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RECENT EUROPEAN CASE-LAW ON THE INFRINGEMENT AND ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

This document presents summaries of selected important recent decisions relating to the infringement and enforcement of intellectual property rights (IPR). It is produced internally by the EUIPO and updated on a regular basis (usually once per month). The summaries are for information purposes only, and the selection of decisions is not exhaustive.

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September 2025

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UPDATE ON IMPORTANT DECISIONS

09/2025

COPYRIGHT

CJEU – Subject-matter of copyright protection – originality – work – cumulative IP protection (design/copyright)

Joined Cases C-580/23 and C-795/23 – Opinion of Advocate General Szpunar on *MIO AB and Konektra* cases [8 May 2025]

The Advocate General (Szpunar) delivered an opinion stating that works of applied art are subject to the same copyright originality criterion as other works under Directive 2001/29/EC; there is no relationship of rule and exception between design and copyright protection, and infringement requires recognisable reproduction of creative elements, not merely an identical 'overall impression'.

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In Joined Cases C-580/23 (Mio AB, Mio e-handel AB, Mio Försäljning AB v Galleri Mikael & Thomas Asplund AB) and C-795/23 (konektra GmbH, LN v USM U. Schärer Söhne AG), the referring courts (Svea Court of Appeal, Patent and Commercial Court of Appeal, Stockholm; and the Bundesgerichtshof) sought guidance on (i) the relationship between copyright and design protection for applied art, (ii) the criteria for assessing originality under Article 2(a), Article 3(1), and Article 4(1) of Directive 2001/29 (the 'InfoSoc Directive'), and (iii) the test for copyright infringement.

The Advocate General found that EU law does not establish a rule/exception hierarchy between design and copyright protection for applied art. Cumulative protection is permissible, but each regime retains its distinct legal tests: designs are protected where they are new and have individual character (Directive 98/71/EC; Regulation No 6/2002), whereas copyright protection applies where the subject matter constitutes a 'work' by reason of originality, that is, the author's own intellectual creation reflected through free and creative choices (Cofemel; Brompton Bicycle). No higher originality standard applies to applied art.

As to originality, the examination centres on the expression embodied in the work itself. Choices dictated by technical, functional, ergonomic or sectoral constraints are not creative; nor are purely conventional, commonplace or trivial choices. Evidence concerning the creator's subjective intentions or the creative process may be taken into consideration, but it is not decisive; the decisive question is whether the finished object reflects the author's personality through free and creative choices and is identifiable with sufficient precision and objectivity. The use of common shapes, reliance on design trends, the existence or possibility of independent parallel creation, or subsequent museum

exhibition/professional recognition may be indicia but are neither necessary nor sufficient to establish originality.
On infringement, the Advocate General distinguishes the copyright infringement test from design law's 'overall impression' analysis. For Article 2(a), Article 3(1) and Article 4(1) InfoSoc, the court must determine whether the creative elements of the protected work have been reproduced recognisably in the allegedly infringing subject matter. A mere absence of a different overall impression is insufficient to prove copyright infringement. Once originality is established, the scope of protection does not vary according to a 'degree of originality'. Independent creation excludes infringement; conversely, the mere possibility of independent creation cannot defeat a finding of infringement where recognisable reproduction of creative elements is shown.

The text of the opinion can be found here.

CJEU – Copyright, Collective rights management, Broadcasting, Phonogram, proportionate and equitable remuneration

Case C-37/24 – *DADA Music,* EU:C:2025:551 [10 July 2025]

The Court of Justice of the European Union has ruled that EU law does not require Member States to guarantee minimum flat-rate remuneration to phonogram producers for the broadcasting of commercial phonograms, provided that the remuneration system in place ensures equitable and proportionate compensation.

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The dispute arose in Romania between the Union of Phonogram Producers of Romania (UPFR, the 'claimant'), a collective management organisation, and DADA Music SRL, a local radio operator (the 'defendant'). Under a licence agreement, DADA Music was required to pay remuneration based on revenue, subject to a minimum flat-rate fee set out in a remuneration methodology. Following the adoption of Law No 74/2018, which repealed mandatory minimum fees after 90 days, DADA Music refused to continue paying the flat-rate amounts, arguing it was only bound by revenue-based remuneration.

The UPFR contended that minimum flat-rate remuneration remained applicable until a new methodology was adopted. The Bucharest Tribunal partly upheld DADA Music's position, finding that, under the amended law, only remuneration proportionate to revenue was due. The UPFR appealed to the Bucharest Court of Appeal, which referred questions to the CJEU on whether EU law required flat-rate remuneration guarantees.

The CJEU held that neither Article 8(2) of Directive 2006/115 nor Article 16(2) of Directive 2014/26, read in light of Article 17 of the Charter of Fundamental Rights, imposes an obligation to set minimum flat-rate remuneration. Instead, remuneration must be 'equitable' or 'appropriate', meaning it should reflect the economic value of the use of the rights and respect proportionality. National legislation

repealing flat-rate systems is permissible if it continues to ensure fair compensation for rights holders and does not disproportionately undermine their intellectual property rights.

The Court of Justice further clarified that it is for national courts to assess whether the remuneration actually paid under national rules is equitable, striking a balance between rights holders and users. If the amounts are manifestly derisory or excessive, courts must interpret national law consistently with EU law principles. However, directives cannot be applied directly against private parties (no horizontal direct effect), unless domestic law allows.

In conclusion, the Court confirmed that EU law does not mandate flat-rate minimums but requires that national systems guarantee rights holders fair and proportionate remuneration for the broadcasting of commercial phonograms.

The text of the decision can be found here.

FR - Subject-matter of copyright protection – originality – work – cumulative IP protection (design/copyright)

Tribunal judiciaire de Paris, RG n 22/09210, *Hermès* [7 February 2025]

The Paris Judicial Court has ruled that the shapes of Hermès's iconic 'Kelly' and 'Birkin' handbags were eligible for copyright and 3D trade mark as they were not solely dictated by their technical function. Therefore, the French court found that the defendant had infringed such rights through the marketing of two handbags and a related NFT, which reproduced the distinctive shapes of Hermès's iconic products.

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Hermès Sellier and Hermès International (the 'claimants') brought proceedings before the Tribunal judiciaire de Paris against Blao & Co (the 'defendant'), a company marketing clothing and accessories under the 'NDG' brand. Hermès alleged that Blao & Co's 'Paisley Jane' handbags, along with an NFT reproducing them, infringed its copyright in the 'Kelly' and 'Birkin' bags and its three-dimensional trade mark covering the padlock affixed to the bags.

Hermès had previously sent a cease-and-desist letter in March 2022 after discovering the disputed products on Blao & Co's website. Although the defendant responded that the products were no longer for sale, further investigation showed that they remained available for sale. Hermès, therefore, initiated legal proceedings for copyright and trade mark infringement.

The Paris court first assessed the scope of Hermès's rights. On the basis of documentary evidence (invoices, design registrations, press coverage), it confirmed Hermès's economic rights in the 'Kelly' and 'Birkin' bags and the validity of its international three-dimensional trade mark registered in 2003 for the padlock design.

The judges then turned to originality. They held that the handbags' distinctive flap construction, proportions, and fastening systems were creative features not solely dictated by technical necessity, and that they bore the imprint of the designer's personality. Consequently, the bags qualified as copyright-protected works under Article L. 111-1, Article L. 112-1, and Article L. 113-1 of the French Intellectual Property Code. Since the 'Paisley Jane' handbags reproduced these essential features in their entirety, minor variations in fabric or patterns were irrelevant, and both the handbags and their NFT counterparts infringed Hermès's copyright (Article L. 122-1, Article L. 122-4, and Article L. 335-3 CPI).

The court also considered trade mark infringement. Hermès's three-dimensional padlock mark was compared with Blao & Co's padlock. While Blao & Co used the letters 'NDG' instead of Hermès's 'H,' the overall shape and stylised elements were found nearly identical. Applying the criterium of likelihood of confusion as established in CJEU case-law (Sabel v. Puma, C-251/95), the judges concluded that consumers of luxury leather goods could mistake Blao & Co's products for Hermès's. The padlock on both the handbags and the NFT therefore infringed the registered trade mark under Article L. 713-2 CPI.

Accordingly, the Tribunal judiciaire de Paris held that Blao & Co had infringed Hermès's copyright and trade mark rights through the sale of the 'Paisley Jane' handbags and the related NFT, confirming that French intellectual property law extends to both physical and digital reproductions of protected designs.

The text of the decision can be found here.

Trade mark

DE – Trade marks, likelihood of confusion, three-dimensional trademark

The Higher Regional Court of Hamburg 5. Zivilsenat, Case 5 U 61/21 – *Volkswagen AG* [8 May 2025]

The Hamburg District Court clarified that trade mark protection for 3D form marks does not extend to unlicensed model car replicas unless there is a clear indication of a licensing connection. The German judges emphasised that producers of accurate, non-licensed replicas in distinct markets may operate without infringing trade mark rights, provided they do not mislead consumers about their relationship to the original brand.

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Volkswagen AG (plaintiff) sued the defendant, a model car producer, for alleged trade mark violations under § 14 Abs. 2 MarkenG, including claims of likelihood of confusion (§ 14 Abs. 2 Nr. 2), unfair exploitation of a well-known mark (§ 14 Abs. 2 Nr. 3), and direct identity infringement (§ 14 Abs. 2 Nr. 1). Volkswagen argued that the defendant's post-2012 Bulli replicas – which were accurate but lacking

a license mark (e.g., 'Officially licensed by Volkswagen') – misled consumers into assuming a licensing relationship, and that this unfairly capitalised on Volkswagen's brand reputation.

The court dismissed all claims, emphasising that the model car market is distinct from the original vehicle market. Consumers in this sector understand that model cars may be licensed or unlicensed, and the absence of a license mark on the defendant's post-2012 replicas negated any implied connection to Volkswagen. Applying the 'Opel-Blitz' case-law, the court held that model car producers operate in a separate market where accurate replicas without licensing ties are permissible, provided they do not mislead consumers.

Volkswagen claimed the defendant's exact replication of the Bulli design, even without a license mark, constituted unfair exploitation. The court rejected this, noting no evidence of additional branding or misleading practices, and affirmed that the model car market is not parasitic on the original vehicle market. It further dismissed the identity infringement claim, stating the defendant's use did not impair the trade mark's core functions (e.g., the herkunftshinweisende function) because consumers did not associate the unlicensed models with Volkswagen.

The text of the decision can be found here.

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COPYRIGHT

Subject matter and threshold of copyright protection

Request for access to documents (exception for disclosure) – Subject matter for copyright protection – Originality (harmonised standards)

EU General Court, T-185/19 [14 July 2021]

This case concerns a request for access to documents and the exception related to the protection of a third party's commercial interests, according to which the copyright protection of the document(s) requested can justify refusal to access them. The EU General Court assesses the application of this exception in relation to a request for access to harmonised standards adopted by the European Committee for Standardisation (CEN). The Court found that standards of harmonisation can reach a threshold of originality needed for copyright protection and sided with the European Commission's decision to refuse to grant access to them.

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Two non-profit organisations, Public.Resource.Org. Inc. and Right to Know CLG, requested that the EU Commission grant them access to documents relating to four harmonised standards adopted by the European Committee for Standardisation. The EU Commission refused to grant the request on the grounds that these standards were protected by copyright. The refusal was based on the first indent of Article 4(2) of Regulation No 1049/2001, pursuant to which access to a document must be refused where disclosure would undermine the protection of the commercial interests of a natural or legal person, including intellectual property, unless there is an overriding public interest in disclosure. The Commission, after receiving a confirmatory application, confirmed the refusal.

The applicants brought the case before the General Court. The Court partially followed the Commission's arguments regarding copyright protection and confirmed that the Commission was entitled to decide, on the basis of objective and consistent evidence, whether the threshold of originality triggering the copyright protection was met in regard to the third-party documents (the harmonised standards in question). The Court then went on to point out that the applicants had failed to show that CEN does not exercise free and creative choices when drafting the requested harmonised standards. It further stated that '[the applicants] do not specify how the restrictions on creativity which are imposed by the standardisation legislation are such that those harmonised standards are not capable of reaching the threshold of originality required at EU level'. The Court concluded that the reasoning of the Commission was sufficient and that the standards of harmonisation were drafted with the creativity needed to be copyright protected. The Court moreover 'endorsed the Commission's assessment that the public interest in ensuring the functioning of the European standardisation system prevails over the guarantee of freely available access to the harmonised standards without charge'.

The text of the judgment is available here.

Subject matter and threshold of Sui Generis database protection - scope of sui generis database rights (Re-utilisation and extraction)

Case C-762/19, CV-Online Latvia v Melons, EU:C:2021:434 [3 June 2021]

This preliminary ruling clarifies when the functioning of an internet search engine specialising in searching the contents of databases constitutes 're-utilisation' and 'extraction' within the meaning of Article 7 of Directive 96/9/EC. The Court stresses the need to strike a fair balance between the legitimate interests at stake (database makers, users, competitors) concluding that the main criterion was the potential risk to the substantial investment.

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CV-Online is a Latvian company which operates the most popular portal for job advertisements - www.cv.lv. It is a database that uses meta tags to give visibility to its offerings through certain keywords, such as job title or date of publication. Melons is a Latvian company that runs a search engine, www.kurdarbs.lv, which compiles job advertisements from different websites, including CV-Online. The user can compare the offers and by the use of hyperlinks open the original website where the advertisement was posted. To sort the advertisements, Melons uses various criteria which correspond to meta-tags of CV-Online.

CV-Online sued Melons for 'extracting' and 're-utilising' a substantial part of the content hosted in the database of CV-Online's website, specifically breaching its *sui generis* right under Article 7 of Directive 96/9/EC. The court of first instance sided with CV-Online on the ground that there was a 're-utilisation' of the database. In appeal, the court decided to stay the proceedings and to refer two questions for a preliminary question to the CJEU, specifically: whether (a) the use of a hyperlink to redirect users to cv.lv constitutes re-utilisation of the underlying database of job ads and (b) the use of the meta tag data constitutes an extraction from the database.

The Court recalled the purpose of the *sui generis* right set in Article 7 of Directive 96/9/EC and underlined the conditions under which a database may be protected by that right, namely an existence of a **substantial investment** in the obtaining, verification or presentation of the contents of that database, finding in conclusion that the CV-Online's database satisfies this condition.

Then the Court confirmed that the definitions of **'re-utilisation'** and **'extraction'** must be interpreted broadly as referring to any act of appropriating and making available to the public, without the consent of the maker of the database, the results of their investment, thus depriving them of revenue which should enable them to redeem the cost of that investment.

The Court found it necessary to strike a balance between the legitimate interest of the **databases' creators** in being able to redeem their substantial investment and that of **users and competitors** of having the possibility to contribute to the information market by facilitating the use of databases and having access to the information contained therein. For the Court, the main criterion for balancing the interests at stake is the potential risk to the substantial investment at stake.

The CJEU finally concluded that the conditions for 're-utilisation' and 'extraction' are met when an internet search engine copies and indexes the whole or a substantial part of a database freely accessible on the internet and then allows its users to search that database on its own website according to criteria relevant to its content. To that extent, a database maker can prohibit such actions, when they pose a risk to the possibility of redeeming the investment of creating the database through the normal operation of the database in question.

The text of the judgment is available on the Curia website.

Subject-matter of copyright protection – originality (folding bike) – cumulative IP protection (design/copyright)

Case C-833/18 SI and Brompton Bicycle Ltd v Chedech/Get2Get, EU:C:2020:461 [11 June 2020]

This preliminary ruling comes in the wake of the CJEU's *Cofemel* judgment (12/09/2019, C-683/2017, Cofemel, EU:C:2019:721). It clarifies that copyright protection (Articles 2 to 5 Directive 2001/29/EC, the Information Society Directive) applies to a utilitarian object (whose shape is functional) such as a folding bike, provided that it meets the originality threshold, that is, that it reflects the free and creative choice of the author.

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SI and Brompton had marketed a folding bicycle, the 'Brompton bicycle'. The special feature of this bicycle was that it can have three different positions (a folded position, an unfolded position and a stand-by position, enabling the bicycle to stay balanced on the ground). This feature was protected by a patent which had expired. Get2Get marketed the 'Chedech bicycle', which was visually very similar to the Brompton bicycle and could also fold into the three positions. SI and Brompton brought an action before the Companies Court in Liège, Belgium (*Tribunal de l'entreprise de Liège*) seeking a ruling that 'Chedech bicycles' had infringed Brompton's copyright and SI's non-pecuniary rights. In national proceedings the Court observed that, under Belgian law, any creation is protected by copyright when it is expressed in a particular shape and is original. This means that a utilitarian object, such as a bicycle, may be protected by copyright. In that regard, although shapes necessary to obtain a technical result are excluded from copyright protection, doubt arises when such a result can be obtained by means of other shapes. The Court referred the case to the CJEU for clarification of the questions of whether Directive 2001/29/EC must be interpreted as excluding from copyright protection works whose shape is necessary to achieve a technical result, and what are the criteria to assess whether a shape is necessary to achieve a technical result.

The CJEU pointed out that a subject matter satisfying the condition of originality may be eligible for copyright protection even if its creation has been dictated by technical considerations, provided that this constraint has not prevented the author from reflecting their personality in that subject matter, as an expression of their free and creative choices. Where the shape of the product is solely dictated by its technical function, that product cannot be covered by copyright protection. The CJEU concluded that Articles 2 to 5 Directive 2001/29/EC must be interpreted as meaning that the copyright protection provided for in those Articles applies to a product whose shape is necessary (at least in part) to obtain

a technical result, but where that product is also an original work resulting from intellectual creation because, through its shape, its author expresses their creative ability in an original manner by making free and creative choices so that the shape reflects their personality. It is for the national court to verify this, bearing in mind all the relevant aspects of the dispute in the main proceedings.

The text of the judgment is available here.

Subject-matter of copyright protection – originality – work – cumulative IP protection (design/copyright)

Case C-683/17 Cofemel — Sociedade de Vestuário AS v G-Star Raw CV, EU:C:2019:721 [12 September 2019]

This preliminary ruling relates to the cumulation of protection of design rights and copyright (see e.g. Article 17 Designs Directive, D 98/71/EC). The CJEU clarifies when designs, for example for clothes, can be considered 'works' protected by copyright under EU law. Article 2(a) Information Society Directive (D 2001/29/EC) obliges Member States to provide for an exclusive reproduction right for authors, 'of their works'.

Both parties in the national proceedings, G-Star and Cofemel, are companies in the fashion industry. G-Star claims that jeans, sweatshirts and t-shirts designed, produced and marketed by Cofemel under the mark TIFFOSI are similar to its own designs 'Arc' and 'Rowdy'. The parties argue about whether these designs are 'works' protected by copyright.

The CJEU stressed that the notion of 'work' is an autonomous concept of EU law. According to CJEU case-law, there are two conditions for a work to be eligible for copyright protection: it must be original in the sense that it is the author's own intellectual creation; and only elements which are the expression of this creation can be protected (see e.g. C-5/08, Infopaq International, EU:C:2009:465, 16/07/2009). The subject matter must also be expressed in a manner which makes it identifiable with sufficient precision and objectivity (see C-310/17 Levola Hengelo, EU:C:2018:899, 13/11/2018).

EU law provides for both design law and copyright protection, in different legal instruments; they do not exclude each other. Designs can be 'works' in the sense of D 2001/29 when the two conditions for protection are fulfilled. The two types of protection pursue different objectives, and copyright protection lasts significantly longer. Cumulation of protection is therefore limited to certain situations.

The 'aesthetic' effect of a design depends on subjective perceptions of beauty, felt by each individual looking at the design. That effect cannot identify the subject matter with sufficient precision and objectivity. It does not allow deciding whether the design is an intellectual creation, reflecting the author's free creative choices. National legislation that grants copyright protection to designs such as fashion designs when they possess an aesthetic value in addition to their utilitarian purpose is contrary to EU law.

The text of the judgment is available on the Curia website.

Subject-matter of copyright protection – originality – work

Case C-310/17 *Levola Hengelo BV* v *Smilde Foods BV*, EU:C:2018:899 [13 November 2018]

In this judgment, the Court of Justice explained that the taste of a food product could not be protected by copyright under EU law. A Dutch court had asked the CJEU to clarify whether the taste of a food product could qualify as a 'work' in the sense of Article 2(1) of the Berne Convention and the Information Society Directive (Directive 2001/29/EC).

In national proceedings, a Dutch company claimed that a competitor was infringing its IP rights concerning a spreadable dip containing cream cheese and fresh herbs.

According to CJEU case-law, a 'work' consists of subject matter that is *original* in the sense that it is the author's own intellectual creation; only *expressions* of the author's own intellectual creation may be classified as 'works' (see, e.g. 16/07/2009, C-5/08 Infopaq, EU:C2009:465). A 'work' must be expressed in a manner which makes it identifiable with sufficient precision and objectivity. This condition is not fulfilled by the taste of a food product, which will mainly be identified on the basis of subjective taste sensations. These sensations and experiences depend on factors such as age, food preferences and consumption habits, as well as on the environment or context in which the product is consumed. There are currently no reliable technical means to precisely and objectively identify a taste, and to distinguish it from the taste of other comparable products.

The text of the judgment is available on the Curia website.

DE - Copyright protection - copyright infringement - works of applied arts - originality

German Supreme Court, Case I ZR 16/24 – *Birkenstocksandale* [20 February 2025]

This case concerns the copyrightability of shoes' models (Birkenstock sandals) under German law. The German Supreme Court ruled out the copyrightability of the shoes shape based on the definition of personal intellectual creation under Section 2 (2) UrhG.

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The plaintiff claimed that sandals sold by the defendant were infringing copyrights on its Birkenstock sandals (models 'Madrid' and 'Arizona'). The shoes based on their shape, non-veneered cut of the sole and choice of material, were a representation of the designers' individuality and hence protected by copyright. Consequently, the plaintiff sought for an injunction against the infringing companies. The District Court of Cologne upheld the action, but the Higher Regional Court of Cologne dismissed all claims. Consequently, Birkenstock appealed to the German Supreme Court. The legal question was whether the shoe designs were a 'personal intellectual creation' under Section 2 (2) UrhG and consequently protected by copyright.

Firstly, the Court affirmed that the Copyright Act applied to works created before its entry into force, such as the 'Madrid' shoe model. Works of architecture and applied art and design can be protected by copyright under Section 2 paragraph 1 no 4 UrhG as far as they constitute 'personal intellectual

creation' under Section 2 paragraph 2 UrhG. The judges also referred to the Court of Justice of the EU ('CJEU') to define 'work'. Firstly, it must be original, understood as being the author's own intellectual creation (16/07/2009, C-5/08, Infopaq International A/S v Danske Dagblades Forening, ECLI:EU:C:2009:465; 7/03/2013, C-145/10, Eva-Maria Painer v Standard VerlagsGmbH and Others, ECLI:EU:C:2013:138; 12/09/2019, C-683/17, Cofemel – Sociedade de Vestuário SA v G-Star Raw CV, ECLI:EU:C:2019:721). Secondly, the work must express the author's own intellectual creation, being identifiable with sufficient precision and objectivity (12/09/2019, C-683/17, Cofemel – Sociedade de Vestuário SA v G-Star Raw CV, ECLI:EU:C:2019:721; 11/06/2020, C-833/18, SI and Brompton Bicycle Ltd v Chedech / Get2Get, ECLI:EU:C:2020:461).

The Supreme Court agreed with the Court of Appeal. While there should not be higher copyright requirements placed on designs, not every design can be protected by copyright. Aesthetic effect of a model does not mean it is an intellectual creation reflecting the requirement of originality (12/09/2019, C-683/17, Cofemel – Sociedade de Vestuário SA v G-Star Raw CV, ECLI:EU:C:2019:721). Most importantly, the creative freedom expressed in a design must be utilised in an artistic, rather than technical or functional sense (11/06/2020, C-833/18, SI and Brompton Bicycle Ltd v Chedech / Get2Get, ECLI:EU:C:2020:461). According to German law, the extent to which utility objects are artistically designed beyond their function must be considered more precisely than in cases involving 'pure works of art' (BGH, GRUR 2024, 132 [juris paragraph 36 and 47]).

The 'Madrid' and 'Arizona' models did not have design features that went beyond the expression of a technical solution. According to the Court, it could not be established that the designs had been conceived artistically in a way that went beyond an everyday use. Moreover, they did not differ artistically from the usual designs of sandals. It was also ruled out that the design holder exploited the design in a creative way that reflected their personality; the aim was to achieve a product 'healthy' for the foot, not an artistic one. The fact that designs were exhibited in design museums and at design exhibitions did not mean that the models constituted pieces of art.

Therefore, the court ruled out copyright protection and copyright infringement, upholding the previous decision of the Court of Appeal.

