Database right holders are firm favourites

On 8 June, Advocate General Stix-Hackl gave her opinion on the meaning of various provisions of the Database Directive (96/9/EC) in British Horseracing Board v William Hill (C-203/02) and in three other sets of proceedings involving Fixtures Marketing, a company which grants licences for sporting fixtures (C-444/02, C-46/02 and C-338/02).

The cases concern Articles 7(1) (concerning extraction and/or re-utilisation of the whole or of a substantial part of a database), 7(5) (concerning the repeated and systematic extraction and/or re-utilisation of insubstantial parts) and 10(3) (concerning the effect of a substantial change to the contents of a database). In summary, the Advocate General said that the maker of a database has a right to protection under the directive even where that database was created primarily for the purpose of recording horseracing information. Bookmakers’ use of data constitutes a prohibited re-utilisation even if they do not obtain the data directly from the database but from other independent sources such as print media or the internet.

The British Horseracing Board (BHB) compiles information on horseracing which it makes available to the media and the racing industry via a website, a daily database site and a weekly journal. It also supplies it through subscriber services.

William Hill provides betting services over the internet, offering odds on sporting events. It is not a subscriber to BHB’s information service but derives its pre-race information from a subscriber. The information on the William Hill website represents a small proportion of the content of the BHB website and is presented in a different way. For those reasons and, given that the information was already publicly available, William Hill denied that its activities infringed BHB’s database rights.

The Advocate General said that the term “database” should be interpreted widely and that the purpose behind a database is not a criterion for assessing its eligibility for protection.
Article 7(1) requires a “substantial investment” in either the “obtaining, verification or presentation” of the contents of the database. The Advocate General said that a “substantial investment” is one which involves considerable human, technical and financial resources. “Obtaining” does not cover the mere generation of data, but where generation is inseparable from collation and organisation the directive applies. “Verification” is the monitoring of the information for completeness and accuracy.

The Advocate General rejected an argument that Article 7(1) only prohibits acts where the data are arranged in the same way as in the original database. That would undermine Article 7.

The question of what is a “substantial part” can be assessed qualitatively or quantitatively. The Advocate General said that to assess a part quantitatively one must assess it relatively, by comparing it to the whole database and absolutely, by assessing the affected part. So even a small part can be substantial. To assess a part qualitatively, the technical and economic value is relevant.

The term “insubstantial” in Article 7(5) is not defined. The Advocate General said it means a part of the database which does not meet the threshold for “substantial” in Article 7(1) but is more than individual data.

“Extraction” is to be given a wide meaning and is defined in Article 7(2)(a). It covers transfer to the same medium and to other types of media. The words “repeated and systematic” are cumulative requirements and mean that an extraction must be carried out at regular intervals, for example weekly or monthly, to fall within Article 7(5).

“Re-utilisation” involves making the data publicly available. A database is entitled to protection even if a substantial part of it is obtained from an independent source. It can be infringed indirectly and it is no defence that the information is in the public domain.

The EU directive goes further than the implementing UK regulation and requires that a repeated extraction/utilisation of insubstantial parts of a database conflicts with the normal exploitation of that database or unreasonably prejudices the legitimate interests of the maker of the database (Article 7(5)). The Advocate General discussed the interpretation of these terms in the Fixtures Marketing cases.

“Normal exploitation” relates not only to the technical usability of the database but also the economic effects on the maker of the database. The prohibition extends to exploitation of actual or potential markets, even ones in which the database maker does not operate. “Conflict” is to be interpreted broadly and represents a threshold above which detriment to the maker can be assumed. The basis of an assessment of the “legitimate interest” is the economic value of the contents of a database to its maker. Whether the prejudice is unreasonable will depend upon the facts.

The question was raised whether every “substantial change” to a database would result in its own term of protection. The Advocate General said that where a database is constantly updated, it is the whole database that is the

A database is entitled to protection even if a substantial part of it is obtained from an independent source
object of the investment. It is not just the changes that attract a new term of protection but the whole database.

Rights of privacy

In a decision which could have far reaching effects, the European Court of Human Rights held on 26 June (Von Hannover v Germany) that the publication of photographs depicting the private life of Princess Caroline of Monaco in two German magazines was a breach of her right to privacy under Article 8 of the European Convention on Human Rights. It said that in balancing the right to privacy against the right to freedom of expression the decisive factor was the contribution that the published material made to a debate of general interest. In this case it made no contribution, since the princess exercised no official function and the activities shown, although trivial (playing sport, going for a walk etc), were of a “purely private” nature. The public did not have a legitimate interest in knowing the princess’s whereabouts or how she behaved in her private life. Mere curiosity about her private life does not amount to a genuine public interest.

