AIPPI Bureau

Bureau mid-year meeting in Bangkok
(Felipe Claro, President of AIPPI)
The Bureau mid-year meeting took place in Bangkok at the end of March, 2015, where the Bureau members, in addition to their own work, also met the Thai National Group and attended the ASEAN IPA annual meeting.

ASEAN IPA Annual Meeting in Bangkok
(Felipe Claro, President of AIPPI)
On Saturday, March 29, 2015, the ASEAN Intellectual Property Association had its annual meeting in Bangkok. The AIPPI Bureau was present offering two presentations to the audience and hosting a lunch for the attendees. Numerous AIPPI independent members from the South East Asian countries attended the meeting and had the opportunity to interact with the Bureau members.

World IP Day on April 26, 2015
(The Bureau of AIPPI)
Every year, April 26 marks World Intellectual Property Day, an international event which celebrates, and promotes discussion and recognition of, the vital role IP plays in fostering and encouraging innovation and creativity. The theme of World IP Day 2015 is “Get up, stand up. For music.” For more information, including events, ways to get involved and print-ready publicity materials, see http://www.wipo.int/ip-outreach/en/ipday/.

AIPPI World Congress — Rio 2015
Registration for Rio is open
(Laurent Thibon, Secretary General of AIPPI)
The next AIPPI World Congress will be held in Rio, Brazil, from Sunday, October 11 to Wednesday, October 14, 2015. Rio awaits you!

This Congress will be the first AIPPI World Congress according to the new “annual” format. It will be a fabulous opportunity for AIPPI members to exchange views about IP topics and to network in the city of Rio.

Please note that you will not receive a printed version of the Preliminary Programme by mail. However, the content is available on line and pdf brochures can be downloaded and printed.

Don’t miss the opportunity to register by June 10, 2015 in order to take advantage of the reduced registration fees. Registration is open at www.aippi.net.

Download the Preliminary Programme.
Download the Accomodation & Social Events brochure.

Panel sessions for the AIPPI Congress in Rio
(Sarah Matheson, Reporter General of AIPPI)
The preparations for the educational/professional development programme of the AIPPI Congress in Rio are well under way. The Congress will offer 15 panel sessions with expert moderators and speakers over three days (Monday 12 through Wednesday, October 14, 2015). They will cover a wide array of topical issues in IP law such as inventor remuneration, post-grant oppositions, non-traditional trademarks, collective marks and geographical indications, protection for functional designs, ISP liability, IP rights in green technology, and protection for plant varieties. Recognising the increasing importance of various forms of alternative dispute resolution (ADR) in the enforcement of IP rights, there will be a panel session focusing on mediation in IP disputes, as well as a consideration of the use of ADR in a double panel session on contentious FRAND issues. Pharma Day, having become a very popular fixture in the Congress programme will offer 4 panel sessions dedicated to topical issues in the pharmaceutical industry such as personalised medicine, technology transfer, trade mark strategy and policy based examination of patentability. For a full description of all panel sessions, see link.
Invitation to attend the open meeting of AIPPI’s Standing Committee on UP/UPC
(Sarah Matheson, Reporter General of AIPPI)
The Standing Committee on UP/UPC has been working on formulating recommendations in relation to a number of key issues concerning the UP/UPC and will be holding a 1.5 hour meeting during the Rio Congress to discuss a number of the latest developments. These are likely to include various fees, rules of procedure, transitional provisions and issues of overlapping jurisdiction. This meeting will be open to all interested Congress participants. The Committee welcomes broad input to help it refine its recommendations on a number of current topics, and to shape its future areas of focus. The meeting will be on Sunday, October 11, 2015 at 17:30, immediately before the Opening Ceremony and Welcome Reception.

Enjoying the AIPPI 2015 World Congress in Rio!
(Luiz Henrique do Amaral, Chair Organizing Committee)
Ready for an exquisite and unforgettable experience in Brazil? The social Programme during the AIPPI World Congress in Rio will meet your expectations! The opening ceremony will be followed by a lush reception designed to induce networking by the participants in a relaxed atmosphere at the exhibitors’ hall. The cultural evening will be held at the world famous Copacabana Palace where a real carnival ball with samba live music and dancers will set the mood for a lot of fun. May we also suggest joining the gala dinner, which will take place at the prestigious rooms in the Jockey Club with a Brazilian style menu and local drinks. Of course, throughout the social events you may expect different Brazilian music styles to please all tastes. Don’t miss it!

Sponsorship opportunity at the Rio Congress
(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.

Forthcoming Events
May 2015: AIPPI booth at INTA Annual Meeting, May 02-06, 2015, San Diego
(AIPPI General Secretariat)
AIPPI will be at the INTA annual meeting. Come and visit us at booth no.1229 in the Exhibition hall to gather information and gadgets of Rio de Janeiro, Brazil and Milan, Italy (Host cities of the AIPPI World Congress in 2015 and 2016).

June 2015: ALAI 2015 International Congress, June 18-20, 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, September 2-5, 2015, Tallinn, Estonia
(AIPPI Estonian National Group)
Articles and notes

Argentina: A step forward in the protection of aesthetic shapes of industrial products: A bill amending the Design Law
(Ignacio Sanchez Echague, Marval, O’Farrell & Mairal, Buenos Aires, Argentina)

The Argentine Government recently announced that it will be sending a draft bill to Congress amending the current design law, which would represent a step forward in the protection of aesthetic shapes of industrial products.

Canada: Significant changes to Canadian patent practice on the horizon
(Graeme Boocock and Christine Collard, Borden Ladner Gervais LLP, Ottawa, Canada)

Forthcoming changes to the Canadian Patent Act aim to harmonize Canada’s patent system with those of other countries, but will also have a significant impact on some of its better-known aspects, such as reinstatement practice.

