



**e-News**

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International Association for the Protection of Intellectual Property  
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## [AIPPI Bureau](#)

### [In 2021, the AIPPI World Congress will be in San Francisco - USA](#)

(Laurent Thibon, Secretary General of AIPPI, Thierry Sueur, Chair of the Venue Selection Committee)  
The Venue Selection Committee and the Bureau of AIPPI have the pleasure to announce that the venue of the AIPPI World Congress in 2021 will be San Francisco, USA. The Selection has been made in application of the new Rules voted in Toronto. With this selection, the list of the future venues for the AIPPI World Congresses is Rio in 2015, Milan in 2016, Sydney in 2017, Cancun in 2018, Istanbul in 2019, Hangzhou in 2020 and San Francisco in 2021.

## [AIPPI Committee](#)

### [Standing Committee on Trademarks — ICANN Sub-Committee](#)

(Sarah Matheson, Reporter General of AIPPI)

The ICANN Governmental Advisory Committee proposal provides that geographic names should not be allowed to be registered as gTLDs unless requested by the relevant community or with authorisation by the government or community. Geographic references may include regions and sub-regions of countries, regions of continents, rivers and mountains. The position paper prepared by the Standing Committee on Trademarks and submitted to ICANN can be found [here](#).

### [Standing Committee on Trademarks — WIPO Madrid Consultation Group](#)

(Sarah Matheson, Reporter General of AIPPI)

The WIPO Madrid Consultation Group recently invited comment on two proposals regarding changes in practice concerning:

- updating the legal nature of the holder in the International Register; and
- the recording of a declaration that a change in the ownership has no effect

AIPPI's Standing Committee on Trademarks submitted a response which can be found [here](#).

### [Standing Committee on Biotechnology](#)

(Ralph Nack, Assistant to the Reporter General of AIPPI)

The Standing Committee on Biotechnology has been integrated into the newly established Standing Committee on Pharma and Biotechnology. The members of the previous Standing Committee on Biotechnology now form a specialised sub-committee. The leadership will continue to lead the Biotechnology Subcommittee in the Standing Committee on Pharma and Biotechnology. The Bureau thanks the Biotechnology members for their ongoing work in this important area.

### [Report on the 29th session of the Standing Committee on Copyright and Related Rights \(SCCR\) at WIPO](#)

(Matthias Gottschalk, Secretary of the Standing Committee on Copyright)

During the 29th session of the SCCR in December 2014, Prof. Kenneth Crews presented his "Study on Copyright Limitations and Exceptions for Libraries and Archives" (SCCR/29/3) showing that the vast majority of countries provides for such exemptions and limitations. The discussion, whether such an international harmonization would be desirable, will be continued during the 30th session.

## [AIPPI World Congress — Rio 2015](#)

### [2015 Rio de Janeiro AIPPI World Congress, 10-14 October 2015 \(Sponsorship opportunity\)](#)

(Rio 2015 Organizing Committee)

In 2015, the AIPPI World Congress will be in Rio de Janeiro, Brazil. Sponsors in Rio will have unique opportunities to promote their activities with improved marketing strategies. The intention is to introduce new ways to display the sponsor's brands with high visibility, including banners on AIPPI's web site and screens throughout the Congress rooms. Also, new networking mechanisms will ensure that the sponsors at the Rio World Congress will have more opportunities to be closer to the participants, such as, for instance, during the opening ceremony reception in the exhibition hall.

During the AIPPI World Congress, the Brazilian Intellectual Property Association (ABPI) Annual Congress will take place, which is regularly attended by around 1000 participants from 20 countries in the Americas. As such, sponsors will have access to a significantly increased audience, especially in the region, at no extra cost.

The above measures provide a tremendous opportunity to sponsors, and we now invite you to review the sponsorship opportunities in the sponsorship brochure [here](#).

### Panel Sessions Topics

(The Bureau of AIPPI)

The final list of the Panel Sessions topics for the AIPPI World Congress in Rio de Janeiro, Brazil — October 10-14, 2015 is now available. The complete list can be found [here](#).

### Important Dates and Deadlines

(AIPPI General Secretariat)

- Opening of registration 1 April 2015
- Deadline for early bird registration fee 10 June 2015
- Deadline to regular registration fee 12 September 2015

For further details as well as all up to date information on the meeting we invite you to visit soon our meetings website [www.aippi.net](http://www.aippi.net).

### Forthcoming Events

March 2015: German-French-Polish Seminar, 19-20 March 2015, Berlin, Germany

(AIPPI German, French, Polish Group)

German-French-Polish Seminar, 19-20 March 2015, Berlin, Germany. More information [here](#).

June 2015: ALAI 2015 International Congress, 18-20 June 2015, Bonn, Germany

(Reto M. Hilty, President of ALAI Germany)

In 2015, the ALAI international Congress will take place in Bonn, venue of the adoption of the German Copyright Act 50 years ago. Join us and bring yourself up to date on copyright scholarship and copyright reality.