The text of the decision can be found here.

AU – Subject matter of copyright protection – originality – entitlement to IP right

Austrian Supreme Court, 4OB 112/23h [19 December 2023]

The Austrian Supreme Court ruled on a case about the film 'Yesterday' involving alleged copyright infringement of a screenplay idea. The court confirmed and applied the **idea/expression dichotomy** principle according to which copyright protection extends only to the expression of ideas, rather than to the ideas themselves.

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The claimant alleged that the film *Yesterday* (2019), directed by Danny Boyle, infringed his work. The film featured a struggling musician, in a world where the Beatles never existed, who becomes successful by passing off their songs as his own. The claimant alleged that Yesterday's screenplay basically reproduced the same structure of his text, titled 'Here comes the sun', published on the website 'Make'n Movies' in 2011.

The claimant brought legal action before the Regional Court of Vienna, in first instance, and then appealed before the Higher Regional Court of Vienna, which went on to dismiss the claim. The claimant then appealed to the Supreme Court of Austria, which upheld the lower courts' decisions for the following reasons.

- Copyright protection extends to the personal, physical formation and definition of a creative idea, not the idea itself. Mere ideas, including film ideas, are not protectable.
- The Court then proceeded to assess the originality: the claimant's film idea involves a musician in a fantasy world passing off the Beatles' works as his own to achieve fame. Similar ideas have been used in earlier works such as 'Jean-Philippe' and 'I'm a Beatle.' The Court said that the lack of awareness of prior works does not change the lack of originality of the claimant's film idea.
- The Court then established that the claimant's film idea lacked creative originality, justifying the denial of its status as a protected work, and that adaptation claims were to be also denied, as the plot of the film 'Yesterday' significantly deviated from the claimant's text. Indeed, the film focused on the main character's conflict regarding exploiting plagiarism for a career versus maintaining a love affair, whereas the claimant's text centred on the fear of being murdered like John Lennon was on the main character's 40th birthday.
- In light of the above, the claimant's text did not meet the criteria for copyright protection as a work under Austrian law.

The text of the decision (in German) is available here.

FR – Subject matter of copyright protection – cumulative IP protection (copyright/design)

Court of Paris, 21/15174, ROSAE PARIS v SEVEN AUGUST [5 April 2024]

The legal dispute centres on the intersection of copyright and design law on fashion items. Under Regulation (EC) No 6/2002 of 12 December 2001 on Community designs, unregistered Community designs are protected if they are new and possess individual character, offering 3 years of protection from the date of disclosure. Additionally, French copyright law, as set forth by the Intellectual Property Code (CPI), provides copyright protection for original works, including fashion designs, provided they reflect the author's personal creative expression. This case illustrates the challenges and legal nuances in proving infringement under both legal frameworks in the fashion industry.

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ROSAE PARIS (the plaintiff) designs and sells a variety of cloths. In April 2021, the plaintiff discovered that SEVEN AUGUST (the defendant) was selling similar items on its website. Therefore, it initiated legal action before the Court of Paris on 26 November 2021, alleging infringement of copyright and unregistered Community designs.

The court ruled out both design and copyright infringement using the following reasoning.

- On the infringement of unregistered Community design rights, despite four out of six of the plaintiff's models meeting the conditions for protection of unregistered design law, the court ruled out the infringement noting significant differences in detail between the designs, such as ruffle amplitude, gathers, pleats, length and placement.

- On the infringement of copyright, the court held that the plaintiff failed to substantiate the originality of its garments, as their features were deemed commonplace and not protectable. The mere combination of opposing styles was deemed insufficient to meet originality.

The judgment highlights the importance of clear and distinct originality in fashion designs to claim copyright protection. While fashion designs may potentially qualify for both copyright and design protection, they must meet the respective criteria for each.

The text of the judgment can be found here.

IT – Subject matter of copyright protection – cumulative IP protection (copyright/trade mark)

Italian Supreme Court, decision No. 33100, Vespa [28 November 2023]

This case concerns the interplay between three-dimensional (3D) trade marks and copyrights on the iconic shape of the Vespa scooter. The Italian Supreme Court (Corte di Cassazione) found that when a design is eligible for copyright protection because of its **artistic value**, it may **not** be protected as a **shape trade mark** as well. The **artistic value** adds **substantial value** to the product, which is an absolute ground for invalidity of a 3D trade mark. Moreover, this ruling confirms that Italian Courts are still applying the special artistic value requirement, despite CJEU jurisprudence (12/09/2019, C-683/17, Cofemel, EU:C:2019:363).

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Two Chinese companies marketed scooters whose shapes were inspired by the **iconic Vespa shapes**. These companies (the 'claimants') brought legal action against Vespa (the 'defendant'), seeking a declaration of invalidity of the 3D trade mark consisting of the shape of the Vespa scooter and a declaration of non-infringement of such a trade mark and on the copyrights on the Vespa scooter's iconic design. The defendant counterclaimed that the claimants were infringing its shape trade mark and copyrights and sought injunctions, claiming destruction of goods and damages.

The court of first instance and the Court of Appeal of Turin rejected the claims brought by the claimants and upheld the counterclaims brought by Vespa.

The Italian Supreme Court partially upheld the court of appeal judgment, finding a copyright infringement, but ruling out a trade mark infringement for the following reasons.

- Under Article 9(c) of the Italian Industrial Property Code, registration as a trade mark is precluded for signs consisting of shapes that give **substantial value** to the goods.
- The substantial value requirement is met when the shape has **aesthetic value** or **essential characteristics** that make it a **symbol**, an **icon** or **appealing** in such a way as to influence consumers' behaviour and obtain a competitive edge.
- Under Article 2(10) of the Italian Copyright Act, designs are copyrightable when they are original and have artistic value. The artistic value requirement is met when the work has been socially recognised as an artwork by artistic circles and institutions. In this regard, the rights holders may prove, for example, that the design has been exhibited in museums or art galleries.
- The compatibility of the artistic value requirement with EU law, in light of CJEU jurisprudence (12/09/2019, C-683/17, Cofemel, EU:C:2019:363), is controversial. In the Court's eyes, according to the Cofemel judgment, **artistic value** is **not incompatible** with **EU law**, but in a copyrightability test, the focus must be on originality rather than on artistic value. The assessment of the latter should be less severe.
- The substantial value provided for by trade mark law and the artistic value provided for by copyright law are per se different requirements based on different grounds. Nevertheless, there is a partial overlap. The artistic value is an element that may induce consumers to purchase the product, therefore it may be considered an **indication** of **substantial value** under trade mark law.
- In light of the above, a design like the iconic shape of Vespa has artistic value and therefore gives substantial value to the scooter that prevents its protection as a shape trade mark.

The text of the judgment is available here.

BE – Subject matter of copyright protection – cumulative IP protection (copyright/design)

Antwerp Court of Appeal, 2021/AR/1900, LITHOSS NV v VIMAR S.p.A. and VECOLUX BV [13 September 2023]

This case concerns the criterion of originality in copyright law. A work, to be original, needs to constitute an author's own intellectual creation, expressing their personality. The burden of proof lies on whoever claims the originality. In this case, the claimant failed to prove originality, since its arguments in this regard were too general, leaving room for several options and interpretations. Furthermore, the claimant tried to prove originality for a set of products, instead of for each individual product.

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LITHOSS (the 'claimant') brought legal action before the Commercial Court (*ondernemingsrechtbank*) of Antwerp (Antwerp Division) against VIMAR S.p.A. and VECOLUX BV (the 'defendants') for copyright infringement. LITHOSS NV is a Belgian company that produces designer light switches. VIMAR S.p.A. is an Italian competitor and VECOLUX BV is its distributor in Belgium. According to LITHOSS both companies infringed its copyrights on the light switches' shape due to their similar appearance.

The court, competent in the case since the alleged infringements took place in Belgium (Article 7, § 2 Brussel I bis Regulation), ruled out copyright protection. The claimant appealed, claiming that the defendants acted in bad faith, **infringing its copyrights** and carrying out **unfair competition**

practices, consisting of **parasitic conducts**. VIMAR and VECOLUX cross-appealed and claimed that the light switches' designs were not eligible for copyright protection.

The Court of Appeal (*hof van beroep*) of Antwerp stated that a work is copyrightable if it's **original**, meaning that it embodies an author's own intellectual creation, expressing their personality. This occurs when the author expresses their creative work by making free and creative choices. On the contrary, a work is not original when the shape is only dictated by technical constraints (11/06/2020, C-833/18, Brompton, EU:C:2020:461, § 24). The author has the burden to prove the original character of the work (*stelplicht*).

There may be a copyright infringement if one or several elements that make the work original **are copied** by the infringing object. The infringement test should consider the similarities rather than the differences.

As stated in the COFEMEL judgment (12/09/2019, C-683/17, Cofemel, EU:C:2019:721, § 50) the judge says that design protection and copyright protection pursue fundamentally different objectives and are subject to different regimes. This means that designs are only eligible for copyright protection if they are incorporated in objects that **deserve to be qualified as works**. LITHOSS claimed to comply with the originality criterion because of the square shapes for the plate and push buttons, the non-bevelled edges, the original placement of the buttons and the sober, minimalistic design. But the claimant's allegations were too generic to substantiate originality.

Furthermore, according to the court, the claimant should **prove the originality** of **every single work** they claim protection for, while LITHOSS tried to prove the copyright protection for the whole line of product designs as a whole. In light of the above, LITHOSS failed to prove the originality of the light switches.

Concerning the claim of parasitic conduct, since the term of protection for (unregistered) designs had long expired, third parties could lawfully copy the products' shapes in the absence of any applicable IP right. Moreover, LITHOSS failed to prove that the designs imitation was combined with the specific grounds of parasitic imitation (based on Article VI 104 WER).

The decision is available in the Belgian national database.

BE – Copyright, Designs, Originality, Infringement

Antwerp Court of Appeal, 2020AR1955, MOERLAND Patrick P. v WEAREONE.WORLD BV [25 May 2022]

This case concerns the cumulation of designs and copyrights on logos and illustrations used to promote the Tomorrowland festivals and related events. The Antwerp Court of Appeal found that, under Article 8 of the Dutch Copyright Act (applicable to the case) when a work is lawfully communicated to the public

by a legal entity, without mentioning the author, the legal entity is **fictitiously** deemed to be the copyright **owner**.

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The dispute arose from a business collaboration between WEAREONE.WORLD BV and **Patrick Moerland** that began in 2009 and ended in 2017. During this collaboration **Patrick Moerland** produced a series of creations, such as logos, illustrations and decorations for the Tomorrowland annual festival and other spin-off events organised by WEAREONE.WORLD BV. However, the parties never concluded a **contract** regulating the ownership of any potential IP rights stemming from their collaboration. After the termination of the contract, Moerland (the 'claimant') brought legal action against WEAREONE.WORLD BV (the 'defendant') before the **Commercial Court of Antwerp** (*Ondernemingsrechtbank afdeling Antwerpen*) for design and copyright infringement, claiming that the defendant was using his works during events without his consent.

The Court found that only the copyrights on the logos had been transferred to the defendant, whereas the copyright on the other creations had just been licensed for the duration of the collaboration.

Both parties appealed the judgment before the Antwerp Court of Appeal (Hof van beroep Antwerpen), which partially upheld the claimant's appeal as regards the non-applicability of design protection to the creations and upheld the cross-appeal of the defendant as regards the attribution of copyright to this latter. The decision was based on the following reasons.

- The case concerns (1) the copyrightability of Moerland's creations, (2) the copyrights ownership and (3) the infringement of these copyrights. Based on the parties' allegations, Belgian law is applicable to the first and third issue. Whereas, regarding the ownership of rights, in the absence of choice by the parties, Dutch law is applicable by virtue of Article 4.2 of the 80/934/EEC: Convention on the law applicable to contractual obligations.
- The applicable law is that of the country where the party bound by the contract to provide the service (Moerland) has their habitual residence. The Court **rejected the application of Article 9** of the same Convention, holding that **Belgian copyright law** concerning ownership **could not be regarded as a mandatory rule** that would justify departing from the application of Article 4.2.
- The mere fact that the copyright had been exploited on Belgian soil by a Dutch national was not sufficient to establish a close link with Belgium justifying the application of Belgian law within the meaning of Article 7 of the Convention.
- The **logos** and other **illustrations** could **not** be considered **unregistered designs** within the meaning of Articles 3.8. (2) and 3.29 of the Benelux Convention on Intellectual Property (BCIP) on the grounds that these creations are **not** intended to be used as **products** in the course of trade, but rather to indicate the **commercial origin** of the products. This assertion is **reinforced** by the fact that these logos were subsequently **registered** as **trade marks**.

- To be eligible for copyright, the work **must satisfy the threshold of originality** established in the jurisprudence of the CJEU (16/07/2009, C-5/08, Infopaq, EU:C.2009:465; 12/09/2019,

C-683/17, Cofemel, EU:C.2019:721; 01/12/2011, C-145/10, Painer, EU:C.2011:789; 11/06/2020, C-833/18, Folding bicycle, EU:C.2020:461).

- The alleged author has the burden to prove that the work is original, proving that they made free and creative choices. However, once the proof has been provided, as it was by Moerland, the burden of proof is reversed and it is up to the counterparty to challenge the allegations and evidence of the author, which WERAREONE.WORLD BV failed to do.
- Nevertheless, with regard to copyright ownership, under Article 8 of the Dutch Copyright Act (*Auteurswet*) when a work is **lawfully communicated to the public** by a legal entity, without mentioning the author, the legal entity is **fictitiously** deemed to be the copyright **owner**. In the case at issue, communication to the public was lawful provided it was done with Moerland's knowledge and he did not object during the duration of their contract.
- If these conditions are fulfilled, this **fiction** implies ***ab initio* ownership** of the copyright by the legal entity, as opposed to a transfer of rights.
- Finally, while this legal fiction does not permit moral rights to be conferred on a legal entity, it has been ruled that it nevertheless deprives the author of the possibility of invoking their moral rights.

The text of the decision can be found in the Belgian national database.

DE – Subject-matter of copyright protection – originality

Regional Court of Cologne, 14 O 24/22 [26 January 2023]

This case concerns the **originality test for copyright protection** of short literary works under the German Copyright Act and how it reflects the CJEU case-law, notably Infopaq (Case C-5/08, 16/07/09, Infopaq, EU:C:2009:465). The threshold of originality is generally understood as low, and it has been settled in the Infopaq ruling that the combination of few words may be considered original enough to be eligible for copyright protection. Nevertheless, the German Court ruled out the copyrightability of the slogan concerned, finding the work not original.

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The lawsuit was initiated by a print-on-demand website owner (the 'claimant') against two comedians ('the defendants') before the Cologne Regional Court (Landgericht Köln),claiming a copyright on the slogan 'Geimpft, Gechipt, Entwurmt' (German for 'Vaccinated, chipped, dewormed'), commonly used in the veterinary sector. Such a slogan was humorously applied to humans in the context of the COVID-19 vaccination campaign. The claimant received a cease-and-desist letter from two comedians (the defendant), who had a store and were selling t-shirts with the same slogan. The claimant denied any wrongdoing and filed a lawsuit seeking confirmation that there was no copyright infringement on its side. In this regard, the claimant argued that the **slogan did not qualify for copyright protection** under §2(2) of the German Copyright Act because it **lacked** the necessary level of **creativity** to be considered the author's own intellectual creation.

The Cologne Regional Court held the following:

- Even a **minimal level originality** is sufficient to qualify the work for **copyright protection**, according to the 'small coin' theory.
- The originality allegedly relied on the humoristic application to humans who were vaccinated against COVID-19 of a slogan that was formerly conceived for animals.
- Nevertheless, the combination of the three words per se lacked the necessary level of creativity as they are commonly used in the veterinary sector.

In light of the above, the Cologne Regional Court concluded that the slogan was not sufficiently creative to constitute the author's own intellectual creation. The court drew a parallel with a previous case, where the plaintiff was the band Kraftwerk, suing a car manufacturer over the use of a line from a their song: 'Wir fahr'n, fahr'n, fahr'n auf der Autobahn' ('We drive, drive, drive on the highway'). In this 1977 case, copyright protection was denied, as the sentence was not reaching the originality threshold to qualify for copyright protection.

The text of the judgment is available here.

BG – Subject matter of copyright protection – originality – cumulative IP protection (design/copyright)

Commercial Court of Liège, A/22/2704, Christian Louboutin, Steve Madden Europe [21 November 2023]

This case concerns the **originality test** for design work under **copyright law**. The Belgian judges drew a line between original creations and works solely dictated by **functional constraints** and **fashion trends**. The French luxury brand Christian Louboutin and the Dutch based company Steve Madden Europe BV had a dispute over the copyrights on seven models of shoes. In line with CJEU jurisprudence (C-833/18, 11/06/2020, Brompton Bicycle, EU:C:2020:461), the Belgian judges found that originality is not met when the shape is only dictated by technical constraints. Moreover, the court held that, likewise, originality is lacking where the shape is commonplace or is solely dictated by fashion and design trends.

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Christian Louboutin (the claimant) brought legal action before the Commercial Court of Liège (Tribunal de l'entreprise de Liège) against Steve Madden Europe (the defendant) for copyright infringement. The defendant was alleged to have marketed similar looking shoes, thus infringing the claimant's copyright on its own shoe models. The Court seised found the following.

- Although neither party was based in Belgium and the sales took place online, the deliveries were made within the Belgian territory and the website was available in French. Therefore, the defendant's conducts had caused damages within Belgium, hence the jurisdiction of the Belgian Court. Nevertheless, the **jurisdiction** of the Belgian judge was limited to the **damages** that occurred on the **national territory of Belgium**.
- The **copyright test** of **functional works** requires to determine **which parts** of the work are **dictated** by **technical considerations** or by **fashion** and **design trends** and which parts are **arbitrary**, resulting from author's free choices. These latter only are protected by copyright.

- The copyright holder has the **burden to prove** the **originality** of the work. That imposes the burden to prove that the **shape** is **not commonplace** and **deviates** from the heritage of **prior fashion** and **design**. The main characteristics of a **style** or a **fashion trend** are **not eligible** for **copyright** protection.
- The existence of alternative shapes is not enough to prove originality.
- The existence of a prior work having a **sufficiently similar global appearance** is enough to exclude originality. In this regard, the copyright holders need to prove that their works sufficiently deviate from prior works in such a way as to produce a different global visual impression.
- Louboutin failed to prove how the combination of visual elements like the sole, straps, and height of high heel was original, deviating from prior works and fashion and design constraints.
- Moreover, Louboutin did not present the samples of the shoes in court. This is relevant because, when the object is three-dimensional, it is necessary to view the products from various angles and perspectives.

In light of the above, Christian Louboutin failed to prove the originality of the models. This ruling aligns with the Brompton case and strongly highlights that copyright protection of designs is not automatic. The text of the judgment is available on Belgian national databases.

Subject-matter of copyright protection (Fictional Character) – copyright infringement

Court of Appeal of Rome, A Fistful of Dollars v Rango [31 August 2022]

In this dispute about the copyright protection of fictional characters from films, the Court of Appeal of Rome sided with the first instance judge ruling that the character *Man with No Name* from the film *A Fistful of Dollars* (by Sergio Leone - 1964) did not qualify for copyright protection and the character *Spirit of the West* from the film *Rango* (by Gore Verbinski - 2011) did not constitute a plagiaristic reproduction of *Man with No Name*. The Court also clarified that the reference by the first judge to the Anglo-Saxon 'fair use' defence to assess the quantity and significance of the reproduction was only 'redundant', completing another Italian jurisprudence that applied.

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In 2021, the Tribunale di Milano denied copyright infringement of the fictional character *Man with No Name* from the Western film *A Fistful of Dollars*. Its producers had sued the Italian distributors of the film *Rango*, claiming that the *Spirit of the West* from *Rango* infringed copyrights of the *Man with No Name* character. The alleged plagiarism referred to 'aesthetic' features of both characters but also to their 'moral' aspects (such as attitude, style, personality). In its decision, the Court first held that *Man with No Name* was not original, as it did not show a 'semantic gap' compared to the 'previous archetypes' and was not immediately recognisable by the audience, regardless of the context. Then it ruled that there was no plagiarism as the films differ from each other, particularly because of the lack of 'a massive use of references to Sergio Leone's works' (the disputed character only appeared for 90 seconds) and because the character from *Rango* referred more to the actor Clint Eastwood, as a tribute, than to the fictional character itself.

The Court of Appeal of Rome upheld the previous decision confirming the criteria of 'immediate recognisability' and concluded that there was no copyright protection for the film character. It also followed the first instance judge regarding the absence of plagiarism. On the reference to the 'fair use' defence by the first judge, the Court observed that it was redundant, it only aimed to accompany the reference to another Italian case (Tribunale delle Imprese di Milano – Sentenza No 12451/2017).

The original decision is not yet publicly available, but more information can be found on (IPKAT).

Copyright 'Standoff': *A Fistful of Dollars* v *Rango* – IPKAT

Subject-matter and threshold of copyright protection (Fictional Character) – exceptions and limitations (parody)

Shazam Productions v Only Fools The Dining Experience et al, EWHC 1379 [08 June 2022].

Taking into consideration UK and EU copyright law, the High Court of England and Wales ruled in favour of Shazam production (the plaintiff), in a case where it examined the copyright protection and subsequent infringement of **fictional character** Derek 'Del Roy' Trotter from famous British comedy 'Only Fools and Horses'. To date, the copyright protection of a fictional character had not been extensively assessed under British copyright law.

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The dispute arose between the plaintiff party and the defendant about the use, during the course of their pub quiz business, of a fictional character on which the plaintiff claimed to hold IPRs. The court first assessed the issue of whether a fictional character can be subject to copyright by considering basic copyright law principles. The court applied the seminal test set out in CJEU cases 'Marleasing' and 'Cofemel', and stated that the answer to the issue depended on if the work is original, in the sense that it is the author's own intellectual creation, and is identifiable with sufficient precision and clarity.

In view of EU and UK copyright law, the court ruled that fictional characters could qualify for copyright protection, and that in the present case, the 'Del Boy' character was an original creation, reflecting the expression of free and creative choice, and was clearly identifiable from the Only Fools and Horses scripts. The court also noted that where characters are protectable under EU law, they should similarly

be protected under UK law, as the relevant Copyright, Designs and Patents Act 1988 (CDPA) is based off of EU Directives, such as the InfoSoc Directive. Furthermore, the Court held that this finding was consistent with directions taken by other jurisdictions such as in the US (Sherlock Holmes case) and Germany (Pippi Longstocking Costume case).

Second, the Court performed the infringement assessment, looking at the following four factors:

1. To constitute infringement, the copying may be of a whole or substantial part of the original work.
2. Whether a substantial part of a work has been copied will be assessed qualitatively and not quantitatively (citing Sheeran v Chokri, a case summarised in the previous edition of this publication).
3. There must be some actual copying, with the infringer having seen or heard the original work. However, the copying can be either direct or indirect (see Copinger & Skone James on Copyright, 17th Edition 2016, Sweet & Maxwell Publishing, 7-22).
4. The 'essential test' must be performed by assessing if the part of the original work alleged to have been copied, contains elements which are the expression of the intellectual creation of the author of the work or not.

Considering the above factors against the evidence submitted, the judge ruled that there was a *prima facie* infringement, and stated that the copying which took place was far more than the 'substantial copying' necessary for finding infringement.

On the question as to whether the parody exception would apply, the judge noted from the CJEU case 'Deckmyn' that a 'mere imitation' was not enough to invoke this defence. Furthermore, the court underlined that the main objective of the defence under S30(d) of the CPDA, transposing the InfoSoc Directive, was to strike a balance between the intellectual property rights of the owners of the original works and the right to freedom of expression of users of this work. The judge also referred to the three-step test for the application of this defence, succinctly summarised in the England and Wales Board Limited v Tixdaq judgment. The court found that the actions of the defendant were not enough to avail of a parody defence.

Eventually, considering that there was a copy, and with no valid defence, the court found in favour of the plaintiff.

The text of the judgment can be found here and a comment about it here.

Derek (Del Boy) Trotter - Wikipedia

Subject-matter of copyright protection – originality (plant box design) – cumulative IP protection (design/copyright)- Infringement

Danish Eastern High Court, ferm Living vs Wolly, Fakta and Coop [22 April 2022]

This Danish Eastern Hight Court decision (appeal instance) recognised copyright protection and subsequent infringement in a work of applied art, namely a plant box design. The Court ruled that the plant box met the requirements (including the originality threshold) to be protected by copyright, as well as under design rights and marketing law. It confirmed copyright infringement, relying on the overall impression between the two products (plant boxes), and awarded a large amount of damages to the infringers for replicating the popular design at issue.