France: Legal protection for databases
(Tougane Loumeau, Gide Loyrette Nouel, Paris, France)

A recent French case illustrates the difficulty for database operators to meet the criteria for intellectual property protection in Europe. The European Court of Justice has however issued a preliminary ruling which helps operators of unprotected databases to fight against unauthorized extraction of their data.

Italy: A lawyer’s work may be protected by copyright
(Luigi Manna, Martini Manna Avvocati, Milan, Italy)

A Venice IP Court found that a regulation for the protection of IP rights, used by the organizers of a local exposition, infringed on the moral rights of a lawyer, who had created the document years earlier for another exposition.

Japan: A patent subject to a FRAND declaration cannot be asserted in Japan against the purchaser of goods where the seller is negotiating a licence
(Kazuki Ishihara, Hogan Lovells LLP, Tokyo, Japan)

The Tokyo District Court has rendered a decision saying that sending a warning letter to a purchaser of an infringing product while negotiating with the seller will be an act of unfair competition if the patent is subject to a FRAND declaration.

Switzerland: Swiss jurisdiction over a US patent
(Thomas Widmer, LALIVE, Geneva, Switzerland)

A Swiss watchmaker company and an individual domiciled in Switzerland were in dispute regarding the ownership of an invention, which the individual filed as a US patent in his own name. The company took the dispute to court, claiming that it was (on a contractual basis) the genuine owner of the invention and requesting that the individual be ordered to perform all acts that are necessary to transfer the US patent in its favor.

UK: Court of Appeal guidance of parallel imports and re-branding
(Paul Harris, Pillsbury Winthrop, London, UK)

The Claimant was the exclusive UK licensee of the trade mark REGURIN who had successfully sued the Defendant for trade mark infringement, arising out of the parallel importation into the UK of the identical goods sold in France under the trade mark CÉRIS, with boxes containing such, which it over-stickered but using the REGURIN mark (in effect re-branding). The Court of Appeal overturned this decision on appeal.

UK: Rihanna wins passing off case over her image
(Sara Ashby and Olivia Gray, Redd, London, UK)

The English Court of Appeal has just upheld a High Court decision that the sale by Topshop, a well-known high street fashion retailer, of a t-shirt printed with an image of world famous pop star Rihanna amounted to ‘passing off’. The case is a rare example of passing off being an effective cause of action in the absence of a sui generis image right under English law.
UK: Second medical use patents, their construction and public guidance
( Jonathan Moss, Hogarth Chambers, London, UK)
An application for a preliminary injunction to stop a generic drug entering the market unless certain restrictions were placed on it to ensure that it did not get dispensed for the second medical use (which was still under patent) was unsuccessful. Consequently the public body (NHS England) responsible issued guidance under a court order saying that generics should not be prescribed in this way.

U.S.A.: TTAB opposition proceeding may dictate outcome of trademark infringement action, under U.S. Supreme Court’s B & B Hardware decision
( Seth I. Appel, Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP, Chicago, Illinois, U.S.A.)
A trademark owner can oppose another party’s application to register a mark with the USPTO. It can separately bring an infringement action in court seeking damages and injunctive relief. The U.S. Supreme Court recently held that a finding of likelihood of confusion in an opposition proceeding may have preclusive effect over a court in a subsequent infringement action. B & B Hardware, Inc. v. Hargis Industries, Inc., ___ S.Ct. ___ (2015).

U.S.A.: Deference-in-part: review of a District Court’s claim construction
( Kenneth R. Adamo, Brent P. Ray, Eugene Goryunov and Ryan M. Hubbard, Kirkland & Ellis LLP, Chicago, Illinois, U.S.A.)
In Teva Pharm. USA, Inc. v. Sandoz, Inc. the U.S. Supreme Court held that the ultimate decision on claim construction is a legal conclusion reviewed de novo, but certain explicit factual determinations must be reviewed for clear error under Rule 52.
AIPPI Bureau
Bureau mid-year meeting in Bangkok
(Felipe Claro, President of AIPPI)

On March 26, several Bureau members arrived in Bangkok to meet the Thai National Group, prior to the mid-year Bureau Meeting that was held on March 29 and 30.

On Friday 27, the Thai National Group organized a seminar attended by most of its National members. Its President, Mr Uttasart Chavalit, gave a welcome speech, thanking the AIPPI Bureau for deciding to have the mid-year meeting in his country.

During the seminar, AIPPI’s Reporter General, Ms Sarah Matheson, and the Assistant to the Reporter General, Mr Ralph Nack, gave a detailed presentation on current AIPPI studies, focusing on the recent resolutions adopted by the ExCo in Toronto and the Questions and Workshops prepared for the Rio de Janeiro Meeting in October. They encouraged the young members of the Thai National Group to actively participate in the preparation of the Group Reports even if: a) they don’t know the subject, and b) are not travelling to the AIPPI international meetings. Active participation at the preliminary stage of the National Group Reports is a tremendous opportunity to learn more about a new subject and it is an exercise which is different from participating in the Working Committees during the AIPPI International Meetings.

After the seminar, the President of the Thai National Group hosted the Bureau members over lunch to express his gratitude for the visit and participation in the seminar.

On Saturday 28, the Bureau members attended the ASEAN IPA Annual Meeting and hosted a lunch during which a presentation on the AIPPI structure and activities was given to the audience (see separate article).

On March 29, the Secretary General’s Team and the Reporter General’s Team had their respective meetings to plan their future activities and to prepare for the Bureau Meeting that was held on March 30.

The Bureau meeting was fruitful and the long agenda was covered in full. Different points of view on important topics were analyzed constructively and it was easy to reach consensus within the Bureau once all participants had the opportunity to express their opinions in the best interest of the Association.

