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FOREWORD

In our task of providing all those who are interested in the world of Intellectual Property with information, our Firm's Editorial Committee conceived of a Review on the most interesting and significant judgments concerning this subject matter, all of which affect Europe. The judgments in question come from the Court of Justice (CJEU), the General Court (GC), the Spanish Community Trademark and Design Court (CTC), the Spanish Supreme Court (SC) and the Boards of Appeal of the European Patent Office. The fruit of our labour was the **ANNUAL REVIEW ELZABURU 2011**. The fact that this concept was so well received encouraged us to publish this new edition which, true to style, discusses the most representative judgments of 2012.

For almost one hundred and fifty years, **ELZABURU** has been characterised by the fact that it keeps in step with its vocation of professional client service by means of an avant-garde, global and educational approach, and by illustrating the problems deriving from Intellectual Property and divulging this information to professionals, researchers and persons interested in this subject. Therefore, in an exercise of social responsibility and continuous added value, we have created this REVIEW, which I hope will be as well received as its predecessor was and will be helpful to its readers.

In order to make progress along this path, we require the cooperation of all those who see fit to offer suggestions that will enable us to improve the presentation and content of a REVIEW which owes itself to the generous dedication of our Firm's professionals.

I want to thank everyone who has made this possible.

Antonio Tavira
Managing Director – ELZABURU S.L.P.

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TRADEMARKS

1. Territorial scope of use of the Community trademark. Judgment of the Court of Justice of the European Union (CJEU) of 19 December 2012, Leno (C-149/11).

1. *Background.* Hagelkruis Beheer BV (Hagelkruis) filed an application to register the OMEL mark with the Benelux Office for Intellectual Property in 2009. Leno Merken BV (Leno) opposed that application on the basis of its ONEL Community trademark registration.

At Hagelkruis' request, the opponent submitted proof that its ONEL trademark had been put to genuine use in the Netherlands, but not in the rest of the European Union. The matter was referred to the CJEU for a preliminary ruling on whether genuine use of a Community trademark in a single Member State was sufficient in order to comply with the use requirement laid down in Article 15.1 of Regulation no. 207/2009 on the Community trademark.

2. *Findings.* The CJEU holds that the territorial borders of the Member States should be disregarded when assessing whether a trademark has been put to "genuine use in the Community". Although it concedes that it is reasonable to expect that a Community trademark should be used in a larger area than the territory of a single Member State, it does not rule out that the market for the goods or services for which a given Community trademark has been registered may be restricted to the territory of a single Member State.

The Court refers to its earlier case-law on the concept of genuine use and on that basis finds that it is impossible to determine *a priori*, and in the abstract, what territorial scope should be chosen in order to decide whether or not the use of a mark is genuine. For that reason, it rules out laying down a *de minimis* rule in that regard.

Based on these findings, the Court concludes that it is up to the national court to determine whether the mark in question is used in accordance with its essential function and for the purpose of creating or maintaining market share for the goods or services protected. In order to do so, the national court must examine all of the relevant facts and circumstances, such as the characteristics of the

market concerned, the nature of the goods or services in question, the territorial scope and scale of the use, and its frequency and regularity.

3. *Remarks.* The CJEU has avoided directly answering the question of whether use in a single Member State can be classed as sufficient use of the Community trademark. It nevertheless expressly moves away from the joint statement made by the European Council and Commission when the Community Trademark Regulation was initially adopted, according to which use which is genuine in one country constitutes genuine use in the Community. The Court holds that, according to settled case-law, since this statement is not referred to in any provisions of the Regulation, it cannot be used for the purpose of interpreting those provisions.

As has happened on so many other occasions, the question remains open, and it will be for the national courts to assess each case and determine whether the use of a Community trademark in a single country will satisfy the legal use requirement. **Carlos MORÁN**

2. Use of a trademark in a form which differs from the form in which it was registered and defensive trademarks. Judgment of the Court of Justice of the European Union of 25 October 2012, Bernhard Rintisch (C-553/11).

1. *Background.* Mr. Rintisch filed action against the PROTIFIT trademark held by Mr. Eder on the basis of his earlier PROTI trademark and, in the alternative, on his PROTIPLUS and Proti Power trademarks. In his defence, Mr. Eder contended that the PROTI trademark had not been used, to which Mr. Rintisch responded that he had put his PROTI trademark to use by using the trade names PROTIPLUS and Proti Power.

ProtiPlus
*La nuova dieta
ricca in proteine*

Mr. Rintisch's claims were dismissed at first instance and in appeal. In the cassation appeal, however, the *Bundesgerichtshof* (Federal Court of Justice) held that since the trademarks PROTIPLUS and Proti Power had been put to genuine use and, despite the differences, those marks did not alter the

distinctive character of the PROTI trademark, the PROTI trademark had been put to genuine use for the purposes of Article 26(3) of the German Law on the protection of trademarks and other distinctive signs. Nevertheless, the *Bundesgerichtshof* expressed uncertainty as to whether the second sentence of Article 26.3 of the German Law (“The first sentence must also be applied if the trademark is also registered in the form in which it has been used”) was consistent with Article 10(1) and (2) of Directive 89/104 and in what circumstances. It therefore suspended the proceedings and referred several questions relating to this issue to the CJEU for a preliminary ruling.

2. *Findings.* The Judgment begins by ruling on the first and third questions, in which the referring court asked whether Article 10(2)(a) of Directive 89/104 must be interpreted as meaning that the holder of a registered trademark is precluded from relying, in order to establish use of the trademark for the purposes of that provision, on the fact that it is used in a form which differs from the form in which it was registered, without the differences between the two forms altering the distinctive character of that trademark, even though that different form is itself registered as a trademark. The Court responded in the negative. Registration as a trademark of the form in which another registered trademark is used, a form which differs from that in which the latter mark is registered, whilst not altering its distinctive character, is not a bar to the application of Article 10(2)(a) of Directive 89/104.

The Court then answers the second question posed by the referring court, namely, whether Article 10(2)(a) of Directive 89/104 must be interpreted as precluding an interpretation of the national provision intended to transpose it into domestic law whereby said Article does not apply to a “defensive” trademark which is registered only in order to secure or expand the protection of another registered trademark that is registered in the form in which it is used. The Court replied that there are no grounds for interpreting the aforementioned provision in such a way that it would be inapplicable to a case such as that raised by the German court (concerning a “defensive” trademark) since the subjective intention prevailing when it is sought to register a trademark is wholly irrelevant for the purpose of applying Article 10(2)(a) of Directive 89/104.

3. *Remarks.* The fact that the form in which a trademark is used, in a form differing from the form in which it was registered, is itself registered as a trademark is irrelevant for the purposes of Article 10(2)(a) of Directive 89/104.

The fact that the trademark used in a form differing from the form in which it was registered is a “defensive” trademark, i.e., a trademark registered for the sole purpose of securing or expanding the protection of another registered trademark that is registered in the form in which it is used, is likewise irrelevant for the purpose of applying the aforementioned provision. **Ana SANZ**

3. The possibility of bringing a Community trademark infringement action against a licensee who has breached the terms of a licensing contract. Judgment of the Spanish Community Trademark Court (CTC) of 23 July 2012.

1. Background. Pirelli & C. S.p.A. (Pirelli) had granted an exclusive licence for footwear to the company Licencing Projects, S.L. in respect of the following Community trademarks:



Pirelli requested the early termination of the licensing contract on the grounds that it had been breached by the licensee. The termination of the contract was confirmed by the award issued by the International Court of Arbitration of the International Chamber of Commerce in Paris. The licensee appealed the award in the French courts and continued to import footwear bearing the licensed trademarks into Spain.

Pirelli then filed action for infringement of its Community trademarks with the CTC. During the course of the proceedings, the French courts revoked the award by the International Chamber of Commerce.

2. Findings. In its appeal against the first instance judgment which had accepted the action for infringement of Pirelli’s Community trademarks, the defendant argued that the licensing contract was in force, as was the right of use deriving from it.

The Court, however, found that Article 22(2) of the Community Trademark Regulation enables the holder of a Community trademark to institute infringement action against a licensee who contravenes any provision of the licensing contract. As far as the Court was concerned, in order to bring such

action it is not necessary for the licensing contract to have been definitively terminated (by the courts or through arbitration) beforehand. On the contrary, it will suffice for the plaintiff to allege and attest to breach of the contract in force at the time when the action was filed.

On that basis, the Court then analysed the specific breach of the licensing contract alleged by the plaintiff, consisting of the sale of goods bearing the trademark without the licensor's prior approval, and found it to have been effectively demonstrated. For that reason, the Court accepted the trademark infringement action.

The Court also rejected the defendant's plea that the *non extra petita* principle had been breached. In its appeal, the defendant argued that Article 22 of the Community Trademark Regulation was relied on in the judgment when this provision had not been invoked in the initial complaint, which was based exclusively on the prior termination of the licensing contract.

The Court nevertheless held that regardless of this point, it could base its decision on said provision by virtue of the *iura novit curia* principle recognised in Spanish procedural law.

3. *Remarks.* In this judgment, the CTC confers broad standing on the trademark holder to bring an infringement action against its licensee. This is a strict interpretation of the provision contained in Article 22 of the Community Trademark Regulation, and it favours the protection of trademark holders' interests.

Nevertheless, the fact that it is unnecessary for the licensing contract to have been definitively terminated beforehand does not exempt the licensor from having to demonstrate, by means of adequate proof, that the licensee has breached its contractual obligations in the course of the infringement proceedings. **Carlos MORÁN**

4. Eligibility to register .eu domain names during the sunrise period and ad hoc trademark license agreements. Judgment of the Court of Justice dated 19 July 2012, Pie Optiek (C-376/11).

1. *Background.* The Court of Justice ruled on a reference for a preliminary ruling from the Cour d'Appel de Bruxelles (Belgium) in a legal action brought

by Pie Optiek against Bureau Gevers and the EURid Registration Authority over registration of the "lensworld.eu" domain name by Bureau Gevers on behalf of the U.S. company Walsh Optical.



Regulations Nos. 733/2002 and 874/2004 regulating .eu domain names made provision for a period of phased preferential registration (the "sunrise period") in which the holders of trademarks and other prior rights could secure the corresponding .eu domain names before the domain was opened up to general registration. Both the Belgian company Pie Optiek and the U.S. company Walsh Optical owned trademarks for "Lensworld", but the U.S. company did not fulfil the requirement of having its registered office, central administration, or principal place of business within the European Union, so it registered its domain name through Bureau Gevers, entering into a license agreement with that firm for the sole purpose of registering the domain name. When Pie Optiek tried to register the domain name, it encountered the earlier application, both filed within the sunrise period.

2. *Findings.* The Court of Justice of the European Union's judgment first summarizes the general eligibility requirements for being able to register a .eu domain name, particularly during the sunrise period. In this respect, only holders of prior rights having their registered office, central administration, or principal place of business within the European Union were eligible to file during the sunrise period. License agreements were one form of prior right conferring entitlement to register domain names during the sunrise period, though the provisions regulating .eu domain names did not define the scope or content of licenses.

The Court held that by granting a licence, the proprietor of a trademark confers on the licensee, within the limits set by the clauses of the licensing contract, the right to use that mark for the purposes falling within the area of the exclusive rights conferred by that mark, that is to say, the commercial use of that mark in a manner consistent with its functions, in particular the essential function of guaranteeing to consumers the origin of the goods or services concerned.

In the case at hand the sole purpose the license agreement between the trademark proprietor, Walsh Optical, and Bureau Gevers was registration of the .eu domain name, without entitling the licensee to use the trademark or carry out any other function conferred by the trademark right. For this reason the Court concluded that the contract in question cannot be considered to be a license agreement. The Court thus ruled that a contracting party whose sole mission is to register a .eu domain name on behalf of the trademark proprietor cannot be considered to be a "licensee of prior rights" within the meaning of Article 12 of Regulation No. 874/2004 governing the allocation of such domain names.

3. *Remarks.* Interpreting the regulation governing .eu domain names and the concept of prior rights laid down in that regulation in a teleological manner, the Court has held that such rights may not be based on a purely formal instrument devoid of substantive content.

In so doing the Court has refused to allow lack of eligibility under the Regulation to be circumvented by a so-called trademark license which in point of fact is merely a formal contract entered into specifically for the sole purpose of obtaining registration of a domain name that the trademark proprietor was not otherwise entitled to register.

This constitutes an appropriate defense of the purposes for which the corresponding requirements were laid down in the Regulations, preventing them from being obviated by means of purely formal agreements and at the same time establishes an interesting interpretation of what a license agreement is. **J. Ignacio SAN MARTÍN**

5. Identification of the goods or services for which the protection of a trade mark is sought. Judgment of the Court of Justice dated 19 June 2012, IP TRANSLATOR (C-307/10).

1. *Background.* An application to register the trademark "IP TRANSLATOR" was filed in the U.K. claiming services in Class 41 using the general heading of the Nice Classification for that class, i.e.: "*Education; providing of training; entertainment; sporting and cultural activities*".

The Registrar of Trade Marks refused the application on grounds that it lacked distinctive character on the basis of the interpretation of class headings set forth by the OHIM in Communication No. 4/03 of the President of the Office in 2003. On that basis, the trademark would be descriptive for industrial property (IP) translation services and could not be registered even though those translation services were not explicitly included in the wording of the class heading claimed.

In their appeals the applicants contended that the trademark did not specify translation services in Class 41, and the appeal body referred the issue for a preliminary ruling in order to clarify whether: class headings could be used in trademark applications; use of headings was to be interpreted as set out in Communication No. 4/03 of the President of the Office; and whether the goods/services claimed by a trademark application had to be identified with any particular degree of precision.

2. *Findings.* The Grand Chamber of the Court of Justice ruled that class headings could be used when filing trademarks, provided that identification is made with "sufficient clarity and precision". The Court also held that where class headings are used, the applicant must specify whether coverage of all goods/services in the respective class was intended.

3. *Remarks.* Reaction to this judgment by some offices, like the OHIM, was immediate, but many others have not taken any position or changed their practice.

When a Community trademark had previously been filed for the heading of a Nice Class, the OHIM interpreted this to mean that it covered all the goods or services in the class concerned rather than as strictly stated by the wording of the heading.

However, immediately following this judgment, the OHIM established a new system (see Communication No. 2/12 of the President of the Office dated 20 June 2012) whereby when using class headings, it must be expressly specified whether protection is intended to cover only the wording of the heading itself or all the goods/services included in the alphabetical listing for that Nice class.

Where an application indicated that all the goods/services in the alphabetical listing were to be covered, the OHIM did not change the list of goods as filed,

that is, it kept the class heading, unchanged. However, this practice has since changed, and the OHIM has decided to add to the class heading each and every individual good/service in the alphabetical listing for the Nice class. This practice can give rise to extremely long lists of goods and could potentially be a problem when extending the trademark to other countries.

This has been the effect of the judgment at the OHIM, but the judgment affects all European trademark offices. An *ad hoc* working group has been set up to standardize the practices of the different Offices, bearing in mind that in practice application of the judgment is causing delays and that the judgment is a subject of controversy in various fora. **Ramón CAÑIZARES**

6. Coexistence of Community trademarks and national trademarks. Judgment of the Court of Justice of the European Union of 24 May 2012, F1 (C-196/11).

1. Background. In 2004, Racing-Live SAS filed an application for registration of the following figurative Community trademark for goods and services in Classes 16, 38 and 41:



The Dutch company Formula One Licensing BV (“FOL”) opposed that application on the basis of its national F1 word marks and figurative Community trademark F1 FORMULA 1:



The Board of Appeal dismissed FOL’s opposition on the grounds that the fact that the F1 word element was common to the marks in conflict was not enough to give rise to a likelihood of confusion between the marks. The Board of

Appeal considered that the element in question would be perceived as descriptive in the aforementioned trademarks. The matter went to court, where the GC confirmed the Board of Appeal's reasoning and rejected FOL's action for annulment. FOL then filed a cassation appeal with the CJEU against the GC's decision.

2. *Findings.* FOL's cassation appeal was based on three different pleas relating to infringement of Article 8(1)(b) of the Community Trademark Regulation. The CJEU only examined the fourth part of the first plea based on the alleged infringement of Article 8(1)(b) due to the *unlawful* removal of the protection afforded to the earlier national trademark. In that regard, the Court held as follows: Firstly, that the validity of an international or national trademark cannot be called into question in proceedings for registration of a Community trademark, but only in cancellation proceedings brought in the Member State in which the contested trademark is registered; secondly, in the context of opposition proceedings, it is likewise not possible to find, with regard to a sign identical to a trademark protected in a Member State, an absolute ground for refusal; and thirdly, although it is true that in the context of opposition proceedings, the OHIM and the GC must verify the way in which the relevant public perceives the sign which is identical to the national trademark in the mark applied for and evaluate, if necessary, the degree of distinctiveness of that sign, their powers of verification are not unlimited. Indeed, their verification may not culminate in a finding of lack of distinctive character of a sign identical to an earlier registered and protected national trademark, given that such a finding would not be compatible with the coexistence of Community trademarks and national trademarks or with Article 8(1)(b) of the Community Trademark Regulation.