September 2015: AIPPI Baltic Conference, 2-5 September 2015 Tallinn, Estonia

(AIPPI Estonian National Group)

AIPPI Baltic Conference, 2-5 September 2015 Tallinn, Estonia. More information [here](#).

### Articles and notes

Colombia: New legislation on legally fixed Recovery of Damages

(Margarita Castellanos, CASTELLANOS — CO., Bogota, Colombia)

The burden of proving damages for trademark infringement has always been a problem for trademark owners.

The Colombian Government has addressed this in decree No. 2264 of November 11, 2014, establishing discretionary legally fixed damages from trademark Infringement.

France: Copyright in the information society

(Toungane Loumeau, avocat à la Cour, Gide, Loyrette, Nouel, Paris, France)

Copyright in the information society is currently a much-talked about topic in Europe with new legislation in the UK introduced in 2014 (cf. e-News N°37) and more recently, new legislation in France as well as the presentation of the Reda report in the European Parliament.

Italy: The European Court of Justice again on supplementary protection certificates

(Elena Martini, Martini Manna Avvocati, Milan, Italy)

The European Court of Justice ruled on whether it is possible to obtain a valid Supplementary Protection Certificate for a protein contained in a covalent bond with other active ingredients in the medicine for which the marketing authorisation was granted.

Italy: Ambush marketing: the Italian perspective

(Paolina Testa, FTCC — Studio legale associato, Milan, Italy)

Is ambush marketing legal or illegal? Or, in other words, is it permitted to create an association between a brand/product and a major event without paying any sponsorship fees? A seminar organised in Milan by the AIPPI Italian Group examined ambush marketing under various legal perspectives, and tried to answer the question.

Spain: Copernican change in the case law of the Spanish Supreme Court: trademark holders are no longer “immune” from infringement proceedings based on prior trademark rights

(Elena Molina, Intangibles Legal, S.L.P., Barcelona, Spain)

A recent judgment of the Spanish Supreme Court has changed the law regarding the enforcement of trademark rights when the defendant holds a later Spanish trademark. This long-awaited judgment confirms that the registration of a trademark no longer provides a defense to an infringement claim.

Thailand: Major Amendments of Copyright Act and Trade Secret Act in Thailand

(Suebsiri Taweepon, Tilleke & Gibbins, Bangkok, Thailand)

The Thai Copyright Act has been updated to better equip copyright owners with more tools to tackle infringement in the digital era. Amendments to the Thai Trade Secret Act should improve the work of the Trade Secret Board in terms of better management and structure.

The Netherlands: The European Parliament’s work on the Trade Secrets Directive

(Wouter Pors, Bird & Bird, The Hague, The Netherlands)

The European Union is working on a Trade Secrets Directive, in order to comply with the TRIPs Agreement and establish protection of trade secrets at a level comparable to the US. Last year the Commission and the Council finalized a proposal, now the European Parliament is discussing it.

U.S.A.: Trademark Tacking is a Question of Fact, Properly Decided by a Jury, U.S. Supreme Court Holds

(Seth I. Appel, Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP, Chicago, Illinois, U.S.A.)

U.S. Supreme Court holds trademark “tacking” is a question of fact for the jury, rather than a question of law for the judge.

U.S.A.: U.S. Supreme Court Restores Deference in *Teva v. Sandoz*

(Kelly G. Hyndman, Sughrue Mion, PLLC, Washington, DC, U.S.A.)

*In Teva v. Sandoz*, the U.S. Supreme Court changed how the CAFC reviews lower court decisions, eliminating de novo review when patent claim construction is based on subsidiary fact finding.

## AIPPI Committee

### Report on the 29th session of the Standing Committee on Copyright and Related Rights (SCCR) at WIPO

(Matthias Gottschalk, Secretary of the Standing Committee on Copyright)

The agenda of the 29th session included the approval of the accreditation of the SCCR of certain non-governmental organisations (item 3), adoption of the draft report of the twenty-eight session (item 4), protection of broadcasting organizations (item 5), limitations and exceptions for libraries and archives (item 6) and limitations and exceptions for educational and research institutions and for persons with other disabilities (item 7).

With respect to the item “protection of broadcasting organizations”, the committee requested the secretariat to update the information contained in the technical background paper (document SCCR 7/8) and the 2010 study on “Current market and technology trends in the broadcasting sector” (document SCCR 19/12), dealing with current technological developments in broadcasting, with the aim of presentation the results of the study and providing opportunities for technical discussion at the 30th session.

The focus of the 29th sessions of the SCCR was clearly item 6 (Limitations and Exceptions for libraries and archives). Prof. Kenneth Crews, who had already been mandated by the committee in 2008 to provide a study on how countries internationally would deal with copyright limitations and exceptions for libraries and archives (document SCCR/17/2), presented the delegates during the 29th session with the results of his updated study. According to Crews, the searchable database “WIPOLEX” fundamentally improved the search capabilities and did enable Crews and his team to gather information on the topic of the study in nearly all WIPO member states. According to the study, limitations and exceptions for libraries and archives are clearly fundamental to the copyright law of most countries. Only 33 out of 186 countries covered by the study were identified as having no copyright exceptions for libraries. The study also examined what kind of exemptions were granted under the relevant statutory law or common law system. The survey further covered questions including as to whether single or multiply copies would be allowed or whether such exemptions were limited to a particular purposes, e.g. for research purposes, in the relevant country examined.

