

OWNERSHIP

THE INTELLECTUAL PROPERTY ROUNDUP FROM BLAKE MORGAN

BEWARE THE TRADE MARK TROLL



#AD
ADVERTISING

LEGISLATIVE
UPDATES

THE RISE OF
THE KODI BOX

SHARING
PHOTOS
ONLINE

THE COST OF
LITIGATION

THE FUTURE
OF INTELLECTUAL
PROPERTY RIGHTS
AFTER BREXIT

CONTENTS

- 03 Court Of Appeal Turns Black Cabs' Lights Off
- 04 Food For Thought
- 06 On Advertising
- 08 How A Monkey Selfie Challenged Copyright Ownership Assumptions
- 10 The Cost Of Litigation
- 12 The Rise Of The Kodi Box
- 14 Trade Mark Infringement On Amazon
- 16 Beware The Trade Mark Troll
- 18 The Intellectual Property (Unjustified Threats) Act 2017
- 20 Sharing Photos Online – The Risks Of Copyright Infringement
- 22 Intellectual Property Rights After Brexit
- 24 The long arm of database right protection
- 26 Cigarette Packaging Rules

OFFICES

CARDIFF

☎ 029 2068 6000
✉ 029 2068 6380

LONDON

☎ 020 7405 2000
✉ 0844 620 3402

OXFORD

☎ 01865 248607
✉ 0844 620 3403

PORTSMOUTH

☎ 023 9222 1122
✉ 0844 620 3404

READING

☎ 0118 955 3000
✉ 0118 939 3210

SOUTHAMPTON

☎ 023 8090 8090
✉ 0844 620 3401

✉ info@blakemorgan.co.uk
www.blakemorgan.co.uk

WELCOME



WELCOME TO THE INAUGURAL EDITION OF THE BLAKE MORGAN INTELLECTUAL PROPERTY REVIEW.

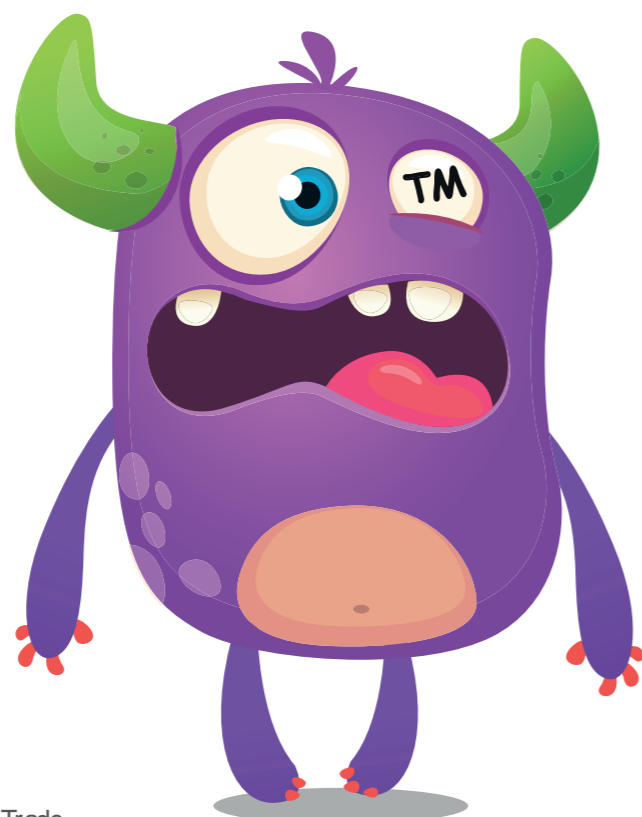
The range of the selected articles – from the publishing of photos on social media to controlling the costs of litigation – provide a view through the eyes of our experts of the developments that we have seen throughout 2017. We have not overlooked the now obligatory piece on the impact of Brexit.

This is a welcome opportunity to introduce you to our IP practitioners operating from our various offices. Working together, we not only serve a wide range of clients locally and nationally but, as part of the TAGLaw global alliance, throughout the world.

If you would like to discuss any of our articles, please get in touch. We will be delighted to discuss any issues you are currently facing, and would welcome a chance to share our predictions for what will undoubtedly be an exciting and challenging 2018.

Chris Williams

Chris Williams,
Editor



Beware the Trade Mark Troll... **page 16**

COURT OF APPEAL TURNS BLACK CABS' LIGHTS OFF



Ben Clarke

London black cabs are undoubtedly recognisable from a long way off. So much so, would we ever question whether they are sufficiently distinctive enough? Associate Ben Clarke outlines the difficulties in registering a shape as a trade mark.

On 1 November 2017 the Court of Appeal upheld a 2016 High Court decision that the shape of the famous hackney carriage was not a valid registered trade mark.

The manufacturer of the traditional hackney carriages The London Taxi Corporation Ltd (LTC), had issued proceedings against a rival firm (Frazer-Nash) because it argued

that the design of the shape of Frazer-Nash's Metrocab infringed its UK and EU registered trade marks which depict models of the hackney carriage.

In the first instance, it was held that the trade marks were invalid because they had failed to acquire a 'distinctive character'. The decision of the High Court was upheld in the

Court of Appeal. In dismissing the appeal, Lord Justice Floyd held that in order to have been successful, the LTC must have been able to demonstrate that its trade marks differed significantly from the norms and customs of the car sector, and that drivers would solely associate the shape of black London cabs with LTC.

The possibility of an appeal appears to have been left open, and LTC has indicated that it may take the matter to the Supreme Court. However, as matters stand, the decision affirms that it is indeed difficult to register a shape as a trade mark, and any designers looking to do so should proceed with caution ●

FOOD FOR THOUGHT:

HOW CAN INTELLECTUAL PROPERTY PROTECTION EXTEND TO FOOD AND RECIPES?



Emma
Bradley

This year, another ambitious series of the Great British Bake Off (GBBO) has gripped the nation. As demonstrated by the furrowed brows of the bakers in the infamous tent, hours of creative efforts are quite literally poured into reinventing classics. But for those inspired to turn a baking talent into a career, to what extent can their creations be protected under IP?

Protecting by virtue of 'individual character'

One way that a cake design can be protected is by applying to the UK Intellectual Property Office (UKIPO) to obtain a Registered Design Right (RDR). If such a right is granted, then protection is granted for up to 25 years, provided renewal takes place every 5 years. A RDR can be used to stop someone copying a design. A 'design' that can be registered may be "the appearance of the whole or a part of a product resulting from the features of...the lines, contours, colours, shape, texture or materials of the product or its ornamentation". In order to be protected, a design must be new and have individual character. As such, designs must differ from prior designs that have been in the public domain before the filing date of the application. When applying for a RDR it is crucial to demonstrate that the design in question meets the 'novel' and 'individual character' threshold.

In 2015, the UKIPO invalidated a RDR for a chocolate floral arrangement on a cupcake, citing that it lacked 'individual character'. Notably, Nestlé failed in its attempt to trade mark the shape of KitKat in the UK earlier this year, having famously been involved in a battle over trade marks with rivals Cadbury, blocking their attempt to trade mark its purple wrappers. Design rights that have been upheld by the UKIPO in relation to food designs range from wedding cake designs to intricate pie designs.

Protecting by virtue of recipe

As the starting point for any dish, it is not surprising that aspiring commercial chefs and bakers will want to know whether the recipe they created can be protected by any form of IP rights.

Copyright

Copyright is a legal right that protects the use of certain categories of work, such as literary, artistic and dramatic

and musical works. In order for a work to be protected by copyright it must be original and tangible i.e. copyright does not protect the actual idea, only the expression of the idea in a physical form. As such, copyright will not apply if the idea of a recipe (as opposed to the written recipe) is copied. For example, no copyright infringement would take place by creating a dish based on a written recipe in a book. On the other hand, copyright may protect a recipe that is recorded within a recipe book (i.e. a literary work) which is then copied and published in writing by another chef. As such, little protection is offered by way of copyright as creators will want to protect the end product (i.e. the dish) rather than the written recipe.

Trade secrets

An alternative way to protect a recipe would be to keep it as a trade secret. In order to obtain such protection, one must ensure that the

ingredients of a product are kept confidential and that such information is only disclosed to third parties where an obligation of confidentiality has been put in place. It is to be noted that as soon as a recipe is published, for example within a recipe book, it is no longer a trade secret. Famous examples of trade secrets include the recipes for Krispy Kreme Doughnuts, Lea & Perrins sauce and KFC chicken.