There are several ongoing initiatives that will be communicated or confirmed in Rio. For example, several amendments are being introduced into the Statutes and Regulations regarding the substantive work and the Bureau structure of AIPPI. Also, we are in the process of retaining a new Executive Director and populating the Standing Committees with two members by country, plus a third member from industry, if possible. Many small changes are taking place that will increase the AIPPI membership value.
ASEAN IPA Annual Meeting in Bangkok  
(Felipe Claro, President of AIPPI)

On Saturday, March 29, 2015, the ASEAN Intellectual Property Association had its annual meeting in Bangkok. The AIPPI Bureau was present and the new ASEAN IPA President, Mr Chew Phye Keat, expressed his gratitude to AIPPI for attending the meeting, cooperating with speakers and hosting a lunch for the meeting attendees.

During the morning session, AIPPI’s President (Felipe Claro), together with the Reporter General (Sarah Matheson), gave a presentation on The Effect of Non-IP Laws on IP Rights, focused on recent laws on plain packaging in the tobacco and alcohol industries and exhaustion of IP rights. After the presentation, many comments were received from the audience about the importance of having access to AIPPI’s views on plain packaging.

Numerous AIPPI independent members from the South East Asian countries attended the ASEAN meeting and had the opportunity to interact with the Bureau members who were present during the event.

The Bureau members perceived that the South East Asian countries are vibrant in terms of IP development. Also, some South East Asia AIPPI members expressed their willingness to self-organize regional meetings on a regular basis to increase cooperation and understanding among their National Groups.

An additional combined presentation about AIPPI was given by the President (Felipe Claro), the Secretary General (Laurent Thibon), the Reporter General (Sarah Matheson) and the Assistant to the Secretary General of AIPPI (Luiz Henrique do Amaral) to the ASEAN attendees during an official lunch hosted by AIPPI.

The constant help of the Assistant to the Secretary General, Ms Karen Abraham, was most valuable to the Bureau members, because she served as a bridge to better understand the local customs and protocols and to enhance the interaction with the ASEAN attendees.

In the evening, all attendees visited the Jim Thompson Museum (house of a silk pioneer who dedicated his life to preserve Thailand’s rich cultural heritage), where a Thai dinner was served and we could once again share time with the ASEAN IPA leadership and membership.

In summary, the Bureau’s presence during the ASEAN IPA annual meeting was very productive and provided the context for the subsequent Bureau meeting, also held in Bangkok in the following days.
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 for further details and online registration.

We look forward to seeing you in Bonn!
**Articles and notes**

**Argentina: A step forward in the protection of aesthetic shapes of industrial products:**

*A bill amending the Design Law*  
(Ignacio Sanchez Echagüe, Marval, O’Farrell & Mairal, Buenos Aires, Argentina)

The Argentine Government recently announced that it will be sending a draft bill to Congress amending the current design law.

The main changes introduced by the bill are the following:

1. **Extended term**
   - The bill lengthens the rights of the titleholder for a total term of twenty five years (five successive five-year terms), against the current fifteen years (three successive five-year terms).

2. **Non-prejudicial disclosure**
   - The bill also introduces non-prejudicial disclosures, which are considered as those performed within six months prior to the application date or its Convention priority, if they directly or indirectly resulted from:
     - acts by the author or its assignees;
     - act of bad faith or an illicit act by third parties;
     - breach of contract;
     - breach of trust; or
     - erroneous or wrongful publication by the Argentine PTO.

   Under the current law non-prejudicial disclosure only comprises the display, by the author or with his authorization, in exhibitions or fairs, in Argentina or abroad, provided the application is filed in Argentina within six months from the date on which the exhibition or fair opened. Therefore, the bill enlarges those non-prejudicial disclosure acts in line with international trends.

3. **Registration procedure**
   - The aim of the bill is also to simplify the registration procedure. The bill allows a single application to include up to ten models or designs as long as they all belong to the same class of the Locarno Classification. Also, applications may be divided, and their multiple objects may be enforced, assigned, encumbered, renewed or canceled separately. These changes represent an improvement in the registration procedure since the current law requires that all embodiments in the application be homogeneous, a somewhat hazy requirement that often results in official objections. The renewal process is also smoothed by the bill, which provides that it is to be performed at any time during the last six months of the design’s lifetime, instead of the current 6 to 9 months prior to the expiration of the design. In addition, the bill grants a six-month grace term from the expiration date, which is not contemplated in the current law.

4. **Fines**
   - One more major change introduced by the bill is the system to update the fines as criminal sanctions in case of an infringement. These fines are calculated on the basis of the official fees charged by the
Argentine PTO: a minimum of AR$30,000 (approx. USD 3,400 at the current exchange rate) and a maximum fine of AR$198,000 (approx. USD 22,500 at the current exchange rate).

5. Non-applicability of the statute of limitations in case of nullity

Last but not least, the bill corrects the non-applicability of the statute of limitations in case of a cancellation action seeking that the design patent be declared null and void.

This modification is aimed towards reversing the decision handed down in re: D’Uva (Supreme Court, October 16, 1992, “D’Uva, Norberto Carlos v. Schirripa, Gaudencio et al), which ruled that the cancellation action against a design patent expired after five years in spite of the fact that it was affected by an absolute nullity. The practical consequence of in re: D’Uva was that anyone could copy and register a design and the registration became unassailable after five years.

As a conclusion, we consider that the bill constitutes a necessary update to the current design law enhancing the level of protection and simplifying the registration procedure. We hope this will translate into an extended use of the design law.

Canada: Significant changes to Canadian patent practice on the horizon

(Graeme Boocock and Christine Collard, Borden Ladner Gervais LLP, Ottawa, Canada)

Over the past year, Canada has implemented amendments to its IP laws to comply with a number of international treaties. On December 16, 2014, amendments to the Canadian Patent Act received Royal Assent. The amendments aim to fulfill Canada’s obligations under the Patent Law Treaty, and to align aspects of the Canadian system with other countries. Some of the changes will, no doubt, seem familiar to non-Canadian practitioners, but nonetheless represent a significant watershed for Canadian practice. The date on which these amendments and related regulations will be in effect is not currently known, and much uncertainty remains until draft regulations are published.