After the delivery of the presentation by Prof. Crews, the delegates had the opportunity to address questions and to make comments. In particular, it was discussed whether a harmonization with respect to the limitations and exceptions for libraries and archives would be desirable. Some delegates argued that such harmonization would not be in alignment with the fundamental principle of territoriality, which, for instance, is laid down in the Berne Convention and the Rome Convention. Both Conventions state, that any exemptions and limitations shall be a matter for legislation on a national level. Other delegates argued in favour for harmonization and pointed out to the current developments in the EU insofar. The European Court of Justice (CJEU) has fostered harmonization of copyright law in the EU even outside current statutory law for instance regarding a unified definition of copyrighted “works” and also with respect to the requirements for “communication to the public” in various recent cases, including the long-awaited judgment of the CJEU in the Svensson -Case (C-466/12), in which the CJEU had pointed out that the communication must be directed at a new public.

The committee welcomed the presentation by Prof. Crews and the subsequent discussion and asked the secretariat to arrange before the next session for the preparation of a document that combines the document of the 2008 and the new study and would reflect the additional information on national library archive limitations and exemptions provided by delegations. The documents related to this agenda item are SCCR/26/3, SCCR/26/8, SCCR/29/3 and SCCR/29/4.

## Commentary

The updated study by Prof. Kenneth Crews helped very much to gain an understanding on how the national laws of the 168 countries covered deal in their respective national law with exceptions and limitations for the benefit of libraries and archives. While some of the member states argued in favour of a harmonization regarding exemptions and limitations of copyright for the benefit of libraries and archives, other delegations raised the concern that such harmonisation would be in contradiction with the territoriality principle of copyright as, for example, defined in the Berne Convention. This discussion is to be continued during the 30th session of the SCCR.

### Forthcoming Events

[ALAI 2015 International Congress, 18 — 20 June 2015, Bonn, Germany](#)  
(Article by Reto M. Hilty, President of ALAI Germany)



In 2015, the ALAI international Congress will take place in Bonn. This venue was chosen to commemorate the 50th anniversary of the German Copyright Act. In 1965, the German legislature took a historical step that set a legal trend around the world: recognising that bans on certain use activities that could not be practically enforced were of no use, it instead established collective remuneration systems for right holders.

Current technical challenges make it seem more future-proof than ever to base the law not on rights to prohibit use but on remuneration rights. The “Digital Single Market” envisaged by the European Commission calls for a fully accessible network of content on the Internet; the unlimited exercise of exclusive rights contradicts this vision. According to the Commission, copyrights today generate far more than one billion euros in revenues each year; over five million jobs have been created by the industries directly or indirectly involved. And yet appropriate adjustments to copyright law will boost this potential even more — to the benefit of all.

This potential will be the focal point of the congress in Bonn. On the first day, participants will examine the various mechanisms for achieving an equitable remuneration of right holders. Based on these mechanisms, the discussion will then focus on how to further develop the current system so that copyright will act not to hamper development, but to promote it. On the second day, the spotlight will be on the latest business models. Different types of use will be analysed to identify the challenges these pose for both law makers and legal practitioners.

The 2015 ALAI congress will be on the cutting edge. Meet us in Bonn from June 18 to 20 to bring yourself up to date on copyright scholarship and copyright reality. The gala dinner on June 19 will be a great opportunity to network.

Please visit the website of the ALAI international congress at [www.alai2015.org](http://www.alai2015.org) for further details and online registration.

We look forward to seeing you in Bonn!



Articles and notes

Colombia: New legislation on legally fixed Recovery of Damages

(Margarita Castellanos, CASTELLANOS — CO., Bogota, Colombia)

Decree 2264 of November 11, 2014, is an important piece of legislation protecting trademark owners in Colombia.

In a civil infringement action, recovering damages and providing evidence establishing the amount of damages were always very hard.

The pre-existing legislation provides that in order to calculate damages, the following types of compensation among others, shall be taken into consideration:

- a. Actual quantifiable injury and lost profits.
- b. Amount of profits obtained by the infringer derived from the infringement.
- c. The price that the infringer would have paid in order to achieve a trademark license.

That legislation needed to be supplemented with the possibility of asking the judge in a trademark infringement action to apply legally set parameters for determining the amount of damages to be recovered. The burden to prove the types of damages noted above made it almost impossible to compensate the trademark owner for its damages, unless through evidence of actual consumer confusion and sales derived from this confusion.