The UK bakery market is a lucrative industry, worth approximately £3.6 billion and it will doubtlessly grow in size as those inspired by the successes of novice GBBO personalities. In such a lucrative and competitive industry, it is not surprising that issues around IP will increase, placing an enhanced focus on the protection that may be afforded to food products ●

ON ADVERTISING

Whilst the challenges to the UK economy continue to bite, estimates suggest that the spend on Christmas advertising campaigns will once more reach record levels.



Lee Fisher

However in order to gain that competitive advantage it is unsurprising that advertisers are beginning to push the boundaries as far as possible.

Celebrity Endorsements on Social Media

Celebrity product endorsement on social media has become big business with suggestions that a mid-ranking celebrity can expect to receive \$150,000 for an Instagram or Snapchat post. It is therefore unsurprising that the Advertising Standards Authority (the ASA) has sought to ensure that consumers understand when the celebrity they follow is being paid to recommend a product, whether as part of an advertising deal or a one-off. As well as ensuring the advertisement is accurate and not misleading, the clear guideline to be followed is that if there is any doubt about whether it is part of a 'paid for' campaign the hashtag #ad should be included and clearly prominent. 'Celebrities' who have fallen foul of the ASA this year include Geordie Shore star Marnie Simpson and beauty blogger Sheikhbeauty, both for failing to clearly identify their posts as paid for advertising.

The House of Lords has been hearing evidence this month in relation to its enquiry into digital advertising, aimed at ensuring the success of the industry in the UK. Its remit surprisingly includes whether there is a role for the ASA, or another regulator, in relation to digital advertising, suggesting perhaps that a separate focussed regulator may soon replace the ASA.

Comparative Advertising

Whilst comparative advertising has been allowed in the UK for

many years it is a practice which has become increasingly prolific over the last few years, with advertisers keen to extol the virtues of their own product, often to the detriment of a competitor product. Our experience suggests that the desire to push the boundaries can present a significant trap for the unwary, leading to an adverse finding from the ASA or in more serious cases an injunction preventing the further publication of the offending advert.

The Regulation

There are two separate regimes which govern comparative advertising:

- 1) *The ASA is a self-regulating body established by the advertising industry (with delegated powers from OFCOM for broadcast advertising);*
- 2) *Trade mark Infringement proceedings which are actionable through the courts for those who hold a registered trade mark in the UK or EU (as a result of EU Comparative Advertising Directive 2006/ 114/ EC (the CAD)).*

Whilst there are some differences between the regimes (both in relation to what constitutes an advert and also the requirements for a compliant advertisement) these differences are limited in terms of practical application.

What is an advertisement?

Whilst the ASA gives some specific guidance the CAD has a wider general definition as "any form of representation which is made in connection with a trade, business, craft or profession in order to promote the supply or transfer of goods or services". This means that a circular e-mail to customers, or even oral comments made in direct approaches to individual customers can constitute an advertisement.

With more marketing taking place through e-mail communication, as opposed to a face-to-face sales meeting, it is easy to see how comments which may have previously been disregarded as mere puffery, or which would have

proved difficult to prove, now need to be policed far more carefully. The definition, particularly under the CAD, is extremely wide and our team have seen a number of cases this year where there has been a potential infringement as a result of e-mails to customers (circulars or direct approaches) and even a PowerPoint presentation prepared for one specific customer.

With more marketing taking place through e-mail communication, as opposed to a face-to-face sales meeting, it is easy to see how comments which may have previously been disregarded as mere puffery, or which would have proved difficult to prove now need to be policed far more carefully.

Ensure the claim is not misleading

Whilst the concept lies at the heart of the rules, it is important to consider what message you are conveying and how it will be understood by consumers, or others to whom the claim is to be made. If you are deliberately leaving the message vague or ambiguous so that it can be read in different ways it is likely that this will be held to be misleading.

Unless it is obviously puffery, any claims about the superiority of your brand or your products will be considered to be one capable of objective justification. This means that if you are going to claim that your product is the best, you will need to set out why and hold documentary evidence justifying this. This documentation must be held before the campaign is commenced and cannot be carried out later to provide objective justification.

Identifying your competitors

It does not matter if your competitor or competitors are specifically named, it is sufficient if the reasonable consumer understands the advert to be referring to specific competitors or products. If that is the case then you must ensure that you are comparing products which meet the same need or are intended for the same purpose. To ensure this test is met it is important that the product or products that are chosen to compare with are ones that have a sufficient degree of interchangeability in the eyes of the consumer. By way of example, comparing your product, which is a moisturiser, with a body wash which has moisturising effects is unlikely to have a sufficient degree of interchangeability.

Ensuring the comparison is verifiable

Comparisons with identifiable competitors must ensure they objectively compare one or more material, relevant, verifiable and representative feature of those products. In addition, the basis of comparison really must be clear to consumers, as well as where they can go to find any further information.

A lot of campaigns, particularly by the supermarkets, have chosen price as the verifiable feature. This does, in the majority of cases, have the benefit that it is easily verifiable, for example by the consumer himself considering prices. For claims relating to other features the verification generally comes through product testing and it is important to ensure that the testing has been done in accordance with accepted industry practices and on an objective basis, so that the tests can be repeated (as they are likely to be) by your competitor or a third party. If the product testing cannot be summarised easily a web link or postal address should be provided where further details can be obtained ●

¹A third regime also exists in more serious cases for criminal prosecution under the Business Protection from Misleading Marketing Regulations which is outside the scope of this article.

In September 2017, a photographer won a two-year legal fight against PETA over the image copyright of a monkey that used his equipment to take a photo of itself. But why did this dispute last so long and what can it tell us about copyright ownership in an increasingly digital environment?

HOW A MONKEY SELFIE CHALLENGED COPYRIGHT OWNERSHIP ASSUMPTIONS



Alison Patten-Hall



The Facts

In 2011, David Slater, a British photographer, visited the rainforests in Sulawesi, Indonesia to photograph the crested macaque. Whilst taking photographs, Slater set up his camera with a remote trigger and the macaques took photographs of themselves; this resulted in the now famous “monkey selfie” taken by Naruto. The photograph was published by a number of journalists and websites, including Wikimedia who made the photograph freely available on the basis that in its view the photograph is in the public domain as neither David Slater nor Naruto authored the work.

The Claim

In 2014, Blurb Inc. published Slater’s photographs within his book *Wildlife Personalities* and almost a year later, a complaint was filed in the US federal court in California by the People for Ethical Treatment of Animals (PETA).

PETA claimed that:

- Blurb Inc. and David Slater “falsely” claimed authorship of the photographs and sold the photographs for profit; and
- Naruto, as author of the work, should be recognised as such, and should benefit from the profits that have arisen from this infringement.

Slater responded that as he set up the camera and orchestrated the photograph, and as animals cannot author works, he was the author for copyright purposes.

The Law

The US Copyright Act 1976 protects “original works of authorship” and documenting works for copyright purposes must be carried out “by or under the authority of the author”. The Copyright Act does not however define what constitutes “works of authorship”. PETA claimed that as there is no specific definition it is open to interpretation, and having established that Naruto triggered the lens to take the photograph, it authored the selfie.

The Findings

The case was initially decided in January 2016, and the court found in Slater’s favour.

It held that whether or not an animal can be the author of works for the purposes of copyright ownership is not a decision to be made by the court, but instead by Congress and the President. As Congress and the President have not done so, it does not naturally result from the current law that an animal should be considered an author for copyright purposes. The judge referred to the Copyright Office Compendium of US Copyright Office Practices which explicitly states that it “will register an original work of authorship, provided that the work was created by a human being” and “works that do not satisfy this requirement are not copyrightable”. The judge commented that whilst “authorship” is not defined in statute it has been considered in other case decisions, and he was unable to find an example where the definition had been expanded to include animals. For each of these reasons PETA’s claim was unsuccessful.

PETA lodged an appeal against this decision and in September 2017 the parties came to a settlement – it is believed that Slater agreed to donate 25% of the royalties generated by the photographs with animal charities that are dedicated to protecting the crested macaque. In settling, there was no final decision as to whether or not an animal could be the author of work and protected by copyright in the US, leaving the matter open to be debated another day.

