Global Intellectual Property Law Highlights

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2015 Global IP Highlights Newsletter

Welcome to the second Global Highlights newsletter from the Intellectual Property Section of Meritas, the Global legal alliance. I'm grateful for the assistance of Susan Walsh at Swaab Attorneys, our member firm in Sydney, for her assistance in putting this issue together.

IP is a rapidly changing field and to capture everything that is happening in one newsletter would be an impossible task. It would also make for an unbearably long newsletter. Rather than do that, we've compiled a tasty smorgasbord of IP morsels, in a variety of national flavours.

In this issue, the Philippines wrestle with plain packaging for tobacco, Canada discovers a new kind of trademark lurking in your browser and France says "Non!" to attempts to commercialise expressions of sympathy for victims of terror. And that's just the trademark stories. There are similarly fascinating articles on patents and copyright too.

Nothing beats local knowledge and the members of the Meritas IP Section would be happy to share their knowledge with you, should you need it. Please do get in touch.

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Asia

Legality of Interest Created in a Patent in India

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It is a legal requirement in India that any post-grant interest created in a patent must be reduced to the form of a document such as an assignment or licence agreement, and must be thereafter registered with the Patent Office for recognition of the document in law. The consequences of non-registration of the document with the Patent Office has been emphasised by the High Court of Delhi in its decision dated 16 April 2014 between *Sergi Transformer Explosion Prevention Technologies Pvt Ltd (**Plaintiff**) v Kumar Pratap and others (**Defendant**)*.

The Plaintiff claiming to be the exclusive licensee in respect of Patent No 189089 (***Patent***) for "Method and Device for Preventing/Protecting Electrical Transformer against Explosion and Fire" filed an infringement suit against the Defendant for infringement of the Patent. The Defendant challenged the maintainability of the infringement suit filed by the Plaintiff as the exclusive licensee of the patent, on grounds that the licence agreement was not registered with the Patent Office at the time of filing the infringement suit. The Defendant alleged that the licence agreement was not valid as it was deliberately back-dated to file the infringement suit and that the licence agreement also was not duly stamped. The Defendant also questioned the delay by the Plaintiff in making the application to register the licence agreement with the Patent Office, which was approximately four years from the date of the agreement.

The Plaintiff argued that the *Patents Act 1970* (***Act***) in India does not provide for any time frame for making an application for registration of a licence agreement with the Patent Office and that appropriate steps had been taken to register the licence agreement with the Patent Office. The Plaintiff further argued that even though the licence is yet to be registered with the Patent Office, the Act did not bar the Plaintiff from filing the infringement suit as the exclusive licensee of the patent.

After hearing from both parties, the Court declined to dismiss the suit for lack of registration of the licence agreement with the Patent Office. However, it did refuse to take the license agreement as evidence of the Plaintiff being the exclusive licensee in respect of the patent until the licence agreement was registered with the Patent Office. Instead, the Court directed the Patent Office to decide on the registrability of the licence agreement within 6 months of the decision and adjourned all the further proceedings in the suit until the Patent Office decided on the registrability of the licence agreement and actually registered the document.

The decision highlights that the making or filing of an application for registration of a document creating an interest in a patent with the Patent Office is not evidence of registration of the interest created in the patent with the Patent Office. In order to constitute evidence of registration, the document must be considered and registered by the Patent Office. Licensees and assignees in India should therefore be conscious of this in circumstances where they may wish to litigate while the recordal of their license agreements and assignments is pending registration by the Patent Office. It also emphasises the importance of making applications for registration of such documents with the Patent Office as expeditiously as possible.

Plain Cigarette Packaging in the Philippines

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The recent Association of Southeast Asian Nations' (or ASEAN) Intellectual Property Association conference held last March 2015 in Bangkok, Thailand highlighted, among others, the issue of plain packaging in the tobacco and alcohol industries vis-à-vis the seeming contradiction it creates with the existing trademark protection system, focusing on the experience of Australia (being the first country to legally prescribe plain packaging on tobacco products in 2011). The issue of plain packaging is becoming an increasingly important issue in the Philippines, with almost 30% of the population considering themselves as cigarette smokers. In Southeast Asia, the Philippines ranks 2nd in terms of number of smokers (male and female combined), and 1st in terms of the number of female smokers. Recent estimates by the World Health Organization ("WHO") show that 10 Filipinos die every hour due to smoking-related diseases.

Plain cigarette packaging refers to a system of packaging cigarette products that requires the removal of all branding techniques (e.g., logos, trademarks, colors, images, and other visuals), and instead mandates manufacturers to print only the brand name of the product in a legally prescribed font style and size, including the positioning thereof in the whole packaging. These requirements are in addition to the health warnings and other legally prescribed information on the hazards of smoking, plus the mandated placement of tax-paid stamps. As a result, all cigarette products appear standardized, homogenized, and less distinctive and appealing to consumers.

Obviously, the main rationale behind plain packaging is to reduce the incidence of smoking. On the other hand, those who oppose this measure primarily argue that such system becomes a disincentive to product development and delivering quality goods to the consumers since branding will be rendered useless. Staunch opponents also claim that no direct proof shows that introducing plain packaging measure resulted in a decrease in the number of smokers (although the pro-advocates claim otherwise).

Barring all “public health-related” considerations, perhaps the strongest argument against plain packaging measures is that it basically undermines the current trademark protection system – a system which heavily relies on distinctiveness and goodwill created by the brands. Understandably, public health considerations are essential, and acknowledgement that trademark rights (like any other intellectual property right) are merely statutory rights (as opposed to a natural right). However, the regime of trademark protection evolved as it is right now precisely as a result of striking a delicate balance between public welfare (i.e. consumer welfare) and property rights of trademark owners. Our current trademark system provides a “tool” for consumers in determining what specific product or service is best for their needs; this, in turn, provides an incentive for product manufacturers and services providers to uplift the quality of their merchandise, hence, invest on branding schemes which aim to distinguish their goods and services from their competitors. Arguably, plain packaging destroys this “check-and-balance” system, making our consumers less informed of the choices they make.