Based on the above findings, the CJEU set aside the GC's decision on the grounds that the latter had erred in law on finding that the F1 element (claimed by the earlier trademarks) was generic, descriptive and devoid of any distinctive character and had thus called into question the validity of FOL's *earlier* word marks for the aforementioned F1 word element.

3. *Remarks.* This is a correct and well-founded Judgment relating to the coexistence of Community trademarks and national trademarks. The Judgment clearly defines the jurisdictional limitations of the OHIM (and the GC itself) in the context of opposition proceedings based on earlier national trademarks. It should nevertheless be noted that the CJEU referred the case back to the GC for

re-examination, and so a final ruling on the appeal is still pending. **Enrique ARMIJO CHÁVARRI**

7. Proving a trademark's reputation within the context of an invalidity action ex Article 8.5 of Regulation (EC) 40/94: relevant public and territory. Judgment of the Court of Justice of the European Union of 10 May 2012, BOTOX (C-100/11 P).

1. *Background.* Allergan, Inc. (Allergan), a US company famous worldwide for introducing botulinum toxin for cosmetic use under the trademark BOTOX, filed applications for a declaration of invalidity against the Community trademarks BOTOLIST and BOTOCYL, likewise identifying cosmetics and held by Helena Rubinstein SNC (Helena Rubinstein) and L'Oréal SA (L'Oréal), respectively.

Although both invalidity applications were initially dismissed by the OHIM's Cancellation Division, the First Board of Appeal accepted them on the grounds that the application of Article 8(5) of Regulation (EC) 40/94 was founded. This was confirmed by the GC.

Helena Rubinstein and L'Oréal filed a cassation appeal with the CJEU.

2. *Findings.* The Judgment analyses various issues, many of which are of a procedural nature. However, the debate effectively centres on whether the decision under appeal infringes Article 52(1) of the Regulation in relation to Article 8(5), i.e., the provision citing reputation of an earlier trademark as a relative ground for refusal.

An initial finding of the Judgment, and one which merits special attention, refers to proof of reputation and its scope. On the one hand, the Court finds that “*if a trademark enjoys a reputation with the general public, then, in principle, it is assumed to be known to professionals*”. On the other hand, it states that when the reputation relied on is that of national trademark registrations, the relevant territory must be understood as being that of the Member State in question, and it is enough to verify the reputation of the earlier trademark in the whole of that Member State to justify the applicability of Article 8(5) of the Community Trademark Regulation.

The Court secondly rejects the appellants' claim for a fresh assessment of the proof of reputation on the grounds that "*it is settled case-law that the Court of Justice has no jurisdiction to establish the facts or, in principle, to examine the evidence which the General Court accepted in support of those facts*".

In the third part of the Judgment, the Court, after rejecting that the common element of the disputed trademarks, "bot" or "boto", is descriptive and consequently declaring that the presence of this element could suffice for it to be concluded that the marks are similar, states that in order to be eligible for the protection provided under Article 8(5) of the Regulation (EC) 40/94, the holder of the earlier trademark "must prove that use of the mark for which registration is sought would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trademark". However, in paragraph 95 the Judgment adds that it is not necessary to demonstrate the existence of actual and present harm to the earlier trademark; rather, it will suffice to adduce prima facie evidence of a future risk of infringement.

The Court then sides with the findings of the appealed decision in respect of the existence of a link between the earlier marks and the disputed marks, given the common feature "boto", and the fact that the existence of parasitic intent in respect of the disputed trademarks had been demonstrated in the proceedings, since the appellants themselves had acknowledged that their products did not contain botulinum toxin.

The Court concludes by stating that the application of Article 8(5) of Regulation (EC) 40/94 in respect of Allergan's earlier BOTOX trademark is fully justified, and thus confirms the invalidity of the Community trademarks BOTOLIST and BOTOCYL held by the appellants Helena Rubinstein and L'Oréal.

3. *Remarks.* This Judgment is one of many others in which the CJEU has defined the factors which must be present in order for the provision on reputed trademarks contained in Article 8(5) of Regulation (EC) 40/94 to be applicable. It naturally confirms that in the event that the trademark relied on is a national registration, proof of reputation for that Member State will suffice. It nevertheless fails to rule on another more thorny issue, namely, whether in order to demonstrate the reputation of a Community trademark, it will suffice to submit proof regarding one Member State, or whether for that assessment "*the territorial borders of the Member States should be disregarded*" (a concept

coined by the CJEU in a case concerning the genuine use of a trademark, specifically, the Judgment of 19 December 2012, ONEL, C-149/11). Whilst awaiting new findings we can extract the following teaching from this Judgment: it will occasionally be preferable to rely on a national trademark registration, as opposed to a Community trademark registration, as the basis for an opposition or invalidity action where the proof of reputation is limited to the territory of that Member State. **Luis BAZ**

8. The possibility of bringing action claiming co-ownership of a Community trademark under the provisions of the Spanish Trademark Act. Judgment of the Spanish Community Trademark Court (CTC) of 27 April 2012.

1. *Background.* The Café del Mar establishment in Ibiza was created at the end of the 1970s by three partners who have been running it since then through various companies in which they hold equal shares. The business has become extremely well known over the years, which has led to its expansion into other areas and the opening of new establishments.

In 1992, one of the partners registered “Café del Mar” as a Spanish trademark in his name without the knowledge or consent of the other two partners. In the years to come, he went on to register other Spanish and Community trademarks, as shown below:

A handwritten-style trademark for 'Café del Mar' in black ink, featuring a cursive script.

The other partners filed action with the CTC claiming ownership of those trademark registrations and, in the alternative, their invalidity for having been registered in bad faith.

2. *Findings.* The plaintiffs considered that the provisions of Article 18 of the Community Trademark Regulation (referring to the registration of a Community trademark by a trademark holder's agent or representative) applied to the action claiming ownership. They argued that since the partner who had

registered the trademarks was acting as administrator and representative of the companies created by the three parties, he qualified as an agent for the purposes of the aforementioned legal provision.

The Court disagreed with this line of reasoning and found that this case did not relate to the concept of dishonest agent or representative laid down in Article 18 of the Community Trademark Regulation, which therefore did not apply.

Instead, the Court held that the applicable provision was Article 2(2) of the Spanish Trademark Act, pursuant to which where registration of a trademark has been applied for in breach of third-party rights or in breach of a legal or contractual obligation, the aggrieved party may claim ownership of the trademark in the courts.

In the Court's view, this provision of Spanish law was applicable by virtue of Article 16 of the Community Trademark Act, according to which a Community trademark as an object of property shall be dealt with as a national trademark. The applicable national law is then determined in accordance with certain criteria, the first of which is the seat or domicile of the trademark holder, which in this case is Spain.

On that basis, the Court examined the co-owner status of the partners in the Café del Mar business and concluded that the ownership of the registrations protecting this mark should be held jointly by the three partners.

3. *Remarks.* In this judgment, the CTC overturns the lower court's rejection of the applicability of the action claiming ownership provided under the Spanish Trademark Act in this case.

The Court nevertheless dismisses the appellants' claim that Article 2(2) of the Spanish Trademark Act is applicable by reason of its analogy with Article 18 of the Community Trademark Regulation. In that regard, following an in-depth analysis of the cases provided under the laws, the Court rejects this analogous application and instead turns to the regulatory referral contained in Article 16 of the Community Trademark Regulation. **Carlos MORÁN**

9. Jurisdiction in cases concerning trademark infringement on the Internet. Judgment of the Court of Justice of the European Union of 19 April 2012, Wintersteiger (C-523/10).

1. *Background.* The Austrian company Wintersteiger, the proprietor of the Austrian trademark WINTERSTEIGER, filed an action for injunction with the Austrian courts against its competitor Products 4U, domiciled in Germany. The dispute arose as a result of Products 4U's use of the WINTERSTEIGER mark as an AdWord in Google's advertising system, although it was limited to searches carried out on the <.de> top-level domain.

Products 4U contested the international jurisdiction of the Austrian courts claiming that the <Google.de> site was directed exclusively at German users.

The first instance court held that the Austrian courts effectively did not have jurisdiction, but this decision was overturned in appeal. A cassation appeal was lodged with the *Oberster Gerichtshof* (Austrian Supreme Court), which asked under what conditions the advertising carried out by Products 4U may justify the jurisdiction of the Austrian courts to hear an action for an injunction against use of an Austrian trademark under Article 5(3) of Regulation 44/2001 (Brussels I). The *Oberster Gerichtshof* decided to suspend the proceedings and make a reference to the CJEU for a preliminary ruling.

2. *Findings.* This Judgment tackles the meaning of special jurisdiction referred to in Article 5(3) of Regulation 44/2001, according to which “*a person domiciled in a Member State may, in another Member State, be sued: ... (3) in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur*”. The plaintiff may therefore choose between bringing the action in the courts of the place where the harm occurred or in the place of the event giving rise to the harm. However, the most interesting aspect of the Judgment lies in its analysis of the issue within the context of the Internet.

In paragraphs 21 to 29 of the Judgment, the Court clarifies what should be understood by “*place where the damage occurred*” in the context of the Internet. After stating that the assessment made in respect of personality rights cannot be applied to intellectual property rights (eDate Advertising and others, C-509/09 and C-161/10), the Court holds that “*both the objective of foreseeability and that of sound administration of justice militate in favour of*

conferring jurisdiction, in respect of the damage occurred, on the courts of the Member State in which the right at issue is protected ”.

However, the CJEU does not stop there. It analyses the second jurisdiction criterion, which is none other than the “*place where the event giving rise to the damage occurred*”. The Court finds that “*it is the activation by the advertiser of the technical process displaying, according to pre-defined parameters, the advertisement which it created for its own commercial communications which should be considered to be the event giving rise to an alleged infringement, and not the display of the advertisement itself*”, with the place of establishment of the advertiser being where the activation of said process is decided.

The Court concludes by stating that Article 5(3) of Regulation 44/2001 must be interpreted as meaning that “an action relating to infringement of a trademark registered in a Member State because of the use, by an advertiser, of a keyword identical to that trademark on a search engine website operating under a country-specific top-level domain of another Member State may be brought before either the courts of the Member State in which the trademark is registered or the courts of the Member State of the place of establishment of the advertiser”.

3. *Remarks.* On this occasion, the CJEU analyses the issue of trademarks used in advertising on the Internet (and specifically the use made on Google’s AdWords advertising system), not within the context of the Trademark Directive or the infringement of rights, but on a very different level, namely, international court jurisdiction.

The Court is sensitive to the territorial limitation of the protection of national trademarks and to the problems that this could imply for right holders in a globalised world, particularly in respect of the emergence of the Internet, not only as a tool for operating businesses, but also as a communications and advertising instrument for the operators’ activities.

The relevant aspect of this Judgment is that it recognises the Internet’s universal nature despite the fact that disputes may refer to a ccTLD, i.e., a territorial domain. In the Court’s view, an alleged infringer may be sued in the courts of the Member State in which the trademark right is protected, as well as in the courts of the place in which the advertiser is domiciled.

Although the underlying issue in this case (whether or not there is trademark infringement) is debatable, the Judgment clearly constitutes a new stumbling block for whoever seeks to conceal rights infringement behind a territorial domain name.

It should be noted that Article 5(3) of Regulation 44/2001 remains intact in the wording of Regulation (EU) 1215/2012 of 12 December 2012, although it is now Article 7(2). **Luis BAZ**

10. Registration of a trademark in order to obstruct an infringement action. Judgment of the Spanish Supreme Court (SC) of 4 April 2012.

1. *Background.* In September 2007, the US companies Gabrielle Studio Inc. and The Donna Karan Company LLC, holders of the DKNY trademark, filed legal action against the party which had registered the trademark GRUPO KNY for clothing, handbags and leather goods, as well as the corporate name GRUPO KNY EXCHANGE, S.L. and the domain name <grupokny.es>. Besides using advertising similar to that used by the plaintiffs, the defendants made use of the registered trademark in such a way that the word “GRUPO” was barely noticeable:



Although the complaint was fully accepted by Alicante Commercial Court no. 2, the Community Trademark Court delivered judgment on 23 March 2009 partially revoking the lower court’s decision. Although the court confirmed the refusal of the *hedging trademarks* due to the fact that they gave rise to a likelihood of confusion with the earlier DKNY trademarks (the well-known character of which was reiterated), it overturned the declaration of infringement and the damages award on the grounds that the co-defendants had acted under the protection of three trademark registrations, and it had not been demonstrated that they had acted in bad faith.

The parties filed cassation appeals against the Community Trademark Court's judgment with Chamber I of the SC, although the co-defendants were refused leave to appeal in a Writ dated 13 July 2010.

2. *Findings.* The Judgment of Chamber I of the SC partially accepted the cassation appeal lodged by Gabrielle Studio Inc. and The Donna Karan Company LLC in declaring the DKNY marks to have been infringed, despite the fact that the defendants had acted under the protection of certain trademark registrations. It consequently ordered the defendants to pay compensation for damages.

After recapitulating on Spanish case-law concerning the scope of the Latin aphorism "*qui suo iure utitur neminem laedit*" ("he who stands on his own rights injures no one") in trademark matters, the Court stated that where invalidity and infringement actions are joined (instituted together, with the latter contingent upon the success of the former), the retroactive effect inherent to any declaration of invalidity means that the defendant cannot rely on the cancelled trademark, and so on having the *hedging registration* invalidated, its previous conduct would be classed as infringement of the earlier registration.

However, the truly novel aspect of the Judgment is its finding on damages. The Judgment opens the door to a damages award in the event that the *hedging trademark* is declared invalid and there is consequently deemed to be infringement. This damages award can be issued where the holder of the *hedging registration* has received a prior demand letter from the injured party, where it has committed a fault or has been negligent or even, as was the case here, where the infringed trademark is subject to the special protection conferred on well-known or reputed trademarks.

3. *Remarks.* The SC has once again tightened the screws on the effects of the *ius utendi* deriving from all national trademark registrations. It will be increasingly difficult for those who make use of a national trademark to avoid liability, including pecuniary liability, if that trademark registration is cancelled as a result of action filed by the holder of an earlier mark.

The SC's findings do not appear to coincide with what is gradually becoming established on a Community level. Our highest Court continues to maintain that in order for a declaration of infringement to be issued, and consequently for action for damages to be accepted, there needs to be a prior or coetaneous

declaration of invalidity of the later infringing trademark registration. Under the Community trademark system, the *ius prohibendi* even entitles the holder of a prior trademark registration to bring action for infringement and for damages against the holder of a later registration, without the need for the latter to have been previously or coetaneously declared invalid. This criteria, which has already been unequivocally followed in Community design matters (judgment of the CJEU of 16 February 2012, Celaya, C-488/10), is pending a decision in respect of the Community trademark system. However, the uncertainty will be short-lived. On 15 November 2012, an Opinion from the Advocate-General Mengozzi in case C-561/11, *Fédération Cynologique Internationale (FCI) v Federación Canina Internacional de Perros de Pura Raza (FCIPPR)* was published. If the Court corroborates the Advocate-General's Opinion, any Community trademark holder will be protected against any third party which uses its trademark, even where that third party has secured a subsequent registration in its favour.

These differences will certainly have an effect when bringing legal action, and particularly when assessing whether it would be preferable to register a Spanish or Community trademark. **Luis BAZ**

11. Distinction between well-known character and prestige of a trademark within the context of an infringement action. Judgment of the Spanish Community Trademark Court of 4 April 2012.

1. Background. Nautica Appareil Inc. filed action against the company Nautica Store Puerto Banús S.L. for infringement of the NAUTICA Community trademark identifying clothing and accessories. The action related to the use of the expression NauticaStore as a title of establishment, domain name and corporate name for a boating and nautical supplies business. The action also included a petition for a declaration of invalidity of a trade name registered under the following logo:



Given the difference in coverage between the marks in question, the debate centred largely on the well-known character of the plaintiff's trademark. The Court upheld the dismissal of the complaint.

2. *Findings.* The judgment firstly analyses the action for infringement of a well-known trademark filed under Articles 9(c) and 14 of the Community Trademark Regulation. The Court pointed out that there were two factors which determined the well-known or reputed character of a trademark, namely, the quantitative factor (degree of knowledge in the relevant circles and the duration, scale and geographical scope of the use and promotion of the trademark) and the qualitative factor (the value attached to the trademark, i.e. the public's projected expectations of the good quality of the goods or services identified by the trademark, and the mark's ability to reflect a reputation and prestige over and above the original products).