What Can This Case Teach Us?

The case was not decided under the Copyright Designs and Patents Act 1988 (“the CDPA”), that governs copyright in the UK, but it is interesting to consider what the position might be under UK copyright laws, particularly in the digital age we live in, and the emergence of AI technology where more creative works will not be authored directly by human beings but will be computer generated. AI will be able to generate artistic works, but will such works be protected in the UK by UK copyrights laws even though there may be no human author? In the UK, the first owner of a copyright work is the author, which is defined as the “person who created it”. Importantly in the case of an artistic work, such as a photograph, if the artistic work is computer generated, then the author will, under the CDPA, be taken to be the “person by whom the arrangement necessary for the creation of the work are undertaken.” But what would have to be proved to demonstrate that a human being had made such necessary arrangements? It would be a question of fact in each case, but consider if in the case of Slater he had set up his photograph as he did of the monkeys and it was not him that had actually taken the photograph but, as happened with Naruto, a computer then created the work. Would Slater’s contribution be sufficient in the case of this computer generated work to give Slater copyright ownership?

The issue with the emergence of AI technology is that it is not merely a tool to support the process of creating new works; AI learns from the data that is inputted, data that is probably owned by someone as a copyright work. It makes decisions. The question then becomes is the owner of the inputted data “making the arrangements necessary” for the creation of the AI generated work such that the new work is computer generated and owned by the human author, or is AI working in such a way that it creates a new original work with originality sufficient to be protected by copyright as not to fall within the definition of a computer generated work? Will we soon find ourselves giving copyright ownership to what is essentially a machine and not a human being, which the US courts were certainly reluctant to decide on?

Ultimately, AI is progressing at such a rate, with such vast investment in terms of both the creation of the AI technology platforms and the transfer and licensing of data into the platform, that it must be expected that those investing will want certainty that their investment will be rewarded with ownership of the outputs of that technology. Whether our existing laws are yet sufficiently clear to provide clarity on this is unclear, but the issue needs to be considered by those involved in the industry and contractual solutions put in place if the current legislation does not give investors that certainty.

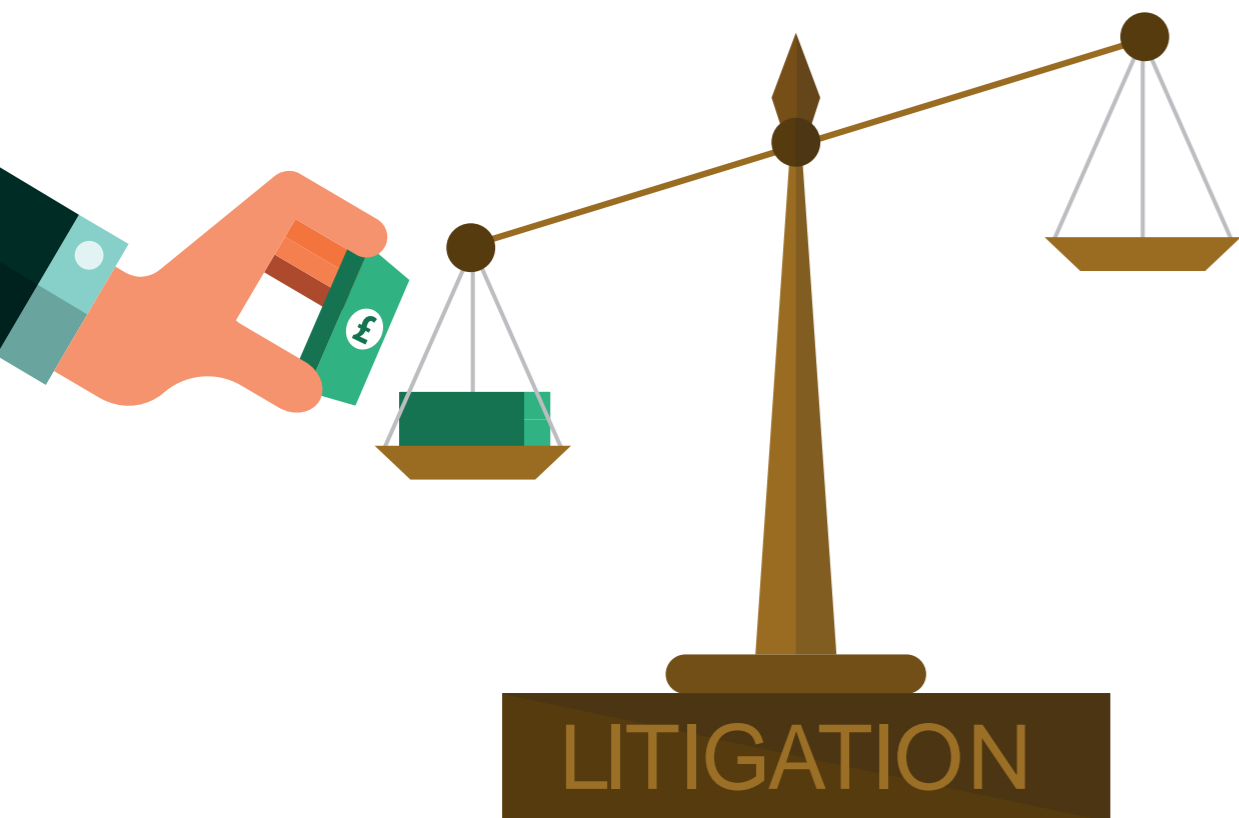
Our technology team has already been involved in advising clients around the potential ownership solutions when licensing data to AI systems. Giving thought to the creative capabilities of AI, and having an agreement in place is essential in ensuring that you have rights over the end product, without finding yourself in a complex legal feud like Mr Slater ●

THE COST OF LITIGATION: USING THE APPROPRIATE FORUM

.....

Giving thought to copyright ownership is not the only lesson to be learned from the famous “monkey selfie” case. This case is a clear example of how the costs involved in litigation can spiral. Sarah Whittle warns how easy it can be to become embroiled in legal proceedings, that you may find difficulty extracting yourself from whilst maintaining the defence of your IP rights.

.....



Sarah Whittle

David Slater, the photographer involved, did not choose to be sued in 2015. When the US courts found in his favour in January 2016, he may have thought that was the end of the matter, but this was not the case. David then had to answer the appeal proceedings brought by his adversary, PETA, leading this dispute to rumble on for approximately three years.

As a Defendant in proceedings, Mr Slater had little choice but to fight the claim, or he risked losing his intellectual property rights. However at the time of the appeal hearing, he could not afford the airfare to San Francisco to attend the hearing himself. Nor could he afford to replace his broken camera equipment, or pay the attorney who had been defending him throughout. Mr Slater was not basking in the glory and profits of a unique and commercially valuable image; he was in fact struggling to get by, considering trying to make an income from tennis coaching and dog walking. The looming costs that would inevitably come with fighting the claim had not come at a good time.

Intellectual Property (IP) litigation is renowned for being expensive, but is there a way to limit the risk of a

huge costs bill? The answer is “potentially”. In England and Wales, as well having the option of issuing proceedings in the High Court, disputes concerning IP can be dealt with in the Intellectual Property Enterprise Court (the IPEC), which comes with the benefit of a cap on costs.

The IPEC is set up to handle IP cases of all kinds including patents, designs (registered and unregistered), trade marks, passing off, copyright, database right, other rights conferred by the Copyright Designs and Patents Act 1988 and actions for breach of confidence.

The IPEC has both a small claims track for claims with a value of up to £10,000 and a multi-track procedure for claims valued up to £500,000 which the majority of claims fall in to. The IPEC cannot be used for claims valued more than this upper limit.

The IPEC has been established to handle the smaller, shorter and less complex actions and the procedures applicable in the court are designed particularly for cases of that kind. The IPEC aims to provide cheaper, speedier and more informal procedures to ensure that small and medium sized enterprises and private individuals are not deterred from innovation by the potential cost of litigation to safeguard their rights. Cases that are anticipated to involve longer, heavier and more complex hearings may however still be better suited to the Patents Court or a different list within the High Court.