Being a signatory to the WHO Framework Convention on Tobacco Control, the Philippines is experiencing what appears to be a gradual shift towards plain packaging. The enactment in 2003 of the Tobacco Regulation Act (***RA 9211***) caused a “revolutionary” change in the local smoking industry, as it banned smoking in numerous public places and imposed restrictions on tobacco-related advertisements, sponsorships, and packaging. Although RA 9211 only prescribes health warnings in text form, in 2010, the Department of Health (***DOH***) issued an Administrative Order (***AO No. 2010-0013***) requiring the inclusion of graphic health warnings. This DOH measure was met by numerous criticisms, and local tobacco companies filed cases against the DOH questioning its authority to issue said AO. Despite the criticisms, in July 2014 the Philippine Congress enacted RA 10643 or the Graphic Health Warnings Law. Taking effect one year after the DOH releases the standardized templates, all cigarette and tobacco product packages are required to contain “highly visible full-color Graphic Health Warnings” composed of two components: a photographic picture warning and a textual warning. This Graphic Health Warnings shall cover the lower 50% of the front package and the lower 50% of the back package. Use of “descriptors” (for example, “low tar”, “light”, “ultra-light”, “mild”, “extra”, “ultra”) is prohibited under this law. Unlike the plain packaging legislation imposed in Australia, RA 10643 does not require that cigarette brands use a uniform font size and style, although the positioning of the brand should be in a manner that will not impede or obstruct the Graphic Health Warnings as well as the internal revenue strip stamp on the packaging.

As this new legislative measure has yet to be fully implemented (approximate date of full implementation is in the middle part of 2015), it is expected that local stakeholders will continue its position of not fully undermining their proprietary rights over their brands by staunchly opposing any moves towards a “full and complete” plain packaging regime. The Philippine government, nonetheless, should be lauded in its efforts to promote a healthy society by enforcing measures that seek to curtail “unhealthy” lifestyle. However, in a fast-changing market economy driven by information, it is imperative that consumers are exposed to all data they need to arrive at a sound decision. Choosing a particular product over its competitor brands sometimes spell the difference between choosing rightfully for your own wellness and putting your life and limb at danger.

Australia and New Zealand

Certification trade marks, geographical indicators and the capacity to distinguish in Australia – PARISH OF POKOLBIN

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In December of 2014, the Australian Trade Marks Office rejected an application for registration of a certification trade mark by the Parish of Pokolbin Incorporated, for the words PARISH OF POKOLBIN in classes 33, 35, 41 and 43 for alcoholic beverages and related tourism, accommodation and entertainment services on the grounds that the words PARISH OF POKOLBIN were capable of distinguishing the goods and services.

Against the backdrop of the PARISH OF POKOLBON decision, this article discusses, briefly, the differing requirements and considerations relating to registration of certification trade marks as against regular trade marks in Australia, as well as the requirement that any trade mark, including certification trade marks, be capable of distinguishing the goods and services against which it is registered. In addition, this article considers geographical indicators and place names, which often form part of a certification trade mark, and which are notoriously difficult to register.

Certification trade marks

Certification trade marks serve a different purpose to standard trade marks and indicate that the marked goods and services meet a particular standard of quality or have a particular geographical origin or mode of manufacturing, rather than indicating the origin of the goods as or services as being those of particular trader as is the case with regular trade mark registrations. They are traditionally filed by an industry group or regional association.

Examples of familiar Australian certification trade marks include Australian trade mark number 185835 for the WOOLMARK logo and Australian trade mark number 506334 for the NATIONAL HEART FOUNDATION APPROVED and tick in circle device.

Rules governing use of certification mark

A copy of the rules governing the use of the certification mark must be filed at the time of, or as soon as practicable after, filing the application to register a certification mark. The rules are intended to document the standards that must be met by traders wishing to use the certification trade mark and must specify details including, but not limited to, the following:

- the certification requirements;
- the process of certification;
- the attributes of approver certifiers;
- the requirements to be imposed on the users of the certification trade mark; and
- the procedure for resolving disputes.

The Trade Marks Registrar will forward a copy of these rules to the Australian Competition and Consumer Commission (ACCC) for certification prior to the acceptance of the application. The application must be rejected if the ACCC does not issue a certificate in respect of the rules under section 175 of the Trade Marks Act 1995, so it is important that businesses ensure they seek assistance to draft the rules appropriately.

PARISH OF POKOLBIN [2014] ATMO 98
In the matter of the PARISH OF POKOLBIN, the Trade Mark Examiner (Examiner) initially objected to the registration of the certification trade mark on the grounds that the mark PARISH OF POKOLBIN is "part of the land title system under which land holdings were established and registered in the late 1880s and is therefore descriptive of a geographical area in the Hunter region in New South Wales." Accordingly, the Examiner considered that other traders in that area should be able to use the words in connection with their goods and services without restriction, and on that basis it should not be registered as a certification trade mark. After filing its certification rules and requesting a reconsideration of the Examiner's ground of objection, the application requested an oral hearing of the matter.

Interestingly, in its submissions to the Registrar, the applicant argued that the mark ROTHBURY was successfully registered as a geographical indicator and directed the Examiner to the reasons of the Deputy Registrar in deciding that application. ROTHBURY is another geographical area in the Hunter region close to Pokolbin and is also famous for producing wines. The applicant argued that because the term 'parish' was relatively archaic and not in common use, the word is therefore inherently adapted to distinguish the claimed goods and services, and should be accepted for registration as ROTHBURY was.

However, the Examiner highlighted the differences between the ROTHBURY geographical indication mark and PARISH OF POKOLBIN, notably that PARISH OF POKOLBIN is substantially more precise than 'Pokolbin' by itself. The parish boundaries are defined with such precision as to be used in land titles and do not have to be explained further. This meant that if the area referred to by the trade mark did not match the definition of Parish of Pokolbin, the mark could potentially deceive or cause confusion in engaging the provisions of section 43. Therefore in the absence of evidence to establish that the trade mark had been adapted through use or other circumstances to distinguish the goods and services the subject of the application, the Registrar's conclusion that the trade mark should not be registered.