The court explained that public figures had to accept that when they were in a public place they might be photographed at any time and that the photos may be widely disseminated even if they and the accompanying articles related exclusively to the subject’s private life. However, even public figures have a right to privacy when they are in a private place, unless their private activities are relevant to the performance of some public function.

French law already gives strong protection to rights of privacy; but many other European countries (particularly the UK and Germany) have traditionally favoured the freedom of the press. The English courts have recently extended the equitable remedies for breach of confidence to cover some cases of invasion of privacy by the press (Michael Douglas v Hello! (2003) 4 All ER 969, and Campbell v MGN, reported in our last issue); but they have been reluctant to create a general law of privacy, commenting that the balancing of such important conflicting rights ought to be done by the legislature after full debate rather than by the courts on a case-by-case basis. The ECHR decision draws a distinction between the strong rights to privacy of individuals who do not hold a public office and whose private activities are not a proper concern of the public, on the one hand, and the stronger public interest in knowing about activities of politicians and other public officials which might be relevant to the performance of their public duties. The fact that an individual may be a celebrity is not enough to create a legitimate public interest in his or her private activities.

National courts in most European countries are bound to give effect to ECHR decisions so far as they are not inconsistent with national legislation. National governments are bound to implement them in legislation where necessary.
Colours as trade marks

In *Heidelberger Bauchemie* (Case C-49/02) the European Court of Justice (ECJ) gave further guidance on the registration of colours as trade marks. Heidelberger Bauchemie (HB) had applied to the German Patent Office to register blue and yellow as a trade mark for products used in the building trade. The reproduction of the mark comprised a rectangular piece of paper, half blue and half yellow, accompanied by a description stating that the colours were the applicant’s “corporate colours” and “used in every conceivable form”. They were specified by reference to a number classification system. The application was rejected.

On appeal, the *Bundespatentgericht* referred questions to the ECJ on the interpretation of Article 2 the Trade Marks Directive (89/104/EEC), which sets out signs of which a trade mark may consist. The ECJ said that the Community must interpret its legislation in the light of the wording and purpose of the TRIPs Agreement which states that “combinations of colours ... shall be eligible for registration as trade marks”. It should therefore establish whether Article 2 can be interpreted as meaning that “combinations of colours” are capable of constituting a trade mark.

It said that colours or colour combinations may be capable of being a sign but, in order to prevent abuse of trade mark law, it should be established that, in the context in which they are used, they do in fact represent a sign.

A graphic representation must be precise and durable. A graphic representation consisting of two or more colours, designated in the abstract and without contours, must be systematically arranged by associating the colours in a “predetermined and uniform way”. The “mere juxtaposition” of two or more colours without shape or contours, or a reference to two or more colours “in every conceivable form” does not show the qualities of precision and uniformity required by Article 2.

As regards the manner in which each of the colours is represented, the ECJ ruled that a sample of the colour, accompanied by a designation using an internationally recognised identification code, may constitute a graphic representation for the purposes of Article 2. It further stated that, save in exceptional cases, colours do not initially have distinctive character, but may acquire it through use. Therefore colours or colour combinations, designated in the abstract and without contours, may be sufficiently distinctive to be capable of indicating origin.

The ECJ concluded that colours or colour combinations, without contours and in shades named by reference to a colour sample and specified according to an internationally recognised colour classification system, may constitute a trade mark for the purposes of Article 2 where (i) it has been established that, in the context in which they are used, those colours or combinations in fact represent a sign, and (ii) the application includes a systematic arrangement associating the colours concerned in a predetermined and uniform way. Even if a combination of colours satisfies these above requirements, it must still satisfy the other requirements for
registration, particularly those of Article 3, which include an examination of any use made of the sign, and consideration of the public interest in not unduly restricting the availability of colours to other traders who market goods or services of the same type.

**Picasso**

The proprietors of the mark PICASSO have been unsuccessful in their appeal, brought in the name of “the Picasso estate”, against a decision of OHIM’s Third Board of Appeal rejecting an opposition to registration of the mark PICARO in Class 12 for vehicles (T-185/02, 22 June). PICASSO was already registered in Class 12 for vehicles.