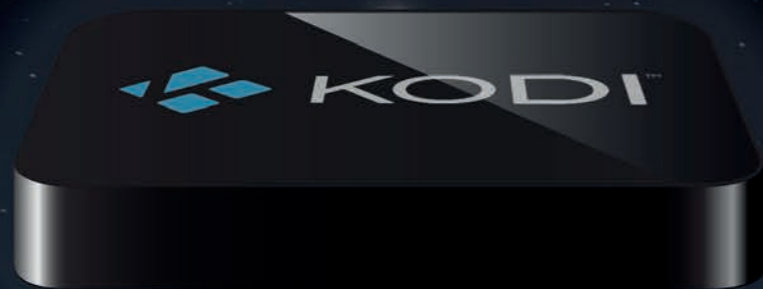
The rules relating to the IPEC state that in the multi-track, costs orders will be made which are proportionate to the nature of the dispute and subject to a cap of no more than £50,000 (costs orders on the small claims track are highly restricted as is the case with all small claims). How much of a benefit this provides has to be carefully considered. The costs cap gives parties the benefit of knowing that no more than £50,000 in costs can be recovered against them, but equally, if they are successful in the litigation themselves, they can only recover £50,000 of their own costs. Careful consideration must be given as to how likely it is the costs involved will exceed the costs cap, and by how much, and this should be weighed against the prospects of success and the likelihood of recovery of costs. The costs cap does help focus the mind on the issue of costs and the knowledge that only £50,000 can be recovered helps ensure that parties deal with matters as economically as possible.

All the remedies available in the High Court are available in the IPEC multi-track including preliminary and final injunctions, damages, accounts of profits, delivery up and disclosure and if a party to litigation in either the IPEC or a different court believes that the other court is a more appropriate forum for the case, they should apply to transfer it.

The following factors should be considered when trying to determine which will be the best court to deal with an IP dispute:

- **Size of the parties.** If both sides are small or medium sized enterprises then the case may well be suitable for the IPEC. If one party is a larger undertaking, this doesn't rule out using the IPEC, but other factors such as the value of the claim and its likely complexity will become more important.
 - **Complexity of the claim.** Trials in the IPEC should not last more than 2 days. A trial that would appear to require more time than that is likely to be unsuitable.
 - **Conflicting factual evidence.** Cross-examination of witnesses will be strictly controlled in the IPEC. If a large number of witnesses are required the case may be unsuitable for the IPEC.
 - **Value of the claim.** As set out above, there is a limit on the damages available in the IPEC of £500,000. However, if a claim is otherwise appropriate for hearing in the IPEC, it will be unusual for this to be ruled out solely because of an estimate of the claim's value.
- The earlier a claim is brought, the lower the value of the claim may be, as the damage incurred will be less. Therefore, if you have a straightforward IP claim, it is important to act quickly if you want to benefit from the costs cap of the IPEC can provide. Had proceedings been against him in this country, Mr Slater may have found the costs cap of the IPEC of great help ●

PROTECTING INTELLECTUAL PROPERTY THE RISE OF THE KODI BOX



How grey is the grey area in relation to disseminating intellectual property on the web? James Danks highlights the importance of protecting intellectual property, and warns that when it looks too good to be true, it quite often is.

There is nothing overly surprising in consumers wanting to pay as little as possible for a product or service. Bartering in one form or another still takes place globally on a daily basis and an agreement is only reached when both sides are, to a greater or lesser extent, satisfied with their respective deal.

Similarly, it should be expected that some will want to take things one stage further and receive for free that for which they should pay. This may be disappointing but it is a cold reality of life and has no doubt been true for as long as man has walked the earth.

The public's ability to watch Premier League football matches in pubs and bars has risen exponentially in the past two decades.

The advent of the internet has given rise to what may consider to be a supposed "grey area" in relation to Intellectual Property and its dissemination over the internet. The recent conviction of Brian Thompson for selling 'fully loaded' Kodi boxes has highlighted that this grey area is becoming as black and white as a 1970s TV set.

Sky has traditionally been proactive in protecting their intellectual property, making use of both the civil courts and also engaging the Federation Against Copyright Theft (FACT) to bring criminal proceedings on its behalf in respect of pubs broadcasting in a commercial setting content intended for domestic consumption. Sky has been accused of acting disproportionately by taking action against the owners of small pubs and bars. Sky is however keen to explain that it is required to pay the Premier League a huge amount of money for the ability to show these matches and are entitled to protect their investment, and by extension their Intellectual Property, as best they can. They also have a duty to their shareholders.

The public's ability to watch Premier League football matches in pubs and bars has risen exponentially in the past two decades. Rarely is there a city centre without a number of pubs advertising a range of Sky sporting fixtures and pubs will use the allure of showing City versus United as a reason to attract paying customers to their venue over that of their competitors. Venues unable to broadcast the Sky sporting fixtures will lose out to their (often bigger) rivals. The difficulty for the smaller pubs, often the most dependent upon retaining customers, is that the commercial subscriptions for

Sky can be large despite the content being the same as that available to domestic subscribers.

This ruse adopted by some publicans used to be no more complicated than popping a 'domestic' Sky card into the pub's Sky box and enjoying the fruits of the increased trade, or at least not losing existing trade to a competitor. However, with the capacity and speed of the internet increasing, the trend is increasingly towards mechanisms for 'streaming' football, boxing or similar on your television via the internet.

In Mr Thompson's case, he sold, and actively advertised from his store, electronic devices that gave purchasers free access to premium sport and films. These devices, known as Kodi boxes, in their original form are entirely legitimate. It was however the third-party add-ons that allowed access to "pirated" content that caused Mr Thompson to end up on the wrong side of the law.

Trading Standards undertook an investigation and made a number of test purchases from Mr Thompson's shop named "Cut Price Tomo's TV", and prosecuted him for one count of selling and one count of advertising devices *'designed produced or adapted for the purpose of enabling or facilitating the circumvention of effective technological measures'*.

Mr Thompson pleaded guilty and was given an 18-month sentence, suspended for two years. In a time when criminal sanctions for IP infringement are becoming more severe, especially following The Digital Economy Act 2017 coming into force, it could be suggested that Mr Thompson got away relatively lightly.

One of the warnings from this case is that every product has its price. Intellectual Property ownership is no more a grey area on the internet than it is in any other walk of life and this is becoming increasingly clear as IP is commoditised on-line.

Few businesses are happy to invest in the development and production of costly Intellectual Property only for its payment channels to be circumvented by the "enterprising", resulting in it being made available for free. If a deal looks too good to be true, it quite often is. Those willing to take a sporting chance by "enabling or facilitating" the ability of others to circumvent subscription services may ultimately score an own goal and face a very different type of penalty ●

TRADE MARK INFRINGEMENT ON AMAZON

FLAGGED WARNINGS FOR ONLINE RETAINERS



Elizabeth
Dennis

The to-do list is long for sellers who enter the online marketplace, arranging photography, establishing pricing, but what about checking for trade mark infringement? Elizabeth Dennis highlights the pitfalls and potential infringements from a recent case that can arise with online listings.

This case concerns two claimants, Jadebay Ltd as the first claimant and Nani & Noa Ltd as the second. Jadebay owned the trade mark of DESIGN ELEMENTS from 30 August 2013 and prior to that had used the unregistered trade mark throughout its trading.

The mark was registered in class 20 for flagpoles; plastic storage box; garden furniture, and a licence agreement was in place between the two companies for Nani & Noa to use the mark on its online marketplace.

Both Jadebay and Nani & Noa sold flagpoles online, Jadebay on eBay and Nani & Noa on Amazon, as a discount outlet. Nani & Noa sold different variations of the flagpoles, and each variation was sold on a different Amazon listing and was identified as being “by Design Elements”.

Amazon Listings

Through the use of listings, Amazon allows multiple third-party sellers to use a specific listing to sell the same product. A seller simply has to confirm that the product it wishes to sell matches the one described on the listing and detail the price and accompanying delivery charges. In circumstances where a given listing has multiple sellers, Amazon will select one seller as the default seller, a process which promotes that product primarily and automatically selects that product when a customer chooses to add an item to their basket or use the “Buy now with 1-click” feature. Should the customer wish to compare prices and delivery charges they are required to select an additional link. It is usually the case that the seller selected as the default seller offers the lowest total price including delivery charges.