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In 2015, ferm Living, a Danish home decor producer, designed the Plant Box, a minimalistic metal plant box. However, another Danish company, Wolly (with its distributors Fakta and Coop), had also launched similar style metal plant boxes. The plant boxes became the subject of the copyright dispute before the Danish Maritime and Commercial High Court. Firstly, in 2020 ferm Living (as plaintiff) lost the case. Although the Court confirmed that 'Plant Box' was indeed protected under Danish copyright law, it found no violation, given the differences between the two products, namely in the design (frame) and the quality of the plant boxes.

On appeal, the Eastern High Court overturned the lower court's decision and confirmed copyright infringement. Relying on an expert's opinion, the Court found that even if small differences existed between ferm Living's Plant Box and Wolly's plant boxes, the overall impression was the same. One key factor in reaching that conclusion was the expert's assessment that the designer had enjoyed a wide range of options and freedom of choice when designing the plant box and, as a result, ferm Living's Plant Box had likely been a direct source of design inspiration to the defendant.

Regarding the calculation of damages to be awarded, the Court looked at the profit obtained by the defendants, the market disruption and the loss of profit incurred by the plaintiff due to the infringement. It ordered Fakta and Coop to pay DKK 750 000 and Wolly to pay DKK 250 000 plus interest, and set proceedings costs in both instances to DKK 1 053 745.60, to be paid in solidum by the defendants. This is in line with Article 14 of the Enforcement Directive (D 2004/48/EC) and CJEU case-law, stating that, in IP disputes, the losing party should bear the reasonable and proportionate costs paid by the winning party in relation to the case.

The text of the judgment (in Danish) is available here, with additional comments here and here.

See below the disputed plant boxes - ferm Living's (left) and Wolly's, offered by Fakta and Coop (right), source: IPKAT.

Subject matter and threshold of copyright protection (slogan) – well-known trade mark-advertising

Corte di Cassazione, decision No. 8276/2022 [14 March 2022]

The Italian Supreme Court (*Corte di Cassazione*) rejected copyright protection for the slogan '*500 % FIAT*', considering that this slogan is inseparable from the defendant's trade mark, which confirms its lack of originality and creativity.

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The author of the slogan '*500 % FIAT*' registered it with the Italian collecting management organisation (*Società Italiana degli Autori ed Editori* – SIAE). In Italy, such registration has only evidentiary effect, to prove the date of existence of your work with no effect on the validity of it. The registrant brought the case to court, suing Fiat, Italian carmaker, for unauthorised use of his copyrighted work. In the first instances, both the Court of Florence and the Court of Appeal of Florence, did not confirm the copyright protection for the slogan, arguing its inseparability from the word '*FIAT*' (this being the defendant's trade mark), and also finding it neither creative, nor original, as there are available similar slogans for other cars (for instance '*500 %Unconventional'*, '*500 %Joy'*).

The Italian Supreme Court (*Corte di Cassazione*) agreed with the decision of lower instances, justifying that the word '*FIAT*', in use since the end of the 19th century, is indeed a well-known trade mark that catches the attention of the public thanks to its commercial success. It also found that the part '*500 %*' does not have evocative power in the mind of the average consumer when separated from the word '*FIAT*', which confirms its lack of originality. In reaching this conclusion, the Court applied a principle of law according to which, under Italian copyright law (Article 2(4)), the registration of an advertising message (so-called slogan) requires the party to prove the originality of the work, which is to be excluded in the event, in the same message, reference is made to an already registered trade mark endowed with a decisive evocative power. By its independent evocative power, this link with a trade mark, 'renders the creative part of the claim null and void, and excludes the innovative element'.

Read more about this case (in Italian) here.

Subject matter of copyright protection - Originality – Authorship – Broadcasting (TV game show) - Unfair Competition

'EL ROSCO' Case Nº: 3/2022 – [ECLI:ES:JMB:2022:92] – MC&F Broadcasting Production and Distribution, C.V. v ATREMEDIA Corporación de Medios de ComunicaciónS-A., and ITV Studios Global Distribución LTD [14 February 2022]

In this case, the Commercial Court of Barcelona ruled that the Spanish television programme 'El Rosco' does not qualify as a work eligible for intellectual property (IP) protection and consequently dismissed the claims of MC&F, a Dutch company, demanding recognition of the authorship on this format of television programme.

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'El Rosco' is a television game show broadcast on the Spanish channel 'Antena 3'. The game consists of a host reading definitions of words that have to be guessed by the participants, where the words follow the order of the letters of the Spanish alphabet.

The Dutch company 'MC&F Broadcasting Production and Distribution, C.V.' (MC&F – the plaintiff), filed a lawsuit before the Commercial Court of Barcelona against the companies 'ATREMEDIA Corporación de Medios de ComunicaciónS-A.' (owner of Antena 3), and 'ITV Studios Global Distribución LTD' (defendants). The Dutch company, claimed to be the creator and IP owner of 'El Rosco', as this game is based on their TV format creation '21x100 End Game'. They alleged that this television format was an original work protected under copyright. Therefore, the broadcast of the television programme or any other audio-visual work containing a game based on said format, amounted to an infringement of their copyright. The plaintiff also sued the defendants for unfair competition.

The plaintiff's claims were dismissed. The judge underlined that not all television formats can be subject to copyright protection, as they can be very generic and imprecise. Having said this, the judge held that the plaintiff's company had failed to provide sufficient evidence of the originality and authorship of the television game known as 'El Rosco' in Spain. According to the judge, as the burden of proof of the originality threshold lies with the plaintiff, the plaintiff should have issued an expert opinion to support the finding that the television format was an original work. Moreover, the judge dismissed the subsidiarity action based on Unfair Competition Law. The judge recalled that this legal ground has a complementary function which makes that it does apply only when special regulations, such as IP law, do not apply. In the present case, as the disputed facts were fully subsumed in the IP law, the claim was dismissed.

The text of the judgment is available here.

Subject matter and threshold of *sui generis* database protection – Scope of *sui generis* database rights (reutilisation and extraction)

The Swedish Patent and Market Court – PMT 11815-20 Parkster / Parkamo GmbH [27 January 2022]

The Swedish Patent and Market Court applied the principles set out by the Court of Justice of the European Union (CJEU) in *CV-Online* with regard to the extraction and reutilisation of the contents of a database under Article 7 of Directive 96/9/EC, in this case concerning a parking apps aggregator.

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Before the Swedish Court, the claimant (Parkster), creator of Sweden's most popular mobile app for identifying and offering parking spaces, challenged the respondent's (Parkamo) 'parking apps aggregator'. This aggregator consolidates the parking space offers of different parking apps into one source, allowing users to compare and contrast the services of the individual apps. Parkster claimed that, in violation of Chapter 5, Section 49 of the Swedish Copyright Act (implementing Article 7 of Directive 96/9/EC), the respondent had extracted and reutilised almost the entire contents of its database.

In *CV-Online*, the CJEU interpreted 'reutilisation' and 'extraction', within the meaning of Article 7(1) and (2), as occurring when the whole, or a substantial part, of a database is indexed or copied. Accordingly, the Swedish Court found that a substantial part of the claimant's database had been extracted and reutilised during the respondent's 'data scraping', which was shown by the claimant.

In *CV-Online* the Court considered the fine balance to be struck in these situations between the interests of the creators of databases and the interests of users and competitors. The CJEU established that, in this balance, the focus must be on the risk posed by the extraction or reutilisation of the data on the original database owner's ability to **redeem its substantial investment**. The Swedish Court found that the claimant's opportunity to redeem its substantial investment was significantly hampered by the respondent's extraction and reutilisation of its data. It found that the claimant's direct contact with its users had been limited and that its ability to market its other services had been reduced. These obstructions to the claimant's capacity to redeem its substantial investment were not offset by the users' increased ability to compare different parking apps, as provided by the respondent's service.

The Swedish Court ordered the defendant to pay the opponent's legal costs (SEK 2 239 160) and damages (SEK 4 500 000) and prohibited the defendant from any future extraction and reutilisation of the contents of the claimant's database, which would incur a penalty of SEK 500 000.

The text of the judgment is not publicly available. However, there is a commentary about it on this website, and a press release (in Swedish) is also available.

Subject matter and threshold of Sui Generis database protection - scope of sui generis database rights (substantial investment)

VERENIGING VOOR ZAKELIJKE B2B INFORMATIE v KAMER VAN KOOPHANDEL, Dutch Central Court, C/16/516714 / HA ZA 21-80, [22 December 2021]

In this case, the Dutch Central Court answered two questions pertaining to the scope of the EU's Database Directive (D 96/9/EC). The court first considered the question of what constitutes a substantial investment in the obtaining, verification or presentation of content, to be protected by *sui generis* right under Article 7(D) 96/9/EC. Additionally, the court shed light on the 'risk-bearing' requirement under this provision (Article 7 D 96/9/EC). The court held that the defendants did not bear sufficient risk to claim the *sui generis* right protection, due to the purpose of their operation being statute-based and not based on any profit-seeking agenda. Additionally, in this case, any losses suffered by them would be restored by the State.

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The claimant was Vereniging voor zakelijke b2b informatie (VVZBI), acting on behalf of a group of users of the defendant's service. The defendant was Kamer van Koophandel (KvK), the Dutch Chamber of Commerce. The issue pertained to the public service offered by KvK, who stored and sold information about companies registered in the Netherlands. However, KvK began experiencing difficulties dealing with 'shadow registers'. These are third party companies, selling the same information which they received through dealings with KvK, to different buyers at prices that undercut KvK.

In response to this threat, KvK created a new terms of service agreement for their customers, in which they said that users of their service could no longer reuse the information they received for commercial purposes without prior permission from KvK's. KvK claimed they could enforce this right as they qualified as the maker of a protected database under the Database Directive and were therefore justified in requesting this permission from their users under Article 7 D 96/9/EC. In response, VVZBI filed a claim challenging this permission requirement for any commercial reuse of the sold data. Although accepting that KvK's register qualified as a database, they argued that the only protected databases are those with risk-bearing investments. The matter came before the Dutch Central Court.

In deciding if KvK could rely on Article 7 of the Database Directive, the Dutch court addressed two important questions.

The first question was whether the level of investment made by KvK into their database was sufficient to be considered a 'substantial investment' as required by the Directive. The court considered the findings of the Court in CV-Online Latvia v Melons, recalling that the investment made must be quantitatively and qualitatively substantive, and noting, in the light of recital 40 of the Database Directive, that non-financial investments should also be considered, such as 'the expending of time, effort and energy'. Observing that KvK had invested EUR 100 million for direct and indirect costs related to the running of the database, the Dutch court accepted that KvK had made a necessarily 'substantial investment'.

The second question was whether there was a 'risk-bearing' requirement for an undertaking to qualify for the *sui generis* right protection under Article 7, and if so, if this risk-bearing profile had been met by

KvK. The court focused on the wording of the recitals of the Directive (particularly recitals 7-12) as well as relevant case-law, such as the Innoweb case (para. 36). It concluded that the *sui generis* rights holder of the database is the legal person who has taken the initiative to invest substantial resources, financial and non-financial, into the creation and operation of a database, and crucially someone who bears the risk of that investment.

After concluding that an undertaking must bear some risk with their investment in order to claim protection under Article 7, the court found that KvK did not meet this risk-bearing criterion. It reached this verdict on two main grounds. This is because KvK was investing in their database for statutory purposes and not for any economic, profit-making purposes, but also because any potential losses would be offset by state funds (A39 of Dutch Chamber of Commerce Act). On this basis, the court held that KvK could no longer prevent the reuse of their data by third parties for commercial purposes through the provisions of the Database Directive.

The text of the judgment is available here.

Subject-matter of copyright protection – originality (handbag) – cumulative IP protection (design/copyright)- Infringement - Unfair competition

The Milan Court of First Instance, Longchamp S.A.S v X, Sentenza n.10280/2021 [13 December 2021]

In this decision concerning French fashion brand Longchamp's bag, the Italian court assessed the copyright protection of 'Le Pliage' bag and stated that the commercial success of a product, even if attesting its originality, was not enough to prove its artistic value and hence grant it copyright protection.

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Longchamp is the owner of several 3D trade marks covering the trapezoidal shape and the distinctive elements of 'Le Pliage' bag, which is also their best-selling product. In 2019, Longchamp started proceedings for trade mark and copyright infringement, as well as unfair competition, against a producer offering a bag visually similar to 'Le Pliage'. For the copyright claim, Longchamp relied on the Italian Copyright Act, according to which designs can enjoy protection if they have both creative character and artistic value. Given the slavish imitation, the Court concluded that there was a breach of the registered trade marks and unfair competition. However, the Court refused to recognise the copyright protection. According to the court, although the design could be considered original, it does not qualify for copyright protection as it does not display artistic value. The court further explained that despite the unquestionable commercial success of the product demonstrated by 54 million units sold in 1 500 points of sale, Longchamp failed to provide evidence of the objective aspects that could have stated the artistic value of the product, such as: recognition of aesthetic and artistic qualities by specialist cultural and institutional establishments, display in exhibitions or museums, publication in specialist press, awards received, market value that exceeds the functionality of the design or creation of the design by a well-known artist.

Regarding the cumulative protection of IP rights, recognition of each and every IP right should be assessed on its own merits. In the Cofemel case (12/09/2019, C-683/17, Cofemel, EU:C:2019:721) about copyright protection of clothing designs, the CJEU clarified that the grant of protection, under

copyright, to subject matter that is protected as a design must not have the consequence that the respective objectives and effectiveness of those two forms of protection are undermined. However, the Court further suggested that national legislation that granted copyright protection to creative works subject to requirements other than originality (such as aesthetic, artistic value) would not be compliant with EU law (Cofemel case and Brompton case (11/06/2020, C-833/18, Folding bicycle, EU:C:2020:461)

Interestingly, this is not the first copyright case regarding the 'Le Pliage' bag. In 2014, in Belgium, the Court of Appeal of Ghent denied copyright protection to 'Le Pliage', whereas the following year, the Brussels Court of Appeal stated that 'Le Pliage' was eligible for copyright protection. This decision was later denied by the Belgian Court of Cassation (February 2017), which considered that the combination of the elements of 'Le Pliage' is a style or trend which does not constitute a specific and concrete form, and therefore is not copyright protected. Other cases took place in France. In Spain, in 2017 the Provincial Appellate Court of Madrid stated that 'Le Pliage' does not enjoy copyright protection. Nevertheless, Longchamp continues to sue companies selling handbags that in their view infringe their copyrights.

The text of the judgment (in Italian) is available here.

Photo 1 Longchamp's bag "Le Pliage". Source: https://www.longchamp.com/

Subject-matter of copyright protection – originality (bags) – cumulative IP protection (design/copyright) – Infringement – Damage and compensation

Tribunal de l'entreprise de LIEGE (Belgium) R.G. n° A/21/00037, Longchamp vs Enrico Benetti [22 November 2021]

In this Belgian decision regarding a Longchamp handbag, the Court first confirmed the copyright protection of the 'Le Pliage' model. It is quite a relevant judgment in view of previous national decisions concerning Longchamp's model, where courts have not been unanimous on the status of copyright protection for 'Le Pliage' bags (see for instance Milan Court decision n°10280/2021). Secondly, regarding the infringement assessment, the Court concluded that there was an unauthorised reproduction of the Longchamp bag. The Court referred to the main principle, according to which, when comparing the models, more consideration is to be given to the similarities than to the differences. The Court ruled that the overall impression between the models in this case was identical.

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Under the 'Longchamp' trade mark, the French company Jean Cassegrain (the plaintiff) markets their bestseller bag called 'Le Pliage' or "model 1623. The company is the owner of several trade marks, including 3D trade marks covering the trapezoidal shape and some elements of 'Le Pliage'. Recently, in several disputes over infringement of their IP rights, the plaintiff claimed copyright protection of their handbag's design with contrasting results. In this case, Longchamp sued Dutch company Enrico Benetti and Belgian company SA Mega World (the defendants), accusing them of selling 'Emily' model bags which infringed their copyright in the bag.

The Court performed a two-step analysis, looking first at whether the Longchamp handbag was eligible for copyright protection and second, in the affirmative, at whether there was a copyright infringement.

The Court relied on an analysis of previous CJEU decisions concerning the **requirements to qualify for copyright protection** (16/07/2009, C-5/08, Infopaq, EU:C:2009:465, 07/03/2013, C-145/10, Painer, EU:C:2013:138, 01/03/2012, C-604/10, Football Dataco, EU:C:2012:115, 12/09/2019, C-683/1, Cofemel, EU:C:2019:721) and previous national decisions, to then state that Longchamp's bag indeed enjoyed copyright protection. The Court specifically reasoned that even if the model consisted of banal elements (e.g., trapezoidal shape of the bag, stitching on the front of the bag, contrast between the colour and material) which were not, as such, intellectual creations; the combination of those elements reflected the author's creativity. The Court then underlined that the only criterion to apply to qualify for copyright protection was originality, with no need to demonstrate an effort, investment, or marked artistic character of the work (01/03/2012, C-604/10, Football Dataco, EU:C:2012:115). To support its decision, the Court also listed several examples of cases where copyright protection had been granted to models in Belgium (e.g., iPod nano, waffle iron support, frame for glasses, police uniform, bag, parasol, lamps).

Secondly, the Court assessed **the infringement**. It looked at the similarity of the bags and held that, as with any counterfeit, more consideration should be given to the similarities than to the differences between the models, as an identity or a substantial similarity between creations is a necessary condition to find infringement. The Court stated that, while examining both models, the point of view of the average consumer or the non-specialist is crucial to appreciate the similarities between designs. With this approach, the Court compared only the visual aspect of designs and rejected the relevance of the fact that 'Le Pliage' is foldable, while the 'Emily' bag is not, highlighting that the protection invoked concerned only the **shape** and not the bag in which this shape was incorporated. Finally, the Court confirmed copyright infringement, as the overall impression produced by the combination of the shapes of the 'Emily' bag was identical to the one produced by the combination of the elements of the 'Le Pliage' model.

Interpreting Article 13 Directive 2004/48/EC (IPRED), and relying on the evidence provided, the Court allocated damages amounting to EUR 50 100, corresponding to the economic loss (i.e., the sale of 835 counterfeited bags by the defendants at EUR 25 each), but also to the damage to the monopoly and prestige of the Longchamp trade mark, estimated *ex aequo bono* at EUR 60 per counterfeit bag. The court ordered Enrico Benetti B.V. and SA Mega World to cover legal costs and procedural indemnity and to pay Longchamp a fine of EUR 250 per copy distributed in violation of the decision.

The text of the judgement (in French) is still not publicly available online but can be obtained upon request at https://www.rechtbanken-tribunaux.be/fr/tribunaux-et-cours/tribunal-de-lentreprise .

On the left: Enrico Benetti's 'Emily', on the right: Longchamp's 'Le Pliage'.

Subject matter and threshold of Sui Generis database protection (cars advertisements) - scope of sui generis database rights (Re-utilisation and extraction)

Budapest regional Court of Appeal 8.Pf.20.680/2021/5 [11 November 2021]

In this decision, the Budapest Regional Court of Appeal assesses the application of the *sui generis* protection to a database of cars advertisements. It concludes in this specific case that there was no extraction and/or reutilisation of a substantial part of the database's contents, nor a repeated and systematic extraction of an insubstantial part of the database's contents (Article 7(1)(2)(5) D 96/9/EC).

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The plaintiff operates a website where its users can upload advertisements to sell used and new cars. The database is built up by individuals and the plaintiff's contracted partners. The defendant operates another website, where it offers online advertising services. It introduced a new function, the express upload, where users only have to insert the URL of an advertisement already present on another website, and then a 'crawler' robot collects the data from this other advertisement and uploads it automatically.

The plaintiff filed a lawsuit, claiming that the defendant has infringed his rights as the maker of the database. The Court held that the claim is unfounded. The plaintiff relied on two provisions of the Hungarian Copyright Act. First, under Article 84/A(1), to extract and/or reutilise a substantial part of the database's contents, the consent of the maker of the database is required. Second, under Article 84/A(3), the repeated and systematic extraction of insubstantial parts of the database's contents which unreasonably prejudices the legitimate interests of the maker of the database is not permitted.

First, the Court concluded that 2.41 % of the advertisements uploaded by contracted partners in the plaintiff's database and 1.51 % of the total number of advertisements covered by the express service did not constitute a substantial part of the plaintiff's database.

Given that the express uploading function did not involve the taking over of entire advertisements, but only predetermined text elements thereof, and that the images in the plaintiff's advertisements were not affected by the defendant's reproduction, the extraction was considered to be partial. Furthermore, the extracted data was not uploaded to the plaintiff's database by the plaintiff's employees, but by consumers.

The Court held that although the extraction was repeated and systematic on the part of the defendant, it could not in principle be capable of affecting the normal exploitation of the plaintiff's database, given that the defendant was only able to reproduce the database once the contract for the advertising service between the plaintiff and its clients had been performed. Furthermore, the express uploading function did not result in any visible change in the number of advertisements and the number of visits to the plaintiff's website per day. Therefore, it was reasonable to conclude that the express uploading function did not affect the contractual intentions of those consumers – and thus the economic interests of either party.

The text of the judgment (in Hungarian) is available here.

Subject matter of copyright protection – originality - unfair competition (parasitism)

Cour d'appel de Paris (Court of Appeal), Section 5, Chamber 1, RG 20/00819 [12 October 2021].

This case is about a quarrel over book titles between two generations of French lawyers. The Court analyses whether the neologism 'L'avocature', which does not appear in French dictionaries and is not a term of everyday speech, is protected under copyright. The judge ruled that the mere use of 'Avocature' in the title of an essay excluded any creative effort from the author and went on to consider that the reuse of this word in the title of another book did not amount to a risk of confusion and parasitism.

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In 1982, the Parisian criminal lawyer Daniel Soulez-Larivière published a book entitled 'L'avocature'. In 2016, a lawyer (Me Aurore Boyard) wrote a literary trilogy on the career of a young lawyer 'Léa' and used the same term in the title of the second volume: 'L'avocature – l'avocation tome 2'. Me Daniel Soulez-Larivière sued Me Aurore Boyard because he considered that he had created and invented the title 'l'Avocature', which was original and protected by copyright. Therefore, by reproducing this title, Me Aurore Boyard had infringed his copyright.

In the first instance (judgment of the Tribunal de Grande Instance de Paris of 21 November 2019), Me Soulez-Larivière relied on both violation of copyright and unfair competition. However, the Court rejected his request. He appealed to the Paris Court of Appeal to demonstrate that this title had its own, original character and carries the personal stamp of his authorship and that the use of this title amounted to a risk of confusion and parasitism.

In its decision of 12 October 2021, the Court considered first that the word 'L'avocature' was not a creation of the author. It had existed at least since the 19th century. In this sense, the mere use of this term as the title of a work, although not appearing *in concreto* in dictionaries, could not trigger copyright protection. The Court dismissed the second ground of likelihood of confusion and parasitism, taking

into account the following: the term 'L'avocature' had been used frequently between the last edition of the author's essay and the publication of the other author's novel; the genres of the publications were different (one being an essay, 'solemn and serious', and the other, a novel, with a lighter and more humorous tone), which meant that the target audience was not the same either; the essay was aimed at a public already familiar with the world of law, while the novel, as a piece of fiction, was aimed at a much wider audience; finally, the titles and their visual depictions were not totally similar either.

The text of the judgment is available here and a commentary of the decision can be found here.

Subject matter of copyright protection (fictional character) – Exception for parody

Tribunale di Roma, Sentenza n. 6504/2021 – R.G. n. 27160/2017, Unidis Jolly Film s.r.l. and Paramount Pictures Corporation and Paramount Home Entertainment Italy s.r.l. V Universal Pictures International Italy s.r.l. and Sky Italia s.r.l. and Others [12 March 2021]

The Court of Rome ruled on a copyright dispute concerning the fictional characters from movies: '*A Fistful of Dollars*' by Sergio Leone (1964) and '*Rango*' (2011) by Gore Verbinski, pursuant to Articles 45 and 46 of the Italian Copyright Act and Article 2598 of the Italian Civil Code.

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Unidis Jolly Film s.r.l. and others (the plaintiffs), IP owners on the well-known movie '*A Fistful of Dollars'*, sued the producers and distributors of '*Rango*' (Universal Pictures International Italy s.r.l., Sky Italia s.r.l. and others (the defendants) before the Court of Rome. The plaintiffs alleged that the fictional character of the '*Spirit of the West*' from '*Rango*' (2011) infringed copyrights of the '*Man with No Name*', a fictional character from '*A fistful of dollars'* (1964). The alleged plagiarism referred to 'aesthetic' features of both characters but also to their 'moral' aspects (such as attitude, style, personality).

The Court first stated that to be protected by copyright as a creative work, a character must be '**original** and immediately **recognisable,** even when the same character is placed or posed in a different context'. It considered that 'Man with No Name' which represents 'the stereotype of the negative, ambiguous, duplicitous, alien, outlaw hero', already known in cinema, did not meet the originality threshold.