On procedure, the Court of First Instance rejected an objection that the action was inadmissible on the ground that “the Picasso estate” was neither a natural nor a legal person. The term designated collectively the five co-owners of the PICASSO mark who, as natural persons, could bring the action.

On the substantive question of whether there was a likelihood of confusion under Article 8(1)(b) of the Community Trade Mark Regulation (40/94), the CFI considered that although PICASSO and PICARO were visually and phonetically similar, the degree of phonetic similarity was low. Conceptually, PICASSO is well known as the name of the famous painter while PICARO has no semantic content for the non-Spanish-speaking public. This conceptual difference counteracted the visual and phonetic similarities between the signs.

**More for your money**

On 30 June, the Court of First Instance dismissed an appeal against a decision of OHIM’s Third Board of Appeal concerning an application to register Mehr für Ihr Geld (“More for your money”) (Norma Lebensmittelfilialbetrieb v OHIM Case T-218/02). The Board had allowed the mark to proceed to registration for marketing, sales promotion and advertising etc but had rejected it for cleaning and cosmetic materials and food on the ground that it was descriptive and devoid of distinctive character.

The CFI said that, for the purpose of Article 7(1)(b) of the Community Trade Mark Regulation (40/94), lack of distinctiveness must be assessed by reference to the average consumer who is reasonably well informed, observant, circumspect and, since the sign was in German, German-speaking. It considered that the mark was devoid of distinctive character. It would be perceived immediately as a promotional slogan rather than as a trade mark indicating the commercial origin of the goods. There was nothing about the mark beyond its obvious promotional meaning that might enable the public to memorise it easily and instantly as a distinctive mark for the goods designated.

The CFI rejected an argument that the decision of the German Bundesgerichtshof (Federal Court of Justice) to register “Partner with the
best” should be followed. The CTM system was autonomous and OHIM was not bound by national registrations or its own previous decisions.

**EC joins Madrid Protocol**

On 21 June, the European Community submitted its instrument of accession to the Protocol to the Madrid Agreement on the international registration of trade marks. The accession will come into force on 1 October along with two EU Regulations concerning implementation (N2868/95) and fees (2869/95).

It will establish a link between the Madrid Protocol system, administered by WIPO, and the community trade mark system, administered by OHIM. This means that:

- applicants using the Madrid Protocol system will be able to designate the European Community in their international trade mark applications. WIPO will notify the EC designations to OHIM and they will be examined in the same way as direct CTM applications. OHIM will have 18 months to notify any provisional refusal relating to the EC designations; and

- CTM applications or registrations may be used as a basic trade mark for an international application. International applications should be filed directly with OHIM.

**The end of anti-suit injunctions?**

On 27 April, the European Court of Justice (ECJ) ruled in *Turner v Grovit* on whether “anti-suit injunctions” were compatible with the Brussels Convention on jurisdiction and enforcement of judgments. An anti-suit injunction is an order issued by a court in one jurisdiction that prevents a party from starting or continuing proceedings in another jurisdiction. The ECJ held that such injunctions were not compatible with the Brussels Convention. The scope of this ruling is broad, extending to all matters within the scope of the Brussels Convention, including intellectual property matters.

Mr Turner, a British citizen, was employed in the UK by the Chequepoint group. In 1997, he was transferred, at his request, to the Spanish office of a company within the group. Shortly after starting work in Spain, he resigned and in March 1998 brought an action in the Employment Tribunal in England, claiming that Chequepoint had attempted to implicate him in illegal conduct. The Employment Tribunal held in his favour, awarding him damages.

In July 1998, Chequepoint started proceedings in Spain against Mr Turner, claiming compensation for losses allegedly resulting from his professional conduct. In December 1998, Mr Turner initiated further proceedings in England seeking an anti-suit injunction preventing Chequepoint from pursuing the Spanish proceedings. The High Court issued an interim injunction but refused to extend it. Mr Turner appealed to the Court of Appeal which granted the injunction. Chequepoint appealed to the House of Lords.
The House of Lords considered English law on anti-suit injunctions. The modern English law is based on s37 of the Supreme Court Act 1981, which provides that a court may grant an injunction if it is “just and convenient”. Anti-suit injunctions are justified on the basis that they do not constitute a restriction on the jurisdiction of the foreign court but on the ability of the defendant to avail itself of that jurisdiction. As anti-suit injunctions interfered indirectly with proceedings before a foreign court, they were only granted where defendants had started proceedings in another jurisdiction in bad faith for the purpose of obstructing proceedings in England. While the House of Lords confirmed that anti-suit injunctions were permissible in such circumstances as a matter of English law, it referred to the ECJ the issue of whether the Brussels Convention precluded the grant of anti-suit injunctions, even where a defendant was acting in bad faith.