The amendments do not include those to address Canada’s obligations under the Canada Europe Trade Agreement (CETA), in respect of which further amendments are likely to be introduced later in 2015.

Simplified Administrative Procedures

One object of the amendment is to simplify filing procedures. It will be possible, for instance, to obtain a filing date in Canada without a fee and without a translation into English or French. If part of a description or drawing is omitted at filing, an applicant will be able to subsequently include it even if it adds new matter (a later filing date may then apply). Incorporation-by-reference of a previously-filed application will be permitted, and restoration of priority will be available in Canada up to 14 months from the priority date, provided that the failure to file within the initial 12-month period was “unintentional” and provided that any yet-to-be determined “prescribed conditions” are met. The one-year grace period for inventor-derived disclosures will be extended to cover applications with restored priority.

In the spirit of simplified administrative procedures, the amendments also specify that a patent will not be declared invalid by reason only that the application on the basis of which the patent was granted was not maintained in effect. This amendment is likely in response to recent Court decisions on this issue.

Reinstatement

The regulations will have particular impact in one area, namely reinstatement, which will only be possible if an applicant can show that the failure to take action that led to the abandonment occurred despite “due care” being taken. Under the revised Act, the Commissioner of Patents may create rules to determine the standard and when it applies. To date, reinstatement has been available as of right in Canada within one year of a missed deadline, and applicants often use the abandonment period to obtain additional time to take action. Reinstatement is also currently the only way for applicants to add claims and restart pros-
execution after allowance: an important mechanism in view of peculiar local laws for double patenting. The coming regulations will determine whether the amendments to the Patent Act will spell the end of flexible abandonment and reinstatement practice, and could have significant ramifications for how potential double patenting situations are addressed.

**Infringement and Intervening Rights**

The amendments also provide clarification on the issues of infringement and third party intervening rights. For example, there will be no pre-grant infringement until the specification is published in English or French. Furthermore, during an abandonment period when the “due care” standard for reinstatement applies, third parties will be protected from “good faith” acts that would otherwise have constituted infringement.

**Timing and Details of Coming into Force**

The Commissioner of Patents is granted broad new rule-making authority under the amendments, and, at the time of writing, draft regulations have not yet been published. Accordingly, it is not yet known precisely how and when these amendments will be implemented. The Patent Office has indicated that draft regulations should be published for consultation by late 2016, and it seems likely that both the amendments and the regulations will come into force by early 2017.

**France: Legal protection for databases**

(Tougan Loumieu, Gide Loyrette Nouel, Paris, France)


*Ryanair Ltd v. PR Aviation BV*, ECJ, 15 January 2015, C-30/14, ECLI:EU:C:2015:10

European Directive No. 96/9 on the legal protection of databases provides that database operators may benefit from two forms of intellectual property rights: copyright and a specific right called “the sui generis right”. Copyright is applicable to databases which, by reason of the selection or arrangement of their contents, constitute the author’s own intellectual creation, whereas the sui generis right is applicable to databases in respect of which there has been qualitatively and/or quantitatively a substantial investment in either obtaining, verifying or presenting the data.

In a series of cases issued in 2004, the European Court of Justice (ECJ) ruled that the investments taken into account with regard to the sui generis right, strictly refer to the resources used to seek out existing independent materials and collect them in the database, and not to the resources used for the creation as such of independent materials. For instance, in the milestone British Horseracing Board case[1], the ECJ ruled that the resources used to draw up a list of horses in a race (such as registering information concerning owners, trainers, jockeys and horses, recording the performances of those horses in each race, deciding on weight adding and handicapping for the horses entered for the various races, recording telephone calls entering horses in each race organized, checking the identity and status of the person entering the horse and whether the characteristics of the horse meet the criteria for entry to the race…) do not represent investment in the obtaining and verification of the contents of the database in which that list appears.

This makes it difficult for database operators to meet the substantial investment criterion since investments for the database as such are often marginal compared with the investments made for the creation of the individual data, and since it can be difficult to show that the former resources are independent of the latter.

The French Ryanair case[2] illustrates that situation. Ryanair claimed to be the owner of a sui generis right on its database, through which web viewers have access to all the Ryanair online booking management and flight ticket sales services. Ryanair tried to enforce that alleged right against the online travel operator Opodo, who uses the Ryanair online database to reference Ryanair flights and prices.
However, the Supreme Court agreed with the Paris Court of Appeal that the costs attached to the software used to operate the online sale management system as well as the costs involved by the electronic ticketing online application should not be taken into account with regard to the sui generis right. This led the courts to consider that investments in the database were not substantial enough for Ryanair to be regarded as having a sui generis right on it.

Ryanair was luckier before the ECJ[3].

Before that court, the issue at law was whether the freedom to use a database which is not protected either by copyright or by the sui generis right can be contractually limited. The question was especially relevant as the directive affirms the mandatory nature of certain rights for lawful users of IP protected databases by declaring null and void any contractual provision contrary to it.

The ECJ answered that the author of such an unprotected database is not precluded from laying down contractual limitations on its use by third parties, without prejudice to the applicable national law.

References

1. ECJ, 9 November 2004, C-203/02, ECLI:EU:C:2004:695
3. ECJ, 15 January 2015, C-30/14, ECLI:EU:C:2015:10

Italy: A lawyer’s work may be protected by copyright
(Luigi Manna, Martini Manna Avvocati, Milan, Italy)


A recent judgment of the section of the District Court of Venice dealing with IP matters addresses a perhaps unprecedented issue in Italian case law: that of the protection under copyright laws of a work created by a lawyer for their client in the performance of legal services.