Certification trade mark must distinguish certified goods or services
When filing any application, it is important to note that section 177 of the Act allows the Registrar to reject registration of a mark on the grounds that it is not capable of distinguishing the goods or services certified by the applicant from those not certified. An examiner will take into account the extent to which the mark is inherently adapted so as to distinguish the goods or services, or the extent to which the mark has become adapted to distinguish the goods through use. This can often be demonstrated by

submitting evidence of the use of the trade mark over a period such as the trade mark has, through use, become capable of distinguishing the goods and services as those of the applicant.

In the matter of PARISH OF POKOLBIN, despite the applicant submitting evidence that it, and its members, had used the mark to distinguish products and services produced within the parish since August 2010, the Examiner still held that the trade mark was not capable of distinguishing goods and services certified by the applicant or an approved certifier from those not certified. The Examiner found that the evidence could only demonstrate limited use over two years and did not cover all goods and services claimed across classes 33, 35, 41 and 43. Without such inherent adaptation to distinguish, the certification trade mark was unable to proceed to acceptance.

Businesses and associations should remember the key concepts to consider when applying for trade mark registration, and are encouraged to seek the assistance of experienced trade mark professionals.

ISPs v Hollywood: Will Australian ISPs be forced to reveal customer details to Hollywood?

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Later this month a decision is expected in the high profile Australian Federal Court case between the owners of the Oscar wining Dallas Buyers Club movie and one of Australia's largest internet service providers, iinet.

In October 2014 Dallas Buyers Club LLC (***Dallas***) – who claimed to be the owners of rights in the film of the same name – applied to the Federal Court of Australia for orders against iiNet and a number of other internet service providers for preliminary discovery of the names and contact details of customers who Dallas believed may have illegally shared the film via torrent and other peer to peer file sharing services.

Based in Perth, Western Australia, iinet objected to this for several reasons. Firstly and foremost, iinet argued that it should not have to disclose customer details to a third party, such as a movie studio, unless ordered to do so by a court. iinet said it owed privacy obligations to its customers and that it was obliged under Australian privacy and telecommunications legislation not to hand over the customer contact details.

iinet also argued that it placed an unfair burden on ISPs to have to monitor their customers' downloading activities to determine whether they were in fact doing anything illegal.

Finally, iinet were concerned that Dallas was really seeking the names of iinet's customers so that that they could send letters to each customer demanding payment of a "settlement sum" to avoid Court action – so called "speculative invoicing". Evidence presented to the Court showed that Dallas had a history of sending legal letters to ISP customers in other countries demanding payment of up to $7,000 for alleged illegal sharing of their movie via peer to peer services. The letters threatened court action and suggested that higher monetary penalties would apply if the sums demanded by Dallas were not paid immediately.

The decision in the case may turn on peculiarities of the evidence given – the Judge noted that he was "presently flummoxed" as to whether Dallas even owned the rights to the film, and there were also serious questions raised about the reliability of the software used by Dallas's experts to collect the ISP addresses of alleged film pirates.

Nevertheless, the outcome of the case will have significant ramifications for Australian ISPs and their customers. Dallas's allegations of copyright infringement were based on the IP addresses which Dallas said were used to conduct illegal file sharing. If iinet is forced to hand over the customer details linked to those IP addresses, the customers may receive legal demands for thousands of dollars and litigation may be commenced against them if they do not pay up. This could be the case even if the account owner is not the actual movie pirate. The relevant IP address could have originated from a person in a shared household, an individual visiting a household which has open WiFi, a school, an internet café or a company with an insecure WiFi connection.

Even if Dallas fails in its Court bid, the legal landscape for Australian internet users is changing. A new ISP industry code in relation to online piracy is expected to be adopted during 2015 or 2016 in Australia. Under the Code ISPs will be legally obliged to issue three warnings to customers suspected of piracy, and if allegedly illegal downloading continues a rights holder such as Dallas can apply for discovery of the customers' details.

The message is clear. Anyone who lets other persons use an ISP connection registered in their name- whether the other person is their child, their student, their employee, or even just a customer in their shop- should be careful to ensure that the person is not using the connection to download films or music illegally. Otherwise, a nasty letter may arrive in the mail.

Editor's note: On 7 April 2015, the Federal Court of Australia indicated that that it would make orders allowing for the preliminary discovery, requiring the ISPs to release the personal information connected with the 4,726 IP addresses identified. Justice Perram indicated that he would make additional orders so as to balance the concerns of the ISPs in respect of privacy and speculative invoicing by imposing privacy obligations on the material to be produced by the ISPs and by requiring the applicants to submit to the Court any draft letter they intend to issue to account holders in respect of the alleged infringements. The matter will return before his Honour for further directions to determine the form of the orders.

This Federal Court decision paves the way for intellectual property rights holders to identify online infringers and will assist those wishing to enforce their rights. (Susan Walsh, Swaab Attorneys)

Big Names, Big Egos: Recent Australian Trade Mark Cases

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Last year saw some interesting developments in Australian trade mark law, including the decision of the High Court in late 2014 in *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* [2014] HCA 48. This is one of only a handful of High Court (Australia's highest court) decisions dealing with the Trade Marks Act 1995.

In Cantarella the High Court applied a local filter to the concept of whether a trade mark is “inherently adapted to distinguish” the goods for which it is registered. The case dealt with the use of two Italian phrases: “Cinque Stelle” (five stars) and “Oro” (gold) as trade marks for a brand of coffee products. The two marks, if translated into English, would clearly fail the test on the basis that they would directly refer to the character or quality of the goods. Similarly, if used in Italy rather than Australia, they would fail the test (should a similar test be applied there).

However, the fact that those words were in Italian, and were not directly specific to the sale of coffee, meant that the High Court was satisfied that the words do not convey a meaning or an idea to any person in Australia as having a direct reference to the character or the quality of the coffee.

The year also saw a number of large brands put their trade marks to the test, with Coca-Cola taking on Pepsi, and Facebook challenging the registration of a business: “Friendbook”.