The Court found there was no plagiarism, after analysing factors such as the different **context** and **audiences** of the two productions, and also considering that '*Rango*' is full of references intended as **homages** to various other cult films. Specifically, the character '*Spirit of the West'* played a 'temporary role, lasting less than two minutes' (90 secs) in tribute to Clint Eastwood. In this context, the decision expressly referred to the **US fair use doctrine** assessing the quantity and importance of the use allegedly plagiarised work and to another national decision where this point was stressed (Tribunale delle Imprese di Milano – Sentenza n. 12451/2017).

To answer the defendants' request to apply the **parody exception**, the court held in the light of the CJEU's decision (C-201/13, Deckmyn v Vandersteen), that the present case could not fall within the parody exception because the content relating to the cinematographic works referred to in '*Rango*', although immediately recognisable, does not constitute an expression of humour or mockery.

Finally, the Court ordered the plaintiff to pay a total of EUR 23 500 in damages and legal costs in favour of the defendants.

The text of the judgment is available here (in Italian).

Subject-matter of copyright protection – originality – translation of title

Supreme Court of the Czech Republic, No 27 Cdo 2023/2019-418, *Adama Nováka v Pavlu Dominikovi* [8 April 2021]

The Czech Supreme Court provided another example of how to interpret the condition of the 'author's own intellectual creation' (originality threshold) for copyright protection, this time for the translation of a title of a work. Applying the CJEU's abstract principles regarding 'free and creative choices', the court considered the translation of the title of Oscar Wilde's play *The Importance of Being Earnest – Jak je důležité míti Filipa* – was not eligible for copyright protection.

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In the English original, the word 'earnest' meaning 'ardent / purposeful / sincere' is a play on the name of the protagonist, Ernest. Many attempts were made to reproduce this in the Czech version, until the translator Mr Novák figured out how to preserve the pun to some extent by using the Czech idiom 'míti Filipa', meaning both 'the importance of being witty/clever' and 'the importance of having Filip'.

The translator brought a copyright infringement action before the Municipal Court in Prague against a new translation of the play with the same title. The first instance court found that by finding the appropriate name and linking it creatively to an attribute of the main character, Mr Novák had created original content. Therefore, the court found the title to be protected under copyright law, and its use subject to the rights holder's consent.

The Supreme Court overturned this decision, stating that the use of the name 'Filipa' and the Czech idiom 'míti Filipa' could not be subject to copyright protection, as both already existed in the Czech language. The court added that there was no other phrase in the Czech language that could preserve the spirit of the original name in the same manner, so the translator did not actually have much creative space or options to translate the title into Czech faithfully in another manner. By choosing the same principle, the defendant did not interfere with the right holder's copyright.

(See also the CJEU decisions Brompton C-833/18; Cofemel C-683/17; Levola Hengelo, C-310/17.)

The text of the judgment (in Czech) is available here.

Subject matter of copyright protection – communication to the public – hyperlinks

Court of Appeal - Warner Music & Sony Music v Tuneln, A3/2020/0091 (26 March 2021)

The Court of Appeal in London ruled that Tuneln, an American radio streaming service, was liable for copyright infringement for providing hyperlinks to third-party radio stations. To reach that conclusion, the Court interestingly referred to and applied the CJEU's jurisprudence (including the recent VG BILD-

Kunst v SPK). The defendant was found liable for copyright infringement, except for providing its 'Pro' functionality services.

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The defendant, TuneIn, offered its users free music, sport podcast, news and audiobook content in the framework of a digital radio service. In 2019, Warner Music Group and Sony Music Entertainment filed a lawsuit against TuneIn for copyright infringement, specifically for providing hyperlinks to third-party radio stations around the world. The applicants claimed that TuneIn's actions resulted in an 'unauthorised act of communication to the public'.

The court of first instance stated that while music radio stations licensed in the UK can be made available to the UK users, providing access to unlicensed radio stations or stations licensed overseas constitutes a copyright infringement.

The Court of Appeal mostly upheld the first instance decision and concluded that providing links to foreign stations, unlicensed in the UK, infringed the applicants' copyright. The Court refused to diverge from the CJEU's jurisprudence regarding the concept of 'communication to the public', on which the appeal was based. The decision was supported by the lack of change in the domestic legislation and international legislative framework, as well as by the CJEU's 'unrivalled experience' in encountering the concept of 'communication to the public' under a variety of circumstances. The Court referred to the recent CJEU case VG Bild-Kunst v SPK (C-392/19, EU:C:2021:181), which tackles the issue of inline linking (framing) and clarifies that copyright holders can limit their consent to the framing of their works, only by means of effective technological measures. However, the Court held that this CJEU judgment was not dispositive of the central question of the present case, and the defendant's arguments to depart from the CJEU's jurisprudence regarding 'communication to the public' were rejected.

In conclusion, the Court overturned only a minor part of the original decision regarding the recording function on Tune In's 'Pro' app, as it was stated that the option to record the stream had no impact on the act of communication. The Court also showed reluctance to reformulate the law on communication to the public, illustrating that departures from established CJEU principles will be reserved for special occasions.

The text of the judgement is available here.

Subject-matter of copyright protection – Licence – Contractual liability or Infringement of Intellectual Property Rights

Paris Court of Appeal – Case No 19/17493 – Entr'Ouvert v Orange & Orange Business Services (19 March 2021)

The Paris Court of Appeal ruled on the fundamental question of the applicable liability regime in the event of a breach of a licence agreement: whether it constitutes an infringement of IP rights, or it should rather be assessed under the general legal regime of contractual liability. The French court ruled in favour of contractual liability. In doing so, it did not follow the interpretation provided for in a CJEU judgment of 18 December 2019 (18/12/2019 C-666/18, IT Development SAS, EU:C:2019:1099).

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In IT Development SAS v Free Mobile SAS (18/12/2019, C-666/18, 18/12/2019, EU:C:2019:1099), the CJEU found that the breach of a clause in a licence agreement for a computer program concerning the intellectual property rights (IPRs) of the owner of the copyright of that program falls within the concept of infringement of 'intellectual property rights' within the meaning of Directive 2004/48. At the same time, the CJEU stated that national legislatures must remain free to define, in particular, whether the action available to the rights holder in the event of infringement of IPRs, against a licensee, has a contractual or tortious nature (§44). The CJEU added, however, that in either case the provisions of Directive 2004/48 must be respected.

This is a highly debated issue in France where the liability law is based on the principle of non-cumulation, meaning, firstly, that one person cannot hold another person liable in contract and tort for the same acts and, secondly, that tortious liability is excluded in favour of contractual liability where those persons are bound by a valid contract. According to the French doctrine, the contractual liability and the French Civil Code do not incorporate the requirements of the Directive.

In Entr'Ouvert v Orange & Orange Business Services, the Paris Court of Appeal adopted a binary interpretation. It stated that when the act giving rise to an infringement results from an act of infringement as defined in the relevant rules strictly concerning intellectual property, the action must be brought on the basis of the 'responsabilité quasi délictuelle' provided for in Article L335-3 of the French Intellectual Property Code. Conversely, as in the present case, if the act giving rise to an infringement stems from a contractual breach, only the contractual liability claim is admissible, due to the principle of non-accumulation of liability. This outcome differs from the CJEU's abovementioned standpoint, and also from the previous jurisprudence of the French Court of Cassation, which made suing for infringement possible in the event a breach of contractual liability was referred to as the sole source of the infringement itself.

In practice, this outcome entails that the rights holder claiming a contractual violation by their licensee might not be able to invoke the more specific protective provisions of the French Intellectual Property Code and the provisions of Directive 2004/48, if contractual liability comes into play.

The original text of the judgment (in French) is available here.

Subject-matter of trade mark and copyright protection – EU trade mark – reputation of the trade mark – originality

Paris Court (Tribunal Judiciaire de Paris) – Case No 19/08859 – Société M. v S.A.R.L. E. ('Rolling Stones badges' case) (25 February 2021)

In a dispute between the company that owns and manages the majority of the intellectual property rights of the English rock band 'The Rolling Stones' and a company importing badges from China, the French court concluded that the plaintiff's trade marks and copyright had been violated. The court held that the trade marks reproducing the Rolling Stones' logo are known to a significant portion of the public and enjoy a high degree of reputation in the European Union. On copyright, it assessed the notion of originality but also the presumption of authorship and ownership, the application of the parody exception and piracy.

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The proprietor of the European Union figurative marks sued the importing company for trade mark and copyright infringement, parasitism and unfair competition. The court rejected the claims for unfair competition and parasitism but upheld the infringement of the plaintiff's trade marks and copyright. On the basis of the CJEU's case-law [14/09/1999, C-375/97, General Motors Corporation v Yplon SA., EU:C:1999:408, and 03/09/2015, C-125/14, Be Impulsive / Impulse, EU:C:2015:539], the Court established that the trade marks at issue were well known to a significant part of the relevant public in France and in the European Union. By virtue of the EUTMR (Regulation (EU) 2017/1001), renowned marks enjoy extensive and exceptional protection, thus it was possible to depart from the 'principle of speciality' applied in French law. The Court referred in particular to various magazine and newspaper articles indicating that the logo was the most iconic of all time and to the fact that these trade marks were also used extensively (e.g. on T-shirts, partnerships with major brands and football clubs etc.).

On the issue of trade mark infringement, the Court held that there was a likelihood of confusion. It argued that a quick comparison between the trade marks and the badges showed that the shape and volume of the mouth and lips were identical, and the only perceptible difference was the motifs from the Breton flag on the lips. The Court then ruled that the importing company infringed the plaintiff's trade mark rights.

Regarding the question of copyright infringement, the Court found that even if inspired by the Hindu Art ('Goddess Kali'), the logo reflected the personality of the artist John Pasche, its author, and hence, was original.

The court recalled that the assessment of piracy is done by reference to the similarities with the original work, rather than the differences. In this case, in view of the very strong similarities between the disputed badges and the work of Pasche, the French judge held that the reproduction of the badges had infringed the plaintiff's economic rights. The court rejected the application of the parody exception arguing that the reproduction did not evoke an existing work and did not constitute an expression of humour or mockery (03/09/2014, C-201/13, Deckmyn and Vrijheidsfonds, EU:C:2014:2132).

The original logo (on the left) and the one on the imported badges (on the right)

Goddess Kali, Hindu Art

The text of the judgment (in French) is available here.

Subject matter of copyright protection – Work (Bullfighter's performance)

Spanish Supreme Court, Case 82/2021, Miguel Ángel Perera Díaz v Registrador Territorial de la Propiedad Intelectual de Extremadura (Extremadura Copyright Registry), [16 February 2021]

In this decision, the Spanish Supreme Court assesses whether, in the wake of *Cofemel* and *Levola Hengelo*, a bullfighter's performance could be regarded as a work of art that is original. The Court ruled that even though a bullfight might fulfil the threshold of originality, it cannot be expressed in a way that it is identifiable with sufficient precision and objectivity and therefore, does not qualify as a work eligible for copyright protection.

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Mr Perera Diaz had attempted to register an audio-visual recording of a certain bullfight from 2014 within the Copyright Registry, but the Registry had refused. Mr Perera Diaz appealed the case all the way to the Spanish Supreme Court, which agreed with the previous courts that a bullfight can be regarded as a sporting event and therefore does not qualify for copyright protection. The Supreme Court, however, stated that a bullfight is not just a sporting event, because it also has an artistic dimension. The judge relied on Cofemel (C-683/17) and Levola Hengelo (C-310/17), which provides a two-step analysis of the concept of 'work' (subject matter eligible for copyright protection). The judge ruled that a bullfight may be original, when it reflects the personality of the bullfighter, as an expression of his free and creative choices, but that it would not qualify as a work, because the creation cannot be expressed in a way that it is identifiable with sufficient precision and objectivity. According to the previous case-law, the subject matter must meet both criteria (the originality as the 'author's own intellectual creation' and the expression of that creation).

The Court also addressed the question of whether a bullfight could be regarded as a choreographic work. The answer would be in the negative. Applying the same test, the Court considered that to be protected, the choreography should be identifiable with sufficient objectivity and precision to be reproduced. However, a bullfight is unique and cannot be replicated.

The text of the judgment (in Spanish) is available here.

Subject-matter and threshold for sui generis rights protection (Database - website) – Damages

France - Court of Appeal of Paris, Case 17/17688, LBC France v ENTREPARTICULIERS.COM [2 February 2021]

In this case, the Court of Appeal of Paris performs an interesting assessment of the sui generis database rights, through a triple investment analysis. The French court held, firstly, that the site 'leboncoin.fr' and its subsection 'immobilier' constituted a protected database and, secondly, that the company 'Entreparticuliers.com' had infringed the sui generis right of its producer by extracting and reusing substantial parts of the immobilier database.

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A French company, LBC, operates the online classified advertisements site 'leboncoin.fr' offering individuals the opportunity to place their advertisements online, grouped by region and by category. Over the years, the website has become the number one online advertisements site, notably in the 'real estate' category. LBC sued another French company 'Entreparticuliers.com', who allegedly carried out the systematic extraction of the real estate database of its site through a real estate classification service subcontracted by a commissioned agency. The court of first instance held that the site 'leboncoin.fr' constituted a protected database. It ruled that the company 'Entreparticuliers.com' had infringed the producer (LBC France)'s rights by extracting and the reusing substantial parts of the database.

Entreparticuliers.com lodged an appeal and argued that LBC France had only a hosting status. The Court of Appeal deemed it relevant to investigate whether LBC France (which acquired ownership of the assets constituting the branch of activity operating the leboncoin.fr website) could demonstrate that it had itself made a substantial new investment enabling it to benefit from the 'extended' 15-year protection. In contrast with the CJEU case-law, which does not clearly distinguish between investment in the obtaining, verification or presentation of the database, the Court performed a tripartite analysis of the investment. First of all, it noted that LBC France had made investments linked to sophisticated storage and management IT infrastructures, even though it is the internet users who create their ads and not the company. Secondly, the court considered that LBC France had also carried out real controls, not purely formal, contrary to appellant's contention. Lastly, the Court considered that LBC France and its external service providers had worked towards a constant improvement of the presentation of the database, even though these operations favour the profitability of the site, as the appellant rightly but unsuccessfully argued. With regard to the 'immobilier sub-database', the Court did not undertake the tripartite analysis developed above. It merely found that the company justified substantial investments in targeted advertising campaigns, which enabled it to enrich its sub-database. The substantial nature of those investments was assessed intrinsically and not in proportion to the turnover generated by the database, which, in this case, would undoubtedly have changed the situation.

In terms of the extraction of the database, the Court of Appeal endeavoured to identify the qualitatively substantial part of the content that was extracted or reused. It held that Entreparticuliers.com has extracted and reused substantial parts of the sub-database 'immobilier'.

The text of the judgment (in French) is available here.

Subject matter of copyright protection – Originality (Model of boots 'Moon Boot') – Cumulative IP protection (design/copyright)

Tribunale di Milano | Sentenza n. 493/2021, Tecnica Group s.p.a. v (Redacted) R.G. n. 30937/2018, [25 January 2021]

This case concerns the cumulative protection of design and copyright in Italy. On January 25, 2021, the Tribunal of Milan ruled that the model of snow boot 'Moon Boot', protected as a design, was eligible for copyright protection under Article 2(10) of the Italian Copyright Act. The Tribunal ruled that this model had an 'artistic value' and therefore fulfilled the originality threshold for it to be eligible for the cumulative protection of design and copyright.

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In 2018, Tecnica Group s.p.a. (the plaintiff), rights holder of the design 'Moon Boot' shoes, sued several companies that manufactured a product called the 'Snow Boot', which was very similar to the former in terms of design, textures and characteristics, for unfair practices. In addition, the plaintiff sued the defendants for copyright infringement, arguing that, since the 'artistic value' of the 'Moon Boot' was well noted in various cultural circles (they had been exhibited as industrial design products at 'Triennale Design Museum' in Milan and at the MOMA in New York), they reach the originality threshold to be eligible for copyright protection under Article 2(10) of the Italian Copyright Act. The defendant argued that the 'Snow Boot' had different features such as glittery textures and colours which meant that it was not similar to the plaintiff's 'Moon Boot'.

The court ruled in favour of the plaintiff regarding the copyright violation, considering however that there was no unfair competition and postponing the assessment of damages to a later date. The court provided guidance on the interpretation of the requirement of 'artistic value' which is required for a design to be original and therefore copyright protected. It held that the judge could only rely on parameters as objective as possible, such as publications in magazines, exhibitions in museums or public events, which can confirm the public perception of the 'artistic value' of the products in the community and in particular in cultural circles. Applying that interpretation to the case at hand, the court confirmed the copyright protection of the 'Moon Boot'.

This case arises in the wake of the recent decisions of the CJEU, C-833/18 (Brompton Bicycle Ltd. v. Chedech / Get2Get) and C-683/17 (Cofemel v G-Star Raw) on the criteria which apply to the copyright protection of works of applied arts (clothes (trousers) in *Cofemel* and folding bikes in *Brompton*).

The text of the judgement (in Italian) is available here.

Copyright infringement – Subject matter of copyright protection – Originality (Database - mobile application) – civil sanctions

Corte d'Appello di Milano | Sentenza no. 9/2021 R.G. no. 3878/2019, Business Competence s.r.l. v Facebook Italy s.r.l., Facebook Inc., Facebook Ireland Ltd [5 January 2021]

On 5 January 2021, the Court of Appeal of Milan (Corte d'Appello di Milano) upheld the liability of Facebook for copyright infringement of a mobile application with a reverse engineering process. The Court awarded high damages of EUR 3 831 000.00.

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In 2012, Business Competence (software development company, the plaintiff) developed the mobile application '*Faround',* capable of storing, selecting and listing Facebook users' data (with their consent) in order to display their favourite stores' locations on a dedicated GPS map. On 25 September 2012, the software was listed on the Facebook's 'App Center' and offered through Facebook's marketplace 'App Store'. However, on 18 December 2012, Facebook announced the launch of 'Nearby', which uses the same features of plaintiff's 'Faround'. Business Competence sued Facebook (the defendant) before the Tribunal of Milan for copyright infringement and unfair competition. The Tribunal appointed an expert to evaluate the following points: (i) Whether 'Faround' is original; whether and to what extent 'Faround' and 'Nearby' are similar. (ii) When were the two programs created? (iii) Whether Facebook has developed earlier versions of 'Nearby' with the same functionality prior to the launch of the 'Faround' feature. (iv) Whether the 'Nearby' app derives from 'Faround' or is a proprietary development of the predecessor version, 'Facebook places'. The expert's report found that 'Faround' had a high level of similarity with 'Nearby' and that the arrangement of the content of its database reached the originality threshold to be eligible for copyright protection under Article 1 of the Italian Copyright Act. Therefore, the Tribunal of Milan found Facebook liable for copyright infringement of the plaintiff's database and for unfair competition pursuant to Article 2598(3) of the Italian Civil Code, estimating the damages at EUR 350 000.00. Facebook appealed to the Court of Appeal of Milan.

Before the Court of Appeal of Milan, Facebook argued that 'Nearby' and 'Faround' were two different products, that 'Faround' lacked the originality required for copyright protection and 'Nearby' was offered free of charge only to Facebook users. It contended that for this reason, it had not made a profit by implementing 'Nearby'. The Court held that 'Faround' was original and eligible for copyright protection. After reassessing all the economic data relating to the remedies (*Investor Memorandum*), the Court of Appeal estimated the damages at EUR 3 831 000.00, according to the following criteria: (i) the total profit and net profit margin of Facebook from the launch of 'Nearby' in Italy; (ii) the total loss suffered by the plaintiff (including the investments made to create 'Faround' and the lost profit between 2013 and 2016; (iii) the criterion known as the 'prezzo del consenso' intended as the percentage of the royalties (5 %) paid by the generic user to acquire a license for 'Faround' over a period of 3-5 years, in addition to the plaintiff's 'terminal value'. Finally, the Court added EUR 29 792.00 as legal costs to be paid by the defendant.

The text of the judgment (in Italian) is available here.

Subject matter of copyright protection – Originality ("Jaguar Land Rover") – Cumulative IP protection (design/copyright)

The Swedish Patent and Market Court, Case PMT 15833-18, Jaguar Land Rover v Creare Form AB [11 December 2020]

The Swedish Patent and Market Court held that the Jaguar C-Type sports car design (1951) was protected by copyright as a work of applied art under the Swedish Copyright Act. The court applied the principles of the CJEU, referring to decision C-833/18 (11/06/2020, Brompton Bicycle, EU:C:2020:461) and found that the functional shape of the car — designed to win the well-known competition Le Mans 24-hour race in 1951 — did not prevent the creator, Malcolm Sayer, from reflecting his personality in that work, as an expression of free and creative choices.

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In December 2020, Jaguar Land Rover (the plaintiff) sued Creare Form AB (the defendant), a company that manufactures replica cars, for copyright infringement of the iconic Jaguar C-Type, alleging that the defendant manufactured and marketed the replica car in violation the plaintiff's copyright. The defendant argued that the replica did not infringe the plaintiff's copyright, relying on the alleged acceptance of replica car culture in general and the acceptance of the C-Type replica in particular by Jaguar Land Rover at various gatherings over the years.

The Court deemed the points raised by the defendants irrelevant and then, relying on the finding of the CJEU in the Brompton Bicycle case, about the originality threshold, ruled that the design of the Jaguar C-Type was protected by copyright as a work of applied art, as through that design, the author had expressed his creative ability in an original manner, by making free and creative choices. To reach that conclusion, the Court first noted that the realisation of the car was indeed dictated by technical considerations (this car was designed within the framework of the Le Mans competition in 1951). However, looking into other cars participating to the same competition, the Court found they presented different shapes and features while achieving the same technical result. In addition, the Court underlined that directives given to Mr Sayer in order to design the car (such as maintaining a 'family likeness') or the nature of the sport car in itself, had not prevented Mr Sayer from creating an original work.

The court ordered the defendants to cease the production of C-Type replicas and awarded Jaguar Land Rover full litigation costs of EUR 500,000.00.

The text of the judgment (in Swedish) is available here.

Subject matter of copyright protection (literary figure) – trade mark opposition – relative ground (copyright protection)

The Industrial Property Board of Appeal (Rūpnieciskā īpašuma Apelācijas padome), case RIAP/2020/M 71 352-le (OP-2017-75) and RIAP/2020/M 71 353-le (OP-2017-76), Saltkrakan AB v. Valdemaras Valkiūnas [16 November 2020]

The Industrial Property Board of Appeal's decision deals with two matters. Firstly, it addresses trade mark registration and opposition proceedings in Latvia. Secondly, it addresses copyright. The key element of the decision is that according to the Industrial Property Board of Appeal, a literary figure can be a subject matter of copyright protection, if it is sufficiently original and the literary figure in question has specific characteristic features. For the Court, this can be applied to the literary figure Pippi Longstocking, created by Astrid Lindgren, as it has a combination of specific features and character traits which give it an indisputable level of individuality.

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In this decision in relation to the literary figure "Pippi Longstocking", the Industrial Property Board of Appeal had to deal both with trade mark and copyright issues.

According to the Industrial Property Board of Appeal a literary figure can be a subject matter of copyright protection, in case it reaches the originality threshold and contains specific features that are characteristic for this particular literary figure.

The Swedish company 'Saltkrakan AB' (at the moment of proceedings, the company name was 'The Astrid Lindgren Company AB') had filed an opposition against the registration of the trade mark "Pepi" figurative mark) (registration No M 71 352) in Latvia, declaring the trade mark invalid from the day of its registration. The Industrial Property Board of Appeal upheld the opposition. However, the Industrial Property Board of Appeal rejected the opposition filed by the Swedish company 'The Astrid Lindgren Company AB' against the registration of the trade mark PEPI (registration No M 71 353) in Latvia. Prior the application date of the contested trade marks Pepi (figurative) and PEPI, the opponent had acquired copyrights allowing it to prohibit the use of the contested trade marks and limit their registration. The opponent ('Saltkrakan AB') owns the intellectual property rights of Astrid Lindgren, covering books and other literary works, movies, theatre plays and other copyrightable objects, as well as illustrations by Ingrid Vang Nyman and all trade marks related to Astrid Lindgren.

The Board of Appeal agreed that the representation of any red-haired girl with braids and freckles could not be considered a copyright infringement of the literary figure Pippi Longstocking. However, the Board found that it could be considered infringement if the representation included all of the specific features of the literary figure and was combined with a word sign which would lead the public to associate the mark with the literary figure in question.

The Industrial Property Board of Appeal considered that the first name 'Pepija', in itself, with no visual representation or unaccompanied by the surname 'Garzeķe' could not be considered to be protected by copyright. The use of the name 'Pepija' by other IP owner to identify their products could not be prohibited.