The ECJ said that the Brussels Convention is based on the mutual trust which the contracting states accord to each other’s legal systems. For this reason, it does not permit (other than in a limited number of circumstances) a court in one contracting state to review the jurisdiction of a court in another contracting state. Anti-suit injunctions interfered with the jurisdiction of a foreign court and, accordingly, were not compatible with the Brussels Convention, even where a defendant was acting in bad faith. Such interference cannot be justified on the basis that it is indirect and intended to prevent an abuse of process by the defendant.

The ECJ did not accept the claimant’s argument that anti-suit injunctions minimised the risk of conflicting decisions and avoided a multiplicity of proceedings thereby promoting the objectives of the Brussels Convention. The Convention contains its own mechanisms for avoiding these problems.

**Regulation on tissue-engineered products**

The European Commission has published a proposal for a regulation to provide a regulatory framework for human tissue-engineered products (TEPs). It could provide pharmaceutical companies with a useful route for protecting their investment in R&D.

Tissue engineering aims at regenerating diseased tissues and organs by \textit{in vitro} and \textit{in vivo} processes and implanting the product at the diseased site. It could revolutionise therapies currently aimed at repairing rather than regenerating tissues. Products such as skin, cartilage and bone are already produced in Europe, and more applications are expected. Comprehensive harmonised rules will facilitate the free movement of TEPs and market growth in Europe. The regulation will complement the regulatory regimes for medical devices, human medicinal products and tissue banking.

The proposal will require a marketing authorisation for the TEP itself, and a manufacturing authorisation. It covers autologous products (derived from cells and tissues removed from one person and used in or on that same person) and allogeneic products (derived from cells or tissues removed from one person and used in or on another person). Xenogenic (cross-species) products will not be included, at least for the time being. Definitions of these
products are being considered and the EMEA will act as a clearing house in borderline cases. Requirements of quality, safety and efficacy will apply. Guidelines will be published by the EMEA.

The Commission proposes that the protection given to regulatory data should be the same for allogeneic and autologous products as it will be for biosimilars (copies of biologics) under the new regime for medicinal product authorisations. Presumably this will be subject to patent and SPC protection, although a Bolar-type exemption from patent infringement may apply.

An EMEA centralised procedure will be mandatory for allogeneic products. A national decentralised procedure, under the supervision of the EMEA, will apply to autologous products, although applicants may opt to use the centralised procedure. This reflects the greater risks (eg rejection and transmission of viruses) associated with allogeneic products.

Marketing authorisations delivered under the centralised and decentralised procedures will be valid throughout the Community for five years and, after the first renewal, will continue indefinitely. If the TEP is not placed on the market or used within three years of authorisation, that authorisation will cease to be valid.

Pharmacovigilance obligations will apply and, if there is a perceived risk to patient safety, a marketing authorisation may be suspended or withdrawn. No advertising to public will be permitted. There will be a grandfathering clause for products on the market when the regulation comes into force.

**Pharmaceutical data exclusivity**

Is pharmaceutical data really protected by data exclusivity? Recent European case law has made inroads into the 10 year period (six in some countries) during which generic producers may not piggyback on testing and clinical trial results filed with regulators by the innovator.

The first case (*Novartis* C-106/01, 29 April) relates to Novartis’s Sandimmun, an immunosuppressant used to prevent organ rejection. This was approved in 1983. A second Novartis product, Neoral, was approved in 1995. Neoral is not “essentially similar” to Sandimmun in the way defined in earlier ECJ case law (*C-368/96 Generics (UK) [1998] ECR I-7967*) (it is a microemulsion rather than a macroemulsion). But it was considered sufficiently similar to be approved without full data under the “hybrid abridged procedure” contained in the proviso to Article 10(1)(a) of directive 2001/83/EC.