According to the Court, in this case it is unknown whether the NAUTICA trademark actually has an established position in the market, since the material submitted as proof makes no reference whatsoever to the degree of knowledge of the trademark among the relevant public. There is no information on sales volume, sales suffered a blow due to the closure of establishments, and the market share is unknown, as is the scope of the promotional measures taken. This was a chain of stores mainly present in Greece and Italy. In the Court's view, the grant of licenses for other countries is not in itself sufficient to guarantee that the trademark will gain a foothold in those other markets; nor does it demonstrate its market share. Lastly, the judgment denies that prestige and well-known character mean the same thing in trademark law, "*since well-known character is the scope of positive knowledge, whilst prestige is only an attribution of quality. That is why the dictionary alludes to renown and good reputation in order to define prestige.*"

The judgment then examines the action for infringement due to a likelihood of confusion. When comparing the two trademarks, the court begins by identifying the differences between the relevant consumers of the goods covered by each. Whilst the plaintiff's products are directed at the general public, the defendant's products target a much smaller group of consumers with a specific knowledge of nautical matters. The Court rejects the appellant's arguments regarding the conceptual similarity between the trademarks (that Nauticastore means the store of the NAUTICA trademark), it stresses the visual and phonetic differences between the marks and rejects the confusing similarity

argument on the grounds that the marks are not similar in terms of coverage and that the plaintiff's trademark is devoid of well-known character.

Lastly, the Court also rejects the invalidity action filed against the trade name registration due to its descriptive character. The judgment finds that the NAUTICASTORE mark is a composite trademark which is merely evocative, and its word element does not directly indicate the services which it identifies, such as the sale of boats, berths, fishing equipment and mechanical/carpentry work.

3. *Remarks.* This judgment highlights the problems involved in compiling proof when instituting legal action based essentially on a trademark's well-known character. The specification of criteria and factors in provisions such as WIPO's Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, as well as the increasingly rich case-law created by the Court of Justice in that regard, greatly facilitates the task of preparing the action, but it could go against the plaintiff if the proof is ultimately insufficient. In a case such as this one, it is likely that the absence of any teleological element is also very important. It would not appear that the name adopted by the defendant's establishment, due to the type of business that it was, constituted an attempt to take unfair advantage of the other party's mark.
Antonio CASTÁN

12. Invalidity of a Spanish trademark due to a risk of dilution. Judgment of the Spanish Community Trademark Court (CTC) of 30 March 2012.

1. *Background.* *La Federación Nacional de Cafeteros de Colombia* (National Federation of Columbian Coffee Growers) filed action against Mr. Antonio Joaquín Romero Terol, the holder of Spanish trademark no. 2541626 (composite) LA HUERTA DE JUAN VALDÉS, and against Distribuciones Marianas 08 SL, the holder of domain names identifying an on-line store as well as a "grow shop", or establishment which sells items for growing cannabis, claiming a likelihood of confusion and dilution.



The plaintiff sought a declaration of Community trademark infringement and the invalidity of the Spanish trademark. Antonio Joaquín Romero Terol filed a counterclaim against *La Federación Nacional de Cafeteros de Colombia* seeking invalidity and, in the alternative, the revocation of the Community trademarks.

2. *Findings.* The Court of First Instance partially accepted *La Federación Nacional de Cafeteros de Colombia*'s complaint against Distribuciones Marianas 08 SL and Antonio Joaquín Romero Terol, declaring the Spanish trademark registration LA HUERTA DE JUAN VALDÉS, held by the defendant Antonio Joaquín Romero Terol, invalid. It likewise ordered: that use of the expression “La Huerta de Juan Valdés”, and specifically use of the domain names in the European Union, be ceased; the removal from trade of any products, packaging, wrappings, labels and other documents, advertising or commercial material and objects of any kind which reflected the trademark infringement, including any offending website content, and the destruction of said material.

Distribuciones Marianas 08 SL and Antonio Joaquín Romero Terol filed an appeal with the CTC in which they reiterated the pleadings that they had made in the previous instance and contested the judgment in relation to the costs award.

The Appeal Court dismissed the defendants' appeal and partially accepted the appeal lodged by *La Federación Nacional de Cafeteros de Colombia*. It overturned the contested judgment only to award the costs of the counterclaim against the counterclaimant, whilst maintaining the rest of the findings that it contained and ordering the appellant to pay the costs deriving from its appeal. A cassation appeal was not filed within the period granted to that end, and so the judgment is final.

3. *Remarks.* The defendants filed a string of invalidity and revocation actions in the counterclaim, all of which were rejected by the Court of First Instance and later by the CTC.

However, the most salient aspect of the judgment is the issue of invalidity of the Spanish trademark LA HUERTA DE JUAN VALDÉS due to a likelihood of confusion and, in particular, due to the risk of dilution.

The likelihood of confusion was acknowledged on account of the fact that the well-known character of the trademark had been comprehensively demonstrated by means of abundant proof, including market surveys which revealed the extremely high level of knowledge of the trademark among consumers.

The plaintiff's trademarks formed part of a series or family of trademarks, and the other party's trademark possessed similarities which could lead consumers to believe that it was part of that family and came from the same business origin. It should be noted that said family is highly distinctive, primarily due to the term JUAN VALDÉZ, with the overall impression produced by the trademark on average consumers being very similar to that produced by JUAN VALDÉS. This creates a strong likelihood of confusion, particularly in the case of a highly distinctive trademark, such as the JUAN VALDÉZ mark. These findings are supported by numerous judgments, including the judgment of the CJEU of 13 September 2007, Bainbridge (C-234/06).

However, it should be noted that this Judgment has contributed to the establishment of important case-law in Spain, since it is the first time that a Spanish court has ruled on "tarnishment" and thus accepted the theory of dilution which, although enshrined in abundant European Union case-law, had previously been absent from national jurisprudence.

Based on the findings set out in the judgment of the CJEU of 27 November 2008, Intel Corporation, it is affirmed that we are dealing with a case of dilution or damage, consisting of the weakening of a trademark's ability to identify the goods for which it is registered as coming from its proprietor due to the identical or similar use of another mark, which also creates the risk of projecting a negative image.

The link between the conflicting trademarks lies in the fact that the later trademark is evocative of the earlier reputed mark in the minds of reasonably well-informed and reasonably observant and circumspect consumers, as indicated in the judgment of the CJEU of 23 October 2003, *Adidas-Salomon v Adidas Benelux*.

The image of the plaintiff's trademark has been tainted by the general public's connotations of cannabis and everything related to it, regardless of the fact that the products belonging to the different trademark holders are unrelated. Not only had the plaintiff built up a brand image, but it had also created a series of positive values in respect of that brand, and since those values were incompatible with the trademark for which invalidity was sought, the Court considered that the action must prevail. **Javier FERNÁNDEZ-LASQUETTY**

13. Time of filing of the Community trademark application. Judgment of the Court of Justice of 22 March 2012, *Genesis* (C-190/10).

1. Background. Two trademark applications were filed by two different parties on the same day. One was filed with OHIM by electronic means at midday, as the acknowledgment of receipt shows. The other was filed at the Spanish Patent and Trademark Office (SPTO) in the afternoon.

The applicant for the Community trademark lodged opposition against the Spanish application, filed on the same date but at a later hour, arguing that the marks were similar and that there was a likelihood of confusion.

The SPTO dismissed the opposition upon holding that the date of filing of the Community trademark was in fact later, as the documents confirming the electronic application had been sent to OHIM some days afterwards.

Following the successive appeals lodged by the opponent, the Spanish Supreme Court referred to the Court of Justice the question of the relevance of the hour and minute for the purpose of determining the precise time of filing of a CTM application.

2. Findings. The Court of Justice did not consider that the filing date of a CTM application filed electronically with the particulars required under the Regulation (CTMR) should be deferred until the time of confirmation. It further stated that if the CTMR did not make any reference to the hour or minute of

filing these were not relevant and two trademarks of the same date therefore had equal priority if one of them, at least, was a Community trademark.

3. *Remarks.* The most interesting aspect of this case perhaps lies in the reason behind the corresponding legal provision and the ruling itself. As we so often find, the conclusions of the Advocate General (who on this occasion was Mr. Niilo Jääskinen) are very apposite.

Bearing in mind that there are four time zones in the European Union, that a Community trademark has the same effects in all the Member States and that those effects also extend to certain territories far outside Europe (for example, Guadeloupe), to give an hour and minute to the filing of a Community trademark application could be problematic.

Aside from the foregoing, it is in any event evident, as the Advocate General states in his conclusions, that the coexistence of marks with the same filing date has already been countenanced, even when they were actually filed over a much longer period of time. Thus, all the Community trademarks filed between 2 January 1996 and 1 April that year share the same date, numerous though they are. **Ramón CAÑIZARES**

14. Descriptive character of verbal expressions consisting of a word combination and a sequence of letters identical to the initial letters of those words. Judgment of the Court of Justice of 15 March 2012 (C-90/11 and C-91/11).

1. *Background.* In 2008 Alfred Strigl filed an application at the German Patent and Trademark Office to register the word mark “Multi Markets Fund MMF” in respect of financial affairs, real estate affairs and insurance in Class 36. The Office rejected the application, holding that the words “Multi Markets Fund” designated an investment fund operating in various financial markets and that it would be evident to the public that the letters “MMF” stood for “Multi Markets Fund”. The applicant appealed to the *Bundespatentgericht* (Federal Patent Court).

In another case of a similar nature which arose in 2007 the company Öko-Invest sought the invalidation of the German trademark “NAI – Der Natur-Aktien-Index”, registered in the name of Securvita for financial services, on the ground that the letters “NAI” were used in the financial field to denote

the verbal expression Natur-Aktien-Index”. The German Patent and Trademark Office upheld that action, whereupon Securvita lodged an appeal with the *Bundespapentgericht*.

In these circumstances the *Bundespapentgericht* decided to stay the proceedings in both cases and to seek a preliminary ruling from the Court of Justice on the question of whether a word sign consisting of a letter sequence which is non-descriptive, when considered on its own, and a descriptive word combination should be refused registration if the relevant public perceives the letter sequence as an abbreviation of the descriptive words, because it reproduces their initial letters, and the trade mark as a whole can thus be construed as a combination of mutually explanatory descriptive indications or abbreviations.

2. *Findings.* The Court holds that the word combination and the letter sequence, in each case, are intended to clarify each other and to draw attention to the fact that they are linked. Each letter sequence is therefore designed to support the relevant public’s perception of the word combination, by simplifying its use and by making it easier to remember.

The Court adds that in the case of ‘NAI – Der Natur-Aktien-Index’ the presence of the hyphen between the letter sequence and the word combination has the effect of reinforcing the impression that the letter sequence is merely an abbreviation of the word combination that follows it.

The Court also states that if the sequences of letters are perceived by the public as abbreviations of the word combinations to which they are juxtaposed, they cannot be more than the sum of all the elements of the mark, taken as a whole, even though they may be considered to have distinctive character in themselves. On the contrary, those letter sequences occupy only an ancillary position in relation to the word combinations.

The Court thus concludes that a word mark consisting of the juxtaposition of a descriptive combination of words and a sequence of letters which, considered on its own, is non-descriptive should be refused registration when the public would perceive the letter sequence as an abbreviation of the descriptive words because it reproduces their initial letters.

3. *Remarks.* Through this judgment the Court of Justice is closing the door on the practice of registering marks consisting of the juxtaposition of a number of descriptive words and the initial letters thereof. To do so is, in a way, to depart from the reality of the marketplace where numerous marks, consisting precisely of a group of descriptive words and their initial letters, are used. Some of them, furthermore, are well known. Nonetheless, the conclusions of the Court would appear to be categorical and should be taken as a warning that the filing of marks consisting of such combinations is to be avoided. The more appropriate course would thus probably be to register the letters alone, although the intention may be subsequently to use them in the marketplace in conjunction with the corresponding group of descriptive words. As we are starting out from the premise that the group of words is devoid of distinctive character, the fact that it is not included in the registered mark ought not to prove problematic. Nor should that circumstance detract either from the mark's commercial appeal or from its capacity to block conflicting marks filed by third parties. **Fernando ILARDIA**

15. Trademark invalidity and infringement for registration in bad faith. Judgment of Alicante Court of Appeal of 17 February 2012.

1. *Background.* This Judgment stems from a dispute between Dunlop Hiflex UK, Ltd. ("Dunlop Hiflex") and its former exclusive distributor in Spain for DUNLOP pipes and hydraulic hoses, Comercial Leku-Ona, S.L. ("Comercial Leku-Ona"). Dunlop Hiflex filed action with the Community Trademark Court ("CTC") in Alicante aimed at cancelling the DUNFLEX Spanish trademarks which had been registered by Comercial Leku-Ona (for goods in Class 17) after this company ceased to be the exclusive distributor of DUNLOP products. The action was based on the applicant's bad faith and on the confusing similarity of the DUNFLEX registrations with the plaintiff's prior rights in the DUNLOP and HIFLEX Community registrations.



The plaintiff also petitioned for a declaration of infringement of its Community trademarks, a declaration that the defendant had committed acts of unfair competition under Articles 5, 6, 11 and 12 of the Spanish Unfair Competition Act and compensation for damages.

All of the actions were dismissed at first instance. The plaintiff lodged an appeal with Alicante Court of Appeal (“CA”). Comercial Leku-Ona also appealed the ruling on costs laid down in the first instance judgment.

2. *Findings.* Alicante CA (Section 8), sitting as a Community Trademark Court (“CTC”), revoked the lower court’s judgment.

The CTC first of all upheld the invalidity action against the DUNFLEX trademarks on the grounds that the defendant had registered them in bad faith. The CTC based its findings on the following: First of all, the marks in conflict were confusingly similar from a trademark perspective; secondly, the marks were also incompatible from a competition standpoint; and thirdly, the *knowledge* and dishonest *intentions* of the applicant of the contested trademarks defining the subjective aspect of the infringement and rendering the marks subject to the absolute ground for invalidity laid down in Article 51(1)(b) of the Spanish Trademark Act had been demonstrated.

Secondly, the CTC acknowledged the existence of trademark infringement despite the fact that the defendant’s use of the DUNFLEX mark was covered by two registered trademarks. The Court held that since the trademarks had been registered in bad faith, the rights that they conferred would be merely fictitious and without any content or effect whatsoever.

The CTC nevertheless dismissed the actions based on unfair competition. The Court did not find that the defendant had committed acts of confusion on the grounds that the provisions of the Spanish Trademark Act prevailed, and because the protection conferred by that Act could not be duplicated with the provisions of the Spanish Unfair Competition Act on the subject matter. The Judgment likewise did not find that the defendant had taken unfair advantage of another’s reputation on the grounds that the requirements for that to be the case had not been met, and it also rejected the application of Article 4 of the Spanish Unfair Competition Act on the grounds that this provision had been relied on in a cumulative manner, alternative to other provisions of said Act.

Lastly, the CTC considered the damages claimed by the plaintiff *ex re ipsa* to have been evidenced. In that regard, the CTC held that the position achieved by the defendant through use of the two cancelled trademarks had been at the

expense of the market share achieved by the defendant's exclusive distribution of goods of the plaintiff's brand for almost 30 years.

3. *Remarks.* There are two aspects of this Judgment which merit attention. Firstly, the Judgment performs a comprehensive analysis of the circumstances which must arise in order for a trademark invalidity action based on application for registration in bad faith to be accepted (Article 51(1)(b) of the Spanish Trademark Act). In that regard, it is interesting to note that the CTC states that the *sine qua non* condition which must be met in order for it to be held that bad faith was present, is that the trademark registration (for which invalidity is sought) and the earlier trademark must be incompatible from both a trademark and competition standpoint. Secondly, the CTC moves away from its previous stance whereby a person who operates in trade with the support of a registered trademark and acknowledges the existence of trademark infringement as a *natural* result of the fact that the *infringing* mark had been registered in bad faith cannot be considered as an *infringer*. Lastly, it should be noted that this Judgment is not final, since the defendant has filed a cassation appeal against it.

Enrique ARMIJO CHÁVARRI

16. Concept of person entitled to appeal before OHIM – Admissibility of the appeal. Judgment of the Court of Justice of 19 January 2012. Nike International Ltd. (C-53/11 P).

1. *Background.* Ronaldo de Assis Moreira, better known as Ronaldinho, is a footballer who played for FC Barcelona between the years 2003 and 2008. Known throughout the world, he achieved considerable success and won fame extending beyond the ranks of football enthusiasts. He was also identified by the symbol R10, formed from the initial letter of his name and the his customary shirt number.

On 2 January 2006 Aurelio Muñoz Molina filed a Community application at OHIM for the word mark R10. The company which managed the footballer's image rights at the time, DL Sports & Marketing Ltda., lodged opposition based on the unregistered mark R10. While the opposition proceedings were under way, Nike International Ltd. informed OHIM that DL Sports & Marketing Ltda. had assigned to it various trademarks and industrial property rights, among them the right in the unregistered mark R10. Nike International Ltd. therefore requested leave to intervene in the proceedings as the new opponent.

The Opposition Division dismissed the opposition on the ground that DL Sports & Marketing Ltda. had not proved, within the established term, the existence of the earlier right on which the opposition was based, namely, the unregistered mark R10.

Nike appealed. The First Board of Appeal of OHIM ruled that appeal inadmissible on the ground that Nike had not produced proof of its status as a party to the opposition proceedings and, consequently, that it was not entitled to appeal the Opposition Division's decision. The Board of Appeal found that neither in the appeal nor in the opposition proceedings had Nike's lawyers actually claimed, let alone proved, that the earlier right relied on in support of the opposition was among the trade marks transferred to Nike.