In specie, the Industrial Property Board of Appeal found that the graphical representation of the contested mark (Pepi) contained the specific visual features of Astrid Lindgren's literary figure Pippi Longstocking. For the Board, although the name 'Pepi', in itself, did not have a high degree of similarity with the name of Pepija Garzeķe, it could not be excluded that the trade mark Pepi, in conjunction with the graphical representation of a girl's head, with the specific visual features of Pippi Longstocking, could lead consumers to associate it with this literary figure, which, as mentioned above, was protected by copyright. As a result, the Board ruled that the trade mark Pepi could not be registered as it would infringe the copyrights owned by 'The Astrid Lindgren Company AB'.

Regarding the second contested trade mark "PEPI" (word mark) the board assessed it in relation to the earlier marks PIPPI and Pippi Longstocking which are registered word marks and do not contain any other elements that could attract consumers' attention. The Board carried out the visual, phonetic and conceptual comparison of the signs. It reminded that the comparison had be made between trade marks in the form they were registered, without introducing a derivative of these forms The Board held that a certain degree of similarity could be detected between the marks PEPI and PIPPI. But their level of visual similarity was lower. And neither the word element of the contested trade mark PEPI, nor the earlier mark PIPPI had any meaning in Latvian. They were not English words, either. The Industrial Property Board of Appeal did not find that there was any semantic similarity between the trade marks PEPI and PIPPI and did not agree with the opponent that consumers in Latvia would identify such a link.

The text of the judgment (in Latvian) is available here.

International protection of copyright – reciprocity – subject matter of copyright protection

Cour de cassation (Supreme Court, France), judgment No°534 F-D, Knoll International v Mobilier et techniques d'organisation productive (Knoll Tulip case) [7 October 2020]

This case concerns the international protection of copyright under the Berne Convention and deals with the conflict between the reciprocity rule under Article 2(7) of the Berne Convention and the non-discrimination principle in Article 18 of the Treaty on the Functioning of the European Union (TFEU). In this judgment, the French Supreme Court (Cour de cassation) upheld the judgment of the Court of Appeal of Paris of 13 April 2018 stating that Knoll's 'Tulip chair' is not protected by copyright in France. Applying the reciprocity rule regarding works of applied art, the Court of Appeal reasoned that the famous Tulip chair was not eligible for copyright protection under the national law of the country of origin (i.e. US law) and, therefore, was not eligible for copyright protection in France.

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Furniture company Knoll Inc. and its French subsidiary brought a copyright infringement case against a French company that had sold 80 chairs which reproduced the characteristics of the 'Tulip chair'.

The Court of Appeal of Paris argued that it was necessary to clarify two questions under Article 2(7) of the Berne Convention which provides that '[w]orks protected in the country of origin solely as designs and models shall be entitled in another country of the Union only to such special protection as is granted

in that country to designs and models; however, if no such special protection is granted in that country, such works shall be protected as artistic works'.

It had to be determined whether:

> the United States copyright law protects the famous Knoll Tulip chair, in which case the law applicable to the benefit of protection would be French copyright law, since protection was claimed in France (Article 5(2) of the Berne Convention)

or

> on the contrary, the United States protects the chair solely as a design and model, in which case, under Article 2(7) of the Berne Convention, the chair can only benefit from that special protection in France, and not copyright protection. The Court of Appeal of Paris interpreted the United States copyright law as excluding the Tulip chair from the scope of copyright protection.

The Supreme Court referred to the United States Supreme Court judgment of 22/03/2017, Star Athletica, LLC v Varsity Brands. According to this judgment, copyright protection under US law is excluded for a utilitarian object unless it contains separable artistic elements that can be considered in themselves as pictorial, graphic or sculptural works, in which case the protection extends only to those elements. Given that the shape of the Tulip chair and armchair meets solely functional objectives, the Court, applying the rule of Article 2(7) Berne Convention, found that Knoll could not seek copyright protection in France.

This case revolved around the conflict between Article 2(7) of the Berne Convention and Article 18 TFEU establishing the principle of non-discrimination on grounds of nationality.

The text of the judgment (in French) is available here.

Subject matter of copyright protection (website article on cars) – reproduction – damages

Cour d'appel de Gand, 7e ch., *ENEA bvba v Vancia Car Lease NV* (7 September 2020)

The number of copied characters is a relevant indicator for calculating damages, especially when the appellant charges a unit price per character for the unauthorised reproduction of the copyrighted work. By granting the appellant an increase in the price that would have been paid by the respondent if he had requested and obtained permission to reproduce the articles concerned, the Court ensured that the infringement case was not treated as equivalent to one in which reproduction permission had been sought and obtained.

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The first appellant, an author, published information about cars on ENEA bvba's website 'auto55.be', the second appellant. The respondent, Vancia Car Lease, reproduced the same articles on its own website without permission from the appellants. At first instance, the judge held that the respondent had infringed the first appellant's copyright, but that the second appellant as a licensee had no legitimate interest in acting together with the first appellant against the latter's infringement.

The Court of Appeal held that even as a licensee, the second appellant was entitled to take legal action because the notion of 'any party concerned' under the relevant provision must be interpreted very broadly to encompass any disadvantaged/interested party.

The court then confirmed that the articles were protected under copyright law because they were more than a simple written representation of technical information.

Furthermore, the court upheld the first instance judge's finding of infringement. It considered irrelevant that the respondent acted out of ignorance, that they did not know they were committing an unauthorised reproduction of the articles. The court emphasised that the good faith of the infringer did not justify the infringement.

Finally, on damages, the Court held that they should not be based only on what the second appellant could have gained if the respondent had asked and obtained permission to use the articles, but that it was justified to increase this amount by 125 % even though this increase was not contemplated in Article 13 of Directive 2004/48 (IPRED), nor in Belgian law.

The text of the judgement (in Dutch) is available here.

Subject-matter of copyright protection – originality (industrial design) – cumulative IP protection (design/copyright) – civil sanctions

Tribunale di Milano – Ordinanza n. 102/2020 R.G [13 July 2020]

This Italian case refers to the design and copyright cumulative protection. On 13 July 2020, the Court of Milan (*Tribunale di Milano*) ruled that a drawing by Gio Ponti (an Italian architect and designer) used as an industrial design can be eligible for copyright protection as a work of figurative arts pursuant to Article 2(4) of the Italian Copyright Act.

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Giò Ponti's heirs (the plaintiffs) asked that an injunction be issued against Coin S.p.A. (an upmarket Italian department store chain, the defendant) for copyright infringement pursuant to Article 2(4) and (10) of the Italian Copyright Act. According to the plaintiffs, the defendant marketed a tablecloth called 'Twill', reproducing the famous designer's two-tone design called 'Eclissi' that appeared for the first time on the cover of the magazine *Domus* in March 1957. Moreover, according to the plaintiffs, although 'Eclissi' was reproduced after 1957 on several fabrics, tiles, carpets and exterior architecture, the work was created *ab initio* as a figurative work and then adapted to different architectural and industrial productions.

According to the defendant, the disputed design lacked originality (literally being only a 'geometric pattern composed of parallel rows of circles: mere simple geometric shapes, arranged in a regular, full colours'). Furthermore, according to the defendant, the 'Twill' tablecloths would only be associated with Ponti's 'Eclissi' regarding the *idea* behind the work, which is not protectable per se by Copyright Law.

The Court agreed with the plaintiff's claims, ruling that the mentioned design could be eligible for copyright protection pursuant to Article 2(4) of the Italian Copyright Act. First, the Court held that the

reproduction of the work in the magazine *Domus* or any subsequent serial exploitation of the work in consumer goods did not impact the 'creative character' of a figurative work. The Court contended that such a factor (the successive functional use of a work) was irrelevant to assess the originality threshold in the case in question. Moreover, the Court explained that the 'artistic value' of the work coincided with the originality requirement in Article 1 of the Italian Copyright Act ('*creative character*'). This concept refers to the personal and subjective interpretation of the author's expression that 'takes shape in reality'. Furthermore, the Court assessed the existence of *fumus boni iuris* and *periculum in mora*, both required for the Court to issue the injunction. The Court declared the further production, marketing and offer for sale of the defendant's tablecloth 'Twill' to be prohibited pursuant to Article 156 of the Italian Copyright Act and Article 669*octies* of the Italian Code of Civil Procedure. Finally, the Court ordered COIN s.p.a. to pay EUR 50 to the plaintiffs for each additional product that was offered for sale or marketed and EUR 7 550 for legal expenses.

The text of the judgment (in Italian) is available here.

Subject-matter of copyright protection – originality (boots) – cumulative IP protection (design/copyright) – unfair competition

The Supreme Court, case U 2020.2817 H, IJH A/S v. Morsø Sko Import A/S [20 June 2020]

The case concerned whether a rubber boot could be characterised as work of applied art and thus be protected against infringements under copyright law. The central question was whether the company Morsø Sko Import A/S's sale of a rubber boot called VRS violated the company IJH A/S's rights to the rubber boot RUB 1.

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The Danish Supreme Court ruled that the RUB 1 rubber boot did not meet the requirement of originality, which was a condition for qualifying the boot as a work of applied art, and was thus not a work that enjoyed protection under copyright law. This despite the fact that an inspection and assessment had concluded that RUB 1 was an expression of an independent creative effort. However, the Supreme Court found that the RUB 1 rubber boot possessed such a distinctive character that it enjoyed protection under the Marketing Practices Act. Such protection is limited to protection against very similar imitations, which the Supreme Court concluded was not the case. The VRS rubber boot produced by the company Morsø Sko Import A/S thus differed from IJH A/S's RUB 1 to such an extent that the marketing of the VRS rubber boot did not constitute an infringement of IJH A/S's rights under the Marketing Practices Act.

The ruling is central because it is the first time the Supreme Court has ruled on the copyright protection of fashion products since the EU Court of Justice's decision in the *Cofemel* case (C-638/17). In the Cofemel case, the EU Court of Justice ruled that clothing designs must meet the same requirements to enjoy copyright protection as other types of work: there must be an original subject matter, in the sense of being the author's own intellectual creation.

The Supreme Court acknowledged in the judgment that the originality requirement was harmonised in EU law and expressly referred to the Cofemel case in its decision. However, in the light of the EU ruling,

the Supreme Court found no basis for the said rubber boot to meet this requirement of originality. Morsø Sko Import A/S was therefore acquitted.

The text of the judgment (in Danish) is available here.

Subject-matter of copyright protection – originality (hanging pot, vase) – cumulative IP protection (design/copyright) – copyright infringement

Eastern High Court (Østre Landsret), case U 2020.2532 Ø, Salling Group A/S v. Anne Black ApS [11 June 2020]

The case concerns first the question whether a hanging pot, a vase and a lidded jar from Anne Black ApS enjoys protection under the Danish Copyright Act and the Marketing Practices Act. Subsequently, it is about whether the sale and marketing of similar hanging pot, etc. by a grocery store constitute an infringement of Anne Black ApS's rights.

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The High Court found that the grocery store's hanging pot, vase and lidded jar had essentially the same design expression as products from the company Anne Black ApS. The individual differences, which could be seen in particular in the suspension of the hanging pot and the somewhat coarser design of the vase with bottom groove, did not affect the overall impression. In the High Court's view, it was extremely unlikely that the products in question, which appeared to be imitations of Anne Black ApS's hanging pot, vase and lidded jar, had been designed without knowledge of Anne Black ApS's products. Therefore, in the case of the hanging pot, there was a violation of Anne Black ApS's rights under Section 1(1) of the Copyright Act, and as far as the hanging pot, vase and lidded jar were concerned, an infringement pursuant to Section 3(1) of the Marketing Practices Act.

The case is interesting because the High Court here concluded that the hanging pot was eligible for copyright protection, relying on the EU Court of Justice's finding in the *Cofemel* case (C-638/17).On that basis, the High Court came to the conclusion that the hanging pot was the result of Anne Black ApS's own intellectual creation, and that it therefore enjoyed protection under the Copyright Act.

In the judgment, importance was also attached to the fact that the grocery chain had marketed the ceramic products on their website and on Instagram. The High Court found that the marketing and sale of the products in the grocery stores had affected Anne Black ApS's revenue negatively, but that the exact extent of this was uncertain. The High Court therefore reduced the amount of compensation from DKK 1.5 million to DKK 300 000.

The text of the judgment (in Danish) is available here.

Subject-matter of copyright protection – originality (lawyer's technical regulation)

Italian Supreme Court – Corte Suprema di Cassazione, Sez. I Civile, Sentenza n. 10300/2020 *Casucci v Unipol s.p.a. and others* [29 May 2020]

The Italian Supreme Court (*Corte Suprema di Cassazione*) examines whether a technical regulation drafted by a lawyer can be a 'creative literary work' eligible for copyright protection under the Italian Copyright Act (L. no. 633 of 22 April 1941) and Article 2575 of the Italian Civil Code.

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The plaintiff (an Italian lawyer) had drawn up, on behalf of a client, a trade fair regulation governing an anti-counterfeiting service, entitled *Regolamento Servizio Proprietà Industriale ed Intellettuale*. The regulation was subsequently copied by the defendants (the company Unipol s.p.a. and others) on the occasion of a trade fair, without the lawyer's formal authorisation. The plaintiff sued the defendants for copyright infringement.

At first instance, the court ruled in favour of the plaintiff. At second instance, the Venice Court of Appeal overturned the ruling arguing that the regulation issued by the lawyer only put forward 'practical and functional indications' lacking the originality required of a copyright-protected work. The plaintiff appealed directly to the Supreme Court affirming that the Venice Court of Appeal had only focused on 'the function rather than on the expressive form' of his regulation and claiming a correct interpretation of Article 1 and Article 2(1) of the Italian Copyright Act.

The Italian Supreme Court, which does not rule on merit but can only be consulted for the interpretation of law, rejected the appeal arguing that 'the ascertainment whether the intellectual work has an original or not "creative character", is left to the appreciation of the trial judge, supported by reasonable motivation, and free from logical and legal errors'. At the same time, the Supreme Court ruled that copyright does not protect ideas, only the expression of ideas. Moreover, it held that a technical regulation may, in principle, qualify for copyright protection, provided that it reflects the author's 'peculiar and creative drafting' referring to the principles laid down by the CJEU in the *Cofemel* case (12/09/2019, C-683/17, Cofemel, EU:C:2019:721) namely, that 'the subject matter reflects the personality of its author, as an expression of his free and creative choices'.

The text of the judgment (in Italian) is available here.

Subject-matter of copyright protection – originality (layout of stores)

Italian Supreme Court – Corte Suprema di Cassazione, Sezione Civile, Sentenza n. 8433/2020 *Kiko s.p.a. v Wycon s.p.a.* [30 April 2020]

The Italian Supreme Court (*Corte Suprema di Cassazione*) ruled that concept stores' design plans and layouts, consisting of a creative combination of design furnishings, are eligible for copyright protection as architectural work according to Article 2(5) of the Italian Copyright Act (L. no. 633 of 22 April 1941).

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In 2005, the plaintiff 'Kiko', a company operating in cosmetics, launched a project to remodel the layouts of its make-up stores. In 2013, the plaintiff sued the defendant 'Wycon', a competitor operating in the

same cosmetics business, for copyright infringement, claiming that the defendant had copied and used the same elements of Kiko's signature store layout in its own make-up stores' layouts. According to the plaintiff, the Kiko concept store layouts fulfilled the requirement of originality and therefore qualified for copyright protection under Article 2(5) of the Italian Copyright Act.

The Court of First Instance of Milan (decision No. 11416/2015) upheld the plaintiff's claim, ruling that 'the creative choices and the combination, coordination and overall formation of the elements used for furnishing the Kiko shops presented sufficient elements of originality'. At second instance before the Court of Appeal of Milan, Wycon contended that, according to Article 2(10) of the Italian Copyright Act, Kiko's concept store design could not be eligible for copyright protection as it lacked originality and could not qualify as an industrial design because it lacked 'creative or artistic value per se'. The Court of Appeal of Milan (decision No. 1543/2018), rejected the defendant's claims. Wycon was found liable for infringing Kiko's copyright and also liable for acts of unfair, 'parasitic competition', against the plaintiff. The defendant appealed before the Italian Supreme Court, as the only court competent to supervise the correct interpretation of the Law by courts of appeals.

The Italian Supreme Court confirmed the first and second instance decisions stating that an interior design project or work, 'which reveals clear stylistic key components, organised and coordinated to make the environment functional and harmonious, or reveals the personal imprint of the author', can be protected as an architectural work, according to Article 2(5) of the Italian Copyright Act. In order to be protected, the interior design project must always be identifiable and recognisable as an objective expression of the author. It must be the result of 'precise choices' concerning the overall composition of the elements (e.g. colour of the walls, particular lighting effects, the consistent repetition of decorative elements, the use of certain materials, dimensions and proportions). The Supreme Court quoted the principle laid down by the CJEU in the *Cofemel* case (12/09/2019, C-683/17, Cofemel, EU:C:2019:721) that copyright protection for designs and models must reflect 'the personality and creativity of its author'. It further stated that the work caried out was not the result of technical considerations, rules or other constraints that leave no room for creative freedom.

The text of the judgment (in Italian) is available here.

Subject matter of copyright protection – originality (legal document)

Supreme Court of Lithuania (Lietuvos Aukščiausiasis Teismas - LAT), case e3K-3-77-687/2020, „Novus nexus" v UAB „Solidas" [26 March 2020]

This case (appeal on a point of law) concerned the interpretation and application of the legal conditions for a subject-matter to be protected by copyright and the relevant criteria for determining the compensation for copyright infringement. The main question referred to the copyright protection of legal documents. The Court notably agreed that they are functional works, subject to a lower degree of originality.

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The applicant brought an action seeking a court order requiring the defendant to cease its unlawful acts related to the reproduction, processing, distribution and use of personal data protection documents and/or extracts thereof prepared by the applicant. In its appeal on a point of law, the defendant argues

that the works at issue fall within the list of objects not protected by copyright, namely that these works are legal acts within the meaning of Article 5(2) ATGT, which are not covered by copyright protection.

The court of first instance and the court of appeal held that the local legislation at issue was protected by copyright.

The LAT ruled that the assessment of the originality of a work varies according to the nature of the work. The LAT found that the courts that had examined the case had properly assessed the nature of the works as functional works in terms of their content and purpose, which are subject to a lower degree of originality, meaning that the legal protection of the work in question is not conditional upon any special creativity, specificity or individuality of the work. Thus, in assessing the originality of the works at issue, the threshold of originality must not be too high, so that local legislation would be recognised as an authored work and be protected by copyright.

The text of the judgment (in Lithuanian) is available here.

Subject-matter of copyright protection (photograph) – infringement – damages

Antwerp Court of Appeal (Hof van Beroep te Antwerpen) – NjW 2020, afl.432,885, *H. BVBA v M.B.* [11 March 2020]

This case concerns the unauthorised use of photographs gathered as part of a competition. The court of appeal clarified that voluntary participation in a photo competition did not deprive the photographer of his right to be remunerated for his photos. To calculate damages, the court applied the SOFAM (Belgian Collective Management Organisation for visual works) tariffs considering them consistent with market rates, plus a flat-rate increase for use without prior authorisation by a third party. For the court, this increase was consistent with an *ex aequo et bono* estimation of the damages and could not in itself be considered contrary to Directive 2004/48 (IPRED).

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The case concerned a photographer (hereafter 'the respondent') who partook in a photo contest organised by a real estate broker (hereafter 'the appellant') for a chance to become one of its in-house photographers. He was requested to produce a photo report by taking photographs of a property. After taking and editing the photographs, the respondent submitted them to the appellant, which published the photos on its website and social media, even though the respondent was not selected as one of the in-house photographers, nor was his permission sought prior to publication. The respondent invoiced the appellant for his services and claimed damages for the unlawful use of his copyrighted photographs.

The Antwerp Court of Appeal ruled that firstly, the copyrighted nature of the photographs and the authorship of the respondent could not be disputed because he compiled the photo report and made creative choices (positioning, lighting, etc.) when he took and edited the photos. More importantly, the appellant never questioned the authorship of the respondent when the photographs were received within the framework of the competition. Additionally, the very fact that it was a 'competition' meant that each participating photographer made their own creative choices when capturing the designated properties.

Secondly, the services reflected in the invoice were indeed provided. The mere fact that the services were made in the context of a 'voluntary participation in a photo competition' does not deprive the respondent of his right to be remunerated. Furthermore, since the appellant failed to submit the competition rules, there was no document sufficiently attesting to the respondent's waiver of his right to remuneration or his permission to use the supplied photographs free of charge. Moreover, the court rejected the claim that the respondent's asking price was 'three times higher' than that of other photographers, finding it to be consistent with the market rate.

Lastly, as the respondent's permission was not sought, the court determined that the first instance judge did not err in law by applying the SOFAM tariffs, which should be considered as conforming to the market fees to be charged when using unauthorised photographic materials. Despite the fact that Belgian law did not explicitly provide for, or exclude such an increase in case of infringement of the author's rights under copyright law, the court held that **a fixed increase could be allowed in view of the circumstances of the case, especially when it served to sufficiently cover the actual damage** suffered by the respondent and corresponded to an **ex aequo et bono** estimate of the damages.

The text of the judgement (in Dutch) is available here.

Subject-matter of copyright protection – originality – cumulative IP protection (copyright – design)

UK High Court, Case [2020] EWHC 148 (IPEC) Clothing Ltd v The Edinburgh Woollen Mill Ltd [29 January 2020]

In this decision, the UK High Court ruled that a fabric ('wave arrangement') qualifies as a work of artistic craftsmanship and therefore its design is eligible for copyright protection. It is the first case in which a UK court considers the CJEU *Cofemel* judgment (12/09/2019, C-683/2017, Cofemel, EU:C:2019:721).

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The claimant, Response Clothing supplied the defendant, The Edinburg Woollen Mill (EWM) with ladies tops made of a jacquard fabric with a design referred to as a 'wave arrangement'. In 2012, Response attempted to raise the price of the tops, but EWM refused. Later, EMW, decided to provide a sample of Response's top or a swatch of its fabric to other garment suppliers, with an invitation to supply tops made from a similar fabric. A few companies got the order over time, and supplied garments made from jacquard fabric.

Response sued EWM for copyright infringement, claiming that protection would subsist in its 'wave arrangement' as either a graphic work, in accordance with s. 4(2) of the UK Copyright, Designs and Patents Act 1988 ('CDPA'), or a work of artistic craftmanship.

The Court held that it is impossible to call a fabric a 'graphic work' or 'piece of artistic craftsmanship', as a fabric could not satisfy the definition of either graphic work or artistic craftsmanship under the CDPA. Instead of using the CPDA as a basis, the UK High Court decided to apply the test formulated by Tipping J in **the High Court of New Zealand Decision of *Bonz Group Ltd v Cooke*.** Adopting New Zealand's approach, the Court explained that, in order for a fabric to qualify as a work of artistic craftsmanship it would be necessary to show that the fabric in question was:

- **firstly,** a work of craftmanship in the sense that the creation of the fabric required skilful workmanship;
- **secondly,** artistic in the sense that it was produced with creative ability that produced aesthetic appeal.

The UK High Court ruled that the creation of the fabric in question meets both premises because the necessary craftsmanship was involved and the commercial success of the design illustrated the required aesthetic appeal. The Court admitted that the claimant's fabric could be qualified as a work of artistic craftmanship and, therefore, its design was entitled to copyright protection. As a result, the Court held that the copyrights to the fabric were infringed by the EWM.

In its ruling, the Court interestingly turned to *Cofemel*, recalling that, according to the CJEU -the national law cannot impose a requirement of aesthetic or artistic value-. However, the judge observed that he did not need to go as far as 'complete conformity' with *Cofemel* since the fabric in question satisfied the requirement for aesthetic appeal and could be considered a work of artistic craftmanship. As a result, while referring to the CJEU *Cofemel* ruling, the UK judge considered that it did not apply in the specific case at hand. Therefore, the Court did not address the question whether the UK current test granting copyright protection only to works of artistic craftmanship that have an aesthetic appeal, is in conformity with the CJEU case-law.

The text of the judgment is available here.

For information: UK Brexit legislation stipulates that the Supreme Court of England and Wales is not bound by decisions of the CJEU from before 31 December 2020, and can, in appropriate cases, depart from it. Decisions taken by the CJEU after 1 January 2021 are not binding on the UK, but the UK Courts can have regard to such decisions.

Subject matter of copyright protection – originality (chair) – trade mark infringement (metatags) – sign use in the course of trade – likelihood of confusion – civil sanctions

Markkinaoikeus (Finnish Market Court), Case No MAO:25/20, Aarnio Design Oy [17 January 2020]

This decision of the Finnish Market Court concerns copyright protection over the design of a chair, and trade mark infringement related to search engine optimisation.