The new Decree 2264 provides as follows:

1. The plaintiff together with the trademark infringement complaint can choose whether to estimate and prove damages, or to let the judge apply the legal parameters of economic recovery.
2. The legal recovery parameters are fixed in a minimum of 3 to a maximum of 100 monthly minimum wages, for each trademark infringed. It can go up to 200 monthly minimum wages, when:
  - The infringed trademark is declared notorious by the judge.
  - The infringer acted in bad faith
  - When the human health or safety is involved
  - and when the infringement has been repeated.
3. It is discretionary with the judge to estimate the amount of damages within the parameters set above, taking into consideration the evidence showing the duration of the infringement, its scope, the quantity of infringing goods and the geographical extent of the infringement.

It is not required to prove actual confusion by consumers.

The benefit of the recent decree is that the plaintiff can choose to take advantage of the fixed legal parameters of compensation, or if the evidence is available, it can choose to prove higher amount of damages.

### [France: Copyright in the information society](#)

(Tougane Loumeau, avocat à la Cour, Gide, Loyrette, Nouel, Paris, France)

In France, Government Order No. 2014/1348 dated 12 November 2014 has brought amendments to copyright law in order to specifically address the issue of the assignment of rights within publishing agreements in the information society.

French copyright law, initially designed for paper printed works, has had to adapt to new technologies and intangible media. Many conflicts have arisen between authors and publishers, mainly around remuneration issues. In March 2013, after more than three years of negotiation, representatives of both parties signed a framework agreement, which forms the basis of the new legislation.

Publishing agreements which were formerly defined as involving the right to manufacture a number of copies, now expressly cover the right to make them in a digital form. Provisions relating to the assignment of rights in a digital form must be drafted in a separate part of the agreement and provide for specific remuneration. Remuneration for the assignment of digital rights must be fair and equitable. It may be on a proportional or on a lump sum basis, but that basis must include all the revenues (sales, advertising...) generated by the exploitation of the creative work at stake. Publishing agreements must include a clause providing for reassessment of the digital rights remuneration in the event of a change in the economic environment.

On the European level, Member of European Parliament Julia Reda presented in the Legal Affairs Committee of the European Parliament, on 20 January 2015, a report on the evaluation of the EU Copyright Directive. Ms Reda explains that although the EU copyright directive (dated 2001) was meant to adapt copyright to the digital age, it is now outdated and is in reality blocking the exchange of knowledge and culture across borders today.

As summarized in the press release, the report calls for the harmonization across Europe of copyright terms (with a reduction from 70 to 50 years) and exceptions, new exceptions for emerging use cases like audio-visual quotation, e-lending and text and data mining, as well as the adoption of an open norm to “allow for the adaptation to unanticipated new forms of cultural expression”. It recommends “exempting works produced by the public sector [...] from copyright protection” and demands that “exercise of exceptions or limitations [...] should not be hindered by technological measures”.

The report will be examined by the Legal Affairs Committee, which may lead to a final Parliament vote on the report in May 2016.

### [Italy: The European Court of Justice again on supplementary protection certificates](#)

(Elena Martini, Martini Manna Avvocati, Milan, Italy)

On 15 January, the European Court of Justice (“ECJ”) ruled in Case C- 631/13 concerning supplementary protection certificates (“SPCs”). As is known, this is a very relevant matter in the life sciences industry, which we discussed among other things here on this blog. In this case, the subject was whether it is possible to obtain a valid SPC for a protein contained in a covalent bond with other active ingredients in the medicine for which the marketing authorisation (“MA”) was granted.

In essence, the holder of the basic patent on protein D had applied for an SPC in Germany for the same protein. This, however, was not the only active ingredient of a medicinal product for which an MA had been granted; instead, it was contained in a vaccine provided with an MA (called “Synflorix”) in which it was conjugated, as the carrier protein, to pneumococcal polysaccharide serotypes. The SPC application had been rejected by the competent German office precisely because the protein D is not present as such in Synflorix, but is covalently bound to other active ingredients, for which it would not be the subject of an MA as a medicinal product within the meaning of EU Regulation no. 469/2009 (the “Regulation”). Hence, according to the office, it could not be granted an SPC, as the latter can only be granted when, among other things, the “product” (aka the active ingredient or combination of active ingredients) as a medicinal product is covered by an MA.



Following a series of complaints and appeals by the holder of the patent, the issue landed at the ECJ to which the referring German court referred three questions.

In the first question, the referring court asked whether the Regulation precludes the possibility that an active ingredient can give rise to the grant of an SPC on the sole ground that the active ingredient is covalently bound to other active ingredients forming part of a medicinal product. In this regard, the Court notes that the Regulation makes no distinction depending on whether the active ingredient is covalently bound to other active ingredients, which is why that fact does not preclude the granting of the SPC. What matters instead is that the active ingredient is really such, i.e. that it is a substance that *“has a pharmacological, immunological or metabolic action of its own”*.

In the second question, the referring court asked whether the Regulation precludes the grant of an SPC for an active ingredient the therapeutic effect of which does not fall within the therapeutic indications covered by the wording of the MA: the MA for Synflorix does not in fact mention the therapeutic effects of protein D. The ECJ recalls in this respect that, on the one hand, a patented product cannot be the subject of an SPC if it has not been granted an MA as a medicinal product and, on the other hand, the protection conferred by the SPC is to extend only to the product covered by the MA *“for any use of the product as a medicinal product that has been authorised before the expiry of the certificate”*. In light of this, the Court believes that *“the use of a product which has not been authorised, as a medicinal product, by the MA may not be covered by an SPC”*, and that therefore *“an active ingredient whose therapeutic effects do not fall within the therapeutic indications for which an MA was granted may not give rise to the grant of an SPC”*.