In 1999, Sangstat was granted a marketing approval for SangCya. This is a nanodispersion and so different from both Sandimmun and Neoral. The reference product was Sandimmun, but the regulator also considered Novartis’s Neoral data, even though Neoral had only been approved for four years. Novartis objected, resulting in a reference to the ECJ.

The ECJ concluded that data from the Neoral dossier could be used in considering SangCya, even though Neoral had not been approved for the 10 year period.
On 8 July, Advocate General Jacobs gave his opinion on another ECJ case (*Approved Prescription Services C-36/03*). This concerns Eli Lilly’s antidepressant, Prozac. Prozac capsules were approved in 1988. A different pharmaceutical form, Prozac liquid, was approved in 1992 under the hybrid abridged procedure because Prozac liquid was bioequivalent, but not essentially similar, to Prozac capsules.

APS applied in 1999 for approval of its fluoxetine liquid. It initially cited Prozac liquid as the reference product, but was required to change this to the capsule form, to take account of the 10 year data exclusivity period. So APS would have to supply additional data under the hybrid abridged procedure. APS objected, saying that it was entitled to rely on the Prozac liquid data and, again, the case was referred to the ECJ.

The Advocate General supported APS - it should be able to apply based on essential similarity between Prozac liquid and fluoxetine liquid, even where fluoxetine liquid had not been authorised for 10 years. The Advocate General observed that the effect will be the same under the revised version of the directive (as revised by directive 2004/27/EC). This says that all additional strengths, pharmaceutical forms, administrative routes etc are to be regarded as belonging to a global marketing authorisation for which one data exclusivity period will be available. Assuming his opinion is followed by the ECJ, as seems likely given its decision in *Novartis*, Europe will have moved early towards the revised regime.

**Latest case on exhaustion**

On 27 May, Advocate General Stix-Hackl delivered her opinion in *Peak Holding v Axolin-Elinor (C-16/03)*, which had been referred to the European Court of Justice by the Swedish Court of Appeal. This is the most recent in a line of cases on the issue of exhaustion of intellectual property rights under Article 7 of the Trade Marks Directive (89/104).

Two main questions were addressed in this opinion: when have goods been “put on the market in the Community” within the meaning of Article 7(1) of the directive and what is the effect of territorial sales restrictions in an agreement between a trade mark owner and a purchaser of trade marked goods on the question of whether the owner has consented to put the goods on the market in the EEA?

The Swedish court asked whether goods are to be deemed to have been “put on the market” within the meaning of Article 7(1) when they are imported into the common market with a view to selling them there, or when they are offered for sale in the trade mark owner’s own shops or the shops of an affiliated company within the EEA, even when no actual sale has taken place.

The Advocate General said that internal operations, such as transferring goods to a sales branch, or preparatory acts, such as importing goods from non-EEA countries, do not amount to putting goods on the market within the meaning of Article 7(1). The ECJ had held in *Centrafarm* (16/74) that putting...
goods on the market requires an act by the trade mark owner which is
directed towards the market. Therefore, importation into the EEA should not
exhaust the trade mark owner’s rights.

On the question of whether goods are put on the market within the meaning
of Article 7(1) when they are offered for sale or, rather, when they are
actually transferred from the trade mark owner to a third party, the Advocate
General said that the goods must be transferred. Merely offering them for
sale within the EEA does not exhaust the trade mark rights. She added that
a transfer of ownership is not required, but rather a transfer to an
independent party of the effective power to dispose of the goods.

The Advocate General concluded that neither the importation nor the offer
for sale of the goods amounts to putting them on the market within the
meaning of Article 7(1). This conclusion promotes legal certainty.

The second question was whether territorial sales restrictions in the contract
between the trade mark owner and the purchaser have an impact on the
issue of exhaustion.

The Advocate General said that exhaustion is effected by operation of law,
independently of any agreement between the parties. Although a violation of
territorial sales restrictions can give rise to contractual remedies, it does not
affect trade mark rights.

Referring to Davidoff (C-414/99 - C-416/99), the Advocate General reiterated
that the absence of territorial sales restrictions in an agreement should not
be interpreted as implied consent by the trade mark owner to sale in the
EEA. As to whether the presence of territorial sales restrictions negates
consent, the Advocate General said that this question is only relevant when
exhaustion will follow from the consent. This is the case when goods are re-
imported into the EEA from a non-EEA country. Since this case concerned
goods which, after their initial importation by the trade mark owner, only
circulated within the EEA, it was not relevant to the question of exhaustion
whether the trade mark owner had imposed territorial sales restrictions on
the purchaser. Nor was it necessary to examine whether the territorial sales
restrictions could be challenged as contrary to competition law.