In *Coca-Cola Company v PepsiCo Inc* (No 2) [2014] FCA 1287, the Federal Court ruled on Coca-Cola’s attempts to prevent Pepsi from using a contoured bottle. The Court held that although Coca-Cola was well known for using a contoured bottle for its soft drinks, this did not prevent Pepsi from using a different contoured bottle for its own products. The decision suggests that it can be difficult to enforce shape marks, where despite significant similarities, there are sufficient distinguishing features.

Facebook had more luck in *Facebook Inc v Northsword Pty Ltd* [2014] 108 IPR 506, where it successfully opposed the registration of “Friendbook” for online dating and social networking. The decision shows that despite the enormity of the Facebook brand, there remained a likelihood of confusion if “Friendbook” were to be registered.

Finally, and of particular relevance to this law firm due to our proximity to the Australian snowy mountains, is *Kosciuszko Thredbo Pty Limited and Thredbo Resort Centre Pty Ltd v ThredboNet Marketing Pty Limited* [2014] FCAFC 87. In this case, the local ski resort operators at the alpine village of Thredbo in New South Wales took action against ThredboNet, alleging that ThredboNet's use of the name constituted passing off and misleading and deceptive conduct. The Full Court of the Federal Court rejected this argument, noting that where a brand name is a geographic location, it will be very difficult to establish monopoly rights in the name.

These cases are just some of the recent trade mark cases of note here in Australia; and the lively and oftentimes unpredictable development of trade mark law continues in 2015, the 20th anniversary of the enactment of the Trade Marks Act 1995.

Canada

Favicons: A 'brand' new kind of trademark

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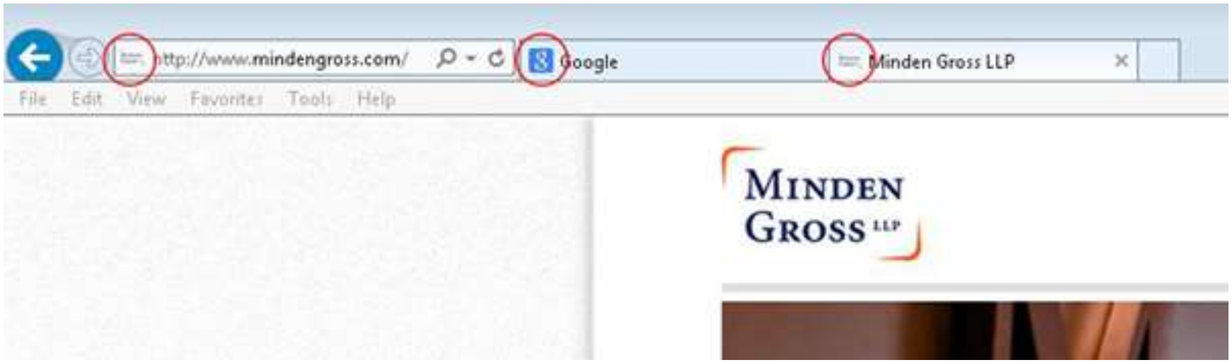
It turns out that there is a new frontier in trademark law, but you have to look very closely at your computer screen to see it. Take a close look at the beginning of the URL line for most webpages you visit, including well-known websites like Google, Wikipedia, Minden Gross LLP, the *New York Times*, etc. and you will start to see what I mean. There are tiny icons with version of those company's logos, appearing in the URL line. These tiny icons are known as "Favicons".

Fig. 1 – Favicons in a web browser (indicated by red circle)



For some time there has been some controversy over how one might trademark a company's URL (being its Internet address: *i.e.*, www.mindengross.com). The conventional wisdom is that most often the URL is not using the brand as a trademark and that therefore trademark protection may not be available. Favicons may be changing all that.

Although technically available since 1999, favicons have really only gained popularity in the past few years. Now they are ubiquitous. The question is, can they be protected by trademarks, when the old URL could not be? The answer appears to be yes. For example, last year Google was successful in getting its "G" logo (which it uses as a favicon – see Fig. 1) trademarked in Canada (TMA861392).

When one considers it, we realize that the favicon is, in fact, very much like the original idea of a trademark. They are small icons that indicate the source of the website you are about to view and confirm it is legitimately the website you were seeking. It is easy to see how the use of the icon is distinct from the use of just the URL address and easy to see how trademark rights would be available, in most cases.

Some people may say that it is not necessary to register the favicon as a trademark if you already have the logo (in which the favicon might appear in part) registered. This is incorrect. Experienced trademark practitioners will tell you that if you have a trademark for a logo, but you fall into the bad habit of using only part of that logo, not only will you not necessarily have protection in that logo fragment, you may negatively impact your rights in your main logo. Having protection for just the logo will not protect use of part of it as a favicon. Also, the wares and services in your logo application may not have included services related to a website.

If you want to have proper protection in the logo and the favicon, a separate application for the favicon is recommended.

There is also an advantage in applying for such a trademark now, rather than later. Notice that the Google favicon trademark made a colour claim as well. If you are interested in claiming colour for a trademark, you would be well-advised to make your application before the revisions to the new *Canadian Trade-marks Act* (R.S.C. 1985, c. T-13), which will come into force next year.

With a company's Internet presence being of paramount importance, the favicon, just like the company's trademarked logo, can portray the attributes of the company's services, goods and reputation to which people identify. As such, while some may view it as an afterthought, especially where one has already registered a trademark, one should be mindful to take steps that can and should be taken to protect these tiny logos. They may yet become the image that people who surf the Internet most associate with a company's brand, or at least its website.

Europe

The dangers of making threats

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The UK government has announced plans to reform, but not abolish, the UK's unusual provisions relating to "groundless threats" in intellectual property cases. The threats rules can be very surprising to those not used to this jurisdiction as (with the exception of Eire) no other country in the EU has similar legislation. In fact, as these rules are unique to IP, they can even surprise British lawyers who are not specialised in the field.