Nike then took the case to the General Court which upheld the appeal, holding that in the absence of a legal provision concerning evidence of the transfer of the earlier national right relied on in support of an opposition, the guidelines relating to proceedings before OHIM provide that if the new owner of the earlier national right informs that Office of the transfer, but does not submit sufficient evidence thereof, the opposition proceedings have to be suspended while the new owner is given two months to provide evidence of the transfer.

OHIM contested that judgment by appealing to the Court of Justice. The appeal was upheld, the judgment of the General Court set aside and the case referred back to the General Court on the ground that it had failed to address one of Nike's pleas in law.

2. *Findings.* The Court of Justice makes it clear, first, that according to the Regulation on the Community trademark a notice of appeal must be filed in writing at OHIM within two months after the date of notification of the decision appealed from and that a written statement setting out the grounds of appeal must be filed within four months after the date of notification of the decision, while the Implementing Regulation sets out specific rules relating to the assessment of the admissibility of the appeal.

The Court adds that, in respect of the rejection of an appeal as inadmissible and the rules for remedying a ground of inadmissibility, the time-limit of four months after the date of notification of the decision appealed from should be taken into account. From this it follows that a person who brings an appeal

before the Board of Appeal of OHIM must show that he has *locus standi* within that four month period, otherwise the appeal will be declared inadmissible.

Therefore, if there has been an assignment of the right on which the opposition was based without that assignment being taken into account during the procedure before the Opposition Division of OHIM, the assignee must, within the mentioned four month period, adduce before the Board of Appeal the necessary proof that he became the owner of that sign by transfer in order to show that he has *locus standi*.

In view of the foregoing the Court of Justice concludes that the General Court infringed the applicable provisions of the Regulation and the Implementing Regulation when holding that the Board of Appeal of OHIM ought to have suspended the proceedings and granted Nike an opportunity to present its comments or to produce additional evidence to prove the transfer of the earlier right on which it had relied in order to show that it had *locus standi*.

Inasmuch as the General Court had held that the Boards of Appeal of OHIM are required to apply the OHIM Guidelines, the Court of Justice points out that it is settled case-law that the decisions which those Boards of Appeal may take in connection with the registration of a sign as a Community trade mark are adopted in the exercise of circumscribed powers and are not a matter of discretion. Accordingly, the legality of those decisions must be assessed solely on the basis of the Regulation.

3. *Remarks.* In this judgment the Court of Justice confirms that the four-month time limit for substantiating an appeal filed at OHIM likewise marks the deadline for the appellant to prove his entitlement. Of the various time limits laid down in the Regulation, this is one of the few which may not be extended. It is therefore essential that the appellant make doubly sure, prior to the expiry thereof, that he has complied with all the relevant formal and substantive appeal requirements. The Boards of Appeal do not suspend the proceedings in order to call on the party affected to remedy whatever deficiency there may be. The Court of Justice stresses that the OHIM Guidelines are intended to complete the Regulation on those practical points which are not specifically regulated but may not under any circumstance be invoked if their application would result in the breach of some provision of the Regulation. In this case, therefore, the General Court erred in invoking the Guidelines in relation to an issue already covered by the Regulation and the Implementing Regulation.

It is also to be noted, lastly, that even if Nike had overcome the objection based on its lack of standing (or manages to overcome that objection yet, given that the case has been referred back to the General Court), it would subsequently still have to surmount the actual cause of the dismissal of the opposition: according to OHIM, neither the initial opponent, DL Sports & Marketing Ltda., nor Nike in fact proved the existence of the earlier right consisting of the unregistered mark R10. **Fernando ILARDIA**

17. Refusal to accept the invocation of a colour which forms part of a trademark registration as an unregistered well-known trademark. Judgment of the Spanish Community Trademark Court of 9 January 2012.

1. *Background.* Bacardi & Company Ltd. (Bacardi) holds a number of three- dimensional Community trademark registrations for its Bombay Sapphire gin, among which is the following trade dress:



Bacardi sued the Spanish importer of Goa gin, the trade dress of which is shown below:



In its complaint, Bacardi pleaded infringement of an unregistered well-known trademark, within the meaning of Article 6*bis* of the Paris Convention, consisting of the sapphire blue colour of its Bombay Sapphire gin. It also argued that its registered trademarks had been infringed due to a likelihood of confusion and the fact that unfair advantage had been taken of their well-known character. Unfair competition actions were also joined to the complaint.

2. *Findings.* The Court found that the unregistered trademark adduced by the plaintiff did not exist. This conclusion stems from the fact that the plaintiff had registered a number of three-dimensional trademarks in which the colour blue was just another feature along with the bottle shape and other word and figurative components. Those three-dimensional trademarks would have been used as such in the marketplace which, in the Court's view, prevents their holder from being able to separate them into various elements in order to request protection on the basis of just one of them.

The Court also dismissed the action for infringement of the plaintiff's trademark registrations due to the likelihood of confusion. The Court conducted an overall comparison of those trademarks with the trade dress of the defendant's product, highlighting the differences between them and, in particular, their different word components, which it considered to be a predominant factor. It therefore concluded that the similarity was not strong enough to give rise to a likelihood of confusion.

For this same reason, it also dismissed the action for infringement of the well-known character of the trademark based on Article 9(1)(c) of the Community Trademark Regulation. In that regard, the Court found that the "scant similarity" between the marks in conflict would not suffice to draw a connection between the product and the trademark holder or to imply that its well-known or reputed character had been misappropriated or damaged.

Lastly, the Court dismissed the unfair competition actions under the settled Spanish Supreme Court case-law whereby the violation of competition laws cannot be examined when the same case has already been tried from an IP law perspective.

3. *Remarks.* The present case constitutes a good example of the problems involved in filing legal action aimed at preventing the use of features

resembling the characteristic trade dress of a successful product when they are accompanied by other distinguishing features, specifically, a different word component.

Of particular note is the Court's response to the plaintiff's attempt to obtain specific protection for the colour of its beverage by relying on the concept of the unregistered well-known trademark. The judgment's findings on the relevance of the way in which the plaintiff had registered the marks for its product must be adequately evaluated when designing an appropriate protection strategy. **Carlos MORÁN**

Notes

COPYRIGHT, THE INFORMATION SOCIETY, THE INTERNET

18. Resale of user licences for computer programs. Exhaustion of the distribution right. Judgment of 3 July 2012, UsedSoft (C-128/11).

1. *Background.* UsedSoft is a German company which markets used software licences which it acquires previously from lawful licensees who either do not wish to continue using the programs or who acquire more licences than they actually need. Among the products that they offer are used licences for programs developed by Oracle, specifically, database software. These licences enable new acquirers to either download the program from Oracle's website or, in the event that they already have a copy of that software, make new copies to be installed in other work stations. Oracle, as the author of the computer programs in question and the holder of the rights in same, considered that the activities carried out by UsedSoft and its clients damaged its exclusive right of reproduction insofar as the licence agreements state that the right to use the programs is non-transferable. UsedSoft, however, argued that the first assignment of the right of use by Oracle in the European Union exhausts its distribution right, and so subsequent sales of the program were fully legitimate. The case went to the *Bundesgerichtshof*, which referred a number of questions to the CJEU aimed at clarifying whether, under the provisions of Directives 2009/24/EC (on the legal protection of computer programs) and 2001/29/EC (on the harmonisation of certain aspects of copyright and related rights in the information society), the acts of UsedSoft and its clients were covered by the principle of exhaustion of the distribution right.

2. *Findings.* Article 4(2) of Directive 2009/24/EC states that “*the first sale in the Community of a copy of a program by the rightholder or with his consent shall exhaust the distribution right within the Community of that copy (...)*”. The first issue to be determined is whether the downloading from the Internet of a copy of a computer program, authorised by virtue of a licence agreement which confers, for a price, the right to use the program for an unlimited period, can be regarded as a “sale” under the terms of the aforementioned provision. In that regard, the CJEU considers that the term “sale” must be interpreted in the broad sense, so that the transactions in question can fall neatly within its scope. It is irrelevant whether the copy of the computer program has been made available to the client as an Internet download or by means of a material medium, such as a CD-ROM or DVD. Otherwise, Article 4(2) would be

rendered ineffective, since it would suffice to call the contract a “licence” rather than a “sale” in order to circumvent the rule of exhaustion.

It is nevertheless the case that under Directive 2001/29/EC, the exhaustion of the distribution right refers exclusively to tangible property. Recital 29 of the Directive expressly states that “*the question of exhaustion does not arise in the case of services and on-line services in particular*” and “*unlike CD-ROM or CD-I, where the intellectual property is incorporated in a material medium, namely an item of goods, every on-line service is in fact an act which should be subject to authorisation (...)*”. In view of this provision, the Court affirms that Directive 2009/24/EC constitutes a *lex specialis* in relation to Directive 2001/29/EC, and that it is nevertheless necessary to bear in mind the provisions of Article 1(2)(a) of the latter, pursuant to which the existing Community provisions relating to the legal protection of computer programs will not be affected by the Directive. According to the Court, the intention of the European Union legislature is to assimilate, for the purposes of the protection laid down by Directive 2009/24/EC, tangible and intangible copies of computer programs, since from an economic perspective, the sale of a computer program on CD-ROM or DVD is functionally equivalent to downloading it from the Internet. Consequently, in light of the principle of equal treatment, Article 4(2) of Directive 2009/24/EC must be interpreted as meaning that the exhaustion of the distribution right takes effect after the first sale in the European Union of a copy of a computer program by the copyright holder or with his consent, regardless of whether the sale relates to a tangible or intangible copy of the program and despite the existence of contractual provisions prohibiting the sub-transfer of the right of use.

As a result of the above, subsequent acquirers of the copy of the computer program must be regarded as lawful acquirers, and they will be able to carry out any acts necessary for the use of the computer program in accordance with Article 5(1) of the Directive on computer programs.

However, the Court highlights the importance of making the initial copy unusable at the time of its resale, since otherwise, the holder’s exclusive right of reproduction of his computer program would be infringed. The fact that each licence is granted for a certain number of users, and that it is impossible to “split” it so that it covers a greater number than what had been agreed, cannot be circumvented. To that end, the rightholder can ensure by all technical means at his disposal that the copy still in the hands of the reseller is made unusable.

3. *Remarks.* This Judgment sets an extremely important precedent in the area of computer programs, since it redefines the concept of exhaustion of the distribution right for works of this kind. By this Judgment, the CJEU renders the marketing of software by Internet downloads equivalent to its sale on material media, which breaks with the traditional definitions of “distribution” and “making available to the public” laid down in Directive 2001/29/EC. This means, among other things, that the holders of rights in computer programs will no longer be able to rely on the non-transferability of user licences granted in the European Union, since their rights will have been exhausted upon the first sale, regardless of whether the medium that the lawful user has utilised to access the software is tangible or intangible. **Patricia MARISCAL**

19. Computer programs. Scope of protection. Judgment of the Court of Justice of the European Union of 2 May 2012, SAS Institute (C-406/10).

1. *Background:* SAS Institute Inc. filed action against World Programming Ltd. for infringement of copyright in computer programs and manuals relating to its computer database system.

The national court referred nine questions to the CJEU for a preliminary ruling concerning the interpretation of Articles 1(2) and 5(3) of Directive 91/250/EEC and Article 2(a) of Directive 2001/29/EEC.

2. *Findings.* The Court analysed the questions in three blocks.

The first block refers to the interpretation of Article 1(2) of Directive 91/250. The Court bases its findings on its judgment of 22 December 2010, *Bezpečnostní softwarová asociace* (C-393/09), in which it states that the object of protection conferred by the Directive covers all forms of expression of a computer program, including the source code and the object code, which merit copyright protection. The Court adds that the interface cannot be regarded as part of the object of copyright protection, since it does not enable the reproduction of the program, but merely constitutes one element by means of which users make use of the features of the program.

The Court concludes that neither the functionality of a computer program nor the programming language or format of data files used in order to exploit some

of its functions constitute a form of expression of that program, and so they are not eligible for protection under Directive 91/250.

The programming language and the format of data files used in a computer program to interpret and execute application programs written by users to read and write data in a specific format of data files are eligible for protection where they are procured from the source or object codes. However, such infringement would have to be considered in light of Directive 2001/29, not 91/250. Moreover, in this case such a result is achieved by means of analysis, verification and observation.

The second block analyses Article 5(3) of Directive 91/250. According to the Court's interpretation, a person who has obtained a copy of a computer program under a licence is entitled to observe, study or test the functioning of that program, without the author's consent, in order to determine the ideas and principles which underlie any element of the program, provided that he/she does so while performing the acts of loading or running necessary for the use of the computer program, as well as those permitted by the licence, and the licensing agreement cannot be relied on in order to prevent such acts.

The third block of questions focuses on the interpretation of Article 2(a) of Directive 2001/29. The Court finds that the reproduction, in a computer program or in a user manual for that program, of certain elements described in the user manual for another computer program protected by copyright constitutes an infringement of the copyright in said manual where that reproduction consists of the expression of the intellectual creation of the author of the work.

3. *Remarks:* The Judgment highlights the fact that WPL had legally purchased SAS Institute's program, supplied under a "click-through" licence, and accepted the terms that restricted the licence to non-production purposes. WPL had then used copies of the learning edition of the program to perform acts which fell outside the scope of the licence in question.

Since ideas and principles are not protected by Directive 91/950, WPL cannot be held to have committed copyright infringement. This is based on the following reasoning: WPL had lawfully acquired the licence, and had not carried out any reverse engineering or decompilation; it had merely studied,

observed and tested the computer program. It must be added that any contractual provisions that are contrary to the foregoing are null and void.

In Spain, unlike in the United States and its “sweat of the brow” approach, what is valued when deciding whether a computer program is original is efficiency, since if two authors were to achieve the same result by different means (different object or source codes), both programs would be protected. **Javier FERNÁNDEZ-LASQUETTY**

20. Interpretation of the exception for ephemeral recordings made by broadcasting organisations by means of their own facilities and for their own broadcasts. Judgment of the Court of Justice of the European Union of 26 April 2012, TV2 Danmark (C-510/10).

1. *Background.* These proceedings involved two Danish television channels, DR and TV2 Danmark, and a company which administers the rights of composers, songwriters and music publishers in a number of Nordic and Baltic States, NCB. The former, which had been authorised by the management entity to broadcast musical works, commissioned a third company to produce certain broadcasts. NCB sued the television channels on the grounds that under the Danish Law on Copyright, interpreted in light of European Union law, only they are authorised to make recordings of the broadcasts, and this cannot be commissioned from a third party. The question referred by the Danish court relates to the scope and application of the exception laid down in Article 5(2)(d) of Directive 2001/29/EC, which permits ephemeral recordings of works made by broadcasting organisations by means of their own facilities and for their own broadcasts.

2. *Findings.* In this case, the CJEU’s task centres on determining the meaning and scope of the expression “*by means of their own facilities*” contained in Article 5(2)(d) of Directive 2001/29/EC. The Court bases its findings on the idea that the expression must be regarded as an autonomous concept of European Union law, and so it must be interpreted in light of those provisions and not in accordance with national legislation. As regards its scope, it is necessary to bear in mind recital 41 of the preamble to the aforementioned Directive, according to which “(...) *it is understood that a broadcaster’s own facilities include those of a person acting on behalf of and under the responsibility of the broadcasting organisation*”. This interpretative provision determines that it need not be the broadcasting organisations themselves who

make the ephemeral recordings for the exception to the right of reproduction to apply. However, there is uncertainty as to whether the two requirements for being able to commission the recording from a third party are alternative or cumulative in nature. The uncertainty arises from the divergence between the different language versions of the provision in the various laws. According to the Court, the purpose of this requirement is to ensure that there is a close link between the broadcasting organisation and the third party making the recording, so that the latter cannot profit independently from the exception. Insofar as each of the two requirements (acting on behalf of and under the responsibility of the broadcasting organisation) is in itself capable of fulfilling the objective of the exception, they must be understood as being alternative in nature. Ultimately, the broadcasting organisation is required, vis-à-vis authors, to pay compensation for any adverse effects of the acts and omissions of the third party.

3. *Remarks.* As the CJEU has already ruled on other occasions (see the judgment of 21 October 2010, Padawan, C-467/08), the aim of Directive 2001/29/EC is to harmonise certain aspects of copyright and related rights in the information society, which implies the development of autonomous concepts of European Union law, such as the expression “*by means of their own facilities*” contained in Article 5(2)(d). How and to what extent broadcasting organisations may benefit from the exception for ephemeral recordings must therefore be determined in light of European Union law. **Patricia MARISCAL**

21. Identification of the user of an IP address in civil proceedings concerning copyright infringement. Judgment of the Court of Justice of the European Union of 19 April 2012, Bonnier (C-461/10).

1. *Background.* The publishing company Bonnier Audio, which holds exclusive rights to the reproduction, publishing and distribution to the public of 27 works in the form of audio books, asked a Swedish court to issue an order to the Internet service provider ePhone to disclose the user name and IP address from which the files containing those works were presumably sent by means of an FTP (“file transfer protocol”) server for a file exchange. The service provider, ePhone, challenged that petition, arguing that the order was contrary to Directive 2006/24 on the protection of data, since it basically referred to civil proceedings.