It seems artificial to make such a rigid distinction between goods that are re-
imported from outside the EEA and goods that, after their original importation
by the trade mark owner, circulate only within the EEA. This distinction is not
found in Article 7(1). The ECJ may well revisit the issue of territorial sales
restrictions in more detail.

Belgium

Implementation of the Clinical Trials Directive

On 7 May, a few days after the deadline set for implementation of the
Clinical Trials Directive (2001/20/EC), Belgium adopted a law regarding
experiments on human beings, (the Law of 7 May 2004). Two Royal Decrees
detailing certain aspects of the Law of 7 May 2004 were also adopted on 30
June.

The Law of 7 May 2004 meets the wishes of practitioners by providing a
legal basis for experiments which do not necessarily have a therapeutic
value for patients. In the past, some doctors had questioned the legality of
such experiments.

While the Law of 7 May 2004 implements the Clinical Trials Directive, it goes
beyond the requirements of the directive. It not only covers clinical trials
(studies on humans aimed at discovering or verifying the effects of an
investigational medicinal product) but also all other types of experiments on
humans (eg studies on new medical devices). Experiments involving \emph{in vitro}
embryo, biological material of human origin and corpses remain outside the
scope of the law.

In implementing the directive, Belgium has attempted to achieve a balance
between protection of the participants to experiments, on the one hand, and
the preservation of Belgium’s competitive advantage as a location to carry
out clinical trials, on the other.

The protection of participants has been achieved by requiring that all
experiments be carried out in compliance with good clinical practices, current
scientific knowledge and on the basis of pre-clinical studies (such as studies
on animals). There are detailed provisions, the violation of which can lead to
criminal sanctions, concerning the need for free and informed consent, what
information needs to be communicated to the participants or their legal
representatives and a provision dealing with participants who cannot give
consent in cases of emergency. This was not provided for in the Clinical
Trials Directive.

The Law of 7 May 2004 also sets out a specific regime for two types of
experiments which were either excluded from the scope of the directive or
were not covered by detailed provisions: non-interventional clinical trials
(studies involving a registered medicinal product prescribed in the usual
manner in accordance with the terms of the marketing authorisation) and
non-commercial experiments.

Non-commercial experiments benefit from some exceptions to the legal
regime governing other experiments but the qualifying criteria are strict: they
can only be sponsored by certain institutions (such as universities or
research funds); the trade mark owner or patentee of the device or drug
which is the subject of the trial cannot be a sponsor; and intellectual property
rights in the experiments and their results can only be exercised by the
sponsor (ie the university or research fund).

It is not clear whether Belgium has struck the right balance between the
objectives it set out to achieve. Many pharmaceutical companies finance
university research projects. It is questionable whether they will continue to
do so if they are always considered sponsors and have to comply with the
administrative requirements that this qualification entails.
France

More about the saisie-contrefaçon

We previously reported that on 17 April 2003 the Toulouse court of appeal nullified two saisies-contrefaçon on the ground that the presence of the applicant’s patent or trade mark attorney infringed Article 6 of the European Convention on Human Rights. Following this decision, which is pending before the Supreme Court, other courts have followed previous case law and taken the opposite view, holding that the presence of such persons with the bailiff during the saisie-contrefaçon is authorised.

On 3 April 2003, at almost the same time as the Toulouse decision, the Paris court of appeal held that a bailiff could choose a patent or trade mark attorney to assist as an expert. On 25 May, the Rennes court of appeal ruled that a bailiff carrying out a saisie-contrefaçon can be assisted by the claimant’s usual trade mark attorney. It said that “a trade mark attorney is independent, and cannot be considered as subordinated to the claimant even if he is the claimant’s usual counsel” adding “the independence of the expert cannot be challenged just because the trade mark attorney filed some trade marks for the claimant and has been paid for his assistance during the saisie-contrefaçon”. In conclusion, it said that the presence of the claimant’s usual trade mark attorney to assist a bailiff during the saisie-contrefaçon does not infringe Article 6 of the European Convention on Human Right. The court accepted the claimant’s argument that Article 6 cannot apply to the saisie-contrefaçon proceeding because it is not a “trial” but a protective proceeding to collect and preserve evidence of allegedly infringing acts. It is also notable that, on 28 June 2001, the European Court of Human Rights held that Article 6 does not apply to summary proceedings.