Under the threats rules, a defendant can turn the tables on his accuser by suing the claimant for damages in respect of "groundless threats" if the claimant does not issue Court proceedings.

The idea behind the threats provisions is to avoid legitimate trade being stifled. The concern is that businesses might feel they have to capitulate to bogus threats out of fear of being involved in litigation.

Allegations of certain types of infringement, such as an allegation of making or importing infringing goods, are not generally actionable threats. The idea being that it is those retailers and other secondary infringers who merely deal with infringing items who should benefit from the protection.

Overseas lawyers might find it particularly surprising that under the current law, the claimant's lawyers are not immune from suit, so practitioners have to be very careful when sending cease and desist letters.

Threats provisions were first introduced in 1883, in relation just to patents initially, but there are now threats provisions in legislation relating to threats of infringement of patents, designs and trade marks. In the last few years, this has extended further, so that the groundless threats rule also applies to UK and European unregistered design rights, as well as registered rights.

Note that there are no threats provisions relating to copyright infringement or to passing off (the right to sue for unauthorised exploitation of goodwill) which is why letters of claim sometimes stick to those rights, ostensibly ignoring an obvious trade mark infringement.

A simple notification that an IP right is registered does not in itself amount to a threat of proceedings, but this rule has been interpreted very narrowly by the Courts. An oral or even an implied threat can be actionable and, where a letter is sent on a lawyer's headed paper, it is perhaps easier for a threat to be inferred. In a recent High Court case it was held that even though the claimant's solicitors' letters expressly stated that the claimant did not intend to take proceedings, there was an actionable threat when this was read in the context of the rest of the communications.

Following a report by the Law Commission (the official body charged with examining areas where the law may need reform) the Government has endorsed the idea of certain changes to the threats provisions. Most significantly for lawyers, this includes introducing an exemption from threats proceedings for professional advisors. However, the Government wants to this exemption to only apply when the advisor can show that they were acting on instructions from a client who is clearly identified in the advisor's letter. That potentially raises issues in terms of legal professional privilege.

There are further proposals to refine the applicability of the threats rules to allow for certain legitimate communications with secondary infringers, but it is presently unclear how these will be implemented.

One thing that does seem clear is that the groundless threats provisions will continue to present a trap for the unwary and that specialist local advice should be taken before cease and desist letters are sent.

Restrictions on forum shopping, recent changes to the German Copyright Act

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The concept of itinerant venue ("fliegender Gerichtsstand“), also known as "forum shopping“, has given rise to various discussions over the past years. While the German Code of Civil Procedure stipulates a general venue at a natural person's place of residence or a legal person's registered seat, section 32 of the Code of Civil Procedure provides for specific jurisdiction for tort at the venue where the tortuous act was committed. Due to the omnipresence of the internet, what was meant to be an exception has become the rule in the digital age. In IP infringement cases where the infringement was committed via the internet, this regulation results in a venue not only where the infringing act was committed but also in any place where it had its effects. With section 35 of the Code of Civil Procedure allowing free selection among several jurisdictions, this basically provides potential plaintiffs with a freedom of choice between courts throughout Germany, especially the possibility to choose courts that are known to render favorable decisions in comparative cases.

Latest reforms in copyright law have now addressed this issue for a narrow field of considerable practical relevance. Based on the Law Against Unfair Commercial Practices (Bundesgesetzblatt I. S. 3714 „Gesetz gegen unseriöse Geschäftspraktiken” 01.10.2013), a new Article 104a was introduced into the German Copyright Act.

According to this new regulation, in respect of actions brought on account of copyright ligation matters against a natural person, in general, the court that shall have exclusive jurisdiction will be the court in the jurisdiction in which the person has their habitual place of residence.

Besides, this legislative amendment brought along considerable changes to Article 97a of the Copyright Act which will have a tremendous effect on the notification practice in copyright infringement cases and include obligations that:

- the injured party shall notify the infringer, before instituting proceedings in court, to desist from infringement and shall give the infringer the opportunity to settle the dispute by entering into an obligation to desist from infringement accompanied by an equitable contractual penalty;
- a notification shall only be effective when it clearly and comprehensibly indicates the name or enterprise of the injured party if notification is given by a representative and clearly specifies the exact infringement. It must also break down any asserted claims into claims for damages and claims for compensation and, if the notification contains a request to enter into an obligation to desist from infringement, stating to what extent the proposed obligation to desist from infringement goes beyond the infringement notified;
- in certain cases where the recipient of the notification is a natural person, reimbursement of the expenses necessarily incurred in the form of statutory fees for using the services of a lawyer shall be limited to fees for a claim with a value in dispute of € 1,000; and
- to the extent that the notification is unjustified or ineffective, the person notified may demand reimbursement of the necessary expenses incurred in respect of defending their rights.

The abandonment of forum shopping as well as the newly defined regulations for notification will require much more diligence on the side of the injured party, making the previously simple notification process for copyright matters now a rather complex subject.

"Je suis Charlie" is not a valid trade mark

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Following the terrorist attacks on the satirist magazine “Charlie Hebdo” in Paris on 7 January, INPI, the French trademark office, disclosed that it had received by 13 January more than 50 trademarks filings of the iconic "Je suis Charlie" sign and slogan, created by Joachim Roncin. This slogan, which in French means both “I am Charlie” and “I follow Charlie”, went viral through Twitter and Facebook immediately after these dramatic events and was reproduced by countless newspapers and websites in a sign of solidarity with the victims.

INPI stated that it would reject all these requests for lack of distinctive character. A trademark, in order to be valid, shall indeed be perceptible as such by the consumer and be discretionary with respect to the products and services it designates. Although a “Je suis Charlie” trademark would not be descriptive of the various products and services for which it was filed, consumers would not identify it as a trademark capable of identifying a specific product or service. French courts have previously applied this notion of intrinsic distinctive character for instance in 2008, to deny the capacity of a similarly iconic picture of Che Guevara to be identified by consumers as a trademark for clothes. Another ground which could have been used for rejecting these trademarks would be their deceptive nature, since consumers may believe that the products and services sold under it would benefit to the victims of these terror attacks, which was clearly not the case.