2. *Findings.* The judgment begins by pointing out that the disclosure requested by Bonnier Audio (identification of an Internet subscriber or user) involves the processing of personal data which falls within the scope of Directive 2002/58. At the same time, it indicates that the request for the disclosure of that personal data in order to ensure effective copyright protection falls within the scope of Directive 2004/48 concerning extension of the enforcement of intellectual property rights.

The judgment goes on to refer to the fact that the Court had already ruled on the clash between the two Directives in its *Promusicae* judgment, 2008. In that judgment, the Court found that the joint interpretation of the two Directives does not object to the Member States' laying down an obligation to communicate personal data to private persons in order to enable them to bring civil proceedings for copyright infringement, but *neither does it render it mandatory* for them to do so. The Court added that when adapting their national laws, the Member States should try and interpret both Directives in such a way that a fair balance would be struck between the various fundamental rights to which they refer.

The judgment then examines Swedish national law and states that pursuant to same, a court order to disclose the data in question may be issued provided that there is clear evidence of the infringement of an intellectual property right in a work, that the requested information can facilitate the investigation into the copyright infringement, and that the reasons for the measure outweigh the harm which the measure may entail for the person affected by it or for some other conflicting interest. Therefore, in the Court's view, "*that legislation enables the national court seised of an application for an order for disclosure of personal data, made by a person who is entitled to act, to weigh the conflicting interests involved, on the basis of the facts of each case and taking due account of the requirements of the principle of proportionality*". The judgment goes on to state that "*in those circumstances, such legislation must be regarded as likely, in principle, to ensure a fair balance between the protection of intellectual property rights enjoyed by copyright holders and the protection of personal data enjoyed by Internet subscribers or users*".

The judgment concludes that "*Directive 2006/24/EC of the European Parliament and of the Council of 15 March 2006 on the retention of data generated or processed in connection with the provision of publicly available electronic communications services or of public communications networks and*

amending Directive 2002/58/EC must be interpreted as not precluding the application of national legislation based on Article 8 of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights which, in order to identify an internet subscriber or user, permits an internet service provider in civil proceedings to be ordered to give a copyright holder or its representative information on the subscriber to whom the internet service provider provided an IP address which was allegedly used in an infringement, since that legislation does not fall within the material scope of Directive 2006/24”.

3. *Remarks.* Although this judgment does not mark a change of direction by the CJEU in respect of the possibility of requiring an Internet service provider to disclose data on the holder of an IP address in order to be able to bring civil proceedings for copyright infringement, it *can* be held to shed some light on the grey areas that seemed to have cropped up in this area following the *Promusicae* judgment. It is now clear that national legislation may lay down the obligation to communicate personal data to enable the institution of civil action, provided that said legislation allows the court to weigh up the conflicting interests involved in each case. It remains to be seen whether, in the absence of an express national provision, such a petition would only be able to rely on Directive 2004/48, or whether the judgment would warrant a legislative change in the countries which do not explicitly provide for this possibility or which are opposed to same. **Antonio CASTÁN**

22. Communication to the public of phonograms in a dental practice. Judgment of the Court of Justice of the European Union (CJEU) of 15 March 2012, SCF (C-135/10).

1. *Background.* SCF, an Italian collecting agency which manages the rights of phonogram producers, sued Mr. Del Corso, a dentist from Turin, in relation to the broadcasting in his dental practice of phonograms as background music. The plaintiff considered that this activity constituted communication to the public which was subject to authorisation and the payment of remuneration. In his defence, the defendant argued that in his practice the music was broadcast by radio and that copyright could only be invoked if the medium on which the phonogram had been fixed was used.

2. *Findings.* The Court begins by jointly examining whether the concept of “communication to the public” laid down in Directives 92/100 and 2001/29 can

be interpreted under the provisions of the Rome Convention, the TRIPS Agreement and the WIPO copyright treaties (WPPT). The Judgment points out that the provisions of both the TRIPS Agreement and the WPPT, unlike those of the Rome Convention, form part of the legal order of the European Union and are applicable, although individuals cannot rely on them directly. As regards the concept “communication to the public”, the Court states that this must be interpreted in light of equivalent concepts laid down in the aforesaid international agreements in such a way that they are compatible with those agreements, taking account of their context and purpose.

The Judgment then analyses the main issue. The Court points out that in order to determine whether a dentist who broadcasts phonograms as background music for his patients is carrying out an act of communication to the public within the meaning of Article 8(2) of Directive 92/100, account must be taken of the case-law laid down in the SGAE and Premier League judgments. In those cases, the CJEU recognised the right to remuneration because the radio broadcast of works in hotel or restaurant establishments is basically carried out in order to attract clients, and it might have an effect on the number of people who frequent those establishments.

In the case of the dental practice, however, the Court comes to a different conclusion. The patients of a dentist generally form a rather consistent and determinate group of people. Their number is not large, even insignificant, given that the number of people present at the same time is very low, and the broadcasting of music in the dental practice certainly has no impact on the dentist’s income, since the sole purpose of attending the practice is to be treated, and patients access the phonograms by chance and without any active choice on their part. It thus follows that the concept of communication to the public set out in Article 8(2) of Directive 92/100 does not cover the broadcasting, free of charge, of phonograms in a dental practice in the context of professional economic activity for the benefit of patients, and enjoyed by them without any active choice on their part.

3. *Remarks.* The delimitation of the right of communication to the public (referred to by some as the copyright demarcation) continues its course thanks to the CJEU’s findings. If, on other occasions (the SGAE and Premier League judgments), the Court has been more permeable to the arguments put forward by collecting agencies, in this case it seems that logic prevails over any other technical considerations. The fact that the number of patients is low, together

with the lack of any causal relationship between the activities carried out and the broadcasting of the music as an influential factor in that regard, appears to take precedence over any other consideration. It remains to be seen whether the answer would have been different had the phonograms not been broadcast by radio, and whether these findings by the Court, taken out of their context, could give rise to the continued narrowing of the demarcation of the right of communication. **Antonio CASTÁN**

23. Football league fixture lists. The possibility of their obtaining protection as original databases pursuant to Directive 96/9/EC. Judgment of the Court of Justice of the European Union of 1 March 2012, Football League (C-604/10).

1. *Background.* The annual fixture lists of the football leagues in England and Scotland are created in accordance with a series of rules which primarily seek to ensure as far as possible that the different teams play an equal number of home and away matches and to attend to specific requests by the clubs. These fixture lists are created using computer software, although they are reviewed manually by the company responsible for creating them and by the professional federations involved, who finalise the list. Football Dataco, along with other companies, claims that it holds copyright and a “*sui generis*” right in these fixture lists by virtue of the provisions of Directive 96/9/EC. Yahoo and others, on the other hand, reject the existence of those rights, arguing that both the fixture lists and their content may be freely used. Since an agreement could not be reached, the matter was settled in court.

The judge at first instance held that the lists were eligible for copyright protection on the grounds that their preparation required substantial creative work. It nevertheless refused to recognise that they could be protected by the “*sui generis*” right. In appeal, the Court of Appeal confirmed the lower court’s judgment as regards this latter aspect, but it had doubts as to the extent to which the fixture lists in question were eligible for copyright protection. In order to clarify this issue, it referred a number of questions to the CJEU for a preliminary ruling.

2. *Findings.* The Court firstly examines whether a sports fixtures list can be held to constitute a database within the meaning of Directive 96/9/EC. As it had previously held (Judgment of the CJEU of 9 November 2004, Fixtures Marketing, C-444/02), the arrangement, in the form of a fixture list, of the

dates, times and names of teams in the various fixtures of a football league meets the conditions set out in Article 1 of the aforesaid Directive for it to qualify as such.

Since the national courts had ruled out the possibility of obtaining protection by the *sui generis* right, what had to be determined was whether the database was eligible for copyright protection. According to Article 3 of the Directive, a database is eligible for protection by copyright when, by reason of the selection or arrangement of its content, it constitutes an intellectual creation. Thus, the object of the protection is the structure of the database, not its content. The term “intellectual creation” refers to the criterion of originality and, in that sense, a database is original when its author, through the selection or arrangement of the data included in the database, expresses his/her creative ability by stamping a personal touch on the work. By contrast, a database will lack originality when its structuring is dictated by technical or mechanical constraints. To that effect, the skill and labour that goes into the creation of the data and the addition of important significance to some of that data is irrelevant for the purpose of assessing originality.

On having established the above, the Court goes on to reply to the second question referred for a preliminary ruling and states that the Directive precludes national legislation which grants protection to works of this kind on the basis of conditions which are different from those set out in the aforesaid Article 3.

3. *Remarks.* The Judgment looks at the two-fold protection for which databases are eligible, namely, protection by copyright and by the *sui generis* right. Special emphasis is placed on the separate nature of the two systems and on the different requirements that a database must meet in order for it to be eligible for one or the other. Only databases whose content has been selected and arranged in an original manner will be eligible for protection by copyright. Of particular note is the CJEU’s subjective interpretation of the term “originality” as meaning the possibility of making free and creative choices and thus stamping a “*personal touch*” on the work. **Patricia MARISCAL**

24. Making musical and audiovisual works available to the public without consent on an online social networking platform. The possibility of securing an injunction requiring a hosting service provider to monitor the content stored on the platform. Judgment of the Court of Justice of the European Union of 16 February 2012, SABAM (C-360/10).

1. *Background.* Netlog is a hosting service provider which operates an online social networking platform. By means of this platform, users acquire a personal space (profile) on which they can keep a diary, indicate their hobbies and interests, display photos or publish video clips. This information can be accessed by all. SABAM, a management company which represents authors, composers and publishers of musical works in Belgium, claimed that Netlog's social network offered users the opportunity to make musical and audiovisual works, the use of which had not been granted the mandatory consent, available to the public. On that basis, it filed an action for injunction against Netlog in order to put a stop to the unlawful exploitation of works from its repertoire. Netlog responded by stating that granting such an injunction would be tantamount to imposing a general obligation to monitor the content of the platform, which is prohibited by Belgian law pursuant to Directives 2000/31/EC (on electronic commerce) and 2004/48/EC (on the enforcement of intellectual property rights). The referring court made a reference for a preliminary ruling on whether an order for Netlog to introduce, as a preventive measure, a file filtering system in order to detect and remove unlawful works contravened European Union law.

2. *Findings.* According to Directives 2001/29/EC and 2004/48/EC, intellectual property rightholders may apply for an injunction against the operators of social networking platforms aimed not only at putting an end to the damage already caused to the intellectual property rights, but also to prevent further infringements. Nevertheless, such measures must always respect Article 15 of Directive 2000/31/EC, which prohibits national authorities from adopting measures which would require a hosting service provider (such as Netlog) to carry out general monitoring of the information that it stores. Furthermore, such a measure would also infringe the provisions of Article 3 of Directive 2004/48/EC, which states that measures taken to protect intellectual property rights must be fair and proportionate and must not be excessively costly.

In this case, the introduction of a filtering system, which would require the hosting service provider to identify, within all of the files stored on its servers, those which are likely to contain works made available to the public without consent and remove them, constitutes a preventive monitoring measure requiring active and continuous observation which is contrary to Article 15 of Directive 2000/31/EC and to the provisions of Article 3.1 of Directive 2004/48/EC.

Account should also be taken of the requirements deriving from the protection of the other fundamental rights at play, such as freedom to conduct business, the right to the protection of personal data and freedom to receive or impart information (Articles 16, 8 and 11 of the Charter of Fundamental Rights of the European Union). The installation of a computer system such as the one requested at the expense of the service provider, being complex, costly and permanent, would obstruct its freedom to do business. It would also imply the identification, systematic analysis and processing of users' protected personal data, and there would be the risk that the filtering system might not adequately distinguish between lawful and unlawful content, and so its installation could lead to the blocking of lawful communications.

3. *Remarks.* In this Judgment, the CJEU looks at a number of rights: the right of authors to the protection of their works, the right of service providers to freely operate social networking platforms without being obliged to introduce costly monitoring requirements, and the right of users to the protection of their personal data. This once again highlights the limitations on copyright protection on the Internet, where it seems that authors have lost the battle against other rightholders. **Patricia MARISCAL**

25. Authorship and allocation of exclusive rights and mere remuneration in a cinematographic work. Judgment of the Court of Justice of the European Union of 9 February 2012, Martín Luksan (C-277/10).

1. *Background.* Mr. Luksan is the scriptwriter and main director of a documentary film on German war photography during the Second World War. In 2008, he signed an audiovisual production contract with Mr. Van der Let, to whom he assigned all rights in the film with the express exception of making it available to the public on digital networks and broadcast by closed circuit television and by broadcasting to closed circuits of users in return for separate payment (*pay TV*).

The dispute arose because the producer assigned the excluded powers to a number of companies, which proceeded to exploit the work in that manner. Mr. Luksan therefore sued the producer claiming breach of contract and infringement of his rights. Van der Let responded by invoking a provision of Austrian law according to which all exploitation rights in a film vest in the producer, and any agreements diverging from that rule shall be null and void. He also argued that remuneration from “*reproductions made on recording material*” (compensation for private copying) is subject to the same system as exclusive rights, and so the producer is therefore entitled to same.

Indeed, under Article 38 of the Austrian UrhG, exploitation rights in a cinematographic work are directly, originally and exclusively allocated to the producer, with the statutory rights to remuneration being shared equally by the film producer and the author, although agreements which depart from this rule are permitted. The referring court suspected that this provision was inconsistent with European Union law on the subject, and so it made a reference for a preliminary ruling to the CJEU.

2. *Findings.* The first issue to be clarified by the Court is whether, under European Union law, the director of a cinematographic work should be considered the author of same and thus hold the original exploitation rights to the work. Under Articles 1 and 2 of Directive 93/83/EEC (concerning satellite broadcasting and cable retransmission), Articles 2 and 3 of Directive 2001/29/EC (on the harmonisation of certain aspects of copyright and related rights in the information society), Articles 2 and 3 of Directive 2006/115/EC (on rental and lending rights) and Article 2 of Directive 2006/116/EC (concerning terms of protection), exploitation rights in a cinematographic work vest directly and originally in the principal director of the work. In that regard, the Member States cannot rely on a provision of international law that enables, but does not require, the adoption of a measure that is contrary to European Union law. This is the case of Article 14*bis* of the Berne Convention, which leaves the power to determine who is to be considered as the holder of the rights in a cinematographic work in the hands of the contracting countries. Therefore, a provision of national law which allocates the exploitation rights in a cinematographic work originally and exclusively to the producer is inconsistent with European Union law. Nevertheless, this does not prevent the Member States from being able to lay down a presumption of transfer of those rights in favour of the producer, provided that such a presumption is not an irrebuttable

one. Although this possibility is only expressly provided in the Directive on rental and lending rights, it analogously applies to the rights involved in this case (reproduction right, right of communication to the public and right to make available to the public on the Internet).

As far as fair compensation for private copying is concerned, the Court holds that this right must always vest in the rightholders affected by the exception. Given that the director of a cinematographic work is the original holder of the rights in that work, that party must be held to be the full direct and original beneficiary of the fair compensation. This right cannot be waived, as per Article 5(2)(b) of Directive 2001/29/EC, the purpose of which is to ensure that rightholders who have been harmed by the private copying exception are somehow compensated. In that regard, a provision of domestic law which enables the principal director of a cinematographic work to waive that compensation is contrary to EU law.

3. *Remarks.* In this Judgment, the CJEU confirms the imperative nature of the rules on the allocation of rights in the context of cinematographic works. Both exclusive exploitation rights and the right to mere remuneration vest directly and originally in the director of the film, in his/her capacity as the author. In the case of the former, it is possible to lay down a presumption of transfer in favour of the producer, but not in respect of the latter, which can never be waived. It is important to note that the European Union Member States will not be able to rely on more permissive international provisions in order to contravene those rules. **Patricia MARISCAL**

Notes

PATENTS

26. Patent infringement and TRIPS. The validity of product claims in a pharmaceutical patent. Judgment of the Spanish Supreme Court (SC) of 5 December 2012.

1. *Background.* MSD filed a complaint against the laboratories CI and QS for infringement of a European patent relating to the active ingredient Losartan. The European patent contained product and process claims, but it had been validated in Spain through the filing of the translation of the process claims alone. This was a patent which had been applied for before product patents came into force in Spain in October 1992, and it is therefore affected by Spain's Reservation concerning the admission of this kind of pharmaceutical product patent.

After the TRIPS Agreement came into force in Spain, the company which held this European patent availed itself of the procedure provided under Article 12 of Spanish Royal Decree 2424/1986 to file an application to review the translation of the patent with the Spanish Patent and Trademark Office (SPTO) and include the pharmaceutical product claims which had not been included in the initial translation. The SPTO, after initially accepting the translation, revoked its decision. In the ensuing contentious-administrative appeal, the Third Chamber of the SC delivered judgment on 21 November 2011 declaring the initial decision accepting the inclusion of the product claims valid.