In the third question, the referring court finally asked whether the Regulation precludes the grant of an SPC *“for a product referred to in the marketing authorisation of a paediatric vaccine as the carrier protein of an active ingredient, on the ground that that protein, as an adjuvant, enhances the effect of an active ingredient, without that effect being expressly mentioned in the marketing authorisation”*. In response, the ECJ first notes that in the present case the protein D is actually not an adjuvant; accordingly, the Court considers that the question of the referring court should be reformulated, and that the court is rather interested in establishing whether a carrier protein used in a medicinal product conjugated to a pneumococcal polysaccharide, although not having a therapeutic effect of its own that is covered by the wording of the MA, may be considered to be a “product” to the aims of the Regulation. In this respect, the Court highlights that there is nothing in the Regulation that explicitly settles the matter, but that nonetheless it was clarified that only a substance that *“has a pharmacological, immunological or metabolic action of its own”* can be considered to be a “product”. The Court therefore concludes that such protein can be categorised as a product *“only if it is established that it produces a pharmacological, immunological or metabolic action of its own which is covered by the therapeutic indications of the marketing authorisation, a matter which it is for the referring court to determine, in the light of all the facts of the dispute in the main proceedings”*.

[Italy: Ambush marketing: the Italian perspective](#)  
(Paolina Testa, FTCC — Studio legale associato, Milan, Italy)

Ambush marketing is a communication strategy used more and more, aimed at creating an association between a brand or a product and a major event without any authorization from the event’s organiser. The definition given by the European Sponsorship Association is even more explicit: ambush marketing is *“any kind of marketing activity undertaken around sponsorship property by an entity that is not a sponsor, where that entity seeks commercial benefit from associating itself with the property without paying any sponsorship fees”*.

The forms of ambush marketing are various, but the purpose is always the same: to obtain benefits, in terms of visibility and goodwill, from the publicity generated by a given major event, usually a sports event; it’s not by chance that ambush marketing usually occurs on the occasion of the Olympic Games, or the Soccer World Cup, and we all have seen many examples in the past few years.

AIPPI already dealt with this issue as part of Resolution Q210 in Buenos Aires, 2009 (*“The protection of major sports events and associated commercial activities through Trade Marks and other IPR”*), resolving

that Trade Mark and Unfair Competition law should not be amended just for major sports events, that sui generis rights for major sports events should be avoided and that, but if and when such rights are created, they should provide a balance between the interests of all relevant parties. The Resolution can be found [here](#).

Nevertheless, the issue of ambush marketing as such is still highly topical, and the main question is whether ambush marketing is legal or illegal; or, to be more precise, when it is legal and when illegal.

In an attempt to answer these questions, the AIPPI Italian Group organised a seminar in Milan on January 12, 2015, where eminent lecturers examined ambush marketing both under the communication perspective, and under various legal perspectives: unfair competition and unfair commercial practices, trademarks, product placement, advertising self-regulation. The special law to be issued on the occasion of Expo 2015 was also mentioned, and the international profile was investigated.

The common conclusion of the speakers was that ambush marketing is in itself neither legal or illegal. Some ambush marketing campaigns are likely to mislead consumers, or to infringe trademark rights, but others are just creative and clever ways of exploring forms of links with an event different from official sponsorship. As it usually happens, the legality or illegality has to be decided case by case.

[Spain: Copernican change in the case law of the Spanish Supreme Court: trademark holders are no longer "immune" from infringement proceedings based on prior trademark rights](#)

(Elena Molina, Intangibles Legal, S.L.P., Barcelona, Spain)

The Spanish Trademarks Act sets forth the right of the trademark holder to use its trademark (known as *ius utendi* that coexists with its *ius prohibendi*). Traditionally, the doctrine and the Spanish courts, including the Supreme Court, have inferred from this provision that the enforcement of trademark rights when the defendant is also the holder of a (later) Spanish trademark requires the previous invalidation of the trademark of the alleged infringer (there are examples of application of this doctrine since the mid-nineties, as evidenced by Spanish Supreme Court rulings 470/1994 of 23 May 1994, 169/1995 of 6 March 1995, 717/2006 of 7 July 2006 and, more recently, 489/2013 of 24 July 2013). The invalidation could be requested either previously or simultaneously by counterclaim. This was known as the "immunity by virtue of registration" doctrine.