It was the case therefore that Nani & Noa, as the “discount outlet”, appeared as the default seller which in turn led to greater sales in comparison to other sellers in the listing.

Infringement

Between July 2012 and February 2013, Clarke-Coles Ltd, trading as Feel Good UK, began to use the claimants’ Amazon listings, selling variations of flagpoles in the same manner as Nani & Noa. The defendant’s flagpoles were purchased from a different manufacturer and although materially different in design they were 20ft tall aluminium flagpoles of comparable quality. Clarke-Coles set its pricing and delivery charges lower than Nani & Noa and therefore, in respect of the listings, were able to replace Nani & Noa as the default seller which resulted in greater sales for Clarke-Coles. In addition, Clarke-Coles presented their products to the customer as “by DesignElements”.

Proceedings

Jadebay and Nani & Noa commenced proceedings for trade mark infringement against Clarke-Coles in September 2015. The claim was made pursuant to ss.10(2) and (3) of the Trade Marks Act 1994 for sales made by the defendant after February 2013 as well as a claim for passing off in respect of sales made prior to that date. Section 10 of the Trade Marks Act 1994 states as follows:

10 Infringement of registered trade mark

- (1) A person infringes a registered trade mark if he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.
- (2) A person infringes a registered trade mark if he uses in the course of trade a sign where because—
 - a. the sign is identical with the trade mark and is used in relation to goods or services similar to those for which the

trade mark is registered, or
 b. the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.

- (3) A person infringes a registered trade mark if he uses in the course of trade (in relation to goods or services) a sign which—
 - a. is identical with or similar to the trade mark...
 - b. where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

It was the claimants’ case that the defendant should have created new and separate listings on Amazon for the sale of its flagpoles and by using the same listings; the defendant was “riding on the coat-tails” of the claimants’ existing reputation.

Decision

The judge outlined the average flagpole-buying consumer to have a considered approach to as regards to their purchase and rejected the Clarke-Coles’ contention that the products were generic in nature and description. The judge found no material difference between the listing entitled “20ft Aluminium Flagpole” and that entitled “DesignElements 20ft Aluminium Flagpole” as the wording “by DesignElements” would appear alongside the product itself and this was an indication as to the origin of the goods.

The judge found the defendant to have used the unregistered sign “DesignElements” to market flagpoles and although the sign was not identical to Jadebay’s trade mark it was, nonetheless, aurally and conceptually identical as well as visually similar.

In respect of the claim for trade mark infringement, the judge determined there to be no difference in quality or utility between the claimants’ and defendant’s products and, had a customer realised he had purchased a flagpole from a different seller, he would nevertheless be satisfied with the item. On this basis, a likelihood of confusion was determined and the judge held that the average consumer would believe Clarke-Coles’ product to have come from Design Elements. The infringement claim was upheld for the purposes of ss.10(2) of the Trade Mark Act 1994.

The claim pursuant to ss.10(3) however failed as the judge held Jadebay’s trade mark to not have requisite reputation in the UK for the provision to apply.

The claim for passing off was also upheld in light of the claimants’ goodwill that had been in place before the defendant began selling its flagpoles online. Again, the defendant’s contention regarding the difference between the two signs was rejected and the judge found the difference between the signs to be negligible.

Award of damages

The judge found, on the balance of probabilities, almost every sale made by Clarke-Coles was a sale which would otherwise have gone to Nani & Noa. The sum of £25,359.75 was awarded to the claimants in damages for infringement and passing off which reflected the loss of profits.

This case highlights the pitfalls of the online marketplace and the potential infringements that can arise with online listings. Reliance on registered and unregistered trade marks can enable businesses to protect their brand and prevent the use of trade marks by sellers of competing products ●

BEWARE THE TRADE MARK TROLL



In folklore 'trolls' are usually ugly, unpleasant creatures that sometimes live under bridges. On the internet 'trolls' are people that post messages, or materials, predominantly on social media with a view to upsetting others and provoking a reaction. However, 2017 has seen the birth of the trade mark 'troll'...



Ben Evans

Whilst there have been trade mark disputes since at least the 13th century (when King Henry III introduced the first trade mark legislation) they have generally been characterised by competing businesses using the same or similar trade marks. There are, of course, exceptions to that general rule but that's outside the scope of this article.

What's different about 2017 is that a Mr Michael Gleissner has popped up. Mr Gleissner has been described as the first trade mark 'troll' and operates an empire of thousands of companies, owning thousands of domain names and trade marks. There is, of course, nothing wrong with that per se however, Mr Gleissner does not appear to actually run any businesses under these various trade marks and whilst no one knows for sure, it appears that Mr Gleissner is seeking to register trade marks with a view to using those marks to leverage certain of the new general top level domains.

Examples of Mr Gleissner's activities in 2017 include:

- Unsuccessfully seeking to cancel 68 of Apple, Inc.'s trade marks resulting in a costs award of some £38k against Mr Gleissner and various companies under his control;
- Applying to register the mark Viva.com, despite not owning the viva.com domain name and the fact that Viva Media GmbH already trade, and have various registrations for, the mark VIVA for similar goods/services;
- Attempting to register marks for the TANGO brand (owned by Britvic PLC);
- Registering the domain name tmview.com, copying the code of the well-known free search tool TM View (the legitimate version of which is found at www.tmdn.org) and running the same as an ongoing website; and
- Applying to register the mark PURPLE, for various telecommunications services, despite our client Purple Computing Limited already owning the mark PURPLE COMPUTING for the same or similar services.

Mr Gleissner is now well known in the legal press and, we understand, with the IPO. Unsurprisingly the majority of cases that reach decisions appear to have gone against Mr Gleissner either because brand owners are live to the risk and can rely on existing registered, or unregistered rights, or because they are able to demonstrate that Mr Gleissner has filed in 'bad faith'.

Whilst we don't know the reason for Mr Gleissner's activities they are obviously of concern to brand owners. It must be said that the issue raised here is not exclusive to Mr Gleissner's activities and it is important for all businesses (from SMEs to PLCs) to ensure that they have the right trade mark protection, with appropriate watch services in place, and that they actively monitor and police their marks so that they can avoid being eaten by a troll! ●

Whilst we don't know the reason for Mr Gleissner's activities they are obviously of concern to brand owners.

THE INTELLECTUAL PROPERTY (UNJUSTIFIED THREATS) ACT 2017



Jeanne
Corbett-Simmons

The Intellectual Property (Unjustified Threats) Bill was one of the only Bills to slip through the snap general election net, receiving royal assent on 27 April 2017. The Act came into force on 1 October 2017. The Act was introduced to make life easier for business and entrepreneurs. So what can we expect?

The unjustified threats regime received wide criticism for being overly complex and the Act aims to introduce some much-needed consistency, and certainty, by harmonising the provisions relating to different IP rights.

The former legislation relating to various intellectual property rights allowed a party threatened with infringement proceedings without just cause (if there is no infringement or the right is invalid) to bring a claim for damages for any loss suffered as a result. However, the law was far from satisfactory as different rules applied for trade marks, patents and design rights, and professional advisors were at risk of personal liability for their role in making groundless threats.

The Recommendations

As a result, back in 2014 the Law Commission recommended that the law be amended to address the following points:

- Reformation of the protection against groundless threats relating to patents, trade marks and designs.
- Preventing threats actions being brought by a primary infringer; that is, someone who has carried out or intends to carry out one or more of the most commercially damaging acts. These are referred to as primary acts and include manufacture or importation

of products or applying a sign to goods. This was already part of the law for patents but should apply to all rights.

- The ability to, in certain restricted circumstances, communicate with someone who would otherwise be able to bring a threats action, allowing parties to exchange information and attempt settlement.
- Removal of the personal liability for professional advisors acting in their professional capacity and on instructions from a client.

The 2015 draft Bill then made two recommendations:

- i. to extend the protection of the threats provisions to European patents that will come within the jurisdiction of the Unified Patent Court.
- ii. to modify the current test for whether a communication contains a threat.

The aim of the Act is to create a framework within which parties can negotiate settlement of intellectual property disputes at an early state whilst maintaining the protection of those who may be harmed by unjustified threats. It provides clarity in relation to the current legislation and offers some comfort to those who would otherwise be reluctant to pursue an infringement matter due to the risk of action for unjustified threats.