It so happens that this contentious-administrative judgment was rendered when the civil proceedings prompting this commentary had already been ruled on at first and second instance, and cassation appeal proceedings were pending. Until then, the legal action had been dismissed, since the Court of Appeal had considered that rights in product claims could not be relied on until the revised translation was published in the *Official Industrial Property Gazette*. Since the revised translation had been rejected until that point in time, it could not be relied on by the plaintiff as a right in an infringement action.

The SC upheld the appeal and declared that the defendants had infringed patent law, ordering them to pay compensation for the price that they would have paid to the patent holder in order to produce and market the active ingredient in question.

2. *Findings.* The SC begins by acknowledging, from a formal standpoint, that the judgment by the Third Chamber of the SC which conferred validity on the revised translation of the product claims, despite having been rendered subsequently to the initiation of the civil proceedings, must be taken into account for the purpose of ruling on the appeal. The Judgment also observes that the revision of the translation was carried out by means of a procedure that made it possible to include the product claims that could not previously be included, and that the publication was valid and rendered the product claims effective for the purposes of Articles 27 and 70 of TRIPS.

The Judgment goes on to summarise SC case-law on the effects of European patents for chemical and pharmaceutical products in Spain laid down in the judgments of 10 May 2011 and 26 October 2012. Under that case-law, since the entry into force of TRIPS, Spain was forced to recognise the effectiveness, denied in the Reservation, of pharmaceutical product claims included in patents that had been applied for or granted under previous legislation and which were still in force. The Court adds that the Spanish State was therefore forced to make greater protection possible by accepting the amendment of applications for protection that had been pending when TRIPS came into force, provided that they did not contain new material.

Finally, the Court looks at the issue of damages. As of the declaration of infringement, the indemnifiable time period is fixed by the Court as being the period between the date of publication of the revised translation that had ultimately been validated (June 2006) and the date of the lapse of the patent due to expiry of the term (8 July 2007). Since this was a case of supervening infringement, the Court opts for the equitable remuneration provided under Article 70.4 of TRIPS as the compensation criterion: payment of the consideration that should have been paid for the grant of a licence during that time period.

3. *Remarks.* For the third time, the SC has become involved in the battle between the innovative and generic industries in respect of the application of the TRIPS Agreement to European product patents that were applied for under the effects of Spain's Reservation. Once again, the SC opts to recognise the effectiveness of product claims as a right for an infringement action. The difference in this case lies in the fact that the patent relied on in the complaint had not been validated in Spain through the filing of a translation that already

included the product claims, as had occurred in previous cases. The translation of those claims was filed much later, and was in fact only allowed during the civil proceedings with an appeal pending in the SC. **Antonio CASTÁN**

27. Administrative proceedings for nullity of a utility model. Judgment of the Court of Justice dated 15 November 2012, Bericap (C-180/11).

1. Background. The Hungarian company Plastinnova 2000 Kft ("Plastinnova") held a utility model granted by the Hungarian Patent Office. The utility model claimed priority from an industrial design that had undergone transformation.

Bericap Záródástechnikai Bt. ("Bericap") filed application to invalidate Plastinnova's utility model on grounds of lack of novelty and inventive step. The Hungarian Patent Office ruled the utility model to be valid but restricted its scope. Following several appeals to the Hungarian courts, the Supreme Court upheld the validity of the utility model. Bericap then filed a fresh application for nullity of Plastinnova's utility model with the Hungarian Patent Office and appealed to the Budapest Municipal Court, the court of first instance, when the application was dismissed. The matter reached the corresponding Appellate Court, which referred the case back to the Budapest Municipal Court for re-examination and a new decision. In these circumstances the Budapest Municipal Court decided to stay the proceedings and refer several questions concerning how to apply provisions of Hungarian national law to nullity proceedings for utility models in light of the Paris Convention, TRIPS Agreement, and Directive EC 2004/48 in relation to enforcement of intellectual property rights for preliminary rulings.

2. Findings. Plastinnova and the Hungarian Government raised objections to the admissibility of the reference, but the Court of Justice ruled the reference for a preliminary ruling to be admissible.

Turning now to the substance of the matter, the Court of Justice pointed out that under the provisions of the TRIPS Agreement and the Paris Convention, Parties are to ensure, by means of their domestic law, enforcement of intellectual and industrial property rights by providing effective legal remedies against any act of infringement of those rights. The Court observed that these provisions and Directive EC 2004/48 are not intended to govern all aspects of intellectual and industrial property rights but only those involving enforcement and

infringement of those rights. It also concluded that the provisions cannot be interpreted as being intended to govern the various measures and procedures available to persons who, like the applicant in the main proceedings, dispute the intellectual property rights acquired by others without themselves being the proprietors of such rights.

In the instant case, the Court of Justice underlined that the nullity proceedings against the utility model were not intended to ensure protection for the proprietors of industrial property rights within the meaning of the relevant provisions of the TRIPS Agreement, Paris Convention, and Directive EC 2004/48, nor did they involve infringement of an industrial property right.

Accordingly, the Court held that since the said provisions were not applicable to an invalidation procedure such as that at issue, the provisions could not be deemed to preclude that in such judicial proceedings the court (i) is not bound by the claims and other statements made by the parties and is entitled to order, of its own motion, the production of any evidence it deems necessary; (ii) is not bound either by an administrative decision made in relation to an application for invalidity or by the findings of fact in that decision; and (iii) is not entitled to re-examine evidence which was already been submitted in connection with a previous application for invalidity of a utility model.

3. *Remarks.* The Court's rulings do not dispel the specific uncertainties of the referring court but nonetheless touch on several interesting points. First, the rulings uphold settled case law holding national courts (including those not ruling at final instance) to be entitled to submit references for preliminary rulings to the Court of Justice where they have doubts as to the interpretation of EU law in proceedings pending before them. Second, the rulings clearly define the aspects governed by Directive EC 2004/48, the Paris Convention, and the TRIPS Agreement concerning the obligation of the Parties to ensure the enforcement of intellectual and industrial property rights. **Pedro SATURIO**

28. Interpretation of Article 3(d) of Regulation (EC) 69/2009 concerning the supplementary protection certificate for medicinal products (the “SPC Regulation”). Judgment of the Court of Justice of the European Union of 19 July 2012, Neurim Pharmaceuticals (C-130/11).

1. *Background.* The English company Neurim Pharmaceuticals (1991) Ltd. (“Neurim Pharmaceuticals”) applied to the United Kingdom Intellectual Property Office (“IPO”) for the grant of a Supplementary Protection Certificate (“SPC”) for a formulation of the hormone melatonin as a medicine for insomnia. In support of its application, it relied on a European patent protecting that particular application of melatonin and a marketing authorisation (“MA”) which it had obtained in 2007 in order to sell this application of the aforementioned active ingredient as a medicinal product for human use called CIRCADIN. The IPO refused to grant the SPC application since it had identified an earlier MA from 2001 for melatonin for use in sheep, which was sold as a veterinary medicinal product under the REGULIN trademark. The IPO considered that contrary to the requirement of Article 3(d) of the SPC Regulation, the CIRCADIN MA was not the *first* MA relating to melatonin.

2. *Findings.* The Court first of all examines whether the existence of an *earlier* MA for a certain application of an active ingredient is sufficient to preclude the grant of an SPC for a different application of the active ingredient in question, which is subject to a *second* MA. The Court concludes that it does not, stating that the *first* MA of the product can only be held to be the MA of the first medicinal product comprising the product and authorised for a therapeutic use corresponding to that protected by the patent relied upon. Therefore, in this case the Court denies that the existence of an earlier MA obtained for use of melatonin as a veterinary medicinal product precludes the grant of an SPC for a different application of the active ingredient in question (melatonin), provided that the new application falls within the scope of protection conferred by the basic patent.

The Court adds that the *date of the first MA in the European Union*, referred to in Article 13(1) of the SPC Regulation, is to be interpreted as meaning that it also refers to the MA obtained for a product which is within the limits of the protection conferred by the basic patent. Therefore, in the case in hand, this date will refer to the MA obtained in 2007 for the CIRCADIN product.

3. *Remarks.* This Judgment by the CJEU has been welcomed by the innovative pharmaceutical industry as it increases the chances of extending the life of patents in respect of *new* therapeutic applications of known active ingredients and/or active ingredients which have already been put on the market and for which an MA has been granted. In any event, pursuant to the CJEU's findings in the *Biogen* case (C-181/95; paragraph 28), under no circumstances can more than one SPC be granted for each basic patent in force. Therefore, the case-law established by the Court in this matter will not apply to new uses of active ingredients protected by earlier patents, in respect of which an SPC has already been granted. **Enrique ARMIJO CHÁVARRI**

29. Cross border litigation of European patents after the judgment of the Court of Justice of the European Union of 12 July 2012, Solvay (C-616/10).

1. *Background* The Solvay ruling might at first glance seem to contradict the landmark Roche (C-539/03) and GAT (C-4/03) cases which preceded it as, unlike them, it seems to be more favourable to patent owners in allowing cross border jurisdiction. However the differences in the circumstances of each case are key to understanding the different outcomes.

Belgian company Solvay brought both main and preliminary injunction proceedings in the Netherlands against one Dutch and two Belgian companies of the Honeywell group, alleging the same infringement of a European patent by all three companies simultaneously in a wide range of European countries. The defendants challenged validity by way of a defence in the preliminary proceedings. The questions referred to the CJEU concern (i) jurisdiction under article 6.1 of Regulation No 44/2001 to hear the claim in the main proceedings and (ii) whether the exclusive jurisdiction of the court of another country pursuant to article 22.4 is an obstacle to the court's jurisdiction to consider the defence of validity in the preliminary injunction proceedings, taking into account the special rule on jurisdiction for such proceedings contained in article 31.

In Roche, two U.S. individuals who owned a European patent brought main proceedings (only) in the Netherlands against 9 companies of the Roche group in different European countries concerning infringement by each of them of the patent in their respective countries, i.e. no two companies were alleged to carry out the same infringing acts in the same country. The questions referred to the

CJEU only concern jurisdiction under article 6.1 of the Brussels Convention over the claim in the main proceedings, i.e. no questions in relation to preliminary injunction proceedings or the exclusive jurisdiction for validity are raised.

In GAT, German company GAT filed suit in Düsseldorf against another German company LUK alleging infringement of a French patent in France. The questions referred to the CJEU only concern jurisdiction under article 16.4 of the Brussels Convention (similar to article 22.4 of the Regulation) to consider a defence of validity in the main proceedings which only has inter partes effect (as opposed to a counterclaim whose effect is erga omnes) despite the exclusive jurisdiction of another country on this matter, i.e. no questions in relation to preliminary injunction proceedings or jurisdiction for the infringement proceedings.

2. *Findings.* The CJEU addresses two issues. Firstly, article 6.1 of Regulation No 44/2001 allows the plaintiff to choose the forum corresponding to any one of a number of co-defendants provided this serves to avoid “irreconcilable judgments”. The Court relied on its previous rulings in Roche, Freeport (C-98/06) and Painer (C-145/10) to construe this term as meaning that not only must there be a divergence in the outcome of the dispute, but that this must also arise in the same situation of fact and law. This latter condition is indeed met in Solvay where the plaintiff alleges that the same infringement of a European patent is being committed by all three companies simultaneously in each of a number of European countries. The logic here appears to be that Solvay could, for instance, have brought the case in both the Netherlands and, say, in Finland, based on the infringement of the Finnish part of the European patent. In this case, two irreconcilable judgements could arise as both courts would try the same infringements under the same law, i.e. Finnish law. The Court sees this as quite different to what happened in the Roche case where each Roche subsidiary was committing its own infringement in its own country – no contradiction would therefore arise if, say, the Finnish decision were the opposite of, say, the Irish one, as (i) it could not be assumed that the infringements were the same, and (ii) the Finnish and Irish laws are different. Even if the infringements were the same, e.g. where all companies are part of the same group and are implementing a single policy, the laws would in any case be different. However, in the later Painer case relating to copyright, the Court did qualify Roche by allowing the court to assess whether the laws in each different country are “*substantially identical*”.

While article 22.4 of the Regulation gives exclusive jurisdiction on validity of patents to the courts of the country of origin, the Court found that this did not prevent consideration of the defence of invalidity in preliminary injunction proceedings pursuant to article 31, which allows a court of a different country to have jurisdiction in such proceedings. This finding is based on the fact that the preliminary ruling on validity in no way affects or pre-empts any final ruling in the country of exclusive jurisdiction. This is different to GAT where the Court held that the exclusive jurisdiction not only ruled out consideration in the main proceedings of a validity counterclaim by the court of another country, but also a validity defence or plea in objection even though the latter would only have inter partes and not erga omnes effect.

3. *Remarks.* Relying on its interpretation of “irreconcilable judgments” as those which are handed down concerning “the same situation of fact and law”, the Court has arrived at quite different solutions for two situations which, in practice, are not so different. If in Roche it had been considered that the Roche parent company was carrying out the same infringement as the Roche subsidiary in each country, then the requirements of Solvay would be met. This minor difference would not appear to justify the largely opposite outcomes. The approach adopted in Painer, which modified Roche, provides a solution, as it allows a court to examine whether the condition of “the same situation of law” is met due to the fact that the laws in each country are “substantially identical”. As the patent laws in a great number of European countries all derive from a common source in the form of the Luxemburg Agreement on Community Patents, this condition may well be met in those instances where the text of statutory rules is identical or extremely close. The hurdle of article 6.1 of the Regulation is therefore not insurmountable in relation to cross border infringement proceedings against a number of companies all working in concert, even if the special circumstances of Solvay are not met.

But perhaps Solvay’s most immediate consequence is that it allows cross border consideration of the question of validity at the preliminary injunction stage even though this is prohibited for the main proceedings. This is highly relevant to patent practice as in many cases the preliminary proceedings are far more important than the main proceedings, as the patent owner’s main advantage may well lie in delaying the market launch of a competitor’s product.

The most unsatisfactory aspect of Solvay is that two important issues raised by the referring court have not been addressed, due, at least in part, to the way in which the questions were structured.

Even if the hurdle of article 6.1 is overcome, the court dealing with the preliminary injunction proceedings must determine, pursuant to paragraph 40 of Van Uden (C-391/95), whether there is a “real connecting link” between the subject matter of the measures sought and the territorial jurisdiction of the country of the court. For example, what connection justifies a Dutch court granting a Japanese company a preliminary injunction based on a Finnish patent to take effect in Finland against a Belgian and a Dutch company? The Advocate General suggested that such a link should be held to exist where the interim relief sought is to take effect, not only in another country, but also in the country of the court. The CJEU has offered no guidance on this thorny issue.

Furthermore, it is not clear what should happen in the main infringement proceedings if a validity counterclaim or defence is raised. Would this oust the court’s jurisdiction established under article 6.1 and bring the proceedings back to the country of origin of the patent, or should they simply be stayed before the original court? Or perhaps the latter should just continue the proceedings and refuse to consider validity.

It is a pity that the CJEU did not take this opportunity to address these issues, as this would have considerably reduced the procedural uncertainty which will continue to characterise cross border patent litigation in Europe for some time.

Colm AHERN

30. The unimportance of the translation in determining the effective date of European patents in Spain pursuant to the judgment of the Spanish Supreme Court (SC) of 11 July 2012.

1. *Background.* The judgment clears up the longstanding confusion created by the ambivalent wording of Spanish Royal Decree 2424/1986 (RD 2424/1986), relating to the application of the European Patent Convention (EPC), in respect of the effective date of European patents in Spain, and it does so in a surprising manner. Whilst Article 7 of the aforementioned Royal Decree gives the *dies a quo* as being the date on which the translation is *filed* with the Spanish Patent and Trademark Office (SPTO), it was accepted practice that the effective date should be taken to be the date on which the mention of the

translation was published in the official bulletin, pursuant to Article 9. At least this was the view taken by the prestigious Section 15 of Barcelona Court of Appeal, whose ruling was appealed in the SC.

2. *Findings.* The SC rejects the two alternative dates referred to in RD 2424/1986, and instead directly applies the date laid down in Article 64 EPC, i.e. the publication date of the mention of the grant of the patent (in the original language) in the European Patent Bulletin. This date cannot be changed by Spanish law which, under the aforementioned provisions, only states that the consequence of failing to file the translation within a period of three months following publication of the mention of the grant (or of the decision on opposition or limitation at the EPO) will be retroactive loss of effect.

3. *Remarks.* This judgment has caused a great deal of surprise among Spanish patent practitioners, since it changes accepted legal opinion in the sector. Under the general principle of publicity through public registries, it seemed logical for the effective date to be the date of publication in the Spanish registry. It is also surprising that publication in a foreign language could have effect in Spain when the only official languages recognised by the Spanish Constitution are Spanish and the languages of the Autonomous Communities. For example, Article 144 of the Spanish Civil Procedure Act will only allow a public document drafted in a foreign language to be considered as evidence if it is submitted along with a translation, regardless of whether or not the parties and the judge understand that language.

However, the SC's reasoning is painstaking, and the judgment is very good news for European patent holders, since it brings forward the effective date of patents in Spain.