However, this doctrine has received criticism in the last years, in particular from the Spanish Community Trademark Court, which in 2010 and in 2011 asked the Court of Justice of the European Union (CJEU) for two preliminary rulings on the issue (Cases C-488/10 «Celaya Empananza» and C-561/11 «Fédération Cynologique Internationale»). The CJEU ruled in both cases that the exclusive right of the holder of a Community design or a Community trademark to prevent a third party from carrying out infringing acts also applies against a third-party proprietor of a later registered Community design or Community trademark, without the need for that latter design or mark to have been declared invalid beforehand. This position was based, on the one hand, on the priority principle, under which an earlier registered Community trademark or Community design prevails over a later registered Community trademark or Community design and, on the other hand, on a broad interpretation on the concept of "third party" in Article 19(1) of the Community Design Regulation (CDR) and Article 9(1) of the Community Trademark Regulation (CTMR).

Up to now, the above-mentioned case law of the CJEU was only applicable in Spain when the alleged infringer was the holder of a Community trademark or a Community design. The holders of Spanish trademarks continued to be formally protected under the traditional doctrine of "immunity by virtue of registration", even though this doctrine was not in accordance with the CJEU case law.

The recent judgment rendered by the Spanish Supreme Court (Judgment 520/2014 of the Supreme Court, First Chamber, of 14 October 2014) confirms the final abandonment in Spain of the "immunity by virtue of registration" doctrine. This case involved the use of the brand "Denso" by a former partner and distributor of the claimant, which held various international trademark registrations with effect in Spain consisting of

or containing the term “Denso” for products in classes 17 and 19, among others. The defendant had registered in turn two Spanish trademarks: “Denso” and “Productos Denso” for the same products.

According to the judgement, the main grounds that justify such a Copernican change in the Spanish case law are, on the one hand, the substantial identity between Articles 9 and 12 of the CTMR and Articles 5 and 6 of the Trademarks Directive and, on the other hand, the obligation of the courts of the EU Member states under CJEU case law to interpret the national laws in the light of the wording and purpose of EU directives to achieve their purposed results. Accordingly, the Supreme Court recognized that the old doctrine must be replaced by the doctrine stated by the CJEU in the case C-561/11.

Accordingly, Spanish trademarks no longer confer a defense to alleged infringers in infringement proceedings brought by the holders of earlier rights. Trademark holders cannot rely on their registered rights to avoid or delay infringement claims since the holders of prior rights no longer need to seek a declaration of invalidation of the later trademark beforehand in separate or in the same infringement proceedings.

[Thailand: Major Amendments of Copyright Act and Trade Secret Act in Thailand](#)  
(Suebsiri Taweepon, Tilleke & Gibbins, Bangkok, Thailand)

### **Copyright Amendment**

The Thai Copyright Act B.E. 2537 (A.D. 1994) came into force in 1995 and has never been amended. However, the National Legislative Assembly (NLA) passed two copyright bills in late 2014, which will soon be published in the Royal Gazette and come into force 180 days later. The amendments cover several issues as follows.

#### **1. Unauthorized Camcording in Cinema**

Sections 28/1 and 69/1 criminalize the unauthorized recordation of cinematographic works in the cinema. Section 28/1 also states that exceptions to copyright infringement for personal use cannot be applied.

#### **2. Infringement Exception under the First Sale Doctrine**

Section 32/1 recognizes the exception of copyright infringement under the first sale doctrine. This applies to all types of copyrighted works recognized by the Copyright Act.

#### **3. Exception for Temporary Reproduction in Computer System**

Copyrighted works must sometimes be duplicated to allow a computer system to function. Section 32/2 stipulates that any duplication of a copyrighted work that is done for this reason shall not be deemed as copyright infringement.

#### **4. Preliminary Injunctive Relief for Copyright Infringement in Computer System**

Section 32/3 introduces an injunction that the copyright owner can exploit to stop the distribution of copyright infringing contents on the computer system of the Service Provider. If a copyright owner has reasonable grounds to believe that a copyrighted work has been infringed in a computer system, it can file a motion requesting a court order against the ISP.

#### **5. Exception of Copyright Infringement for the Benefit of Disabled Persons**

Section 32 (9) is added to the list of exceptions to copyright infringement. It states that reproduction or adaptation of works for the benefit of disabled persons is exempt from infringement, provided that the act is not for profit.

## **6. Protection of Performer's Moral Rights**

Under Section 51/1, a performer is entitled to identify himself as a performer in the performance and will have the right to protect his reputation by prohibiting any person, including the assignee of the performer's rights, to distort, shorten, adapt or perform any other act with respect to the performance to the extent that it would cause damage to the performer's reputation or dignity. Unless otherwise agreed in writing, when the performer has died, the heirs of the performer is entitled to litigate for the enforcement of the said right through the term of performer's rights.

## **7. Protection of Rights Management Information (RMI)**

Sections 53/1 and 53/2 stipulate the liability of a person who deletes or modifies RMI with the knowledge that such act could cause an infringing act, or conceal a copyright or performer's right, as well as a person who communicates to the public or imports into Thailand for distribution any copyrighted work with the knowledge that the RMI of such work has been deleted or modified. Exceptions to RMI infringement are provided in Section 53/3.