The Changes (come in two by two)

The Act introduces (a) a new two-stage test for the Court to apply, (b) two exceptions which prevent an action being brought and (c) two defences available to rights holders. It also removes the personal liability for professional advisors providing that they are acting on instructions and the client is identified in the communication.

The two-stage test to determine whether a threat has been made is:

1. whether a reasonable person would understand from the communication that a patent, trade mark or design exists.
2. whether the reasonable person would understand that a person intends to bring proceedings against another person for infringement of the right by an action done in the UK.

The exceptions which prevent an action are:

1. where the threat relates to a primary act of infringement (as per the recommendation above).
2. if the threat is contained within a “permitted communication”. For example communications aimed at identifying the infringer or to give notice of a right where its existence may not be obvious. This allows rights holders to approach

secondary infringers (such as retailers) in an attempt to identify the primary infringer. “Permitted communications” must not threaten to take action and ask that the recipient (i) cease activity, (ii) destroy or deliver something up or (iii) provide undertakings.

The Defences available to an action for unjustified threats are:

1. justification – where the act is shown to be an infringing act.
2. where no primary infringer can be identified.

The Result

Harmonisation of the legislation relating to different IP rights will certainly result in greater clarity and simplify procedure for rights holders. The removal of personal liability for professional advisors will come as a relief for IP professionals and suppress the reluctance to issue cease and desist letters in all but the most clear-cut cases. The Act will hopefully also encourage early stage cooperation and disclosure on the part of secondary infringers and raise awareness of the risks of participation in any infringing activity ●

SHARING PHOTOS ONLINE – THE RISKS OF COPYRIGHT INFRINGEMENT



Jill Bainbridge



With new social media platforms and photo sharing apps becoming more popular the risk of copyright infringement through the sharing of photography is more present than ever.

The main purpose of social media is that it gives you the ability to share content instantly, be that through tweets, posting a photo on Instagram or sharing an album of photos on Facebook. Many social media platforms give the ability to re-post, save or share other people's content. With so many ways to share someone's photo at just the click of a button, it is easy to forget about the possible legal implications of what you do on social media.

In particular many companies are now using social media platforms to promote their brands. Sharing a celebrity's photo of them using your product or retweeting a photo of a customer in your restaurant

may be a fantastic way to build your company profile, but it may also amount to copyright infringement. To help you avoid any sticky situations in relation to copyright infringement, here are some points to consider when sharing or posting photos online:

Is it your photo – specifically did you take the photo yourself?

If the answer to this question is yes, then you don't have to consider any risk of copyright infringement when posting your photo. Copyright is a legal protection that automatically arises as soon as original content is created (for example when a photo is taken) and the rights under that copyright protection to use or sell the

photograph belong to the creator – in this case you.

If you didn't take the photo, has the copyright in the photo been assigned to you or do you have a licence from the copyright owner to use it?

The fact that a photograph has been posted on the internet does not mean that it is freely available for you to use. The photographer who originally took that photo is likely to still own the copyright of the photo, and as a result use of that photo could amount to copyright infringement. An exception to this is if you have been assigned the copyright from the photographer or granted a licence to use it.

If you don't own the photo or have a licence to use it, can you obtain a licence to use or share the photo?

If in doubt about whether you can use a particular photo, the safest thing to do is to contact the photographer directly and ask whether they are willing to grant you a licence. If the photographer agrees, make sure you get the correct licence for the type of use you intend for the photo and that you stick within those agreed terms when using the photograph. In addition to individual licences from photographers, there are a number of websites online that allow you to purchase different licences to legally use the photos provided on that website.

Is the photo on social media?

Once a photo is shared on social media, the terms and conditions of that social media platform are likely to have an effect on the copyright protection of the photo. The extent of the effect on the copyright of the photo is dependent on the particular platform, for example:

• **Twitter** – Twitter's Terms of Service state that the original copyright owner retains those rights, however by posting it on Twitter you grant Twitter a "worldwide, non-exclusive, royalty-free license (with the right to sublicense) to use, copy reproduce, process, adapt modify, publish, transmit, display and distribute such

Content in any and all media or distribution methods.."

• **Facebook** – Facebook's Terms of Service state "You own all of the content and information you post on Facebook, and you can control how it is shared through your privacy and application settings. In addition...For content that is covered by intellectual property rights, like photos and videos (IP content), you specifically give us the following permission, subject to your privacy and application settings: you grant us a non-exclusive, transferable, sub-licensable, royalty-free, worldwide license to use any IP content that you post on or in connection with Facebook

(IP License). This IP License ends when you delete your IP content or your account unless your content has been shared with others, and they have not deleted it..."

• **Instagram** – Instagram's Terms of Service similarly state that Instagram does not claim ownership of any content posted on Instagram, however it does state that "you hereby grant to Instagram a non-exclusive, fully paid and royalty-free, transferable, sub-licensable, worldwide license to use the Content that you post on or through the Service"

In summary, the examples above show that just because a photo is posted on social media, that certainly does not

mean that no copyright exists. Usually the original copyright owner retains all rights in the photo and as a result the same rules apply as set out above.

In addition, if you are thinking of posting your photos onto social media, make sure you consider the effect this may have on your rights as set out above. For further details take a look at the terms and conditions of your chosen social media platform.

Social media can be a great way to promote your business and a fun way to share content with others. But remember, intellectual property rights exist ●

THE FUTURE OF INTELLECTUAL PROPERTY RIGHTS AFTER BREXIT



Ben Evans & Emma Bradley

The countdown is on. Following the UK's Article 50 notification, the EU will be one Member State short come 30 March 2019.

Withdrawal from the EU impacts many aspects of business life, one key area being intellectual property. This isn't a topic that the media has really focussed on yet so, here's a quick rundown of what 'BrexIP' means for your business...

Designs

The UK's system for protecting registered and unregistered designs (i.e. the UK registered design right) will not be affected by Brexit.

Nevertheless, the position differs when it comes to Registered Community Designs (RCD). Upon the UK's departure from the EU, an existing RCD will only cover the remaining EU member states; it will not cover the UK. Unsurprisingly,

existing RCD owners will want reassurance over the future status and protection of their rights within the UK and we understand that the government is currently looking at different options. Although UK businesses can continue to register a RCD post-Brexit, businesses must be aware that successful registrations will only cover the remaining EU Member States. As such, once the UK has left the EU, it would appear that a business may also need to apply for a national UK design registration to accompany their RCD.

The position is less clear when looking at EU unregistered designs. Under the EU designs regulation, rights in unregistered Community designs are granted protection

for up to three years from the date when the design was first publicly made available within the EU. The scope of the right is limited to copying, but covers the same design aspects set out in RCDs, including surface decoration. If EU design rights were to be repealed following the UK's departure from the EU, then designers would not be granted unregistered protection for surface decoration. In order to ensure adequate protection, including surface decoration, businesses may wish to apply for a UK registered design. Nevertheless, unregistered protection for designs will continue to exist throughout the UK, by virtue of the UK unregistered design right and by using copyright. It is to be noted that a UK unregistered design right grants protection for up to 15 years and does not protect surface decoration, unlike the EU unregistered right.

As it stands, Community Designs (both registered and unregistered) will continue to be protected in the EU and UK up until at least March 2019.

Copyright

While the UK remains in the EU, copyright laws will continue to comply with EU copyright directives.

As parts of copyright are subject to UK legislation, it is unlikely that copyright will be dramatically affected by Brexit in the short term. Nevertheless, copyright law has been partly harmonised at a European level and as such, protection of such rights may change. The continued effect of such regulations following the UK's departure from the EU will depend on the terms of the UK's relationship with the EU.

Patents

1. European Patent System

Applications for patent protection in European countries can be made using the

European Patent Convention (the EPC). The EPC allows an individual to apply for a patent in up to 38 European countries, including the UK. The IPO has confirmed that the UK's departure from the EU will not affect the current European patent system; this is because the EPC is an international treaty, not a European treaty. As such, Brexit will not change the way in which EPCs are granted. UK businesses can still apply to the European Patent Office to ensure that they are afforded patent protection in European countries and the UK. It is to be noted that UK national patents will also not be affected by Brexit.

2. The Unified Patent Court

The creation of a Unified Patent Court (the UPC) was first agreed in 2013 and is intended to create a specialised patent court which all EU member states can participate in.