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According to Article 2(1) of the Finnish Copyright Act (8.7.1961/404), copyright includes the exclusive right to make the work available to the public. Pursuant to Articles 56g and 60b, a court may order an injunction to stop the infringement and impose a conditional threat of a fine to enforce the injunction. Under Article 57(1), the infringer is liable to pay reasonable compensation. According to Article 9(2)(b) Regulation 2017/1001/EU (EUTMR), the proprietor of a trade mark has the right to prevent all third parties not having his consent from using in the course of trade an identical sign in relation to identical or similar goods or services of the registered trade mark, if there exists a likelihood of confusion on the part of the public.

The claimant, Aarnio Design Oy, is the owner of the rights in the Pallotuoli chair, and of the EU trade marks 'EERO AARNIO' and 'Eero Aarnio Originals' for furniture, chairs and works of art made of plastic. The defendant, Lähdesmäki Oy Ilmajoki, used the expression 'aarnio' in the naming of image files, and referred to it in the website source code. The defendant sold three Milan chairs ('ball chairs') via its website.

According to the Finnish Market Court, it is undisputed that Aarnio Design Oy's ball-shaped chair enjoys copyright protection. The Finnish Copyright Council had earlier said that the chair design in question falls under copyright protection, and the court did not see a need to reassess it in a different manner.

The Court assessed whether the offer for sale of Milan chairs via the defendant's website infringed the claimant's copyright. It found that the Milan chair was created largely by making small changes to the measurements of the Pallotuoli chair. Differences in the production method and materials were not significant in the assessment of whether the Milan chair was the original result of independent creative work, or rather a copy of the Pallotuoli chair. The overall impression was that the Milan chair was similar to the Pallotuoli chair. Therefore, the court considered that Lähdesmäki Oy had infringed Aarnio Design Oy's copyright by offering the Milan chairs for sale.

The Court stated that it was undisputed that the picture of the Milan chair on the website of Lähdesmäki was named 'milan-tuoli-pallotuoli-pallo-tuoli-**aarnio**-tenstar-2.png'. Pursuant to CJEU case-law, choosing a sign as a keyword in an internet indexing service for advertising purposes is a trade mark use within the meaning of Article 9 EUTMR. In the present case, the invisibility of the chosen sign as a keyword in the advert did not matter (11/07/2013, C-657/11, Belgian Electronic Sorting Technology, EU:C:2013:516, § 56-58). The use of metatags composed of keywords in the metadata of a website is used to attract users (see 'Belgian Electronic Sorting Technology' § 59). However, the Court considered that the use of 'aarnio' in the name of the image did not count as use of a keyword. It had not been shown that the defendant had named the image file. Nonetheless, the Court found that the defendant was liable for loading the image file onto their website. The image file name and thus the word 'aarnio' as part of the website source code allowed the use for advertising purposes; therefore, use of the word 'aarnio' did constitute use in the course of trade.

The Finnish Market Court cited CJEU case-law (25/3/2010, C-278/08, BergSpechte, EU:C:2010:163, summary available on eSearch Case Law), according to which a rights holder may oppose the use of a sign on the basis of a keyword identical with or similar to that trade mark, in relation to goods or services which are similar to those for which that mark is registered, only where there is a likelihood of confusion. The Finnish court found that there was a likelihood of confusion in the marketing of the Milan chair. A consumer may find its way to the website via the search term 'aarnio'. The advert on the website, including an infringing design of a copyright-protected chair, was vague enough that an average consumer may be confused about the commercial link between the proprietor and the defendant. Trade mark infringement was found in the use of the 'aarnio' part of the proprietor's registered trade marks in the image file name, source code, and thus in the marketing.

The claimant was awarded EUR 1 500 as reasonable compensation for copyright infringement and EUR 500 for trade mark infringement. The court ordered the defendant to cease offering the infringing chairs on penalty of a EUR 50 000 fine; and to cease use of the claimant's trade marks in advertising on penalty of a EUR 50 000 fine.

Text of the judgment (in Finnish) is available here.

Subject matter of Neighbouring rights protection – Photographs

Bundesgerichtshof, BGH (German Federal Supreme Court), Case No I ZR 104/17, *Museumsfotos*, [20 December 2018]

This case, among others, concerns the question as to whether photographs of works of art that are no longer protected by copyright may be protected by a neighbouring right. According to Article 72 of the Urheberrechtsgesetz (German Copyright Act) photographs (*Lichtbilder*) are protected by a related right that normally expires 50 years after the photographs have been released.

A German museum owns the rights of use for photographs of paintings and graphic works that are in the public domain, that is, photographs for which the copyrights have expired. These photographs were published in 1992. In 2007, a visitor scanned these photographs and took photographs of other public domain works exhibited in the museum. He uploaded the digital files to the platform Wikimedia Commons. The museum took the view that making the photographs available infringed copyright and constituted a breach of the contract agreed between the museum and its visitors. The district court granted an order to take down the photographs; the visitor's appeal was unsuccessful.

The Bundesgerichtshof stresses that all photographic works (*Lichtbildwerke*) in the sense of Article 2(1)(5) of the Copyright Act are automatically also photographs in the sense of Article 72.

Protection of a photograph by a related right requires a minimum of 'personal intellectual achievement'; the photograph must be created as an original picture, that is, not be a simple reproduction of other photographs. When taking a photograph of a (two-dimensional) work, the photographer makes decisions on aspects such as distance, location, angle, lighting or detail. Admitting such protection for photographs of public domain works does not preclude the public's intellectual enjoyment of the work. Making photographs available on Wikimedia Commons cannot be considered as a quotation in the sense of Article 51 of the Copyright Act because it merely allows users to access the photograph; it was not meant to illustrate the thoughts or statements of the defendant. The museum's claim for injunctive relief was justified (Article 97 Copyright Act).

In addition, the museum can request that a visitor ceases to make their photographs of pieces of art available, when the general terms of the contract between visitors and the museum prohibit the taking of photographs.

The text of the judgment is available (in German) on the website of the Bundesgerichtshof.

Subject matter of copyright protection – Reproduction

Danish Supreme Court, Case 171/2017 (2. Afdeling) *Coop Danmark A/S v K.H. Würtz* [18 December 2018]

This case concerned reproductions of copyright-protected ceramics being used as props in photos for advertising and on the packaging of food products.

The main issue in the case was whether a Danish tableware designer's rights under the Copyright Act and the Marketing Practices Act had been violated by a leading chain of supermarkets. The supermarket chain used various photos of different foods being presented in the ceramic tableware in advertising leaflets and on food packaging in more than 1 million instances for a period of time ending in 2013.

The designer claimed that the use of the photos infringed Article 2 of the Danish Copyright Act. Additionally, the designer claimed that there had been a violation of rules in Article 3 of the Danish Marketing Practices Act concerning good marketing practices since the marketing had taken unfair advantage of his reputation. The supermarket chain argued that the designs in question were not protected by copyright, nor did the designer have a reputation that was protected by the rules on good marketing practices.

In the first instance, the Danish Commercial and Maritime High Court ruled in favour of the designer in regards to both copyright infringement and violation of good marketing practices. This was upheld in full by the Supreme Court.

As to the copyright issues, the Supreme Court found that the tableware design was the result of an individual creative effort and therefore was protected as applied art. The Supreme Court stated that the use of a work protected by copyright in a commercial/marketing context may be of such minor importance that, irrespective of whether the rights holder has authorised the use or not, it would not be a copyright infringement. The Supreme Court noted that this exception should be interpreted restrictively and in accordance with the so-called three-step test, making a direct reference to Article 5(5) of the Information Society Directive (D 2001/29/EC). However, the Supreme Court found that the supermarket chain's use of the designer's tableware on packaging and as part of their advertising in most instances could not be regarded as of minor importance. The Supreme Court further stated that the infringements were so significant that the supermarket chain should pay reasonable compensation of approximately EUR 25 000.

In terms of marketing practice issues, the Supreme Court also ruled in favour of the designer because of the significant use of the tableware, which had created a risk of dilution of the designer's brand.

The text of the decision is available on the Danish Supreme Court's database.

Subject matter of copyright protection - Originality (Photographs) – Author – Database

Cour de cassation (Supreme Court, France), Commercial Chamber, No 13-21001 [5 April 2018]

In this decision of 5 April 2018, the Supreme Court of France sheds some light on the assessment of the originality of photographs and auction house catalogues. French copyright law protects works that bear the mark of their author's personality (see Articles L 111-1 and L 112-2 of the French IP Code, Code de la propriété intellectuelle).

A photographer created photographs for various auction catalogues for a well-known auction house. A French company operating an online database for auction house catalogues digitised these catalogues and published them online without authorisation. The photographer and the auction house initiated proceedings for copyright and trademark infringement and for unfair competition.

The Court of Appeal of Paris, overturning the decision of the first instance court, held that the digitisation of said catalogues constituted infringement. The catalogues were protectable by copyright. The Supreme Court followed the same reasoning. The judges examined the photographs and the catalogues in detail to assess their level of originality. In their view, the catalogues displayed, amongst other things, a methodical and ordered presentation of various lots offered for sale and a list of the works in their historical, cultural and social context. These and other characteristics were the expression of an 'aesthetic decision imprinted with the personality of the authors of the catalogues.' Therefore the reproduction of the catalogues in digital form without authorisation infringes copyright.

Regarding the photographs reproduced in the catalogues, the Supreme Court found that they were the result of the 'personal aesthetic choices' of the authors as to the positioning, framing or the particular take on the items.

As regards trademark infringement, the Supreme Court found that the court of appeal had to examine the possibility of exhaustion of the trademark rights (see Articles L 713-4 CPI).

The original text of the decision (in French) is available on Legifrance.fr.

CZ – Subject matter of copyright protection, originality – work, infringement, Generative Artificial Intelligence

Municipal Court in Prague, 10 C 13/2023, S. Š. v Taubel Legal [31 May 2024]

In its recent judgment No 10 C 13/2023 of 11 October 2023, the Municipal Court in Prague addressed the question of the **eligibility** of **AI-generated images** for **copyright protection** and the attribution of authorship to the human user formulating the prompts.

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S.Š. (the 'claimant') brought legal action before the **Municipal Court in Prague** against the law firm Taubel (the 'defendant') for copyright infringement. The claimant alleged that the defendant had published, without authorisation, his copyright-protected graphic, consisting in a visual representation of two people signing a contract in a formal setting (such as a conference room or the offices of a law firm). The claimant obtained this image using a generative artificial intelligence system called DALL-E developed by OpenAI.

The court dismissed the claims for the following reasons.

- During the proceedings, it was undisputed that the picture in question was created by an **AI system**.
- The claimant considered the input prompts to be a specific assignment that granted him ownership over the AI-generated output.

- An image created by AI does not constitute a work of authorship under Section 2 of the Czech Copyright Act, as it is not the unique result of the creative activity of a **natural person** and therefore the claimant may not be recognised as the author of the AI-generated output.
- The claimant also failed to meet the burden of proving that the graphic in question was created based on his specific assignment. Therefore, the claimant lacked standing to bring the claim under Article 40(1) of the Czech Copyright Act.
- As the claimant was not recognised as the author, he could not claim copyright over the work in question. Hence, **the claimant is not legally entitled to prevent the use of the graphic by the defendant**.

The text of the decision is available here.

CH – Copyright – Originality - Entitlement to IP right – Gen AI

Internet Court of Beijing, (2023) Jing 0491 Min Chu No 11279, Mr Lee v Ms Liu [27 November 2023]

In November 2023, the Internet Court of Beijing granted copyright to an AI-generated image. While other countries, like the United Sates of America, seem to be going the other way, China has interestingly opened the door of protection for the output of text-to-image models. The Court deemed the image **eligible for copyright** due to its **originality** stemming from the numerous positive and negative **prompts** inserted and the **adjustments** and **amendments** made by the human user to select the final image that matched his expectations.

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Mr Lee (the plaintiff) posted an AI-generated image titled 'The Spring Breeze Brings Tenderness' on Xiaohongshu, a Chinese social media platform similar to Instagram. The image bore the plaintiff's assigned ID on Xiaohongshu. Ms Liu (the defendant) later used the image, without authorisation, on another platform and omitted the plaintiff's ID. The plaintiff filed a lawsuit at the Beijing Internet Court for infringement of copyright, in particular the right of communication to the public on information networks.

The Court ruled in favour of the plaintiff finding the work eligible for copyright for the following reasons.

- The AI-generated image constituted an original work, falling within the realm of intellectual achievements in art expressed in a tangible form. The image reflected the plaintiff's individual creativity and aesthetic choices made during the creation process.
- Despite the involvement of AI technology, the court recognised the plaintiff's creative intellectual input, including designing, selecting **prompts** and setting **parameters** during the image's creation. Moreover, the author **amended** and **adjusted** the output image several times, until he reached a final image that matched his expectations.
- The court affirmed the plaintiff's entitlement to copyright ownership, emphasising that AI models lack legal personality and humans remain the creators of works generated using this technology.
- In light of the above, the defendant's unauthorised use of the image was deemed **copyright infringement**, as it violated the plaintiff's rights of authorship and communication to the public on information networks.

The Court also condemned the defendant to pay compensation for damages of RMD 500 (EUR 65).

The case raised questions about applying traditional copyright concepts to AI-generated works and highlighted the need for clarity in distinguishing between mechanical achievements and genuinely creative works in the context of AI-generated content. The case sets a precedent regarding copyright protection for AI-generated content, while emphasising the importance of human involvement in the creative process.

The text of the judgment (in Chinese) is available here.

US – Copyright – Originality - Entitlement to IP right – Gen AI

US Copyright Office, SR # 1-11743923581, Théâtre D'opéra Spatial [5 September 2023]

This American case concerns an attempt to register before the United States Copyright Office ('USCO') a two-dimensional artwork without disclosing the fact that it had been generated using artificial intelligence('AI'). The fame of the image however made it known. The Copyright Review Board of USCO stated that the **AI-generated content** must be **disclaimed** in the registration application. They concluded that the image, which constituted a substantial portion of the final artwork, was not the product of human authorship. While acknowledging the potential creativity involved in prompting the AI system, they determined that **prompts did not equate** to **human creative control** over the resulting image. This decision underscores the Copyright Office's stance that human authorship is a fundamental requirement for copyright protection and works containing AI-generated content must follow **specific guidelines** for registration.

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Jason Allen (the applicant) had generated an artwork titled 'Théâtre D'opéra Spatial' using an AI system called Midjourney and applied to **register** the work before **USCO**. Initially, USCO refused registration because the artwork contained contributions from both the alleged author and the AI system which were deemed inseparable. The applicant argued that his creative input into the AI system warranted copyright protection for the entire work and he made a second request.

However, the Copyright Review Board of USCO upheld the Office's decision ruling out the copyrightability of the work for the following reasons.

- The AI-generated content in the artwork lacked human authorship, as it was produced by the Midjourney system based on text prompts without direct human intervention. The work contains an amount of AI-generated material that is more than *de minimis* and, thus, must be **disclaimed**.
- Midjourney does not interpret prompts as specific instructions to create a particular expressive result as it does not understand grammar, sentence structure or words in the way humans do.
- Human-authored selections, arrangements and modifications of AI-generated material may be eligible for copyright protection if sufficiently creative. However, in this case, the applicant must limit his claim to the human contributions.
- Fair use is a legal doctrine that pertains to the unauthorised use of copyright-protected works in specific circumstances, rather than addressing copyrightability itself.
- Applicants are required to **disclose AI-generated content** in copyright registration applications, to provide information relevant to the preparation or identification of the work or to the existence,

ownership or duration of the copyright. Disclosing AI-generated material is consistent with copyright principles and does not constitute a value judgment on the utility of AI tools.

The Board rejected Mr Allen's copyright registration claim because the predominantly AI-generated content in his work lacked human authorship, exceeding the *de minimis* threshold and his refusal to disclaim it rendered the work **ineligible for registration**, affirming the Copyright Act's requirement for human creativity.

The text of the decision is available here.

US – Copyright – Originality - Entitlement to IP right – Gen AI

US District Court of Columbia, Case 1:22-cv-01564-BAH, Stephen Thaler v Shira Perlmutter, Register of Copyrights [18 August 2023]

In the legal dispute between **Stephen Thaler** and the **United States Copyright Office**, the **District Court** of Columbia ruled that an artwork **entirely generated** by an **artificial intelligence system**, without any human involvement, is **ineligible for copyright** as it doesn't meet the essential requirement of **human authorship**. This ruling upheld the Copyright Office's refusal to register the artwork, confirming that only creations attributed to **human authors** qualify for copyright protection.

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This case arose from a legal battle between Stephen Thaler and the United States Copyright Office ('USCO'), centred on the **copyright eligibility** of a visual art piece entirely created by an artificial intelligence (AI) system called the 'Creativity Machine,' owned by Thaler (the 'claimant'). Thaler applied to register a copyright on his artwork, attributing authorship directly to the AI tool and the copyright ownership to himself, as the machine's owner, based on the **work-for-hire** doctrine. However, USCO, represented by its Director, Shira Perlmutter (the 'defendant'), denied the application on the grounds that the creation didn't meet the requirement of human authorship provided for by copyright law, in particular by Title 17 U.S. Copyright Act § 101.

In response to this denial, Thaler brought legal action, challenging the decision on the grounds that an AI's autonomous creation qualifies as a work under **modern interpretations** of **authorship**. This argument was based on precedent cases like *Goldstein v California*, according to which, copyright law is sufficiently flexible to extend to works created with, or involving, technologies far more advanced than those used in the age of traditional paper-based creations.

The District Court of Columbia upheld the USCO decision for the following reasons.

- **Human authorship** is necessary for copyright eligibility, a principle deeply embedded within copyright law to encourage human creativity and innovation.
- The artwork lacked the essential human authorship component. The court, referencing landmark cases such as *Burrow-Giles Lithographic Co. v Sarony* and *Naruto v Slater*, underlined that copyright is intended for creations by humans, irrespective of any technological assistance in the creative process.
- Thaler's argument for recognising AI as a potential copyright author was firmly rejected. The court highlighted the long-standing legal and historical consensus that copyrightable works must stem from **human creativity** and intervention.

- The common law doctrines of property transfer and the Copyright Act's work-for-hire provisions cannot be invoked where no property right exists in the first instance.
- Based on his own allegations, the claimant played no role in the work creation that was entirely determined by the AI system.

The text of the judgment is available here

Authorship and ownership, transfer of rights

Ownership of IP right – legal costs

Case C-559/20, Koch Media GmbH v F.U., ECLI:EU:C:2022:317 [28/04/2022]

Firstly, this preliminary ruling clarifies that lawyers' fees incurred in the pre-litigation phase for sending warning notices in cases of copyright infringement are reimbursable as 'other expenses' under Article 14 of Directive 2004/48/EC (IPRED) by the unsuccessful party.

Secondly, it poses the question, if, and under which circumstances, reimbursement claims can be limited if a natural person has carried out an infringement without commercial purpose. The Court confirmed that, in these cases, the reimbursement of 'other expenses' can be calculated on a flat-rate basis, based on the value of the dispute limited by that legislation, unless the national court considers that, when regarding the specific characteristics of the case, the application of such a limitation is inequitable or disproportionate.

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The request was made in proceedings between Koch Media, a commercial distributor of video games in the territory of the Federal Republic of Germany, and the defendant, F.U. (natural person). Koch Media claimed the reimbursement of lawyer's fees incurred for issuing an out-of-court warning notice against the defendant, who infringed Koch Media's right of communication to the public by sharing the video game 'This War of Mine' via a file-sharing platform.

Under German law, there is a statutory ceiling (limiting the value in dispute to EUR 1 000) on the recoverable amount in cases where a natural person who uses the protected work without pursuing any professional or commercial interest has committed an infringement. Relying on this exception, the court of first instance (Amtsgericht Saarbrücken, Germany) ordered the defendant to reimburse only a part of the lawyer's fees actually incurred by Koch Media, namely, EUR 124.

Koch Media appealed this decision before the Landgericht Saarbrücken (Saarbrücken Regional Civil and Criminal Court, Germany), claiming that it was entitled to the reimbursement of the full amount of their lawyer's fees for their intervention in the pre-litigation phase, namely EUR 964.60, which corresponds to a value in dispute of EUR 20 000. The Landgericht Saarbrücken decided to stay the proceedings and refer two sets of questions to the Court of Justice for a preliminary ruling regarding the interpretation of Article 14 IPRED, which lays down the principle that the reasonable and

proportionate legal costs and other expenses incurred by the successful party are, as a rule, to be borne by the unsuccessful party to a litigation.

- **Firstly**, the national court asked, in essence, whether Article 14 IPRED must be interpreted as meaning that the lawyers' fees incurred by a holder of intellectual property rights (IPRs) to enforce their rights by extrajudicial means, such as the costs associated with a formal notice, fall within the concept of 'legal costs' or 'other expenses' within the meaning of said provision (Question 1a). It also asked whether these costs fall within the concept of 'damages' under Article 13 IPRED (Question 1b).
- **Secondly**, the national court asked if EU law can be interpreted as meaning that a holder of IPRs is, in principle, entitled to reimbursement of the full amount of the lawyers' fees referred to in Question 1a), or at least a reasonable and substantial proportion of those fees, even if:
  - the alleged infringement has been committed by a natural person outside his trade or profession;
  - a national provision provides for such a case that these lawyers' fees are generally recoverable only after the value in dispute has been reduced.

As regards the first question, the Court ruled that the type of legal expenses put forward by the national court for consideration in Question 1a, fall within the concept of 'other expenses' under Article 14 IPRED. Therefore, the successful party may recover these costs.

The Court noted that this provision is intended to strengthen the level of IP protection, preventing an injured party from being dissuaded from initiating legal proceedings to protect their rights (16/07/2015, C-681/13, Diageo Brands BV, EU:C:2015:471, § 77). However, the Court warned of an overly extensive interpretation, highlighting that the losing party must only bear expenses that are directly and closely linked to the legal proceedings in question (28/07/2016, C-57/15, United Video Properties, EU:C:2016:611, § 36). Finally, the Court pointed out that the extrajudicial summons procedure is a way of seeking an amicable solution prior to taking legal action. Therefore, it falls within the scope of the IPRED. The Court went on to clarify that expenses arising from an injunction cannot be classified as 'procedural costs' within the meaning of this provision as, at this stage, there is no litigation pending before a court. However, nothing in the IPRED prevents these expenses being classified as 'other expenses'.

As regards the second question, the Court assessed the German legislation, which limits the value in dispute in cases and, therefore, the amount of reimbursable costs where the infringement has been committed by a natural person without commercial interest. It analysed whether this legislation is compliant with EU law, in particular Article 14 IPRED.

The Court reasoned that even if the requirement of proportionality under this provision does not imply that the unsuccessful party must necessarily reimburse the entirety of the costs, it does mean that the successful party should have the right to reimbursement of, at the very least, a significant and appropriate part of the reasonable costs actually incurred by the other party (§ 52). Moreover, the Court reasoned that the condition that infringements must be carried out on a commercial scale needs to be applied only to measures relating to the evidence provided for in Article 6 IPRED. In addition, it should be applied to the measures concerning the right to information provided for in Article 8 IPRED and to the provisional and protective measures provided for in Article 9 IPRED, without prejudice to the

possibility for Member States to also apply those measures to acts that are not carried out on a commercial scale (§ 53). Furthermore, the Court of Justice accepted that by adapting their domestic legal order to the general rule laid down in Article 14 IPRED, the Member States may establish flat-rate tariffs. These rates must guarantee that the expenses that may be borne by the losing party, are reasonable and that the maximum amounts of these expenses are also not too low compared to the fees normally applied by a lawyer in the field of intellectual property (28/07/2016, C-57/15, United Video Properties, EU:C:2016:611, § 25, 26, 30 and 32). Consequently, the national law can foresee a ceiling or lump sum for 'other expenses' where the defendant is an individual, unless the national judge finds the lump sum inequitable or disproportionate.

In view of the above, the Court stated that Article 14 IPRED does not preclude national legislation which provides that in a situation where an infringement of an IP right has been committed by a natural person outside the context of his professional or commercial activity, the reimbursement of 'other expenses', to which the holder of that right may be entitled, is to be calculated on a flat-rate basis. This is based on the value of the dispute limited by that legislation, unless the national court considers that, having regard to the specific characteristics of the case, the application of such a limitation is inequitable.

The text of the judgment is available here.

FR – Copyright - exhaustion of copyright – distribution - video games - computer programs

French Supreme Court, No. 23-12.738, *UFC v Valve Corporation* [23 October 2024]

The case concerns **exhaustion of copyright** in the context of **video games**. The French Supreme Court examined the key issues surrounding whether video games could be considered computer programs (in the context of the **distribution right** of originals or copies of the work) and, consequently, whether this **distribution right can be exhausted** (especially in the digital environment). The Court ruled to the negative based on Recitals 28, 29 and Article 4(2) of Directive 2001/29/EC (the 'InfoSoc Directive'), the French Intellectual Property Code (Article L. 122-3-1 and L. 122-6, 3) and CJEU case-law.