## **8. Protection of Technological Protection Measures (TPM)**

Circumvention of TPM is prohibited under Section 53/4; a person who circumvents TPM or provides the service of circumvention shall be liable for infringement if the circumvention was performed with the knowledge that it could cause infringement on a copyrighted work or performer's rights. Any person who circumvents TPM shall be punishable by a fine and imprisonment in accordance with the penalties specified in Section 70/1. Exceptions to TPM circumvention are provided for in Section 53/5.

## **9. Punitive Damages**

Section 64 is amended to allow the court to double the amount of damages if there is clear evidence that the copyright or performer's right was infringed on with the intention to allow the work to be accessible by the public.

## **10. Seizure and Destruction of Counterfeits**

Under Section 75, the copyright owner no longer has entitlement to the ownership of the infringing articles. Rather, Section 75 grants the court with the authority to order the infringing articles to be confiscated or destroyed, with the infringer bearing the cost of destruction.

### Trade Secret Amendment

The Trade Secret Act B.E. 2545 was first introduced in 2002 and was amended in late 2014. The amendments mainly involve the two following issues:

- Revisions concerning reorganization and qualification of members in order to facilitate the Trade Secret Board to be more effective in practice (Sections 3 — 8 of the amended Act).
- Due to criticism by government officials, the maximum penalties for the disclosure of trade secrets by officials have been reduced to two years' imprisonment and a fine of THB 200,000 (Sections 34 — 35 of the Amended Act).

The amended Copyright Act will better equip copyright owners with broad tools to tackle copyright infringement in the digital era, while the amended Trade Secret Act will provide the Trade Secret Boards with more practical management. However, there is skepticism about how well the new measures can solve the existing problems, as certain obstacles are foreseen. Hence, it is important for IP owners to closely monitor these developments to see how well the new laws will be used.

[The Netherlands: The European Parliament's work on the Trade Secrets Directive](#)  
(Wouter Pors, Bird & Bird, The Hague, The Netherlands)

The protection of trade secrets differs widely among the Member States of the European Union. The protection varies from specific statutory law in Sweden to a common law approach in the UK and protection on the basis of tort in The Netherlands. In some countries the definition of Article 39 TRIPs is adopted as a starting point in case law, but even then enforcement is quite difficult, inter alia because proof of misappropriation is often very hard to obtain. This puts Europe at a disadvantage compared to the US and probably even to China.

After having assessed that the differences in approach may undermine incentives to engage in innovative cross-border activities and may render trade secrets unable to fulfil their potential as drivers of economic growth and jobs, the European Commission set out to establish a Directive aimed at harmonizing the protection of trade secrets and the enforcement of such protection throughout the EU. This was the outcome of careful consultation of users and extensive discussions between the Member States, which in November 2013 resulted in a Commission proposal. Further discussions and consultations lead to a new Council proposal, published 19 May 2014. Then there was some delay due to the elections, but recently the European Parliament has picked up the work. It aims at a plenary session on 28 April 2015, meaning that the Directive could be enacted this same year. The Member States will then have two years to implement it.

The Directive is a mixture of full and minimum harmonization. Basically the definition of trade secrets, which closely follows the TRIPs definition, the provisions on infringement and the enforcement system are minimum harmonization, whereas the exceptions to trade secret protection are full harmonization.

It is unlikely that Member States will extend the definition to offer more protection; the TRIPs definition is the result of complicated negotiations and is accepted in important areas, such as the US. Any development here is better done in case law.

A very important improvement is the definition of infringement, which now is any unlawful acquisition, use and disclosure of a trade secret without the consent of the trade secret holder. Initially there was a requirement of intent or gross negligence, which would have caused a considerable obstacle as evidence would have been hard to obtain, but this has now been removed. Basically any use is unlawful if the user knew or should have known that the trade secret was obtained in an unlawful way.

The current wording of the exceptions to protection may still be too broad in some respects. For instance, there is an exception for legitimate whistle-blowing, but it remains to be seen what would qualify as "necessary for the revelation of a misconduct or wrongdoing", next to "illegal activity".

A major issue is the fact that the Directive has its own set of provisions on enforcement, which deviate from the tools of the Enforcement Directive; some of the important tools, such as seizure of evidence, are missing. This was a political compromise between Member States and it remains to be seen whether this will change in parliament.

A hearing of industry representatives and legal experts was held by the European Parliament on 20 January 2015, where the author of this report presented the practitioner's view. The initiative for this Directive was welcomed by him, but the Parliament was urged to have the Enforcement Directive apply to trade secrets. An amendment to the provision on a "confidentiality club" for trade secrets litigation was also presented, in order to bring access to the court file more in line with the work of AIPPI's standing committee on client attorney privilege, of which the author is one of the co-chairs.

The current proposal for the Trade Secrets Directive can be found [here](#)

A report on the hearing and my presentation can be found [here](#)



[U.S.A.: Trademark Tacking is a Question of Fact, Properly Decided by a Jury, U.S. Supreme Court Holds](#)

(Seth I. Appel, Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP, Chicago, Illinois, U.S.A.)