In order for the UPC to come into force, ratification is required by 13 member states, including 3 member states where EPCs are most prominent, one being the UK. Although the '13 member state' threshold has now been met, the UK has not yet ratified the agreement. Although the Brexit vote in June 2016 initially cast doubt over whether the UK will ratify the UPC Agreement, the UK government confirmed in November 2016 that it will continue to proceed with ratification. Furthermore, secondary legislation was placed before the UK and Scottish Parliament in June and August of 2017, with the Scottish Parliament approving the draft legislation in October 2017. This secondary legislation will enable the UK to ratify the UPC agreement.

Although positive steps have been taken towards a UK ratification of the UPC agreement, the question on everyone's lips is to what extent the UK will be involved in the

UPC, in light of Brexit. As it stands, the UK is due to leave the EU on 30 March 2019. As such, it is likely that the UK will not be able to experience the UPC before Brexit takes place. Furthermore, it is not clear what the UK's long term role is within the UPC following Brexit.

Trade Marks

Withdrawal from the EU will, on the face of it, mean that the UK also withdraws from the EU Trade Mark (EUTM) system and EUTMs will no longer cover the UK. Brand owners who have chosen to rely solely on the protection provided by EUTM and have not also registered trade marks under the UK's national regime could therefore be left without any protection in the UK.

Whilst this is a considerable concern for some brand owners, it is by no means the first time that they will have questioned the protection afforded by EUTMs. In particular, the decision of the CJEU (Leno Merken BV v Hagelkruis Beheer BV C-149/11) has been interpreted by the UK courts to mean that in order to maintain an EUTM, the mark must be used in more than just one Member State. This went rather against the unitary principles of the EUTM system and left some brand owners questioning whether that left them with the best protection, particularly where they only used the mark in one Member State.

What we don't yet know, and likely won't know for some time, are the transitional provisions that will be put into place for owners of EUTMs. Whilst strictly speaking it is possible that there could be no such provisions, it seems incredibly unlikely. After all, this is not just a problem for UK businesses but for those in the remaining 27 Member

States and around the world. It is inconceivable that the UK Government, and indeed the EU, will fail to tackle a situation whereby brand owners lose such important rights.

Instead, what has been suggested is a form of conversion of those EU rights into national UK rights. We anticipate that this will be by way of an automatic process but that is not yet certain and there remains the possibility that an opt-in process of some kind will be rolled out.

There is, therefore, no need for EU Trade Mark owners to panic. It is frankly unimaginable that they will be left high and dry in the Brexit negotiations. However, brand owners should ensure that they review their portfolios regularly and in particular consider:

- Where they are using their marks – are EUTMs being used throughout the EU or merely in certain Member States? Regardless of the outcome of the Brexit negotiations, use of an EUTM in only one or a handful of Member States could, depending on the extent of such use, render the mark(s) vulnerable to cancellation;
- What any co-existence agreements say – those agreements that define the EU as the territory may need to be clarified to ensure that they continue to apply to the UK after Brexit; and
- When filing new applications – if filing new applications – it is important to consider whether the mark is going to be used in the EU (outside of the UK). If not, we would suggest simply filing a UK application. If the mark is to be used in the UK and EU, for a belt and braces approach, we would suggest filing both UK and EU applications ●



THE LONG ARM OF DATABASE RIGHT PROTECTION



Simon Stokes

The law protecting databases – compilations of information – is surprisingly complicated. One case this year served as a reminder of the importance of close database management, and understanding what can be protected by database right and copyright.

Technomed Ltd & another v Bluecrest Health Screening Ltd and Express Diagnostics Limited; [2017] EWHC 2142 (Ch); 24 August 2017

The law protecting databases – compilations of information – is surprisingly complicated. The information itself may be unoriginal or otherwise not capable of copyright protection yet the law can nevertheless still protect the database.

This can be done through the law of confidence (if the database and its contents are confidential), through copyright if the database itself is original to the required standard, or in addition if the database qualifies for database right protection under a European based law that dates back to the 1990s – “database right”.

Database right is currently under review by the European Commission, and post-Brexit it is one of the EU-based IP laws the UK could revise or even remove from the statute book. It is not a very well understood right and the jurisprudence of the Court of Justice of the European Union on the right has left the scope of the right uncertain. Yet the English

courts have on occasion taken quite an expansive view of database right protection.

For example when thinking of what constitutes a ‘database’ you may think of a complex spreadsheet or other form of electronic filing. Nevertheless, the High Court’s recent judgment in *Technomed v Bluecrest* [2017] EWHC 2142 held that a pdf document amounted to a ‘database’ and that database right subsisted in the pdf. The Court subsequently upheld a claim for infringement of database right and also held that data formatted in ‘XML’ was entitled to copyright protection as a literary work.

This is a fascinating case that really helps with understanding the relationship between database copyright and database right.

The facts

The Claimants (Technomed) developed ‘the ECG Cloud’, an internet-based electrocardiogram (ECG) analysis and reporting system. The ECG Cloud enables ECG readings to be analysed remotely by reporters who are not carrying out the readings themselves. In developing the

ECG Cloud, Technomed built a database which comprised of:

- A set of classifications of relevant physical characteristics shown by ECGs (the Classifications)
- For each Classification, the Database contained a list of options i.e. ‘normal’, ‘bradycardia’ etc. (the Options).
- For each option, the Database contained a risk status (the ‘Traffic light’), which intended to reflect best medical practice for ECG screenings and contained explanatory text for patients (the Patient Definitions).

The ECG Cloud produced an XML file with a standardised XML format in order to allow patients/ doctors to access the ECG results. This was done by inserting the information held in the XML format into a template containing a general explanatory text and diagrams about ECG screening. The template included two diagrams (the ‘Two Hearts’ diagram and the ‘Wave’ diagram) and various explanatory materials (the Explanatory Materials).

In October 2012, Technomed entered into a contract with Bluecrest Health Screening Ltd (‘Bluecrest’) to provide heart screening services. The contract ran from 1 January 2013 and was intended to end on 31 December 2015. In February 2013, Bluecrest asked Technomed to provide them with a copy of the ECG cloud database. Technomed subsequently sent Bluecrest an email attaching electronic copies of the Two Hearts diagram, Wave diagram, Explanatory Materials and a pdf document containing the Database (i.e. the Classifications, Options, Traffic Lights and Patient Definitions).

The relationship between Technomed and Bluecrest ‘sourred’ and as a result, Bluecrest approached Express Diagnostics Limited (‘Express’) in order for them to take forward the ECG screening. In November 2013, Bluecrest sent Express the documents that they had received from Technomed. In January 2014, Bluecrest informed Technomed that they wished to cancel their contract.

In March 2015, Technomed issued proceedings against Bluecrest and Express, claiming that they had infringed:

- The ‘sui generis’ database right in the Database (i.e. the Classifications, Options, Traffic Lights and Patient Definitions)
- Copyright in the Database, either as a database and/ or other type of literary work
- Copyright in the software, namely:
 - Copyright in the XML format as a literary work
 - Copyright in the XML format and/ or the Database as preparatory design material for a computer program
- Copyright in the Explanatory Materials as a literary work
- Copyright in the Patient Definitions as a literary work, taken either together with the associated Classification and Option or each Patient Definition individually
- Copyright in the Two Heart Diagrams and in the Wave Diagram as artistic works

Can database right be recognised in a pdf document?

Database right seeks to recognise and protect the investment that an individual makes in compiling a database. The first matter for the Court to consider was whether the Database, in its pdf format, met the definition of a database as set out under Article 1 (2) of the Database Directive i.e. whether it was ‘...a collection of independent works, data or other materials arranged in a

systematic or methodical way and individually accessible by electronic or other means.’ The Claimants noted that a database ‘need not have a complex structure or be large or have a sophisticated method of indexing’. On the other hand, the Defendants argued that ‘a pdf can never be a database – on the basis that is akin to a photograph of a database, rather than the database itself.’ The Court rejected the Defendant’s submission, stating that ‘the contents of the pdf can be accessed, either through electronic conversion...digital character recognition... reading...or re-typing.’ The Database was deemed to have met Article 1(2) and as such, the Court held that the pdf document amounted to a database.