On 16 January, OHIM also published a press release where it also announced the rejection of “Je suis Charlie” trademarks, where it considered that in addition to their lack of any distinctive nature, these trademarks were contrary to public order and morality. Trademarks are indeed commonly rejected for instance if they have a racist connotation, are obscene or advertise the use of forbidden drugs. However, a trademark “Je suis Charlie” would not present any of these characteristics. In the absence of a more clear indication from OHIM as to why a “Je suis Charlie” trademark would be contrary to public order and morality, it could be argued that the protection of “Je suis Charlie” as a trademark would infringe on freedom of expression by limiting the rights of people to use a common slogan in the public debate. A French court has indeed refused to register the slogan “Non à la Turquie en Europe” (no to Turkey within the EU) for this reason. Another interpretation could be that the commercial use of this iconic sign, which expressed the feelings of the majority of French people in a moment of national emotion, would be simply indecent under the circumstances. Sometimes, common sense and legal analysis can go hand in hand...

State Names or the Unexpected Change in Greek Trade Mark Law

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Greek Trademark Law No. 4072/2012 was entered into force almost three years ago to achieve fuller harmonization with EU rules.

Among the changes introduced was the inclusion of 'state names' to the absolute grounds for refusal of trademark registration as part of the prohibition regarding national emblems, flags and other signs. Article 123(3)(a) of the Law No. 4072/2012 provides that *“**state names**, flags, emblems, symbols, official hallmarks and signs **shall not be registered as trademarks**”*. However, the preamble of the new law remained silent: *“The provisions of the new law on absolute grounds of refusal **reiterate those of the old law** adding a prohibition regarding protected geographic indications and designations of origin”*.

Under the previous legal framework, marks containing state names were refused protection as trademarks to the extent they were deemed descriptive or misleading. As such, many assumed that normal practice would not be altered dramatically with the introduction of Art. 123 (3)(a). However, the Greek Trademark Office has been interpreting and applying this provision more strictly than was ever anticipated.

Currently, the Greek Trademark Office has used Art 123(3)(a) to reject various trade mark applications containing state names as secondary elements, even if inclusion of the names does not impact the overall impression or alter the distinctive character of the mark. For example it has refused to register the following marks:

All these marks incorporate state names in a secondary position together with other word and/or device elements, and would have previously been expected to get trademark protection under the old law.

Reference shall be made to Examiner's decision 133/2014 accepting the GREECE mark in the name of National Tourism Organization. The decision adopted the reasoning that *"state names shall remain to the benefit of the State […] considering the applicant is a public-held entity […] the mark is accepted for registration."*

Was the Greek legislative intention to introduce a per se general prohibition for marks not only consisting exclusively of state names but also those simply incorporating such names in any form? Was the object of this addition the creation of legal monopolies for the State and state-owned entities?

From an EU-law perspective, such an interpretation seems problematic. At an EU level, marks containing state names are refused registration for the complete opposite reason that is to avoid the creation of monopolies and possible restrictions in competition. This was recently confirmed by the GC decision T-197/13, which refused trademark protection to Monaco for the word mark "MONACO" to prevent the creation of State monopolies.

Was the Greek legislative intention to protect State names out of respect towards national symbols? Directive 2008/95/EC, Regulation (EC) 207/2009 and Paris Convention do not list "state names" to the relevant provisions of Articles 3(1)(h), 7(1)(i) and 6ter, respectively.

Even if this was the case, such prohibition would only cover **official** state names and only to the extent that such names are the only or the dominant elements of a mark. Such an interpretation is in line with well-established Greek case law on marks containing for example emblems or flags.

The vague scope of Article 123(3)(a) has created inconsistencies in examination of trademark applications in Greece and a number of marks containing state names have proceeded to registration despite the new directive. Marks that have been rejected by the Greek Trademarks Office has sought and received protection as community trade marks, which are fully enforceable in Greece.

The absence of guidelines and consolidated case law on the interpretation and application of Article 123(3)(a) undermines legal certainty in trade mark examination and allows the arbitrary creation of monopolies to the detriment of effective competition in the Greek and Internal Market.

Spain modifies its Law on Intellectual Property and introduces a new 'Google Tax'.

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Following the example of the Achtes Gesetz zur Änderung des Urheberrechtsgesetzes (Eighth Amendment of the Copyright Act) in Germany, Spain recently approved a bill, modifying the current Consolidated text of the Law on Intellectual Property, regularizing, clarifying and harmonizing the Applicable Statutory Provisions (approved by Royal Legislative Decree No. 1/1996 of April 12, 1996), becoming the first step in a plan to update the Spanish IP Law, to the needs of the 21st century.

Changes adopted with this amendment include some provision on the public lending right definition and scope, quotation for teachers and lecturers of formal education and some modifications on the Law No. 1/2000 of January 7, 2000 on Civil Procedure and Law No. 10/2007 of June 22, 2007 on Reading, Books and Libraries. At the same time, this bill incorporates into the Spanish legislation two EU Directives: Directive 2012/28/EU on certain permitted uses of orphan works and Directive 2006/116/EC on the term of protection of copyright and certain related rights.

Aside from all these changes, the biggest reform is the inclusion of a provision requiring news aggregators to pay the editors, or the correspondent rights holders, compensation for the snippets they use when they display news search results, which they would not be able to waive. This compensation, commonly referred to as “Google tax” or “AEDE levy”, is similar to a provision adopted in Germany on the aforementioned amendment, that has resulted in Google Germany removing all snippets shown as a result of a search involving any German newspaper member of VG Media, the collecting society for the private television, radio stations and newspapers in that country. It must be noted that the subsidiary of the Palo Alto company has taken this decision in order to avoid further legal risks, after the German regulator refused to arbitrate between Google and the news publication industry group.

This new 'tax' has been subject to heavy criticism mainly because neither authors, nor editors, are able to opt-out of this system, making it mandatory for services such as Google News, Reddit and others to pay the relevant rights holders for displaying snippets of their work. As a reaction to this, it is quite likely for the relevant aggregators to follow the steps of Google Germany and take out snippets of the search results involving Spanish newspapers.