Hana Financial, Inc. v. Hana Bank, 574 U.S. \_\_\_\_ (2015)

In the United States, trademark ownership is based on use: the first party to use a mark has priority over subsequent users. The tacking doctrine permits a trademark owner to establish priority based on use of an earlier mark where the two marks are “legal equivalents” in that they create the same, continuing commercial impression. In *Hana Financial, Inc. v. Hana Bank*, 574 U.S. \_\_\_\_ (2015), the U.S. Supreme Court, resolving a circuit split, held that the application of tacking is a question of fact, not a question of law, because tacking is tested from the perspective of an ordinary consumer. Therefore, when a jury trial has been requested and the facts do not warrant entry of summary judgment or judgment as a matter of law, tacking must be decided by a jury.

In this lawsuit, Hana Financial claimed trademark infringement by Hana Bank. The jury returned a verdict in favor of Hana Bank because it had priority, through tacking, based on its earlier use of Hana Overseas Korean Club. The Ninth Circuit Court of Appeals affirmed judgment in favor of Hana Bank. The Supreme Court also affirmed, finding that the lower courts properly allowed the jury to decide the issue of tacking.

“Application of a test that relies upon an ordinary’s consumer’s understanding of the impression that a mark conveys falls comfortably within the ken of a jury,” the Court observed. Across a variety of doctrinal contexts, the Court explained, when the question is how an ordinary person or community would make any assessment, the jury is generally the proper decision-maker.

While tacking is a question of fact, the Court noted, under appropriate circumstances it may be decided by a judge on a motion for summary judgment or judgment as a matter of law. Further, if the parties have opted for a bench trial, the judge may decide tacking in his or her role as factfinder.

The Court rejected Hana Financial’s argument that allowing juries to decide tacking would undermine the predictability required for a functioning trademark system. It noted that the same could be said about the tort, contract and criminal justice systems, where juries regularly answer factual questions and apply legal standards to facts. “[D]ecision making in fact-intensive disputes necessarily requires judgment calls,” the Court explained.

Because tacking is a question of fact, as held in *Hana*, it is generally more difficult to overturn such a finding on appeal.

[U.S.A.: U.S. Supreme Court Restores Deference in \*Teva v. Sandoz\*](#)

(Kelly G. Hyndman, Sughrue Mion, PLLC, Washington, DC, U.S.A.)

*Teva Pharmaceuticals USA, INC., v. Sandoz, Inc.*, 574 U.S. \_\_\_\_ (2015)

The decision of the United States Supreme Court in *Teva v. Sandoz* addressed the standard of review that the United States Court of Appeals for the Federal Circuit (CAFC) must accord to United States District Courts (DCTs). The opinion was authored by Justice Breyer; Justice Thomas wrote a dissenting opinion joined by only one other Justice.

In the U.S., claim construction is considered a matter of law and thus a matter exclusively for the court to determine, as stated in *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 372 (1996). Prior to *Teva*, the CAFC interpreted *Markman* as supporting a system under which the CAFC reviewed findings of fact by DCTs for clear error, and conclusions of law de novo. Under this system the CAFC reviewed factual findings in connection with claim construction under the de novo standard (i.e., taking a complete independent review) instead of the clear error standard applied for other factual findings (i.e., looking to see if the DCT decision exhibited clear error).



In *Teva*, the dispute centered on the meaning of a phrase in some of Teva's patent claims, namely, "molecular weight." Sandoz, which had been sued by Teva for patent infringement, unsuccessfully argued at trial that the term rendered the asserted claims invalid as being indefinite. According to Sandoz, "molecular weight" could be understood in three different ways including peak average molecular weight, number average molecular weight, and weight average molecular weight. Sandoz urged the trial court to find the claims indefinite since it was not reasonably clear which of the three meanings "molecular weight" should be given.

The trial court had to determine what a person of ordinary skill in the art (POSITA) would have understood the term to mean. In performing this analysis, the trial court accepted expert declarations from both sides and determined that a POSITA would understand the term as signifying the first of the three meanings above. Given this, the trial court therefore found the asserted claims not to be indefinite.

The CAFC disagreed and found the claims indefinite, a conclusion based on a *de novo* review of the indefiniteness issue. Applying the *de novo* standard permitted the CAFC to simply reject or substantially ignore the subsidiary fact finding of the trial court as to what a POSITA would have understood.

At the oral hearing before the Supreme Court, Teva argued *Markman* mandated a holding that claim construction is a matter of law. To this argument the Justices pointed out that *Markman* related to whether claim construction should be a judge or jury issue, and not to the appellate standard of review. In the opinion, the Supreme Court focused on Federal Rule of Civil Procedure 52(a)(6), which prevents an appellate court such as the CAFC from setting aside findings of fact by a DCT unless clearly erroneous. Since the Supreme Court found that the particular technical nature of patent cases did not call for an exception to rule 52(a)(6), Teva stands for the proposition that when a DCT resolves an underlying factual dispute, even in the context of claim construction, that resolution must be disturbed only in the case of clear error.

As a result of *Teva*, it may reasonably be expected that there will be a reduction in the percentage of DCT decisions reversed by the CAFC, thereby helping to bring about at least some increased certainty in trial court verdicts.

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