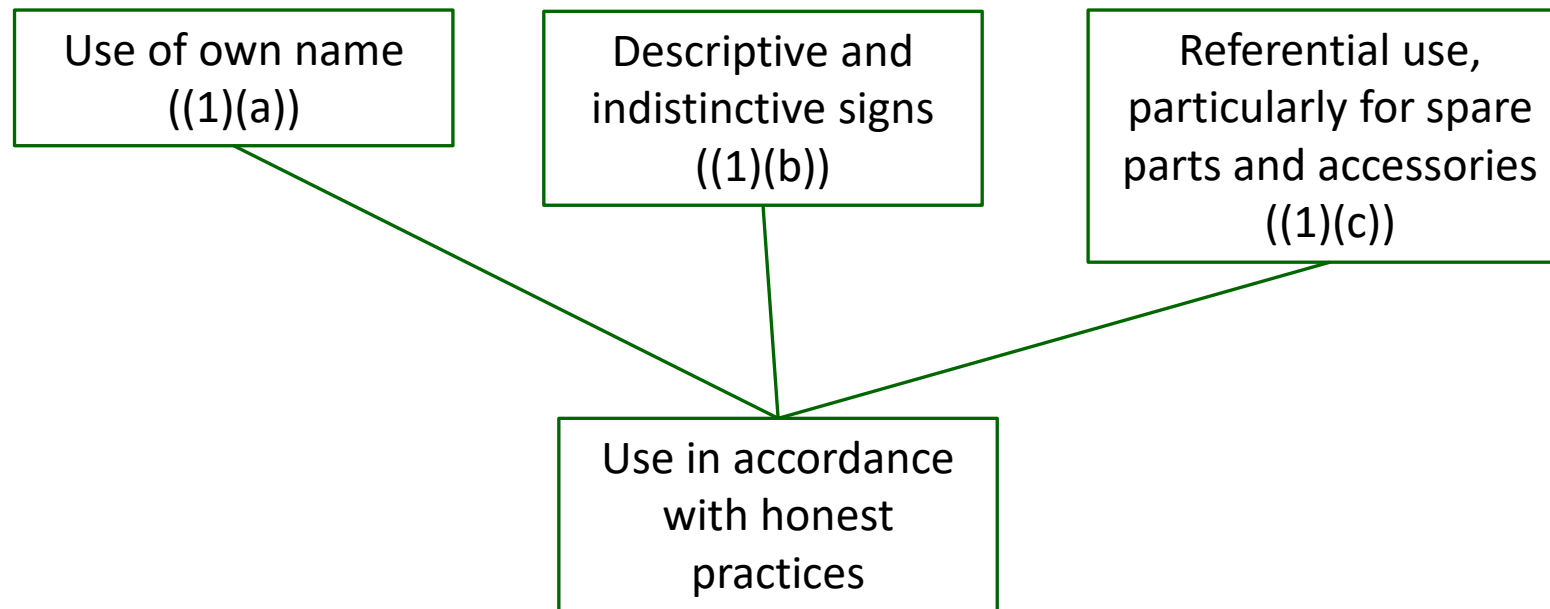
Taking unfair advantage of reputation or  
distinctiveness → misappropriation



... without due cause

# 4. Infringement

## Limitations (Art 14 UTMR, Art 14 TMD)



# 4. Infringement

## Limitations (Art 14 EUTMR, Art 14 TMD)

- Using one's own name → used to cover natural and legal persons, in 2015 restricted to natural persons (example: CJEU, C-245/02 – *Anheuser-Busch v Budvar*)
- Descriptive use → in 2015 extended to use of indistinctive elements (example: CJEU, C-48/04 – *Opel v Autec*)
- Referential use → former defence for spare parts and accessories generalised (example: CJEU, C-500/14 – *Ford v Wheeltrims*)





# 5. Case study

## Commercial Court Bern (Switzerland), judgment HG 2020 87 of 31/12/2020

- Kraft Foods = owner of word mark TOBLERONE and of 3D mark
- Defendant markets SWISSONE
- Q 1: TM infringement?
- Q 2: action for revocation of 3D mark?