These are the main points of this last reform, although there is still another provision of the bill that has been put on hold, pending a decision of the Court of Justice of the European Union (CJEU) on the matter referred by the Spanish Supreme Court, which requested a ruling on the validity of a private copying levies system to be financed by the State budget, based on an estimation of the actual damage. It seems likely the Court will take a similar position as that in the Padawan case (C-467/08) and deem this system not valid, because it does not consider actual damage rather mere estimations and the levies are not paid by the one making the copy, but by the tax payers collectively.

There is still a lot of uncertainty regarding the future of these last two provisions, one because of the social discomfort and the other because of the likelihood of a negative decision from the CJEU. For now, we must sit and wait to see how both issues develop, because, as John Wetton once sang, “only time will tell”.

United States of America

Should you join the HAVANA CLUB? Reasons to now consider trade mark registration in Cuba

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The following is an edited version of the full essay provided by Mr Casey

As Bob Dylan famously wrote in the title track of his 1964 album, however, “The Times They Are a-Changin’.” Today the times may be changing with respect to Cuba. Following President Barack Obama’s recent announcement that the United States is normalizing relations with Cuba, U.S. trademark owners should consider registering at least their most important trademarks in Cuba.

Business

Cuba may be the strongest country in the Caribbean in terms of its economy. Cuba has long relied heavily on foreign investment and over time has welcomed visits by U.S. businesspeople exploring post-embargo opportunities. President Obama's recent announcement brings us to the brink of the most pronounced commercial change in U.S. relations with Cuba in fifty years. If and when the embargo is lifted, Cuba is expected to become a popular vacation destination for visitors from the United States, and the door will open to many different types of commerce. For these business reasons, it has been recommended that trademark owners, particularly those who conduct business in the Caribbean and Latin America, particularly Central America, should consider filing applications to protect their marks in Cuba.

Avoid Brand Theft

Perhaps the most important reason to now consider trademark registrations in Cuba is to avoid "brand theft," the unfortunate experience of having a Cuban individual or company register marks of a U.S. trademark owner in bad faith anticipating a change in the political climate that would allow U.S. entry into Cuba. When the U.S. trademark owner does decide to do business in Cuba, and to use and register its trademarks there, such use and registration may be precluded by the Cuban individual or company's prior registration. U.S. trademark owners confronted a similar experience when South Africa lifted its practice of apartheid, allowing for U.S. expansion into that country in the 1990's.

More recently, U.S. trademark owners have confronted this experience in certain Asian countries. Under Chinese trademark law, for example, only a registered trademark enjoys protection and the first person or entity to register the mark becomes its lawful owner -- even if the mark has already been used by others in China. The only exception to this rule is that of an unregistered trademark which, through widespread and prolonged use in China, has become famous at the time of the hostile registration. Certain Chinese companies or individuals are known to actively follow a strategy, certainly opportunistic and to many unfair, of registering trademark rights in China that arguably belong to foreign trademark owners. These "stolen" trademark rights create great uncertainty for the foreign investor doing business in China. Perhaps even more problematic, in some cases the stolen trademark rights can be enforced against use by the foreign trademark owner of its own mark in China. Consider the plight of a European wine manufacturer, Castel Freres SAS, which was ambushed by a Chinese competitor enforcing a stolen trademark with catastrophic consequences. In April 2012, Castel was ordered to pay more than $5 million in compensation, one of the largest damage awards ever in a trademark infringement case in China.

We were just recently advised that a Cuban individual filed to register the mark of a U.S. client. An initial investigation indicates that the same individual filed a number of applications, all about the same time, covering a number of marks well-known in the United States. Such action is obviously in bad faith. Regardless, it would seem prudent that U.S. trademark owners begin to consider filing for trademark protection in Cuba if for no other reason than to prevent third parties from attempting to obtain the rights to their marks.

DMCA takedown notices: Copyright Defenders or Free Speech Inhibitors

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Thanks to the Digital Millennium Copyright Act (***DMCA***) of 1998, Internet service providers (***ISPs***) have become the unlikely sheriffs in the world of online copyright enforcement, torn between those who claim content is protected intellectual property (***IP***) and those who claim rights of free speech.

The DMCA enables copyright owners to notify ISPs - which include companies that provide internet access, host other websites or act as online marketplaces – of materials that infringe on their copyright by filing a DMCA takedown notice. ISPs may choose whether to remove the infringing material. If they do not act, however, they may lose the limited liability protection under the DMCA and face secondary liability charges for continuing to host the material.

Attorneys should take note of the role ISPs play in online copyright cases, and how well-timed DMCA takedown notices may aid the litigation process. *Semantic Compaction Systems, Inc* (***Semantic***) *v Speak for Yourself LLC*, is a perfect example of how DMCA takedown notices can result in swift extrajudicial action and upend the balance of power.

Semantic created technology that enables mute users to "say" words through electronic devices. "Speak for Yourself" is an iPad app that performs the same function, which Semantic claimed infringed on its copyrights and patents. Shortly after filing its complaint, Semantic sent a DMCA takedown notice to Apple, which removed the app from its iTunes App Store. The defendants filed for a temporary restraining order. The court refused to entertain the request, recognizing that it had no power to force Apple to reinstate the app in its store.

In *Evony, LLC* (***Evony***) *v Holland, Phillip Holland* (***Holland***) ran a website devoted to cheating, hacking and publishing unauthorized copies of Evony's online strategy game. Evony sent two DMCA takedown notices to ISPs requesting the removal of Holland's material. To avoid liability, Holland moved his website to a United Kingdom ISP. The court not only ruled in favor of Evony, but awarded maximum statutory damages for "willful" infringement.

DMCA takedowns have taken on an unintended use, however, as a tool to censor material, as in *Garcia v Google, Inc.* The case centered on the anti-Islamic video "The Innocence of Muslims," which included footage of actress Cindy Lee Garcia (***Garcia***). The filmmakers had used the footage without Garcia's knowledge. Garcia began receiving death threats, and filed eight DMCA takedown notices ordering Google to remove the video.