The case brought before the Court regarded an anti-counterfeit regulation that a lawyer had drafted for an exposition held in Milan. A few years later, in preparation for a different exposition in the Veneto region, a regulation had been sent to exhibitors (marked with the logo of the event) that appeared to slavishly reproduce the first. The document had been withdrawn following a cease-and-desist letter, but the author nonetheless sued the company organising the Veneto exposition, claiming infringement of his moral rights and seeking compensation under copyright laws.

The defendant, although denying in principle any copyright infringement, claimed that the document had been provided by its lawyer, who had presented it as the product of her own work (and who incidentally had been an associate of the plaintiff in the past). On these grounds, the defendant joined its lawyer as a party to the proceedings, asking to be indemnified by her against any adverse compensation ruling, and claiming to have used the work in good faith.

The Venice judges first dealt with the question of whether a work such as the one in suit could enjoy protection under Italian copyright laws, concluding that there were no obstacles to prevent such protection. All that is required to that end, the judges observed, is that the creative intellectual activity of the author be “expressed in a distinct and perceptible form”; that “the work belongs to the sciences and the arts in general”; and that it “possesses a creative quality, epitomised by originality and novelty”, in the sense that it “must reflect a personal contribution and the individuality of the author, and present sufficient added value compared to the prior art” although “its degree of originality and novelty can be modest”.

12
The work in suit, according to the Venice judges, fulfilled all these requirements. The anti-counterfeiting regulation, in fact, was not “a mere list of consolidated rules and practices”, but “the result of a personal, original, new and creative elaboration of legal concepts and industry practices and of the experiences of the author”.

Having concluded in favour of the plaintiff on the issue of authorship (thanks to witness depositions), the Court found that the work in suit had in fact been slavishly reproduced. The Court, however, ruled out any liability for damages to the main defendant: the trial had confirmed that it had actually commissioned the work from the third-party defendant and had therefore reasonably relied on its lawfulness, ceasing its use immediately upon receiving a cease-and-desist letter from the author.

On the contrary, the third-party defendant and material infringer was found to be fully liable on account of the fact that she had knowingly presented the regulation as the result of her own work, knowing who the real author was, even suggesting that her client circulate it with their own logo on it.

Notably, the Court dismissed the argument that a copy of the regulation could easily be found on the Internet, remarking that this did not make it freely appropriated by third parties.

The third-party defendant was therefore ordered to compensate damages determined on an equitable basis (the fact that the regulation was available on the Internet did limit, according to the Court, the harmfulness of the conduct) and ordered the publication of the decision in two newspapers, one national and one local.

**Japan: A patent subject to a FRAND declaration cannot be asserted in Japan against the purchaser of goods where the seller is negotiating a licence**

(Kazuki Ishihara, Hogan Lovells LLP, Tokyo, Japan)

Case to seek injunction against act of unfair competition, 2013 (Wa) 21383 (in Japanese)

- **Factual Background**

  The Defendant — a company managing patents on Blu-ray Discs (“BDs”) - notified the Plaintiff’s business partner by a letter (“Notification”) that the patent holder had a right to an injunction against sales of BDs. The patents in issue were standard patents subject to a FRAND declaration. The Plaintiff sued the Defendant seeking (1) an injunction against notifying and spreading such false claims, and (2) compensation for damage to the Plaintiff’s business interests.

- **Summary**

  The Court held that, at the time of the Notification, as the Plaintiff had intended to receive a license from the Defendant under FRAND terms, the Defendant could not assert any right to demand an injunction - to do so was an abuse of its patent right. Therefore, in demanding an injunction, the Defendant had made a false claim. Accordingly, the Court enjoined the Defendant from continuing to make further such demands.

  At the time of the conduct, (before the Apple v. Samsung case referred to below), there were no well-established legal positions as to whether a patentee can enforce a patent which is under a FRAND declaration. Accordingly, as the Defendant did not know that the Notification would be a false notification and was not negligent in this respect, no damages were awarded.

- **Comment**
1. Before this case, the Intellectual Property High Court gave judgment in May 2014 on the issue of FRAND in a high profile case between Apple and Samsung. In this decision, the Court found that it was an abuse of its patent right for a patentee who had made a FRAND declaration to try to assert the patent against a prospective licensee.

The summary of the judgment is as follows:

“In relation to a Standard Essential Patent, it is not appropriate to allow a party who made a FRAND declaration to exercise the right to seek an injunction based on the patent right against a party willing to obtain a license under the FRAND Terms.

The exercise of the right to seek an injunction based on the patent right by the appellant who made a FRAND declaration would constitute an abuse of right (Article 1, paragraph (3) of the Civil Code) and therefore is not allowed, if the appellee successfully alleges and proves the fact of the appellant having made the FRAND declaration and the appellee’s intention of receiving a FRAND license.”

2. The present case is significant because the decision followed the Apple v. Samsung judgment and made clear that a patentee should not send warning letters to third parties in relation to patents under FRAND declarations when the direct opponent is in good faith negotiations with the patentee concerning FRAND terms.

Switzerland: Swiss jurisdiction over a US patent
(Thomas Widmer, LALIVE, Geneva, Switzerland)

Decision of the Swiss Supreme Court 4A_442/2014

A Swiss watchmaker company and an individual domiciled in Switzerland were in dispute regarding the ownership of an invention, which the individual filed as a US patent in his own name. The company took the dispute to court, claiming that it was (on a contractual basis) the genuine owner of the invention and requesting that the individual be ordered to perform all acts that are necessary to transfer the US patent in its favor.

This request raised the following issues of Swiss international private law.

Jurisdiction of Swiss courts with respect to intellectual property matters is governed - provided that no international conventions apply - by article 109 of the Swiss Private International Law ("PILA"). Article 109(1) PILA relates to jurisdiction over actions pertaining to the “validity or registration in Switzerland of intellectual property rights”, whereas art. 109(2) PILA concerns jurisdiction over actions pertaining to the “violation of intellectual property rights”.