On 2 July, the Paris Court of First Instance ruled that the claimant’s usual patent attorney could assist the bailiff, referring to Article R.422-52 of the Intellectual Property Code which provides, “an industrial property attorney shall exercise his profession with dignity, honor, independence and probity and shall comply with the laws and regulations governing his Society”.

Finally, on 3 March 2004, the Supreme Court upheld a Rouen court of appeal decision and ruled that the presence of one of the claimant’s employees to assist a bailiff would not render void the bailiff’s report if a judge had earlier authorised his presence.

Germany

Patentability of software

In a judgment of 6 May 2003 (published in May 2004), the German Supreme Patent Court decided a question on the patentability of a device
incorporating software used for calculating the cost-effectiveness of the acquisition of an additional or a new (substitute) medical device. As in previous decisions regarding the patentability of software, the focus of the decision was on whether the software made the required “technical contribution”.

The court’s decision mainly relied on criteria developed in its past decisions. It is important because of the distinction it made between the required technical contribution for a patent regarding a processing method and a patent for a specified device.

The court ruled that the processing method used by the software incorporated in the device was not patentable (Verfahrenspatent) since it was not based on a technical doctrine, but on rules which took account of purely economic factors, their preparation and processing. Although cost-effectiveness was calculated automatically using the data of the medical device, the calculation method was held not to be technical as such, regardless of the automatic gathering of the data. The court also ruled that a patent could not be granted because the calculation method had no relation to the controlling technical devices nor did it have an operational or directional impact.

In contrast to its reasoning for processing methods, the court decided that a device (including the software) did make a technical contribution. Since the software incorporated in the device calculated the cost-effectiveness of a specific physical entity based on the data of another such entity, it could be classified as a technical device being developed for an intended technical purpose. The court held that - regarding the device itself - the economic aspect was not the focus but merely added additional characteristics.

Consequently, as the previous review of the patent application had focused only on the question of technical contribution, the case was transferred back to the German Patent and Trade Mark Office to decide on the remaining requirements for patentability under German law.

This decision is interesting in the light of the draft EU Directive on the Patentability of Computer-implemented Inventions (Note of the General Secretariat dated 24 May 2004, Doc. No. 9713/04). Under the draft directive, the technical contribution of computer-implemented inventions is an inherent condition for their patentability. Computer-implemented inventions do not qualify as making a technical contribution if they simply involve the use of a computer, network or other programmable device. Computer programs which perform business, mathematical or other methods without producing any technical effects beyond the normal physical interaction between a program and the computer are also excluded from patentability. However, recital 13 c of the draft directive states:

“...a method comprising the use of an algorithm may be patentable if it is being applied to the solution of a technical problem.”

It seems as if the German Supreme Patent Court has already applied the principles of the forthcoming directive.
Sweden

Information requirements in television advertising

The Swedish Market Court recently delivered a judgment setting out for the first time how the information requirements of the Marketing Act should be met in the context of television advertisements.

The court prohibited Vodafone from further use of two television advertisements aimed at consumers which contained a special offer to buy a Vodafone mobile phone. The first advertisement showed the price in a large typeface with a voiceover also announcing the price. At the same time, some text appeared in fine print at the bottom of the screen for three seconds explaining that, when accepting the offer, the consumer would be obliged to enter into an 18-month binding subscription with Vodafone, resulting in various additional costs. The second advertisement was almost identical to the first but the text was shown in a somewhat larger typeface.

The Swedish Consumer Ombudsman brought a claim in the Market Court on the ground that the advertisement did not comply with s13 of the Swedish Marketing Act regarding information requirements in relation to special offers and promotional benefits. The Consumer Ombudsman alleged that it was impossible for the consumer to read the finely printed information.

Vodafone claimed that, due to the special nature of television advertising and its short broadcasting sequences, it is not possible to uphold the same strict information requirements as for other kinds of advertising, such as printed advertisements. Vodafone claimed that the text contained all the necessary information, and that the consumer could also find the information elsewhere, for example on the Vodafone website or from Vodafone stores and retailers. The average consumer was aware that subscription with an operator is a common condition for mobile phone special offers. The text was a sufficient signal that there were special conditions relating to the offer and the consumer could collect the additional information by other means.