Google refused, and Garcia sued Google for copyright infringement. The district court denied Garcia's motion for a preliminary injunction to force Google to remove the material, but the U.S. Court of Appeals for the Ninth Circuit en banc reversed. According to the majority opinion, Garcia likely had a protectable copyright interest in the film, and the filmmaker did not own her performance as a work for hire or under an implied license.

Many attorneys, free speech organizations and others filed amicus briefs asking the court to reconsider. In his dissent, Judge N.R. Smith noted that it was unprecedented for actors to hold copyrights on their individual performances. Furthermore, the DMCA is intended to protect economic interests, which

Garcia did not claim. Rather, Garcia wanted to censor the film, which raises serious First Amendment concerns. Judge Smith accused the majority of misconstruing copyright law to force a desired result.

DMCA takedown notices highlight many broader issues in IP law. While the notices are a powerful tool to protect economic interests, misuse can create a dangerous and inappropriate weapon to censor free speech. IP practitioners should be prepared for inconsistent rulings as courts struggle to maintain a balanced interpretation of the DMCA.

Federal Circuit Decision Highlights Risk of Co-owing Patent

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Co-owning any piece of property can lead to unwanted and unexpected headaches. And as demonstrated by the Federal Circuit in *STC.UNM v. Intel Corp.*, Fed. Cir. No. 2013-1241, this is especially true with respect to co- ownership of patents. Here, the Federal Circuit held that STC.UMN (***STC***) lacked standing to bring its patent infringement lawsuit against Intel because Sandia Corp., a co-owner of the patent-in-suit, refused to voluntarily join the lawsuit, and could not be involuntarily joined under Federal Rule of Civil Procedure 19(a).

The basic facts surrounding the *STC.UNM v. Intel* decision are as follows. The relevant patent-in-suit, U.S. Patent No. 5,705,321 ("'321 Patent"), has four inventors. At the time of the invention, three of the inventors were employed by the University of Mexico, and the fourth inventor was employed by Sandia Corp (***Sandia***). Through various assignment agreements, the '321 Patent eventually became co-owned by STC (a wholly-owned licensing arm of the University of Mexico) and Sandia.

In 2010, STC, on its own, filed suit against Intel in the District of New Mexico alleging infringement of the '321 Patent. Intel later moved for summary judgment asserting that STC lacked standing to sue Intel by itself. The court agreed with Intel and dismissed the case on the basis that both patent co-owners must join the case. STC appealed.

In the appeal, STC argued that Sandia should have been involuntarily joined under Fed. R. Civ. P. 19(a). Rule 19(a) provides a procedural mechanism by which a party can join necessary parties to a lawsuit. In a 2-1 decision, the Federal Circuit disagreed with STC and affirmed the district court's holding. Specifically, the majority held that the Patent Act affirmatively requires consent among all co-owners of a patent before a suit can be brought, and this is a substantive right that cannot be trumped by a procedural rule, such as Rule 19(a). The Federal Circuit did acknowledge at least two exceptions to this rule: (1) where an exclusive licensee can involuntarily join the patent owner, and (2) where, by agreement, a co-owner has waived its right to refuse to join suit. However, these two exceptions were irrelevant to the particular facts of this case.

STC then filed a petition for an 'en banc' hearing with the Federal Circuit. But on September 17, 2014, that petition was denied by the Federal Circuit in a 6-4 decision. This decision included two dissenting opinions. In dissent, it was argued that "[t]he unique exclusion of patent cases from Federal Rule 19 is as peculiar as it is unjustified." This issue is now ripe for Supreme Court review should STC decide to appeal again.

Overall, this case highlights the need for patent owners to clarify patent ownership issues well before any patent infringement lawsuit is filed. If a patent must be co-owned, then the parties should at the very least enter into an agreement specifying their respective enforcement rights as suggested by the Federal Circuit.

Unanimous U.S. Supreme Court Decides a Trademark Case

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In its first substantive trademark decision in over ten years, a unanimous U.S. Supreme Court held: "when a jury is to be empaneled and when the facts warrant neither summary judgment nor judgment as a matter of law, tacking is a question for the jury." *Hana Financial, Inc. v. Hana Bank*, et al., No. 13-1211 (Jan. 21, 2015).

Over time, businesses may update their marks; tacking can make it possible to do so without losing valuable priority over third parties. Noting that tacking, which gives a trademark owner's newer mark the priority of its older mark, is allowed only when the two marks "are 'legal equivalents' in that they create the same, continuing impression," the Court reasoned that as the test "relies upon an ordinary consumer's understanding of the impression" of a mark, it is a fact-intensive question for the jury, and not a question of law to be reserved for the judge.

Here, given a jury finding that Hana Bank had priority, Hana Financial Inc.'s infringement claims had failed at trial. The Ninth Circuit had affirmed, ruling that tacking was a "'highly fact-sensitive inquiry'" that should be "'reserved for the jury.'" In affirming the Ninth Circuit, the Court clarified that where the parties have opted for a bench trial, the judge can decide tacking issues—and even in a jury case, a judge can rule on tacking where the facts warrant entry of summary judgment or judgment as a matter of law. It remains to be seen whether, as a practical matter, the Court's decision will make it harder to obtain such judicial rulings on tacking issues.

The Court did not rule on the test for tacking or on the facts needed to prove tacking, simply quoting the Ninth Circuit's statement that the doctrine applies only in "exceptionally narrow circumstances." In litigating future tacking cases, parties will be aware of the need for careful presentation of the facts underlying any alleged tacking, and may wish to consider whether to present expert testimony on the tacking issue to the jury, possibly including survey evidence. This may potentially raise litigation costs.

Trademark practitioners in the U.S. will have to wait to see whether the Court's ruling on the importance of the jury on the commercial impression issues underlying tacking may, in turn, also affect the central issue of likelihood of confusion in those circuits where it is still considered at least partly a question of law for the judge to decide.