The logical thing to do would be to analogously apply this same reasoning to the start date for provisional protection (the date of publication of the application at the EPO), although in this case Article 5 of RD 2424/1986 is much clearer on the fact that the effective date is the date of publication of the Spanish translation of the claims. The SC's judgment has created fresh legal uncertainty on this issue, paradoxically due to the greater clarity of Spanish legislation on the effective date of provisional protection. **Colm AHERN**

31. Disclosure via the Internet. Decision T0002/09 of 12 March 2012 of the Technical Board of Appeal of the European Patent Office.

1. *Background.* This case relates to an appeal lodged with the Technical Boards of Appeal of the European Patent Office (EPO) by the party who had opposed European Patent No. EP 1 263 240 B1 against the decision whereby the Opposition Division of the EPO dismissed that opposition. The unusual feature of the case lies in the fact that the appeal was *contrived*, in the sense that the opponent and the patent proprietor had worked together in preparing it by way of a test to obtain a decision from the Boards of Appeal on the question of whether a disclosure via the Internet could be considered to constitute prior art vis-à-vis the novelty of a given patent application (and, if so, under what conditions). To perform that test the opponent submitted, as documents that might be deemed to impair the novelty of the invention, the following items, all of them made public on or sent via the Internet before the priority date of the application: (i) an unencrypted e-mail (document C5); (ii) a PGP encrypted e-mail (C3); (iii) a copy of a web page (I2).

2. *Findings.* The Board of Appeal holds, first, that since the parties defended opposing positions during the proceedings, these were of a genuinely contentious nature. Consequently, although this may be a contrived case, created in order to obtain a reply from the Boards of Appeal to a specific legal question, it does not constitute an abuse of process and the opposition was therefore admissible.

With regard to the substance, the Board looks first at the unencrypted e-mail (C5). Here it establishes an analogy with a confidentiality agreement, the information provided wherein is not considered publicly available provided that it has been kept confidential and thus, in other words, has not been disclosed. In this light the Board considers that the content of an e-mail should likewise be deemed confidential and, therefore, that it does not form part of prior art with respect to an invention. This is so, furthermore, irrespective of the fact that in the course of its transmission the e-mail may have been routed through countries whose national law does or does not protect the confidentiality of such communications or may have been intercepted, whether legally or illegally.

The Board then turns to the encrypted e-mail (C3) and concludes, on the basis of the same considerations, that there is all the more reason why it should likewise not be regarded as forming part of prior art.

With regard, lastly, to the web page (I2) the Board confirms the view taken in the decision previously given in case T1553/06 to the effect that a document posted on the Internet shall be considered to have been publicly disclosed if (i) it could have been found with the help of a public web search engine by using one or more keywords all related to the essence of the content of that document and (ii) it remained accessible on the web for a period of time long enough for a member of the public under no obligation to keep the content secret to have direct and unambiguous access to the document. The Board thus concludes that document I2 does form part of prior art.

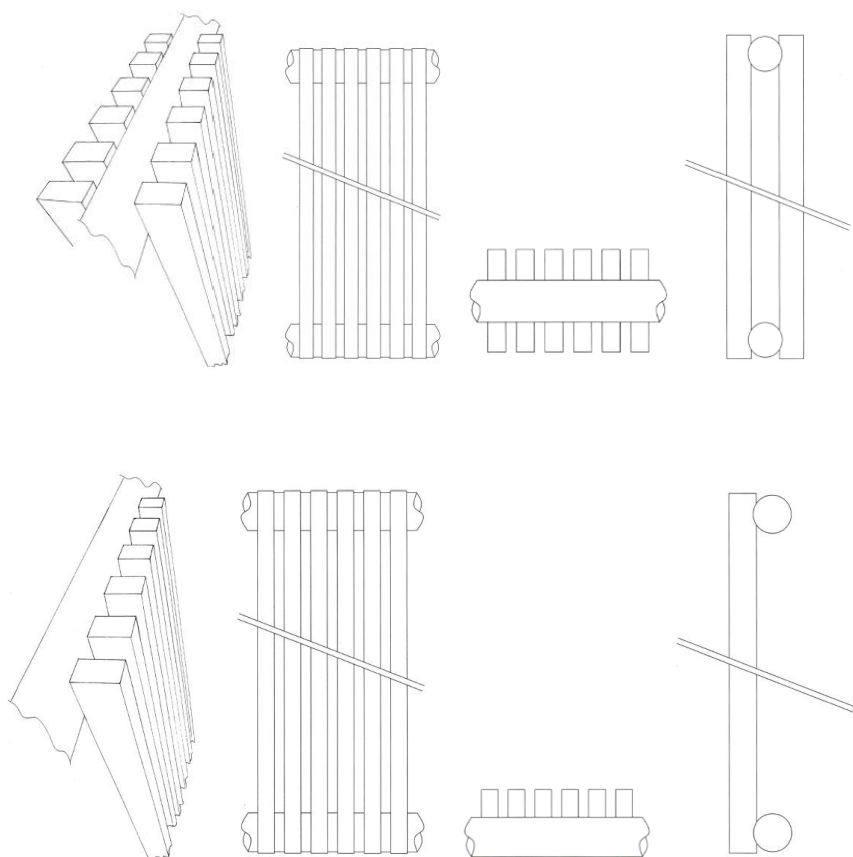
3. *Remarks.* This decision serves to clarify that for the EPO e-mails are of a confidential nature and that their content consequently does not form part of prior art with respect to an application, even though they may have been transmitted before the priority date thereof. They may not, as a result, be asserted against the patentability of an invention. The content of a website may, in contrast, be asserted to that end, provided that it passes the test devised in decision T1553/06. **Francisco Javier SÁEZ**

Notes

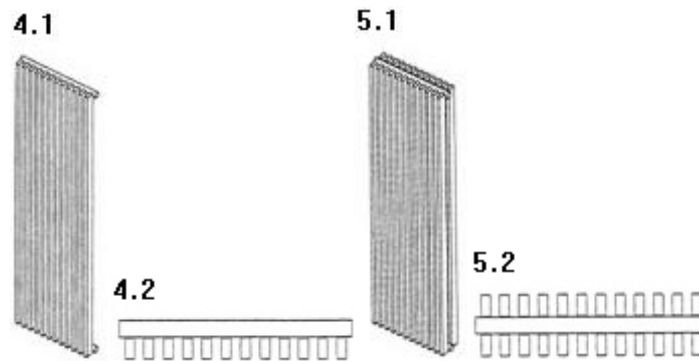
DESIGNS

32. Invalidation of design and crowded prior art. Judgment of the General Court of 13 November 2012, Antrax (T-83/11 and T-84/11).

1. *Background.* The Italian company Antrax It Srl (“Antrax”) obtained a Community Registration comprising eight designs for radiators for heating. The judgment discussed here relates to the two designs shown below.



The Heating Company, a Belgian corporation, lodged applications for a declarations of invalidity of these two designs on the ground that they came under article 25.1b) of Regulation (EC) No. 6/2002. The invalidity applications were based on the German industrial designs (and the corresponding international designs) shown below.



The Cancellation Division of OHIM found that the contested designs lacked novelty in the sense of article 5 of Regulation No. 6/2002 and therefore upheld both applications for invalidity.

Antrax appealed in both cases. OHIM's Board of Appeal then annulled the contested decisions, holding that the conclusion that the designs lacked novelty was not adequately substantiated, but declared both designs invalid for lack of individual character.

Antrax then appealed to the General Court in Luxembourg, arguing that the Board of Appeal had erred at the time of assessing the individual character of the contested designs and had thus breached article 6 of Regulation No. 6/2002. The Court upheld that claim and revoked the decision of the Board of Appeal.

2. *Findings.* In its judgment the General Court looks at the bearing on these cases of certain basic concepts relating to Community designs.

For the purpose of these cases, the Board of Appeal defined the “informed user” as one who purchases radiators to install them in his home. That user should be regarded as “informed” in the sense that, through perusing design and decoration magazines, visiting stores in the sector and searching the Internet, he will have had the opportunity to see and compare radiator designs. The General Court concurs with this definition.

The Court notes that the degree of freedom of the designer, which is of fundamental importance for the assessment of the individual character of the design, depends on the constraints created through features imposed by the technical function of the product or of an element of the product or through applicable regulations. Such constraints may lead to the standardization of

certain features, which thus become common to the designs applied to the product concerned.

In this light the Court concludes that in these cases it has not been proved that the freedom of the designer was subject to any specific limitation as regards the design of the pipes and that for the cross-section of these the designer was in fact at liberty to choose from a broad variety of different shapes. It is similarly concluded that there were no technical or legal constraints on the freedom of the designer with respect to the design of the collectors and the specific arrangement of the pipes and the collectors.

Another important issue addressed by the Court is that of the extent to which the density of prior art should be taken into account at the time of determining whether the designs under comparison will create different overall impressions for the informed user. The question is whether, in this case, the existence of various radiator designs with the same global characteristics as those of the designs under comparison could prompt the informed user to pay closer attention to the differences between the internal proportions and thus have an impact on the general impressions perceived.

The Court holds that this question of the density of the field is relevant for the purpose of assessing the individual character of the designs and that the Board of Appeal failed to give proper consideration to the arguments put forward by Antrax on that front. The decisions whereby the Board invalidated the contested designs are therefore revoked.

3. *Remarks.* The judgment of the General Court comes to confirm the interpretation of certain concepts linked to the individual character of designs (“informed user”, “degree of freedom of the designer”) already laid down in previous judgments such as that of the Court of Justice of 20 October 2011 in *PepsiCo/Grupo Promer Mon Graphic*, (“representation of a circular promotional item”), that of the General Court of 22 June 2010 in *Shenzhen Taiden/OHIM-Bosch Security Systems* (“Communications Equipment”) and that of the General Court of 9 September 2011 in *Kwang Yang Motor/OHIM-Honda Giken Kogyo* (“internal combustion engine”).

This is of the utmost importance with a view to the clarification of the criteria for the assessment of a design’s individual character, the requirement which tends to prove the most controversial.

It is to be highlighted that the Court attaches no little relevance to the density of the prior art in the field to which the contested design belongs, for the purpose of assessing its individual character.

The Court also stresses that it is a fundamental principle of EU law that the reasons behind acts must be explained, so that one may see whether they are well founded or are, on the other hand, in some way flawed and therefore potentially contestable. **Pedro SATURIO**

33. Community design v. earlier Community figurative mark. Judgment of the Court of Justice of the European Union (CJEU) of 18 October 2012, Herbert Neuman (C-101/11 & C-102/11).

1. Background. José Manuel Baena Grupo, S.A. registered Community design no. 426895-0002, consisting of the following figure:



Herbert Neuman and Andoni Galdeano del Sel applied to the OHIM for a declaration of invalidity of the aforementioned design on the grounds that it was devoid of novelty and individual character and that it made use of an earlier distinctive sign. Their application was based on their Community trademark registration no. 1312651, consisting of the following figure:



The OHIM's Third Board of Appeal declared the registered design invalid on the grounds that it lacked individual character because it did not produce on the informed user an overall impression that differed from that produced by the earlier Community trademark.

This decision was annulled by the General Court in its decision of 16 December 2010, T-513/09, which considered that the differences between the two silhouettes were sufficiently significant to create a different general impression on the informed user, in spite of similarities concerning other aspects and the degree of freedom enjoyed by the designer.

Mssrs. Neuman and Galdeano and the OHIM filed a cassation appeal with the CJEU against the General Court's decision.

2. *Findings.* The central issue of the appeal was the General Court's assessment of the overall impression produced by the design and Community trademark on the informed user.

The CJEU first of all dismisses the appellants' claims that the General Court had erred in basing the comparison of the design and trademark on the recollection that the informed user retains in his/her memory.

In that regard, the Court confirms its earlier case-law according to which the "informed user" referred to in Regulation no. 6/2002 must be understood as lying somewhere between the average consumer and the sectoral expert, who is an expert with detailed technical expertise. It therefore defines the concept of "informed user" as a particularly observant user, either due to personal experience or extensive knowledge of the sector in question.

The Court goes on to state that this definition of informed user means that, when possible, he/she will make a direct comparison between the earlier mark and the contested design. It nevertheless considers that in the absence of any precise indications to that effect in Regulation no. 6/2002, the European Union legislature cannot be regarded as having intended to limit the assessment of designs to a direct comparison. For this reason, the Court concludes that the General Court cannot be held to have erred in basing its reasoning on the informed user's imperfect recollection of the overall impression produced by the two silhouettes.

The Court also dismisses the ground for appeal according to which the General Court had erred when examining the overall impression produced by the design and trademark. The General Court had held that said overall impression was largely determined by the facial expression of each of the silhouettes, and that the difference in that aspect constituted a fundamental characteristic that would be remembered by the informed user and, together with the position of the body, would produce a different overall impression on him/her.

The CJEU finds that the arguments put forward by the appellants are actually calling into question the factual analysis undertaken by the General Court, which does not constitute a point of law subject to review by the Court of Justice in an appeal.

3. *Remarks.* This Judgment's main point of interest lies in the fact that it refers to one of the few disputes between a trademark and a design which have reached the CJEU.

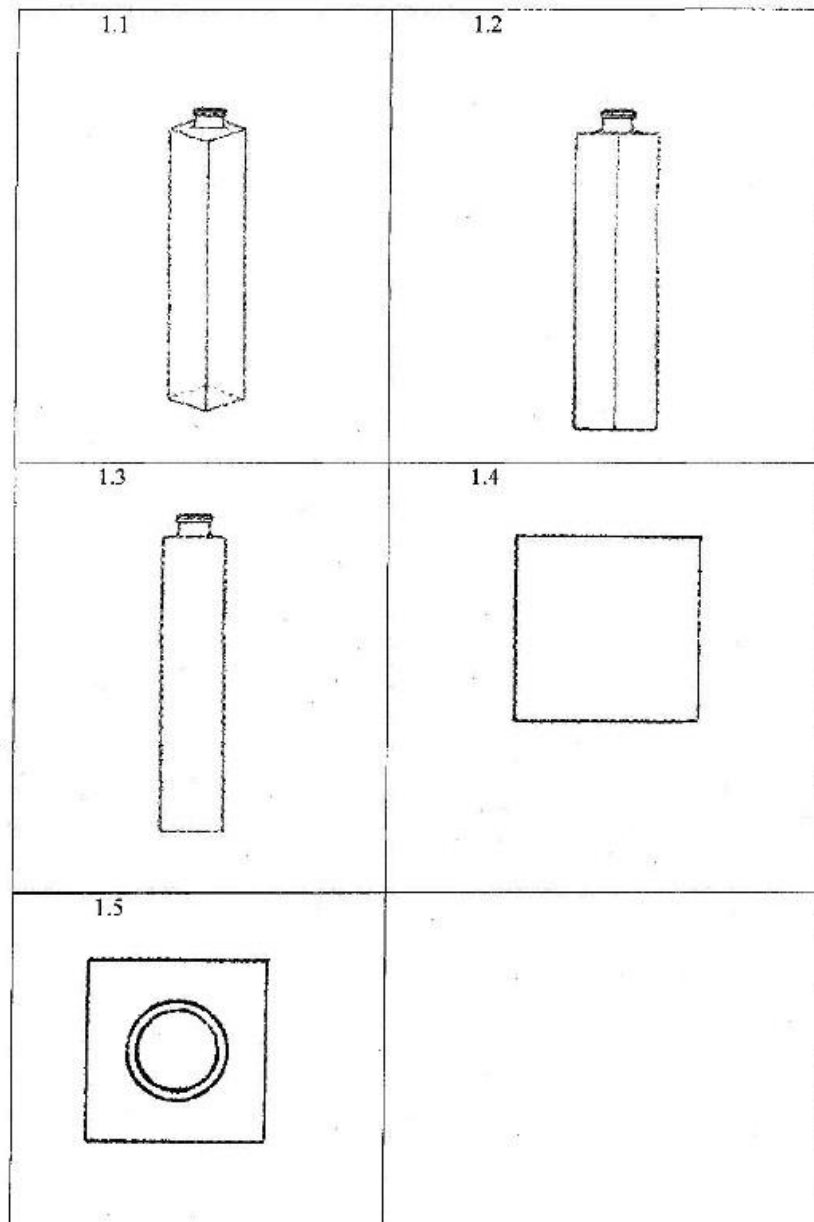
Of particular note in the Court's reasoning is the confirmation that the assessment of the overall impression produced by industrial designs is a factual issue, which, in principle, must be undertaken exclusively by the General Court. This means that in the majority of cases, this court will constitute the final instance in OHIM invalidity proceedings when the debate is limited to comparison of the similarities and differences between the designs.

Another interesting aspect is the Court's opinion that the criteria of comparing designs directly is not a hard and fast rule, but rather there are exceptions, such as in this case. Nevertheless, the CJEU does not give any indication as to what particular circumstances would justify deviation from the general criteria according to which the informed user would compare the designs directly.

Carlos MORÁN

34. Community design conflict. Invalidity of Community design. Judgment of the Court of Justice dated 9 March 2012, Coverpla (T-450/08).