Having established that the Database satisfied the meaning contained within Article 1(2) the Court then had to determine whether a database right subsisted in the Database. Article 7 (1) of the Database Directive states that a right will be given to a maker of a database where ‘there has been qualitatively and/ or quantitatively a substantial investment in either the obtaining, verification or presentation of the contents’ of the database which might seek to prevent extraction and/ or re-utilisation of the whole or a substantial part, evaluated qualitatively and/ or quantitatively.’ In this case, the Court recognised that the Claimants had substantially invested in obtaining and verifying the presentation of the contents of the Database

which the Court assessed qualitatively. It was also found that Technomed had sought to prevent extraction and/ or re-utilisation of the whole/ substantial parts of the Database. As such, it was held that database right subsisted in the Database.

Finally, the Court gave consideration as to whether the database right had been infringed. In this instance, the Court concluded that the Database had been copied in its entirety. As such, it was held that the database right subsisting in the Database had been infringed. In addition the Court held there was also copyright in the Database and this was infringed as well.

Can XML formats be afforded copyright protection as a literary work?

Technomed also asserted copyright in the data formats written in extensible mark-up language (XML). During the hearing, an analysis of the Technomed XML format and the XML file produced by Express for Bluecrest was undertaken. Expert evidence concluded that the two files shared the same 16 characteristics. It was considered ‘inconceivable’ that this could have happened by chance and it was therefore determined that either one of the files had been derived from the other, or they had both been derived from a common source. It was argued that the XML format would be entitled to protection as a literary work, as long as it met the author’s own intellectual creation test

for copyright protection. The Court noted that the XML format demonstrated the personal stamp of the author and that it was the product of the author’s own intellectual creation. As such, the Court held that the XML format was entitled to copyright protection as a literary work, but not as a computer program.

This is a fascinating case that really helps with understanding the relationship between database copyright and database right.

This case serves to highlight the breadth of what can potentially be protected by database right and copyright, in this case a pdf document and XML format reports. However, as always the facts are crucial and the document at issue here wasn’t a mere pdf – it had been derived from a database. It is to be noted that not all pdf documents will automatically constitute a database. It is important to ensure that the pdf document is used as a ‘database’ and meets the necessary requirements under Article 1(2) and Article 7 of the Database Directive. The judgment also demonstrates that XML formats can be protected by copyright as a ‘literary work’, so long as it can be shown that they were the author’s own intellectual creation ●

CIGARETTE PACKAGING RULES AND THE ESSENCE OF A TRADEMARK



Chris Williams

It has been a long process, but 2017 finally saw the final stage in the banishment of logos and other distinctive designs from cigarette packets being offered for sale to consumers.

The once bright and visually pleasing designs on cigarette packaging have now given way to mandated drabness, not only must the brand name be displayed in a prescribed size and position but the colour of the pack has also been standardised. Taken together with the wider ban on tobacco advertising this is a far cry from the glamorous lure depicted in Netflix's *Mad Men*, a fictional account of an ad agency in the 1960s whose biggest client is Big Tobacco.

The Tobacco Products Directive ("the Directive") was adopted in 2014 but was subject to a series of veracious challenges from the tobacco industry. The Supreme Court finally refused to allow the industry any further appeals and at that stage the game was up, the days of brightly coloured and distinctive packaging were over.

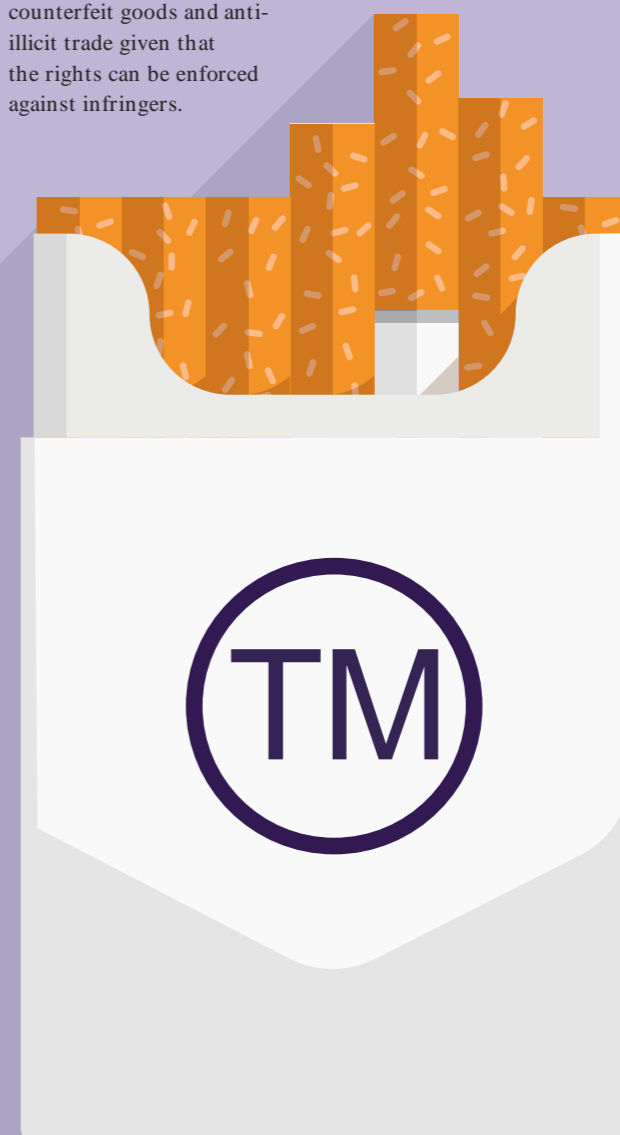
A number of thought-provoking arguments which go to the core of trade mark ownership were raised by the tobacco industry during the litigation. One striking argument was whether the legislation was incompatible with the right of a trade mark owner to use its mark. A trade mark is a property right and so, the industry argued, it would be unfair to deprive the owner of its right.

This argument was answered by the Court of Appeal which determined that the essence of a trade mark is not the right to use the mark, but the right to prevent others from using it. The change to the law did not prevent the trade mark owner from looking to enforce its right against others. The Court of Appeal went on to assert that the property right had not been "lost" because the trade mark registrations remain unaffected. The law simply governs how the trade marks can be used and the continuation of the rights would still serve many useful purposes to include the ability of the right holder to prevent counterfeit goods and anti-illicit trade given that the rights can be enforced against infringers.

A further concern of the tobacco industry was whether the law could result in the trade marks being vulnerable to challenge on the basis of non-use. This is a mechanism by which a trade mark can be revoked on the basis that it has not been used for a period of five years. However, wholesale (as opposed to consumer) transactions are not subject to the new law and this is one of a range of ways by which the right holder is likely to be able to prove that it has used the mark and which should defeat a challenge based on non-use.

In light of this, some commentators have irreverently questioned whether the march towards plain packaging for goods that are considered to be unhealthy will ultimately result in plain beer bottles and plain hamburger boxes...only time will tell.

The year has also seen a rise in the popularity of e-cigarettes and the array of tobacco flavours that are offered from the plain to the exotic. In the US, Wrigley are suing Chitown Vapers over its use of "Double Mint" and "Joosey Froot" flavours which it claims are based on its Doublemint and Juicy Fruit brands. It is perhaps unsurprising that many brand owners that invest heavily in projecting a wholesome image are keen to distance themselves from an association with the tobacco industry ●



MORE THAN JUST A BRAND



Whether you use Intellectual Property, or your business is your Intellectual Property, Blake Morgan's national practice offers a complete service from creation to protection, to help you get the best from your concepts and elevate and enhance your brand.

We're not just serious about our reputation, we're serious about yours too.

From contracts to copycats, designs to disputes. Contact us today to find out how one of our experts can help you.

✉ info@blakemorgan.co.uk
www.blakemorgan.co.uk

CARDIFF

☎ 029 2068 6000
✉ 029 2068 6380

LONDON

☎ 020 7405 2000
✉ 0844 620 3402

OXFORD

☎ 01865 248607
✉ 0844 620 3403

PORTSMOUTH

☎ 023 9222 1122
✉ 0844 620 3404

READING

☎ 0118 955 3000
✉ 0118 939 3210

SOUTHAMPTON

☎ 023 8090 8090
✉ 0844 620 3401

BLAKE 
MORGAN