The discussion before the Swiss Supreme Court focused on art. 109(1) PILA, and the questions were twofold. First, whether an action regarding the transfer of intellectual property rights fell into the scope of the “validity or registration” of such rights. Second, whether, taking into account the principle of territoriality, Swiss courts had jurisdiction over the validity or registration of intellectual property rights that are protected abroad.

The Swiss Supreme Court, in a decision dated 7 January 2015 (4A_442/2014), left these questions open and reasoned as follows:

The company had not requested the Swiss court to invalidate a US patent nor to amend the US patent registry, but merely to order the opposite party to perform all acts that are necessary to transfer a US patent. Such an order will only be subject, if not complied with, to criminal sanctions to be imposed by Swiss authorities.
In these circumstances, such a request falls out of the scope of art. 109(1) PILA and is not governed by any other specific provision of the PILA either. Jurisdiction is therefore to be decided in accordance with article 2 PILA pursuant to which, unless otherwise stated, Swiss courts at the (Swiss) domicile of the defendant have jurisdiction. The defendant being domiciled in Switzerland in casu, the Swiss Supreme Court affirmed Swiss jurisdiction.

UK: Court of Appeal guidance of parallel imports and re-branding
(Paul Harris, Pillsbury Winthrop, London, UK)

Speciality European Pharma Ltd v. Doncaster Pharmaceuticals Group Ltd [2015] EWCA Civ 54

At first instance and appeal the key issue was whether a parallel importer could, in the country of importation, apply a different trade mark owned by the same trade mark proprietor, in relation to the identical goods, to that used in the country of exportation. The rationale being that without being able to do so the parallel importer would be blocked from markets in the importing country.

The Court referred to the guidance developed in Bristol-Myers Squibb v Paranova [1997] FSR 102. This case considered that an importer will infringe the rights of a trade mark proprietor after applying a 5 part test.

The key issue in this case was the balance the law has to make between the extent to which a trade mark proprietor can use its intellectual property rights to defend its markets, and the freedom of movement of goods between Member States. Instead of over-stickering (in which the parallel importer merely applies a sticky label over the outer packaging in the language of the importing country with certain necessary information in respect of the pharmaceutical concerned, as required by the law of the importing country) they rebranded, applying the REGURIN trade mark on the sticky labels instead of allowing the original trade mark CERIS to be seen by the pharmacist and ultimate consumer. The Defendant claimed ‘necessity’ to allow access to the different markets for the product (a treatment for bladder problems).

It was accepted that the actual market was in two parts: the pharmacist and the prescribing doctor. It was found by the judge in the first instance case that less than 10% of the prescribing doctor market would be inaccessible to the Defendant if they could not use the REGURIN mark, being those occasions when the doctor would prescribe the actual brand. The judge considered this to mean the importer had access to 90% of the market and so was not prevented from accessing a substantial part of the market. The judge also considered that while the pharmacists (when faced with a generic prescription) sometimes substituted the branded drug ie REGURIN, this still did not prevent access of the parallel importer to a substantial part of the market. She therefore felt that there was no objective necessity for the rebranding, and so the Defendant infringed. In addition, because a third party sold their own branded version of the drug, the judge felt that the Defendant could do likewise, and so would effectively access the whole of the market.

On appeal, Floyd LJ giving the main decision of the Court of Appeal disagreed and instead considered the first instance judge had misdirected herself in the approach that she had taken. He felt that access to a substantial part of the market was denied, and that when taking the size of the prescribing doctor market and the branded replacement of the generic prescription together, that would amount to about 40% of the total market by prescription numbers. Moreover, he felt that the evidence did not show it was realistic for the Defendant to adopt its own brand to compete in the part of the market where REGURIN continued to be prescribed by brand. Accordingly, that, coupled with an inaccessibility of 40% of the market, was substantial, and so re-branding was objectively necessary.

Commentary

Barring an appeal to the Supreme Court, it seems that the only real way to cut out parallel imports is to get the pricing strategy across the entire EU such that the ‘profit’ for parallel importers is too low to be viable.

This case was very fact specific. While the first instance court’s judge suggestion that the Defendant could
do as others have done, and market their own generic branded drug, Floyd LJ was right to note there was no real evidence to suggest this was at all possible for the Defendant to achieve. It sends an important message to parallel importers that the court will, in future, look to see whether they have considered other options and that re-branding is a last resort.

**UK: Rihanna wins passing off case over her image**

(Sara Ashby and Olivia Gray, Redd, London, UK)

Fenty (Rihanna) v Arcadia Brands [2014] EWCA Civ 3

In English law there is no ‘image right’ or ‘character right’ that allows a celebrity to control the use of his or her name or image. Instead, a celebrity trying to protect their image has to rely on an alternative cause of action, such as: breach of contract, breach of confidence, copyright infringement or the law of ‘passing off’.

The English Court of Appeal has just upheld a High Court decision that the sale by Topshop, a well-known high street fashion retailer, of a t-shirt printed with an image of world famous pop star Rihanna amounted to ‘passing off’. The case is a rare example of passing off being an effective cause of action in the absence of a sui generis image right.

The first instance judge made clear that the sale of a t-shirt printed with a famous person’s image does not, in and of itself, amount to ‘passing off’. However, he considered that the sale by Topshop of this particular t-shirt was likely to lead people to buy it in the mistaken belief that it was a t-shirt approved or authorised by Rihanna and that this had caused her damage.

The Court of Appeal agreed. Previous case law (notably *Irvine v Talksport Ltd* [2002] EWHC 367 (Ch)) had already established that there is a difference between ‘character merchandising’ which is the licensing of the name or faces of famous characters (whether real or fictional) and ‘endorsement’, which implies authorisation and approval. The Court of Appeal held that the trial judge had clearly taken account of this distinction. The vice in this case lay not simply in the use of an image of Rihanna, but the use of this particular image in a way so as to cause a misrepresentation that she had endorsed the t-shirt, so damaging her ability to profit from her own image on her own terms.