1. *Background.* The French company Coverpla were the owners of a Community design for "bottles" characterized by the representation shown below.



The German company Heinz-Glas GmbH ("Heinz-Glas") applied for invalidity of the design on grounds of lack of novelty and failure to fulfil the requirements laid down in Articles 4 to 9 CDR.

Heinz-Glas submitted three documents in support of their application, a) a copy of a drawing showing a bottle designated "Empire" bearing the designer's signature and name of the designer's client, the British company International Bottle Co. Ltd ("IBC"); b) a copy of a waybill for a shipment of 61452 of these items to IBC; c) a copy of an affidavit by a former employee of IBC (attaching a copy of account ledgers) stating that IBC had received an order of "Empire"

bottles in September 2002 and had sold them to different bottlers, the bottles subsequently being sold in different stores.

At the application stage and subsequent appeal stage the OHIM invalidated the contested design on grounds of lack of novelty in view of earlier disclosure of a design deemed identical as demonstrated by the adversary. Coverpla appealed to the General Court of the European Union ("GC"), which dismissed the appeal, thereby upholding the OHIM's decision.

2. *Findings.* The appeal to the GC rested on a single grounds, infringement of Article 25.1.b) CDR as it relates to Articles 5 and 7 CDR (relating to novelty and disclosure).

Coverpla maintained that the three documents submitted by Heinz-Glas did not irrefutably demonstrate the existence and disclosure date of the earlier design and that the German company had acted in bad faith as accomplices to a fabrication.

The GC pointed out that the CDR and CDIR do not enumerate any specific items of evidence for demonstrating disclosure and that, based on comparable case law dealing with Community trademarks, the evidence submitted is to be assessed as a whole, not separately, and that overall it sufficed to prove disclosure. The parties did not dispute the fact that the designs were identical but instead disputed the validity of the evidence submitted by Heinz-Glas as proof of earlier disclosure.

The GC upheld the validity of affidavits as evidentiary means, affirming that they are to be assessed in the context of all the other evidence and that issue by a source unrelated to the parties increases their veracity barring evidence to the contrary.

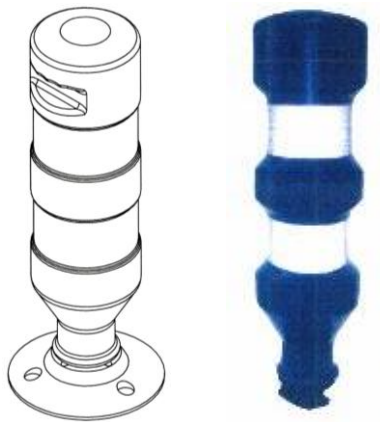
The GC rejected the claim of bad faith on the part of Heinz-Glas and observed that it was not one of the grounds of invalidity or defense against an application for invalidity laid down in Article 25 CDR.

3. *Remarks.* The GC's judgment holds out interest in that it has applied case law dealing with Community trademarks by analogy in assessing evidence of disclosure in invalidity proceedings involving a Community design. At the

same time the judgment has correctly held that bad faith is not grounds of invalidity or grounds for defense in proceedings of this kind. **Luis SORIANO**

35. Action for infringement of a Community design against a defendant holding a later Community design registration. Judgment of the Court of Justice of the European Union of 16 February 2012, Celaya (C-488/10).

1. *Background.* The company Celaya, which holds a Community design registration consisting of a cylindrical marker used for traffic signalling purposes, filed an infringement action against PROIN in relation to the marketing of a traffic signalling device which did not produce a different overall impression. The defendant opposed the action, asserting its ownership of a Community design which had been published later. As far as PROIN was concerned, until such time as that Community design registration was cancelled, its holder could likewise enjoy a right of use which would obstruct the infringement action. The CTC in Alicante made the corresponding reference for a preliminary ruling.



2. *Findings.* The Judgment examines the concept of “*third parties*”, as referred to in Article 19 of Regulation 6/2002 on Community designs. According to that provision, a registered Community design shall confer on its holder the exclusive right to use it and to prevent any “*third party*” not having his consent from using it. Article 10(1) adds that the protection conferred by a Community design shall include any design which does not produce on the informed user a different overall impression. In the Court’s view, a joint interpretation of both provisions leads to the conclusion that the Regulation “*does not preclude the holder of a registered Community design from bringing infringement proceedings to prevent the use of a later registered Community*

design which does not produce on the informed user a different overall impression". In that regard, the Regulation does not make any distinction on the basis of whether or not the third party is the holder of a registered Community design.

In the Court's view, the fact that the defendant, being the holder of a later Community design registration, likewise enjoys the exclusive right to use its design is not enough to call the aforesaid interpretation into question. The Court gives precedence to the principle of priority, by virtue of which an earlier Community design registration will prevail over any Community designs which are registered later.

In reaching this conclusion, the Court points out that the procedure by which Community designs are granted, as laid down in the Regulation, is essentially a brief check to ensure that the application satisfies the formal requirements for filing. It does not require any substantive examination of whether the requirements for protection are met, or provide for any stage during which the holders of earlier design registrations may file opposition. The Court also mentions that the Regulation has opted to centralise the treatment of applications for a declaration of invalidity of registered Community designs at the OHIM.

Consequently, the Court finds that Article 19 of Regulation 6/2002 must be interpreted "*as meaning that, in a dispute relating to infringement of the exclusive right conferred by a registered Community design, the right to prevent use by third parties of the design extends to any third party who uses a design that does not produce on informed users a different overall impression, including the third party holder of a later registered Community design*".

The Judgment secondly examines whether the previous answer may vary according to the intention and conduct of the third party holder of a later registered Community design. However, the Court holds that the scope of the rights conferred by the Regulation must be determined objectively and cannot vary according to the circumstances pertaining to the conduct of the person applying for registration of a Community design.

3. *Remarks.* This Judgment allays the harmful effects of the procedure by which Community designs are registered. This system, which provides for no examination or opportunity to oppose, facilitates the acquisition of exclusive

rights in Community designs which may constitute a reproduction or slavish imitation of earlier designs. Since applications for the invalidity of such designs had to be filed with the OHIM, the holder of the infringed design was unable to bring legal action in the meantime. The Court denies the *ius utendi* of a later Community design the power to obstruct in line with the classic rule prohibiting *hedging* patents in patent law. It remains to be seen what the Court will have to say in Case C-561/11, currently underway, when it tackles this same issue from the standpoint of trademark law. **Antonio CASTÁN**

Notes

COUNTERFEITING

36. Transport of goods among countries with different criminal regulation of copyright offences. Judgment of the Court of Justice of the European Union of 21 June 2012, Donner (C-5/11).

1. *Background.* The Judgment was handed down in response to a reference for a preliminary ruling made by the *Bundesgerichtshof* (Germany) in the context of criminal proceedings filed with the German courts against Mr. Donner, who was sentenced to a suspended term of two years' imprisonment for aiding and abetting the prohibited commercial exploitation of copyright-protected works. Mr. Donner, a German national and director of Inspem, a freight forwarding company domiciled in Bologna (Italy), essentially conducted his business from his place of residence in Germany. Inspem transported the goods sold by the company Dimensione, also established in Bologna, and sold replicas of "Bauhaus" style furnishings to customers residing in Germany by means of advertisements, newspaper supplements, direct publicity letters and a German-language website, without having a licence to market them in Germany. The furnishings sold by Dimensione were stored, in packaging featuring the name and address of the purchaser, in this company's delivery warehouse in Italy. If the customers residing in Germany did not wish to collect the goods that they had ordered, or nominate their own freight forwarder, Dimensione recommended that Inspem be instructed. In the German proceedings, the customers affected instructed Inspem to transport the furnishings that they had purchased. That company's drivers collected the items at the warehouse in Italy and paid the relevant purchase price to Dimensione. Upon delivery of the items to the customers in Germany, Inspem claimed payment of their purchase price and freight charges from them, thus transferring the power of disposal in that country. If the customers did not accept the goods or did not pay for them, Inspem returned the goods to Dimensione, which reimbursed the former with the purchase price and freight charges.

At the time of the events in question, the furnishings were protected by copyright in Germany as works of art. Nevertheless, they were not protected by copyright in Italy, or the protection conferred on them was not enforceable against third parties.

2. *Findings.* In cases where delivery to a purchaser in another Member State is not carried out by or on behalf of the trader in question, it is for the national courts to assess whether there is evidence supporting a conclusion that said trader: (a) did actually target the residents of the Member State in which the “distribution to the public” was carried out; and b) must have been aware of the actions of the third party in question. Factors such as the existence of a German-language website, the content and distribution channels of Dimensione’s advertising materials and its cooperation with Inspem, as an undertaking which made deliveries to Germany, may be taken as constituting evidence of such targeted activity.

Consequently, a trader who directs his advertising at members of the public residing in a given Member State and creates or makes available to them a specific delivery system and payment method, or allows a third party to do so, thereby enabling those members of the public to receive delivery of copies of works protected by copyright in that same Member State, makes, in the Member State where the delivery takes place, a “distribution to the public” under Article 4(1) of Directive 2001/29.

On the other hand, national criminal law does not restrict the free movement of goods, which is prohibited by Article 34 of the Treaty on the Functioning of the European Union (TFEU), since it can be justified by reasons relating to the protection of industrial property under Article 36 TFEU. Therefore, a Member State may bring a prosecution under national criminal law for the offence of aiding and abetting the prohibited distribution of copyright-protected works where such works are distributed to the public on the territory of that Member State in the context of a sale, aimed specifically at the public of that State, concluded in another Member State where those works are not protected by copyright or the protection conferred on them is not enforceable against third parties.

3. *Remarks.* This Judgment could contribute to putting a stop to frequent commercial practices based on the creation of international business networks which take advantage of the absence of criminal harmonisation among the different Member States and attempt to evade a country’s criminal laws by diverting liability for the acts carried out on their territory to a country in which those acts are not held to be criminal. Nevertheless, this strategy can be thwarted using the concept of *aiding and abetting* (also laid down in the Spanish Criminal Code, Article 29) in order to hold those who cooperate in an

offence by means of prior or simultaneous acts criminally liable. This will be particularly useful when assessing the criminal liability of the various operators involved in the international counterfeiting trade. **Juan José CASELLES**

Notes

GEOGRAPHICAL INDICATIONS

37. Action for annulment of automatic listing in the Commission's E-Bacchus database of protected designations of origin currently in force under law predating creation of the database. Informative acts without specific legal effect not subject to review. Judgment of the General Court of 8 November 2012, "Vinohradnícka oblast' Tokaj" (T-194/10).

1. *Background.* The "*Vinohradnícka oblast' Tokaj*" protected designation of origin (PDO) was included on the lists of quality wines produced in specified regions (qwpsr) published by the Commission in the OJEU C Series on 17 February 2006 based on information furnished by the Slovak Republic regarding protection of that PDO in that country in accordance with the provisions of Regulation EC 1493/1999.

Subsequently, the PDO published in the same series of the OJEU on 31 July 2009, the last publication before commencement of electronic registration of PDOs and protected geographical indications (PGIs) in the E-Bacchus database, was "*Tokajská, Tokajské/Tokajsky vinohradnícka oblast*", citing, at the request of the government of Slovakia, national legislation that differed from that cited in the previous publication in the OJEU.

On 1 August 2009 publication of the qwpsr lists in the OJEU was replaced by the E-Bacchus database containing PDOs, PGIs, and geographical indications for wines protected under bilateral agreements between the EU and third countries. Subsequently the Government of Slovakia asked the Commission to change the said "*Tokajská, Tokajské/Tokajsky vinohradnícka oblast*" PDO to "*Vinohradnícka oblast' Tokaj*" and even "Tokaj", stating that this was how it appeared in national legislation in force on 1 August 2009. The Commission accepted only "*Vinohradnícka oblast' Tokaj* ", the form that appeared in Slovak domestic legislation, because "Tokaj" only appeared as a word element in other phrases.

Arguing that according to Slovak legislation adopted in June 2009 that took effect on 1 September 2009 the PDO was "*Tokajská vinohradnícka oblast*", not "*Vinohradnícka oblast' Tokaj*", Hungary contested the change and sought deletion of the latter PDO from E-Bacchus.

2. *Findings.* The Court found that though the Commission did not raise this point in its defense, questions bearing on the inadmissibility of an appeal are public policy concerns that may be raised *ex officio*. The Court reviews the legality of acts by EU bodies intended to produce legal effects vis-à-vis third parties, where such effects are binding on, and capable of affecting the interests of, third parties by clearly altering their legal position.

In the case at hand, registration of "*Vinohradnícka oblasť Tokaj*" in the E-Bacchus database does not itself produce any legal effects, which instead ensue automatically from the protection enjoyed by wine names already protected under Regulation 1493/1999, as provided by Regulation (EC) 1234/2007, registration in E-Bacchus not being a requirement for protection. Similarly, an error in publication in the OJEU C series is also purely informative.

For names of this kind, whose source is national legislation, the purpose of E-Bacchus is to *give notice* of their existence, and doing so does not clearly alter their legal position.

Under the new Regulation 1 August 2009 was the final date for benefiting from the transitional rules that accorded automatic protection to names already protected under earlier Regulation 1493/1999. The relevant date for automatic protection is not the date of adoption of the national law but the date of the law's entry into force.

Other legal provisions relied on by Hungary which could perhaps have led to a review of protection for this PDO would only be applicable in the event there were a technical file for the designation of origin and the change were deemed to clearly alter the product specification in that file. The deadline for countries to submit technical files had not yet expired, and at the time Slovakia had not yet submitted a technical file in this case.

3. *Remarks.* The Court has reiterated its repeated case law holding that acts by EU bodies intended to produce legal effects vis-à-vis third parties are only appealable where the said legal effects are binding on and capable of affecting the interests of third parties by clearly altering their legal position, thereby necessitating substantive review. The Court found that registration of names already protected under Regulation 1493/1999 entitled to automatic protection under Regulation (EC) 1234/2007 in E-Bacchus was informative in nature,

deeming as substantive what was provided in national legislation in force in the country of origin on 1 August 2009.

This situation once again calls attention to the legal uncertainty arising from the opacity of the system for protecting names that preceded the establishment of the Community registration system currently in effect under Regulation 1234/2007. Other aspects of this question were previously raised in the CUVÉE PALOMAR matter (Case T-237/08). **Miguel Ángel MEDINA**

Notes

UNFAIR COMPETITION AND ADVERTISING

38. Unfair commercial practices – Practice of informing the consumer that he has won a prize and obliging him, in order to receive that prize, to incur a cost. Judgment of the Court of Justice of 18 October 2012 (C-428/11).

1. *Background.* Certain UK traders were engaging in a form of direct marketing by means of individually addressed letters, scratch-cards and other advertising inserts placed in newspapers and magazines. Prizes of varying value were thereby offered, although the “most numerous award” was one of barely a few pounds. In order to find out what he was entitled to claim and obtain a claim number the consumer was given the options of calling a premium rate telephone number, using a reverse SMS text messaging service or (in smaller letters) obtaining the information by ordinary post.

The Office of Fair Trading, which is responsible for enforcing consumer protection laws in the UK, claimed that the above practice was in breach of paragraph 31 of Annex I to Directive 2005/29/EC of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market. According to that paragraph it is an aggressive commercial practice of an unfair nature to create the false impression that the consumer has won a prize when taking any action in relation to claiming the prize is subject to the consumer paying money or incurring a cost.

2. *Findings.* The Court emphasizes that the commercial practices listed in Annex 1 to the Directive are in all circumstances to be regarded as unfair and that it is not necessary for other factors, such as the existence of an intention to mislead on the part of the trader engaging in the practice, to be present. It adds that paragraph 31 should be interpreted as meaning that the prohibition on making the consumer bear any cost whatsoever is absolute. The Court thus concludes that to create the impression that the consumer has won a prize is an unfair practice when, in requesting information concerning the nature of that prize or taking possession of it, the consumer has to make a payment or incur a cost, however small.

3. *Remarks.* This judgment should be viewed in the light of the goal pursued by the Directive concerning unfair business-to-consumer commercial

practices. That goal is none other than to achieve a high level of protection for consumers, whose economic interests must be kept safe from unfair business-to-consumer commercial practices (article 1 and recital 8 of the Directive). Thus, although the findings of the Court may appear very categorical, it is to be considered that they are in keeping with the objects of the Directive. It may be said that the very concept of a prize is necessarily linked to the idea that it is free. Consequently, a prize, promised by a trader to a consumer, cannot be regarded as a ‘prize’ in the true sense if through the process of obtaining it the consumer is obliged to incur costs, even though these may be, in the words of the Court, *de minimis*. While this interpretation may appear a little harsh, the message is clear and should lead traders to be very precise at the time of making offers to consumers and to watch the terminology they use. In this regard the Court mentions the following example: a prize defined as an ‘entrance ticket’ for a certain football match will not include the transport of the consumer from his home to the football stadium where the match is to take place; however, if the prize is stated simply to be ‘attendance’ at that sports event, the trader will have to bear the costs of the consumer’s travel (paragraph 52). **Jesús GÓMEZ MONTERO**

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