The Market Court held that in order to fulfil the information requirements of the Marketing Act, it should be possible for a consumer to evaluate an offer and make a rational choice based on that information alone. Although the information in the text was sufficient as to content, it was almost impossible for a consumer to read and consider it. Television advertising is not subject to less strict information requirements than other means of advertising. The penetrating power of television requires at least the same level of information requirements as printed advertisements. The fact that a consumer had the option of finding the information by other means did not have any bearing on the assessment of the appropriateness of the advertisements.
UK

Copyright and unregistered designs – no “seamless whole” protection

The Court of Appeal, in *Lambretta Clothing v Teddy Smith* (15 July), confirmed that artistic copyright in clothing designs and UK unregistered design right (UDR) do not dovetail to make a “seamless whole”.

UDR is the UK precursor of, and somewhat akin to, the new unregistered community design right arising under Regulation 6/2002 but with an important difference. Section 213 Copyright, Designs and Patents Act 1988 (CDPA) creates a UDR for original (not commonplace) designs of any aspect of the shape or configuration of an article, but not of its surface decoration (among other exceptions). Artistic copyright can also subsist in the underlying design document recording the design. However, by s51(1) CDPA, it is not an infringement of that copyright to make an article to the design or to copy such an article. By s51(3), a design for these purposes excludes surface decoration (so copyright in that may be enforceable).

Lambretta claimed infringement of copyright and UDR in documents recording the design of a tracksuit top. The shape was standard but it had a “retro-vintage” look as a result of the blue body/red sleeves/white zip (the “colourways” in which the rights were claimed). At first instance, Teddy Smith was held to have copied the colourways but the claim was dismissed on the ground that (a) there was no UDR (the colourways, although original, were surface decoration) and (b) the s51(1) defence applied. Lambretta appealed. Teddy Smith cross-appealed the findings of copying and originality.

The Court of Appeal upheld (a) and (b) and would have remitted the copying question for retrial. By majority, it held that the choice of colourways was not an aspect of the garment’s shape or configuration but was surface decoration, even though the colours permeated all through the fabric. In so finding, Lord Justice Jacob held that “configuration” was not a matter of dimension. Designs for flat things could also have UDR.

The cross-appeal on originality succeeded. The judge had considered too narrow a field (leisurewear but not sportswear), wrongly applied the test to the whole design rather than just the colourways (the design aspect protected) and should have treated as commonplace all designs current in the minds of designers (not just what was on the market at the time).

As regards the s51(1) defence, Lambretta argued that the scheme of the CDPA was to make copyright and UDR mutually exclusive yet a seamless whole, so that an original design must be protected by one or the other. The majority rejected this as reading too much into the CDPA, when ss51 and 213 were to be considered in isolation, and also held that the defence applied here. Lord Justice Sedley agreed with Jacob LJ on both points, but on the latter for different reasons since his earlier minority ruling was that the colourways were configuration not surface decoration.
Jacob LJ’s ruling on s51 is not easy to follow. It effectively ignores the reference to surface decoration in s51(3) so as to avoid the court having to rule on subsistence and infringement of copyright in the design of the colourways in the abstract, “divorced” from the shape and configuration of the arms/body/zip of the garment. He thought that conceptually this was impossible and the two could not be treated separately: the colourways are colours applied to shapes and which need the shapes to exist. On this logic, the judgment seems to have a narrow application to garments made of single-coloured cloth cuts, with colour changes at the seams.

Dissenting on this, Mance LJ preferred a dovetailing of the rights and construed s51, especially s51(3), as excluding copyright infringement only to the extent that there was copying of the shape or configuration of a design. The questions were, therefore, whether Teddy Smith had copied the colourways and that surface decoration in which copyright subsisted and, if so, whether (ignoring any copying of shape or configuration) that amounted to a copy of a substantial part of the original design document as a whole. He did not think that this question was impossible to answer and would have ordered a retrial to answer it.

The judgment highlights the different views on the treatment of surface decoration in designs and may be appealed further. Designers should consider applying for registered designs (UK or Community) for new designs, or rely on the unregistered Community design (for designs first made available to the public after 6 March 2002). Those regimes protect the colours and ornamentation of an article, without excluding surface decoration.