The factual matrix was key to the outcome in this case. Rihanna was acknowledged to be a ‘style icon’, as well as a pop star, and had acquired significant goodwill in relation to fashion clothing. The particular image used on the t-shirt derived from a photograph taken on a video shoot for a single from Rihanna’s album “Talk That Talk” - a shoot which in itself had received publicity in the UK press due to the risqué clothing worn. The judge found that the image was not just recognisably Rihanna, but looked like it could have been a publicity shot for her recent music video. In addition, Topshop and Rihanna had had dealings in the past: in a Topshop competition in 2010, entrants were able to win a personal shopping appointment with Rihanna at Topshop’s flagship store; in February 2012, Topshop used Twitter to publicise a personal shopping trip made by Rihanna to its Oxford Circus store. This all formed relevant background against which the impression of the t-shirt in issue had to be considered.

At first instance the trial judge made clear that the “sale of this image of this person on this garment by this shop in these circumstances” amounted to passing off. The three Court of Appeal judges unanimously agreed, although one acknowledged that the case was “close to the borderline”.

In the absence of a Supreme Court ruling in this case or some statutory intervention to develop the concept of an ‘image right’ in its own right under English law, whilst this case is an interesting example of the law of passing off operating to perhaps provide equivalent protection, it has done so on very specific facts.
UK: Second medical use patents, their construction and public guidance
(Jonathan Moss, Hogarth Chambers, London, UK)

Warner-Lambert v Actavis


Warner-Lambert hold the second medical use patent for pregabalin, the second medical use being for pain. Pregabalin can also be prescribed for epilepsy and general anxiety disorder, but these are both markets that can be targeted by generics as they are no longer covered by patent protection.

A preliminary injunction was sought to stop Actavis releasing a generic product onto the market without Actavis putting in place certain mechanisms to ensure that their generic pregabalin did not get dispensed for pain. This was because a large percentage of prescriptions in the UK are not made by brand name, hence pharmacists will not necessarily know what it is they are dispensing pregabalin for.

Mr Justice Arnold refused a preliminary injunction, on the basis that he believed that there could only be infringement of the second medical use claim if it could be shown that there was a subjective intention for the generic product to be dispensed for pain, and that this had not been established. He allowed Warner-Lambert to amend their claim to include an allegation of subjective intention, but struck out other parts of the claim relating to contributory infringement.

At the preliminary injunction hearing Arnold J had suggested that the Department of Health (or an equivalent government body) issue guidance saying that generics should not be dispensed for patented second uses. This lead to Warner-Lambert marking an application to compel NHS England to issue such guidance. This application was not opposed by NHS England, so the order was made with various generic companies being given the benefit of cross-undertakings should it transpire that the guidance was improperly made.

The issuing of the guidance is a further development of the jurisdiction established in the Cartier ([2014] EWHC 3354) case which allows injunctions to be made against third parties who are not themselves wrongdoers if the Court believes that the injunction will have an impact on the infringement of intellectual property rights.

The preliminary injunction case and the strike out of the contributory infringement claim have been appealed with a range of issues to be heard by the Court of Appeal in late April, with a trial scheduled for July. However, the issuing of the guidance by NHS England is not one of the issues that have been appealed.

U.S.A.: TTAB opposition proceeding may dictate outcome of trademark infringement action, under U.S. Supreme Court’s B & B Hardware decision
(Seth I. Appel, Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP, Chicago, Illinois, U.S.A.)


A trademark owner can oppose another party’s trademark application by filing an opposition in the U.S. Patent & Trademark Office (USPTO), at the Trademark Trial and Appeal Board (TTAB). If the TTAB finds likelihood of confusion between the parties’ marks, it will grant the opposition and refuse registration to the applicant. The TTAB cannot award damages, however, and it cannot enjoin the applicant from using the mark.

To obtain damages or injunctive relief, a trademark owner must bring a trademark infringement action in court. Infringement actions, like opposition proceedings, often turn on the question of likelihood of confusion.
B & B Hardware manufactures fasteners for the aerospace industry under the federally-registered SEAL-TIGHT mark. Hargis Industries manufactures fasteners for use in construction under the SEAL-TITE mark. B & B Hardware opposed Hargis Industries’ application to register SEAL-TITE, alleging likelihood of confusion. The TTAB, applying the “DuPont factors,” agreed with B & B Hardware and refused registration to Hargis Industries.

Meanwhile, B & B Hardware sued Hargis Industries for trademark infringement in federal district court. The court declined to give preclusive effect to the TTAB decision, and the jury returned a verdict in favor of Hargis Industries, finding no likelihood of confusion. The Eighth Circuit Court of Appeal affirmed.

The U.S. Supreme Court reversed and remanded. It held that a court should give preclusive effect to a TTAB decision where the issues in the two cases are identical. “Allowing the same issue to be decided more than once wastes litigants' resources and adjudicators' time,” the Court explained.

The Court noted that decisions of an administrative agency such as the USTO commonly form the basis of issue preclusion. Under Supreme Court precedent, an agency decision is presumed to have preclusive effect, unless the relevant statute indicates otherwise. Here, the Court determined that neither the text nor the structure of the Trademark Act bar application of issue preclusion.

The Court emphasized that “the same likelihood-of-confusion standard applies to both registration and infringement.” While the TTAB and courts apply “similar, but not identical” factors to assess likelihood of confusion — the Eighth Circuit, for example, applies a six-factor test— “the factors are not fundamentally different.”