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Among other services, Valve Corporation distributes digital content (video games, software, films, etc.) that can be downloaded by users. In Europe, the services are provided by Valve Sarl, a subsidiary company. Users must download the software and accept the 'Steam Subscription Agreement' to use the platform. In 2015, the association 'Union fédérale des consommateurs – Que choisir' (the 'UFC association' or 'the claimant') initiated proceedings before the Paris Judicial Court. The UFC association claimed that certain clauses in the Steam Subscription Agreement 'were unfair or unlawful', especially the ones prohibiting the **resale** and **transfer** of **accounts** and **subscriptions** acquired on the platform. According to the UFC association, these clauses were contrary to **the rule of exhaustion** under the French Intellectual Property Code (Article 122-3-1).

Article L. 122-3-1 stipulates that after the first sale of a copy of a work has been authorised, the **author's right of distribution is exhausted**. It transposes Article 4(2) of the InfoSoc Directive, under which **the distribution right** is only exhausted when a **transfer of ownership** is made by the rights holder or with

their consent. Additionally, Recital 29 of the InfoSoc Directive specifies that exhaustion does not apply to services (specifically online services).

The first instance court ruled in favour of the UFC association (TGI Paris, 17 September 2019, No. 16/01008), based on Directive 2009/24/EC on the legal protection of computer programs (the 'Computer Programs Directive') and the CJEU judgment *UsedSoft* (03/07/2019, C-128/11, UsedSoft GmbH v Oracle International Corp., EU:C:2012:407. However, the Court of Appeal overruled the decision finding that a **video game** is **not** a **computer program**, but rather a **complex work** that includes software components, but also graphics, music, sound elements, a scenario and characters in line with the CJEU judgment in 'Nintendo' (27/09/2017, C-24/16 and C-25/16, Nintendo, EU:C:2017:724). Therefore, video games fall under the InfoSoc Directive rather than the Computer Programs Directive. Moreover, both Article 4(2) and the CJEU judgment in 'Tom Kabinet' (19/12/2019, C-263/18, Tom Kabinet, EU:C:2019:1111) specify that **the principle of exhaustion** only applies to **tangible copies** of a work. Therefore, the exhaustion principle cannot apply to the video games in question.

The French Supreme Court **upheld** the previous judgment and **refused** a **request** for a **preliminary referral** to the CJEU. The Court also found that the difference between computer programs and video games is that the former are 'meant to be used only until they become obsolete' while the latter, video games, are available on the market much sooner and can be used by new players years after their creation. This is because video games are more complex than computer programs due to their unique components – as described above.

The text of the decision can be found here.

Copyright - Transfer of IP right - Public Performance

Denmark Supreme Court, A,B,C & D v EMI Music Publishing Denmark – Case BS-16873/2021-HJR [11 May 2022]

In this judgment, the Danish Supreme Court clarified that contracts between artists and publishing companies with a provision to **transfer 'all rights to commercial exploitation'**, include the transfer of 'grand rights' under copyright law. Grand rights are not statutorily defined in Denmark but are generally deemed to cover the live exploitation of the works, for example in plays and musicals. The Court found this transfer to exist despite neither party contemplating grand rights when signing the contract.

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The dispute in question concerned the scope of the transfer of copyright rights under two identical publishing contracts. The first contract was between the music band 'Michael Learns to Rock' and their publishing company EMI Casadida music Publishing ApS. The second was between a specific member of the band with the same publishing company. Both the regional court in Denmark, and the Danish High Court on appeal, found in favour of the publishing company. The dispute was appealed once again, and the matter made its way to the Danish Supreme Court.

The main issue before the Supreme Court was whether the rights transferred included the full and unrestricted right to any commercial exploitation of the plaintiff's works in music drama performances (i.e. grand rights). In deciding that the publishing company was entitled to the plaintiffs' grand rights, the court offered three arguments. Firstly, the relevant provision in the contract stated that the publishing company would be transferred 'all rights to commercial exploitation' of the works from the plaintiffs, and this provision amounted to a clear and unequivocal transfer of all commercially exploitable rights. Secondly, the court noted that at the time of the signing of the contracts it was already common practise in Denmark for such agreements to involve a total transfer of all commercially exploitable rights. Finally, the court specifically recognised that the use of pre-existing works in musicals was already an accepted form of commercial exploitation, and thus this right would be transferred to the publishing company. The court noted that the list of ways in which commercial exploitation could occur is not exhaustive, and the right to any new means of such commercial exploitation that may occur would automatically be transferred to the publishing company.

The text of the judgment is available here.

Neighbouring rights - phonogram ownership

Spinnin' Records B.V. & Musicalstars Management B.V. v [The Defendant], Dutch Supreme Court Cases 20/01155 en 20/01158 [17 December 2021]

In this case involving a famous DJ and a renowned record label, the Dutch Supreme Court delivered a judgment offering insight into the law surrounding the ownership of rights of the producers of phonograms in the Netherlands. Specifically, the court held that, in circumstances where the music produced is created in the producer's own home/workspace with their own equipment, it is the producer, and not the record companies, who hold the title to the phonographic rights. The Dutch Supreme Court reached this conclusion by interpreting the relevant Dutch legislation in accordance with the 1961 Rome Convention on Neighbouring Rights, the 1971 Geneva Phonogram Convention and the WIPO Performances and Phonograms Treaty of 1996.

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The case concerned a contract between Martin Garrix and his old record company, Spinnin' Records. There were two main issues in this case. The first issue concerned the validity of Martin Garrix unilaterally relinquishing his contractual obligations earlier than was stipulated in the contract itself. The second issue addressed whether Martin Garrix or Spinnin' Records held ownership of the phonographic rights for the tracks produced by Martin. This summary focuses on this latter issue of phonographic rights.

In the District Court, as well as in the Court of Appeal, the Dutch judiciary found in favour of Martin Garrix, holding him as the true owner of the phonographic rights. However, the judgment of the Court of Appeal was further appealed by Spinnin' Records and came before the Dutch Supreme Court.

The Dutch Supreme Court agreed with the decisions reached in the District Court and Court of Appeal, holding Martin Garrix to be the owner of the phonographic rights. The Supreme Court considered many different international frameworks for guidance, while interpreting the relevant Dutch legislation. In particular, they referenced Article 3 of the Rome Convention on Neighbouring Rights, Article 1 of the

1971 Geneva Phonograms Convention and Article 2 of the 1996 WIPO Performances and Phonograms Treaty to help determine what constitutes a 'phonogram producer'. Having considered these international treaties, the Dutch Supreme Court found that the 'making' of the music is key to defining a 'phonogram producer'.

Highlighting the importance of the creation process, the Supreme Court stated that the rights holder is the party that creates the recording and who has financial responsibility for the means of creation. In doing so, the Supreme Court concurred with the District Court and the Court of Appeal, finding that the party to be regarded as the phonogram producer will depend on the circumstances leading to the creation of the specific tracks. The Supreme Court therefore tacitly agreed with the conclusion of the Court of Appeal that no contractual provisions would dictate which party will be regarded as the phonogram producer. With these conclusions, the Supreme Court dismissed the record company's appeal.

The text of the judgment is available here.

Entitlement to IP right – Ownership of IP right – Infringement – Originality – Work

The Warsaw District Court, Castorama Polska and Knor v TB [11 October 2021]

The Warsaw District Court requested a preliminary ruling from the Court of Justice of the European Union, regarding interpretation of Article 8(1) of Directive 2004/48/EC (Enforcement Directive) read in conjunction with Article 4(1)(a) of that directive: does the existence of an IP right have to be confirmed before the court can order a party to disclose information about an alleged infringement of this IP right?

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This question is related to the case pending between Castorama Polska and Knor (the defendants) and TB (the plaintiff) who accuses them of copyright infringement on his graphics. TB argues that his graphics are eligible for copyright protection under Polish law. He sells graphic reproductions commercially. Castorama Polska sells the same and similar copies of graphics and is supplied by Knor.

TB called the defendants to stop the infringement and brought an action to the Warsaw District Court based on the national provision implementing Article 8(1) of Directive 2004/48/EC. In the claim, TB asked the court to order the defendants to disclose detailed information on the origin and scope of the infringement. In its defence, Castorama Polska argued that the graphics, due to their simplicity and triviality, could not be classified as 'works' and therefore did not enjoy copyright protection. TB didn't oppose this argument and didn't provide any evidence of ownership for the copyright claimed. Therefore, the court questioned whether the claim under Article 8(1) of the Enforcement Directive could be raised at this stage, or whether TB should prove the existence of his copyright for the graphics. The court suspended the proceedings and referred the following question to the CJEU:

'(a) Should Article 8(1) […] be understood to refer to a measure to protect intellectual property rights only when the rightholder's intellectual property right has been confirmed in these or other proceedings?'

If question (a) is answered in the negative:

(b) Should Article 8(1) of the directive […] be interpreted as meaning that it is sufficient to substantiate the fact that that measure refers to an existing intellectual property right, and not to prove that circumstance, especially in a case where a request for information about the origin and distribution networks of goods or services precedes the assertion of claims for compensation on account of an infringement of intellectual property rights?'

The request for a preliminary ruling can be found on the Curia website.

Copyright infringement – transfer of rights – damages

Austrian Supreme Court of Justice, OGH 10.12.2020, 4 Ob 165/20y [10 December 2020]

In a long-running copyright infringement dispute between a professional photographer (plaintiff) and an Austrian food retailer chain (defendant), the Austrian Supreme Court (OGH) applied principles used mainly in other areas of IP to calculate damages.

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The parties originally agreed that the plaintiff would only transfer his copyrights on a commissioned photographic work to the defendant upon payment of an agreed fee. However, even though the plaintiff delivered the photos, the defendant only paid part of the fees, and later on introduced a new product line using these pictures. The plaintiff asserted his copyright and obtained an injunction to stop the defendant from using the photos. Following this event, proceedings concerning the plaintiff's compensation for the established infringement of his copyright went on for more than five years, leading to the present decision of the Supreme Court.

The Supreme Court held that the plaintiff's prompt assertion of his exclusive rights should lead to a '**reduction**' of his payment claims against the defendant. The application of this principle is unusual in copyright law because copyright is based on the idea that the author should have an 'incentive' to create works in the first place.

With respect to the exact calculation method, the Supreme Court suggested the application of a **turnover share**, more common in the field of industrial property rights where goods infringing patents or trade marks might generate turnover directly. In the present case, copyrights were not exploited through the actual goods sold, but rather through advertising which does not generate turnover directly (e.g. use of photos on websites, advertising texts and the like).

The final clarification of the method to calculate the appropriate remuneration for the unauthorised use of the photographs is expected in the next round of proceedings, which will most likely reach the Supreme Court again.

The text of the judgement (in German) is available here.

Ownership of IP rights – subject matter of copyright protection (archaeological costumes)

Court of Appeal of Lithuania (Lietuvos apeliacinis teismas), case e2A-444-798/2020, D. S v BĮ „Lietuvos nacionalinis kultūros centras“ [16 June 2020]

In this case, the Court of appeal of Lithuania addressed the issues of authorship, condition for copyright protection of a derivative work, copyright infringement and compensation for damage. The Court particularly assessed the copyright protection of archaeological costumes, which were elaborated (or “reconstructed”) on the basis of existing clothing, jewellery, headgear within the framework of a service contract and concluded that they were not original, since they had been recreated by using information from various sources and therefore could not be subject to copyright.

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The applicant brought a claim before the court requesting the following: recognition of the applicant's authorship of the archaeological costumes for the Baltic tribes and collections thereof, as well as of wall calendars dedicated to the Lithuanian and Curonian tribes; the awarding of pecuniary and non-pecuniary damages, including loss of income, as well as compensation to the applicant from the defendant, the budgetary institution Lithuanian National Culture Centre (‘LNKC’), which had infringed the applicant's exclusive copyright, in respect of all the instances of infringement of the applicant’s exclusive copyright; the awarding of non-pecuniary damages in favour of the applicant; and an order for the defendant LNKC to cease its unlawful acts and to restore the applicant's personal moral rights by making the necessary corrections on its websites and making the applicant’s authorship known to the public.

The Vilnius Regional Court upheld the claim in part.

The court of appeal upheld that judgment in substance after removing from the grounds of the judgment the argument that ‘the joining of clothing, jewellery, headgear and other items reconstructed by the applicant into a single costume may be regarded as a copyrighted work which is described as a set of data which, by reason of the selection and arrangement of its content, constitutes an intellectual creation by the applicant’.

The court found that both the applicant and the defendant had emphasised in their pleadings that the archaeological costumes of the Baltic tribes had been ’reconstructed’ or ‘recreated’. The court of appeal noted that the mere linguistic interpretation of these concepts could not lead to a conclusion that the archaeological costumes of the Baltic tribes reconstructed by the applicant had been created and constituted the applicant's intellectual creation within the meaning of Article 4(3) ATGT. The court further noted that, as a rule, archaeological costumes were not considered to be copyright works, and the parties had not agreed in the contracts between them to create an original costume for the respective period using exclusively individual works and ideas. The court agreed with the conclusion of the court of first instance that the service contracts between the parties were concluded for the purpose of implementing archaeological–historical costume reconstructions, i.e. not to create but rather to recreate ancient Lithuanian tribal costumes as accurately as possible. Copyright law emphasises the importance of creative activities, and it is precisely independent creative activities that create the possibility of invoking copyright protection, while derivative works, like any others, are subject to the

requirement of originality, i.e. they must be the result of independent creative work. The court concluded that neither the costume collections, nor the constructive solutions for the clothing and/or the silhouettes were original solutions created by the applicant, since they had been recreated using information from various sources and therefore could not be subject to copyright. The court found that, in the absence of the recognition of the Baltic tribal archaeological costumes recreated the applicant as a copyrighted work, there was no basis for stating that it was possible to transfer or grant a property right to the object created.

The text of the judgment (in Lithuanian) is available here.

Ownership of IP rights – Copyright infringement – File sharing — Evidence

The Eastern High Court of Denmark, cases BS-39423/2019-OLR, BS-41559/2019-OLR and BS-41550/2019-OLR, *Copyright Management Services Ltd. (CMS) v A, B and C* [08 April 2020]

In April 2020, the Eastern High Court of Denmark handed down judgments in three appeal cases concerning peer-to-peer (BitTorrent) file sharing and copyright infringements of online films. The Court concluded that the plaintiff, Copyright Management Services Ltd (CMS), had not proven that it owned the rights in the films in question; therefore, it did not have the competence to file the cases.

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CMS, acting as a middle-man company for copyright holders, had sent letters to private individuals whose internet subscriptions with unique IP addresses had, in the CMS's opinion, been used for the illegal sharing and downloading of the films. In those letters, CMS requested a cash settlement for copyright infringement and claimed the ownership of the mentioned films. Three individuals refused to pay and CMS brought legal action against them. The cases were decided in three different Danish district courts (*Frederiksberg*, *Holbæk* and *Nykøbing*) in favour of the plaintiff, ordering the defendants to pay DKK 7 500 in compensation. The cases were appealed before the Eastern High Court, which overturned the district courts' judgments and dismissed the cases.

The Eastern High Court concluded that, according to the evidence of the case, CMS was neither the producer nor the distributor of the films in question and was not entitled to bring legal action on behalf of the copyright holders. Despite the fact that CMS had submitted several agreements with the rights holders, arguing that they gave them the right to conduct these cases, the Court ruled that those agreements did not prove that there had been a formal transfer of the rights.

These cases were part of a larger number of cases pending before the courts, regarding alleged illegal peer-to-peer file sharing and copyright infringement. Following the three rulings from the Eastern High Court, the District Court of Frederiksberg dismissed the remaining pending cases filed by CMS.

The summary of the judgment (in Danish) is available here.

Ownership of IP rights (presumption)

Court of Appeal of Lithuania (Lietuvos apeliacinis teismas), case e2A-55-407/2020, UAB „Alma littera“, UAB „Baltų lankų“ leidyba, UAB „Jotema“, UAB „Tyto alba“, UAB „Vaga“ v J. P., P. J, A. M. [20 February 2020]

In this case regarding the illegal reproduction and distribution of works through a website, the Court of Appeal of Lithuania assessed the notion of presumption of authorship and ruled about its application in favour of book publishers (not only *ab initio* authors).

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The applicants are book publishers that have instituted court proceedings to defend the copyright of the authors of specific works published by them. According to the applicants, their exclusive copyright was infringed by the unlawful reproduction and distribution of the works by the defendants through the website www.visosknygos.lt. The defendants objected to the action brought and asked for it to be dismissed on the grounds that, inter alia, the applicants had failed to prove that they held the copyright in respect of the works concerned. The applicants based their exclusive ownership of copyright on arguments relating to the application of the presumption of authorship, not only in respect of the authors themselves, but also in respect of their rightsholders (the publishers) and argued that the requirement to submit the applicants' contracts with the authors of the works would be disproportionate due to the large volume of the file and would complicate the proceedings, deter parties from defending infringements of rights and contradict the principle of procedural economy.

The court of first instance disputed the applicants' arguments concerning the application of the presumption of authorship and dismissed the action, in particular, on the grounds that the applicants had not established that they had a claim in the present case, namely that they did hold the copyright for the works at issue which, according to the applicants, had been unlawfully published and distributed and for which they held the rights for at the time of filing the application and the court proceedings. The court ruled that the flyleaves of the books submitted by the applicants and their use of the © mark were not sufficient to establish the mentioned rights. The court also found that the applicants had not established their right to a joint and several action. The applicants appealed against the decision of the court of first instance.

The court of appeal held that the court of first instance had not investigated or considered the applicants' rights of claim, the extent of these rights or the violations of those rights by the defendants, and therefore had failed to disclose the substance of the case. The liability of the defendant P. J. for the alleged infringements of copyright had not been assessed. The actions of the defendants J. P. and A. M. in relation to the unlawful placement and distribution of copies of the works referred to by the applicants on the website www.visosknygos.lt were found unproven; it was not determined, in the case, when the specific copies of the works had been placed on that website. The court did not rule on the conditions for the application of the remedies relied upon by the applicants, did not assess the reasonableness of the amount of compensation claimed by the applicants and did not attempt to establish the circumstances relevant for the application of the criteria laid down in Article 83(4)(1) of the Lithuanian Law on Copyright and Related Rights ('ATGT') and in the case law. Non-disclosure of the substance of the case constitutes a material breach of procedural law that could have led to an incorrect outcome in

the case, thereby giving grounds for annulment of the decision under appeal. The case was referred back to the court of first instance.

As the Supreme Court of Lithuania (LAT) recognises the specific nature of copyright and its increased vulnerability, the presumption of ownership of rights must also apply to copyright holders (publishers).

The text of the judgment (in Lithuanian) is available here.

Scope of author's economic right

CJEU – Computer program - Infringement

Case C-159/23 – *Sony Computer Entertainment Europe Ltd v Datel Design and Development Ltd*, EU:C:2024:887 [9 September 2024]

This case concerns the reproduction and alteration of a computer program under Directive 2009/24/EC on the legal protection of computer programs. The Court of Justice of the European Union (CJEU) issued a judgment on a case involving Sony Computer Entertainment Europe Ltd (Sony) and Datel Design and Development Ltd (Datel). The CJEU found that where software alters the variables transferred from a computer program to a computer's RAM, but not the computer program itself, copyright infringement doesn't occur.

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Sony is the exclusive licensee for PlayStation consoles and their accompanying games in Europe. Datel develops and distributes software, which includes the Action Replay PSP software and the TiltFX device that are exclusively compatible with Sony games. Datel's Action Replay PSP software allowed users to remove restrictions or unlock certain features in the game. Sony claimed that Datel's software therefore infringed their exclusive right to alter the computer program, in contravention of copyright law.

The Hamburg Regional Court (Landgericht Hamburg) originally upheld Sony's claim in part. However, this decision was overturned at the Hamburg Higher Regional Court (Oberlandesgericht Hamburg) which dismissed Sony's action in its entirety. The case was eventually taken to the German Federal Court of Justice (Bundesgerichtshof) who referred two questions to the CJEU:

1. Are Article 1(1) to (3) of the Computer Programs Directive breached when the object and source code of a computer program is unchanged but a program running simultaneously changes the content of variables transferred by the computer program to the RAM?

2. Does a software alteration under Article 4(1)(b) of Directive 2009/24/EC occur when the object and source code of a computer program is unchanged but a program running simultaneously changes the content of variables transferred by the computer program to the RAM?

The CJEU answered the first question in the negative, holding that the content of variable data transferred by a protected computer program to a computer's RAM and used by the program in its running does not fall within the scope of Article 1(2), insofar as this content does not enable such a program to be reproduced or subsequently created. The Court held that the phrase 'expression in any form' of a computer program refers to the reproduction of different computer languages like the source code and object code of a program. Furthermore, allowing the functionality of a computer program to fall under copyright would make it possible to monopolise an idea, which would be detrimental to 'technological progress' and 'industrial development'.

Competitors of the author of a computer program are free, once they establish through independent analysis which ideas, rules or principles are being used, to create their own implementation of them when making compatible products. They may build on the same idea, without using the same expression as that of the protected programs.

Datel's software, insofar as it only changes the content of the variables transferred by a protected program to a computer's RAM, does not enable that program or a part of it to be reproduced, but presupposes that that program will be run at the same time.

In answering the first question the court felt there was no need to answer the second.

The text of the judgment is available here.

CJEU – Communication to the public – broadcasting and cable retransmission – copyright infringement

CJEU, C-135/23, GEMA v. GL [20 June 2024]

The Potsdam District Court (Amtsgericht Potsdam) referred to the CJEU for a primary ruling seeking clarification on whether the provision of television sets with indoor antennas by the operator of an apartment building constitutes a 'communication to the public' within the meaning of Article 3(1) of Directive 2001/29/EC.

GEMA (the claimant) brought a claim before the Potsdam District Court against GL (the defendant) for alleged copyright infringement. According to the claimant, GL provided television sets with indoor antennas in the apartments it manages. These antennas enable signals to be picked up and broadcasts, including music, to be made within the apartments. The core issue is whether this setup constitutes a 'communication to the public' within the meaning of Article 3(1) of Directive 2001/29/EC.

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The court referred to the CJEU for a preliminary ruling, regarding the interpretation of Article 3(1) of Directive 2001/29/EC. The referral more specifically focused on the scope covered by the concept of

'communication to the public', the provision of physical facilities, the profit-making nature and the issue of the indeterminate number of recipients.

The CJEU drew the following conclusions.

- The operator of the apartment building installed television sets with indoor antennas, allowing tenants to receive broadcasts without further intervention. This constitutes an act of communication to the public as the operator intentionally facilitates access to the broadcasts.
- The provision of television sets enhances the attractiveness and occupancy rate of the apartments, indicating a profit-making nature.
- The distinction between central and indoor antennas is irrelevant as, according to the principle of technological neutrality, law applies in a generic manner without favouring specific technologies.
- The tenants of the apartment building are considered a public as the concept involves potential recipients who are not determined individually and can be fairly large in number.

In conclusion, the CJEU considered that Article 3(1) of Directive 2001/29 should be interpreted to mean that 'communication to the public' includes the deliberate provision of television sets with indoor antennas in rented apartments, allowing broadcasts without further intervention, provided that the tenants constitute a 'new public'.

The text of the judgment is available here.

CJEU – Communication to the public – broadcasting and cable retransmission – copyright infringement

CJEU, Case C-723/22, Citadines Betriebs GmbH v MPLC Deutschland GmbH [11 April 2024]

This case concerns the interpretation of copyright law in the context of hotels providing television sets to their guests. The CJEU refers to Directive 2001/29 and clarifies that Article 3(1) of Directive 2001/29 must be interpreted as meaning that the provision of television sets installed in the rooms or in the fitness area of a hotel, where a signal is also retransmitted to those sets by means of that hotel's own cable distribution network, constitutes a 'communication to the public', within the meaning of that provision.

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MPLC (the 'claimant'), a German collective management organisation ('CMO') brought an action before the Regional Court of Munich against the hotel operator Citadines (the 'defendant') seeking an injunction to prohibit the communication to the public of an episode of a TV series on television sets installed in the defendant's hotel rooms and fitness area. On 17 January 2020, the Court prohibited the claimant from making the episode available to the public. This order was confirmed on 18 June 2020. The claimant filed an appeal against the judgment before the Higher Regional Court of Munich claiming the right to make available free-to-air programmes broadcast on public-service television to its guests

on the basis of its licenses for cable retransmission. The defendant, on the other hand, argued that retransmitting the signal infringes its right of communication to the public. The Higher Regional Court of Munich referred to the Court of Justice of the European Union (CJEU) to clarify if EU law (specifically Directive 2001/29) prevents national laws from considering providing TVs and using a cable network to transmit a signal as copyright infringement, even if the hotel has a license for cable retransmission.