Hargis Industries argued that the standard in opposition proceedings and infringement actions is not actually the same, because the registration provision of the Trademark Act asks whether the marks “resemble” each other, 15 U.S.C. 1052(d), while the infringement provision is directed towards “use in commerce” of the marks, 15 U.S.C. 1114(1). Therefore, the TTAB typically compares the parties' marks, goods and trade channels as set forth in the relevant registration and application, while courts consider the parties' overall use of the marks. The Court found that this argument falls short, because “it mistakes a reason not to apply issue preclusion in some or even many cases as a reason never to apply issue preclusion.” It explained: “If a mark owner uses its mark in ways that are materially the same as the usages included in its registration application, then the TTAB is deciding the same likelihood-of-confusion issue as a district court in infringement litigation.” Only in such cases should the TTAB’s determination be binding on the court.

The Court also rejected Hargis Industries’ argument that preclusion cannot apply because “the stakes for registration are so much lower than for infringement.” It noted that trademark registration confers important legal rights and benefits. For example, a registration serves as prima facie evidence of the validity of the mark and of the owner’s exclusive right to use the mark in connection with the identified goods or services. Therefore, the Court explained, “there is good reason to think that both sides will take the matter seriously.”

Justice Thomas wrote a dissenting opinion, explaining that the majority’s application of administrative preclusion “raises serious constitutional concerns.”

U.S.A.: Deference-in-part: review of a District Court’s claim construction
(Kenneth R. Adamo, Brent P. Ray, Eugene Goryunov and Ryan M. Hubbard, Kirkland & Ellis LLP, Chicago, Illinois, U.S.A.)


Background

Teva Pharmaceuticals sued Sandoz, Inc. for alleged patent infringement. The district court took evidence from experts for each party and concluded the patent was definite. On appeal, the Federal Circuit reversed, finding the patent invalid as indefinite. The Federal Circuit reviewed de novo all aspects of the
district court’s claim construction. Teva filed a petition for certiorari (review) to the U.S. Supreme Court.[1]

U.S. Supreme Court's Decision

The majority first held its decision in Markman v. Westview Instruments, Inc., that claim construction was “exclusively within the province of the court, not that of the jury,” did not create any exception to Fed. R. Civ. P. 52, which mandates that findings of fact must not be set aside unless clearly erroneous.[2] The Court then laid out a rule for how claim construction decisions are to be reviewed:

[When the district court reviews only evidence intrinsic to the patent (the patent claims and specifications, along with the patent’s prosecution history), the judge’s determination will amount solely to a determination of law, and the Court of Appeals will review that construction de novo. In some cases, however, the district court will need to look beyond the patent’s intrinsic evidence and to consult extrinsic evidence in order to understand, for example, the background science or the meaning of a term in the relevant art during the relevant time period....In cases where those subsidiary facts are in dispute, courts will need to make subsidiary factual findings about that extrinsic evidence. These are the “evidentiary underpinnings” of claim construction that we discussed in Markman, and this subsidiary fact finding must be reviewed for clear error on appeal.[3]

Accordingly, the question we have answered here concerns review of the district court’s resolution of a subsidiary factual dispute that helps that court determine the proper interpretation of the written patent claim. The district judge, after deciding the factual dispute, will then interpret the patent claim in light of the facts as he has found them. This ultimate interpretation is a legal conclusion. The appellate court can still review the district court’s ultimate construction of the claim de novo. But, to overturn the judge’s resolution of an underlying factual dispute, the Court of Appeals must find that the judge, in respect to those factual findings, has made a clear error.[4]

Applying this rule to the facts of the case, the Court observed the district court made factual findings upon which it relied to reach the ultimate legal conclusion on claim construction, but the Federal Circuit rejected these findings. The Federal Circuit should have accepted the district court’s factual findings unless they were clearly erroneous. The Court vacated the Federal Circuit’s judgment and remanded the case for further processing.[5]

Summary

The ultimate claim construction in a patent case remains a legal conclusion subject to de novo review. When the district court reviews only intrinsic evidence to reach its claim construction decision, the Federal Circuit must review the constructions de novo. If, on the other hand, the district court reviews extrinsic evidence, such as expert testimony, and bases a factual finding on it, Rule 52 applies, and the factual findings cannot be overturned except for clear error. It remains to be seen, however, the actual, real-world effect the Court’s decision in Teva will have as the Federal Circuit begins to review district court claim constructions applying the Court’s new test.

References

1. Id. at 2-4.
2. Id. at 5.
3. Id. at 11-12 (emphasis added).
4. Id. at 13.
5. Id. at 16.
AIPPI's (International Association for the Protection of Intellectual Property).
AIPPI is concerned with all types of intellectual property rights (including patents, trademarks, and copyrights).

AIPPI is the oldest global association for the protection of intellectual property and has the respect and ear of governments and global organizations, such as the World Intellectual Property Organization and the World Trade Organization. Since it was founded in 1897, AIPPI has been consulted (and still is) by decision makers worldwide on current intellectual property issues.

Your contribution please!
Readers of these e-News are encouraged to provide us with their contributions for our future editions. Articles should comply with our current editorial policy and guidelines. Contributions may be submitted by email to enews@aippi.org

The e-News is a bimonthly electronic publication of AIPPI, International Association for the Protection of Intellectual Property.

AIPPI General Secretariat
Toedistrasse 16
P.O. Box
CH-8027 Zurich
Tel. +41 44 280 58 80 | Fax +41 44 280 58 85
enews@aippi.org | www.aippi.org

This issue was prepared by the Communications Committee
Chair: Matthew Swinn
Members: Johnny Fiandeiro, Erik Ficks, Eléonore Gaspar, Bianca Manuela Gutierrez, Bernardo Herrerias, Bill Mayo, Petri Rinkinen, Robert Sacoff, Ana de Sampaio, Richard Vary and Peter Widmer
in co-operation with Olga Sirakova, Deputy Secretary General of AIPPI and Ching-Ying Chen, AIPPI General Secretariat.