The CJEU found that supplying TVs is not per se a copyright infringement. A hotel is not a cable operator under the relevant directive. That the hotel has a licensing agreement with a cable operator is irrelevant if the TVs can be used to transmit a communication to the public. It then concluded that providing TVs and using a cable network to transmit signals in a hotel does indeed constitute a communication to the public under EU law and potentially infringes copyright, regardless of any cable retransmission licenses the hotel holds. The CJEU's decision was grounded on the following reasons:

- Hotel guests are an indeterminate number of potential recipients, which is large enough to be considered a public under copyright law.
- Supplying TVs and retransmitting signals is considered an 'act of communication to the public' under EU law.
- The hotel actively provides access to protected works to its guests, who would not otherwise have access to it.
- Providing TVs and transmitting signals is an additional service that influences hotel pricing; therefore, that act is a profit-making communication service.
- Installing TVs and distributing signals goes beyond just offering physical facilities, and it actively enables public access to broadcasts.
- Article 3(1) of Directive 2001/29 must be interpreted as meaning that the provision of television sets installed in the rooms or in the fitness area of a hotel, where a signal is also retransmitted to those sets by means of the hotel's own cable distribution network, constitutes a 'communication to the public', within the meaning of that provision.

The text of the judgment is available here.

ECtHR –Copyright infringement - Fundamental rights and freedoms

ECtHR – Case of Safarov v Azerbaijan, application No 885/12, [1 September 2022]

In the case, the European Court of Human Rights (ECtHR) ruled that Azerbaijan's domestic courts had failed to provide reasons for establishing that national copyright rules (mainly exceptions and rules on exhaustion of rights to distribution) could constitute legal ground in a case of unauthorised reproduction of a book and its online publication. In the opinion of the Court, Azerbaijan has therefore failed to discharge its positive obligation under Article 1 of Protocol No.1 to the European Convention on Human Rights to protect IP, notably through effective remedial measures.

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The applicant, Mr Safarov, is the author of a book published in 2009. In 2010, an NGO, *Irali* Public Union (the defendant), published an electronic version of the book on its website. It was downloaded 417 times before being removed at the applicant's request. The applicant lodged a civil action against *Irali* for having reproduced and published a digital version of his book online without authorisation or paying royalties. He claimed pecuniary and non-pecuniary damage. The Sabail District Court dismissed his claims relying mainly on Article 18 of the Azerbaijani law on copyright. The Baku Court of Appeal upheld the first-instance court's judgment, relying in addition on private copying exception (Article 17), and the Supreme Court dismissed the applicant's appeal, invoking other copyright provisions, including exhaustion of rights to distribution. Mr Safarov then lodged a complaint against the Republic of Azerbaijan before the ECtHR.

The ECtHR reiterated that protection of intellectual property rights, including the protection of copyright, falls within the scope of Article 1 of Protocol No. 1 to the European Convention on Human Rights, which ensures every person's right to the 'peaceful enjoyment of his possessions'. Furthermore, the Court underlined that in the event of a dispute between private parties, the State had a positive obligation to take necessary measures to protect the right to property, which entails taking adequate preventive or remedial measures, including judicial procedures that offer the necessary procedural guarantees. In this respect, the Court recalled that its jurisdiction to verify that domestic law has been correctly interpreted and applied is limited. Rather, its role is to ensure that the decisions of those courts are not arbitrary or otherwise manifestly unreasonable (paragraph 31).

Turning to the facts of the case, the Court observed that the applicant was not claiming an insufficient copyright protection of authors under Azerbaijani law but that the courts had proceeded with an unlawful and arbitrary application of the existing law to his case (paragraph 32).

The Court then assessed each legal ground relied upon by the domestic courts to justify the defendant's action.

- Under Article 17.1 of the Law on Copyright, the reproduction of a lawfully published book is authorised without the author's consent for exclusively personal purposes. However, the Court found that the defendant was a legal person, it had not reproduced the book 'for exclusively personal purposes' and, moreover, this provision did not apply to reproduction of books in their entirety (paragraph 33).

- Under Article 18 of the Law on Copyright, libraries, archives and educational institutions are allowed to reproduce works without authorisation in specific cases. In the Court's view, while the domestic courts underlined that there was no commercial purpose on the defendant's part and that the aim was to inform on the history of Azerbaijan, they failed to mention which specific case could justify the reproduction of the applicant's book without his authorisation. Furthermore, given that the defendant made the applicant's book freely available online and therefore practically to a world-wide audience, not to visitors of a library building, a more elaborate reasoning from the domestic courts was needed (paragraph 34).

- Article 15.3 of the Law on Copyright regulates the rule of exhaustion of right to distribution. That rule referred to lawfully published and fixed copies of works which were put into circulation by sale

as tangible objects. The Court ruled that although the applicant had published his book and physical copies were available in the book market, nothing suggested that he had ever authorised its reproduction and communication to the public in a digital form (paragraph 35).

The ECtHR therefore held that the domestic courts failed to provide reasons for dismissing the copyright infringement claim against the defendant who published a digital version of the applicant's book online without authorisation or paying royalties. As a result, the State failed to discharge its positive obligation under Article 1 of Protocol No. 1 to protect intellectual property. The ECtHR awarded the applicant EUR 5 000 overall for both pecuniary and non-pecuniary damage.

The text of the judgment is available here.

Communication to the public – Satellite broadcasting and cable retransmission – Copyright infringement

Case C-716/20, RTL Television GmbH v Grupo Pestana S.G.P.S. SA, SALVOR – Sociedade de Investimento Hoteleiro SA, EU:C:2022:643 [8 September 2022]

In this case the Court ruled that Directive 93/83/EEC (the Satellite and Cable Directive) does not provide broadcasters, such as RTL Television, with an exclusive right to authorise or prohibit cable retransmissions of their programmes. It also clarified that the simultaneous and unaltered retransmission of television broadcast by satellite, in this case in hotel rooms, does not constitute cable retransmission, when such transmission is made by person other than a cable operator, such as a hotel.

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This case arose from a dispute between a hotel operator in Portugal (Grupo Pestana S.G.P.S. SA and SALVOR – Sociedade de Investimento Hoteleiro SA – the defendants) and RTL Television GmbH (the applicant). The applicant is a broadcaster that provides a wide range of television formats intended for reception by the general public. The RTL channel is a 'free-to-air' channel (channels whose reception in private is not subject to a licence fee) that can be received in other European countries, including Portugal, by using a satellite dish. The applicant argued that some of the hotels operated by the defendants have been offering their guests the option to connect to the RTL channel, through television sets installed in hotel rooms, by means of coaxial cable and claimed that this way of retransmitting and making available the applicant's broadcasts was without authorisation. It sought compensation for the retransmission to the public. The defendants argued that under Portuguese law hotels were not required to pay copyright and other fees for mere reception of a television signal.

At first instance and appeal, the Courts found that the reception and making available of the RTL Channel's broadcast in hotel rooms constituted an act of communication to the public but the distribution by coaxial cable of that channel was not a retransmission of broadcast, as hotels are not broadcasting organisations. The case went to appeal before the Portuguese Supreme Court which stayed the proceedings and referred a set of questions to the CJEU for a preliminary ruling.

1. In essence, the Court **first** asked whether Article 1(3) of Directive 93/83/EEC, read in conjunction with Article 8(1) thereof, must be interpreted as requiring Member States to provide broadcasting organisations with an exclusive right to authorise and prohibit cable retransmission.
2. **Second**, it asked whether the simultaneous, unaltered and unabridged distribution of television or radio programmes broadcast by satellite and intended for reception by the public constitutes a retransmission where that retransmission is carried out by an establishment such as a hotel (paragraph 60).

The Court assessed those questions in view of the EU legal framework. Directive 2001/29/EC (Infosoc Directive) expressly grants broadcasting organisations the right of making available to the public (Article 3(2)), but not the general right of communication to the public (Article 3(1)). The legal status of cable retransmission is regulated by Article 8(1) of the Satellite and Cable Directive. This Directive was adopted to facilitate, firstly, satellite broadcasting and, secondly, cable retransmission, by promoting, in Article 9 thereof, the granting of authorisations through collecting societies. This provision (Article 9) does not apply to the rights exercised by a broadcasting organisation in respect of its own transmission, meaning that individual licencing is needed in that case. Member States can provide for more far-reaching protection, with regard to broadcasting and communication to the public of transmissions made by broadcasting organisations (paragraph 75). However, even if national law provides for an exclusive right for broadcasting organisations to authorise or prohibit cable transmission, Satellite and Cable Directive governs only the exercise of the cable retransmission right in the relationship between copyright owners and holders of related rights, on the one hand, and 'cable operators' or 'cable distributors', on the other (paragraph 76). Accordingly, the Court observed that, in line with Article 8(3) of the Satellite and Cable Directive, the exclusive right to authorise or prohibit the communication to the public of the broadcasts of broadcasting organisations may be relied on against third parties only if such communication is made in places accessible to the public against payment of an entrance fee. It held that the condition relating to the payment of an entrance fee is not fulfilled where that communication constitutes an additional service included without distinction in the price of a main service of a different nature, such as a hotel accommodation service (paragraph 79). The CJEU further considered that establishments such as hotels do not fall within the concepts of 'cable operator' or 'cable distributor', within the meaning of the Satellite and Cable Directive.

In view of this, the CJEU ruled that Article 1(3) of Directive 93/83/EEC, read in conjunction with Article 8(1), must be interpreted as meaning that:

1. it does not provide for an exclusive right for broadcasters to authorise or prohibit cable retransmissions within the meaning of that provision;
2. the simultaneous, unaltered, and integral retransmission of television or radio programmes broadcast by satellite and intended for reception by the public does not constitute cable retransmission where that retransmission is made by a person other than a cable operator within the meaning of this Directive, such as a hotel.

The text of the judgment is available here.

Communication to the public - Making available to the public – Damages – Fundamental rights and freedom (data protection)

Case C-597/19 ***Mircom International Content Management & Consulting (M.I.C.M.) Limited v Telenet BVBA*****, ECLI:EU:C:2021:492 [17 June 2021]**

In this present case the Court ruled for the first time in an alleged 'copyright troll' case. The Court found that an entity such as Mircom – contractual holders of certain IP rights, only claiming for damage but not exploiting those rights – was entitled to rely on measures defined in IPRED (Directive 2004/48), provided that it was not abusing them (proportionality requirement). The Court further reflected on the act of making content available to the public (Infosoc Directive – Directive 2001/29) by users of peer to peer networks and ruled on the process of massive IP addresses to bring IPR civil action in the context of the GDPR (Regulation (EU) 2016/679).

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In 2019 Mircom, a Cypriot company that holds rights over several pornographic films, brought an action before the Ondernemingsrechtbank Antwerpen (Companies Court) , aiming to oblige Telenet to produce the identification data for its customers whose internet connections had been used to share films from the Mircom catalogue through the use of the BitTorrent protocol. Telenet opposed this action.

The Belgian court stayed the proceedings and referred a set of questions to the CJEU for a preliminary ruling.

First, the court asked, whether the downloading of a media file containing a protected work, via a peer-to-peer network, and the simultaneous provision for uploading of parts thereof (which may be very fragmentary as compared to the whole) ('seeding') constitutes an act of 'making available to the public' under Article 3 of the InfoSoc Directive.

CJEU found that such uploading of pieces previously downloaded by a user of peer -to-peer network constitutes making available to the public as set out in the InfoSoc Directive even if those pieces are as such unusable. The Court further contended that when the relevant user has subscribed to the BitTorrent software by giving his or her consent to its application after having been duly informed of its characteristics, the fact that the uploading is automatically generated by that software is irrelevant (it does not negate the deliberative nature of his or her conduct).

Second, the court asked whether the protection arising from IPRED applies to the contractual holder of IP rights who does not exploit them himself but merely claims damages from the alleged infringer.

The Court held that such an entity as Mircom, may benefit, in principle, from IPRED measures, procedures and remedies (meaning using the rights is not a requirement for IPR holders to benefit from IPRED), unless if it is established that the request is abusive.

The Court reasoned that IPRED, which enables a high level of IP protection, should not restrict the possibility to outsource the process of damages' recovery to professional entities. It also found that the practice of seeking an amicable solution (here, through a request for the IP addresses of Telenet's users) during a pre-litigation stage was not prohibited. The Court however stressed that Mircom's request for information – based on Article 8 of IPRED – could not be abusive and should be rejected if it is unjustified or disproportionate. It added that attempting, under the guise of proposing amicable

solutions to extract economic revenue from the user of a P2P network without specifically seeking to combat the copyright infringements caused by that network, would for instance be 'abusive'.

Lastly, the court was concerned about the collection of IP addresses made by Mircom and questioned its compatibility with Article 6(1)(f) GDPR.

The Court specifically assessed compliance with the GDPR of the systematic recording by the IP rights holders of IP addresses of users of peer to peer networks whose internet connection had been allegedly used in infringing activities and of the communication of the names and postal addresses of those users to the rights holders in order to carry out a civil action.

The Court confirmed it was a question of striking the right balance between all the rights/fundamental freedoms at stake. It found that the upstream or downstream data processing requests to that effect were not precluded as long as they are justified, proportionate and not abusive and have their legal basis in a national legislative measure, within the meaning of Article 15(1) of Directive 2002/58.

The text of the judgment is available here.

Communication to the public (concept of framing) - Technical Protection Measures

Case C-392/19, VG Bild-Kunst v Stiftung Preußischer Kulturbesitz [09 March 2021]

In this case which takes place in the wake of *Svensson* and *GS Media* decisions, the CJEU clarifies when embedding of a work by way of framing on the internet constitutes a communication to the public within the meaning of Directive 2001/29.

According to the Court, where the copyright holder has imposed measures to restrict framing, the embedding of a work in a website page of a third party, by means of that (framing) technique, such framing constitutes an act of 'making available that work to a new public'. That act must, therefore, be authorised by the right holders concerned (such as through a new licence).

The Court further ruled that the copyright holder can restrict linking (framing) by contract, provided that such a restriction is imposed or implemented through effective technological measures within the meaning of Article 6(1) and (3) of Directive 2001/29.

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VG Bild-Kunst is a visual arts copyright collecting society in Germany, and Stiftung Preußischer Kulturbesitz ('SPK') is a German cultural heritage foundation, which operates the digital library devoted to culture and knowledge Deutsche Digitale Bibliothek (DDB). The DDB's website contains links to digitised content stored on the internet portals of participating institutions. However, the DDB itself stores only thumbnails (i.e. smaller versions) of the original images.

VG Bild-Kunst and SPK had a license agreement, which includes a provision whereby SPK undertakes, when using VG Bild-Kunst's catalogue of works in the form of thumbnails, to implement effective technological measures against the framing by third parties of the thumbnails of the works displayed on the DDB website. SPK considered that such a term in the agreement is not reasonable in light of copyright, and brought an action before the German courts seeking a declaration that VG Bild-Kunst is required to grant SPK that license without any condition requiring SPK to implement such technological measures. The case was appealed to *Bundesgerichtshof* (the Federal Court of Justice), which decided to stay the proceedings and to refer the following question to the CJEU for a preliminary ruling: "Does the embedding of a work – which is available on a freely accessible website with the consent of the right holder – in the website of a third party by way of framing constitute communication to the public of that work within the meaning of Article 3(1) of Directive 2001/29 where it circumvents protection measures against framing adopted or imposed by the right holder?"

The CJ pointed out that since SPK refused to implement measures to prevent the framing of the thumbnails on third-party websites, it must be determined whether such framing is to be considered to be a communication to the public within the meaning of Article 3(1) of Directive 2001/29, which would enable VG Bild-Kunst to insist that SPK implement such measures. The CJ referred to its previous rulings (02/04/2020, C-753/18, *Stim and SAMI*, EU:C:2020:268; and 28/10/2020, C-637/19, *BY (photographic evidence)*, EU:C:2020:863) and held that the concept of 'communication to the public' includes two cumulative criteria, namely an 'act of communication' of a work and the communication of that work to a 'public'. The CJ pointed out that any act whereby a user knowingly gives access to a protected work is liable to constitute an act of communication. Secondly, in order to be classified as a 'communication to the public' the communication must be directed at an indeterminate number of potential recipients. Furthermore, the protected work must be communicated using specific technical means, different from those previously used or to a new public that was not already taken into account by the copyright holder when the initial communication of the work to the public was authorised (§ 30-32). The concept must be assessed on an individual basis.

Consequently, in a situation in which an author gives prior authorisation for the publication of his or her work, **without making use of technological measures** restricting access to that work from other websites, that author may be regarded as having authorised the communication of that work to all internet users (13/02/2014, C-466/12, *Svensson*, EU:C:2014:76). Conversely, if a clickable link makes it possible for users of the site to circumvent restrictions put in place on the site on which the protected work appears, and the link constitutes an intervention without which those users would not be able to obtain access to the work, all those users must be deemed to be a **new public**.

In specie, the CJEU stated that posting any type of clickable links on a website to protected works which have been made freely available on another website with the authorisation of the copyright holder, where such linking circumvents technological measures adopted by the copyright holder to limit access to the works, constitutes an act of communication to the public within the meaning of Article 3(1) of Directive 2001/29. In such circumstances, that copyright holder cannot be regarded as having consented to third parties being able to communicate the works freely to the public. Therefore, such an act must be authorised by the rights holder (§ 38-43). The Court reasoned that an opposite approach would amount to creating a rule on exhaustion of the right of communication, and would deprive the copyright holder of the opportunity to claim an appropriate reward for the use of the work. Furthermore,

the fair balance of interests and fundamental rights in the digital environment between copyright holders and users of protected subject matter would be disregarded (§ 53-54).

Finally, the CJEU concluded that in order to ensure legal certainty and the smooth functioning of the internet, the copyright holder could restrict linking by contract only if he has taken effective technological measures within the meaning of Article 6(1) and (3) of Directive 2001/29. In the absence of such effective measures, the consent of the rights holder is presumed (§ 46).

The text of the judgment is available here.

Neighbouring rights – Communication to the public – broadcasting – single equitable remuneration - phonogram

Case C-147/19 Atresmedia Corporación de Medios de Comunicación SA v Asociación de Gestión de Derechos Intelectuales (AGEDI), Artistas Intérpretes o Ejecutantes, Sociedad de Gestión de España (AIE), EU:C:2020:935 [18 November 2020]

This preliminary ruling clarifies that Article 8(2) Directive 92/100/EEC and Article 8(2) Directive 2006/115/EC (the Rental and Lending Rights Directives) on the single equitable remuneration must be interpreted as meaning that users (broadcasters) do not need to pay a single equitable remuneration when they make a communication to the public via their television channels of an audiovisual recording containing the fixation of an audiovisual work in which a phonogram or a reproduction of that phonogram has been incorporated.

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Atresmedia owns a number of television channels. AGEDI and AIE are collective management organisations representing producers and performers. AGEDI and AIE brought an action in 2010 before the Commercial Court of Madrid *(Juzgado de lo Mercantil de Madrid No 4 Bis)* against Atresmedia seeking compensation from Atresmedia for the broadcasting, on television channels operated by it, of audiovisual works incorporating phonograms, and for the unauthorised reproduction of the phonograms. The Commercial Court of Madrid dismissed the action. AGEDI and AIE appealed the case before the Provincial Court of Madrid (*Audiencia Provincial de Madrid*), which upheld their application in its entirety. Atresmedia appealed the decision before the Supreme Court of Spain (*Tribunal Supremo*), which referred the case to the CJEU for a preliminary ruling to get clarification on whether Article 8(2) of the Directives must be interpreted as meaning that the performers and phonogram producers concerned must receive a single equitable remuneration when an audiovisual recording containing the fixation of an audiovisual work in which a phonogram or a reproduction of that phonogram has been incorporated, is subsequently communicated to the public.

The CJEU pointed out, firstly, that it is necessary to determine whether an audiovisual recording containing the fixation of an audiovisual work must be classified as a 'phonogram' or 'reproduction of that phonogram' within the meaning of Article 8(2) of the Directives. The Court referred to a recent judgment from September 2020 (08/09/2020, C-265/19, Recorded Artists Actors Performers, EU:C:2020:677) and stated that the provisions of the Directives in question must be interpreted in the light of international law and, in particular, in accordance with the equivalent concept contained in the WIPO Performances and Phonograms Treaty (the WPPT), read in the light of the interpretative guide

drawn up by WIPO, which preclude a fixation of sounds incorporated in a cinematographic or other audiovisual work from being covered by the concept of 'phonogram'. Following this interpretation, the Court held that a phonogram incorporated in an audiovisual work loses its status as a 'phonogram' insofar as it forms part of such a work. It concluded that an audiovisual recording containing the fixation of an audiovisual work cannot be classified as a 'phonogram' within the meaning of Article 8(2) of the Directives. However, this does not affect the rights in that phonogram used independently from the audiovisual work. On the same grounds, such a recording cannot constitute a copy of that phonogram or be covered by the concept of 'reproduction' of that phonogram. Therefore, the communication to the public of such a recording does not give rise to the right to remuneration provided for in the Directives. The Court added that this conclusion does not mean that performers and phonogram producers cannot obtain remuneration in relation to the broadcast of a particular phonogram, which should be paid as a result of appropriate contractual agreements between the holders of the rights in the phonograms and the producers of such works.

The text of the judgment is available here.

Communication to the public (concept of public)

Case C-637/19 BY v CX, EU:C:2020:863 [28 October 2020]

This preliminary ruling clarifies that the concept of 'communication to the public' does not cover the transmission by electronic means of a protected work to a court, as evidence in judicial proceedings between individuals (Article 3(1) Directive 2001/29/EC, the Information Society Directive).

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As evidence in proceedings before the Swedish civil court, the defendant had transmitted an electronic copy of a page of the appellant's website to the court by email. This page contained a photograph in which the appellant claimed to hold the copyright. The appellant asked that the defendant be ordered to pay damages for infringement of copyright by making the photograph available to the public. The court concluded that the defendant had distributed the photograph to the public. However, the court considered that the appellant had not suffered any harm and, accordingly, dismissed the claim. The appellant appealed to the Swedish Patent and Market Court of Appeal (*Patent- och marknadsöverdomstolen*), which referred the case to the CJEU to clarify the interpretation of 'communication to the public' and 'distribution to the public' within the meaning of Directive 2001/29/EC.

The CJEU pointed out that the communication to the public of a work, other than the distribution of physical copies, does not fall within the concept of 'distribution to the public'. For the Court, any act by which a user gives access to protected works is liable to constitute an act of communication for the purposes of Article 3(1) Directive 2001/29/EC. The concept of 'public' refers to an indeterminate and a fairly large number of potential recipients, not specific individuals belonging to a private group. Transmission of a protected work by electronic means to a court as evidence in judicial proceedings between individuals must be regarded as referring to a clearly defined and closed group of specific individual professionals. Therefore, it cannot be regarded as 'communication to the public' within the meaning of Article 3(1) Directive 2001/29/EC. Furthermore, the Court concluded that, if the rights holder were able to oppose the disclosure of evidence to a court on the sole ground that the evidence contains

subject matter protected by copyright, it would seriously compromise both the fundamental rights of users of protected subject matter and the public interest, guaranteed in the Charter of Fundamental Rights of the European Union.

The text of the judgment is available here.

Neighbouring rights – Communication to the public – Single equitable remuneration – performers – WPPT

Case C-265/19 Recorded Artists Actors Performers Ltd v Phonographic Performance (Ireland) Ltd, Minister for Jobs, Enterprise and Innovation, Ireland and Attorney General, EU:C:2020:677 [08 September 2020]

This preliminary ruling clarified that Article 8(2) Directive 2006/115/EC (the Rental and Lending Rights Directive) on the single equitable remuneration must be interpreted as meaning that the right to remuneration cannot be limited by the national legislature solely to nationals of the Member States of the European Economic Area (EEA). Reservations permitted by the WIPO Performances and Phonograms Treaty (the WPPT) do not limit the right of those performers from third States to remuneration in the EU, although such limitations may be introduced by the EU legislature, provided that they comply with the requirements of Article 52(1) of the Charter of Fundamental Rights of the European Union (the Charter).

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Recorded Artists Actors Performers Ltd (RAAP), a collective management organisation (CMO) representing performers operating in Ireland, had agreed with Phonographic Performance Ltd (Ireland) (PPI), an Irish CMO for phonogram producers, that producers and performers share the equitable remuneration collected by PPI when recorded music is played in public or included in a broadcast in Ireland. However, the parties disagreed on how to share the fees when the performers were neither nationals nor residents of an EEA Member State. As a consequence of this dispute, RAAP brought an action against PPI before the High Court (Ireland) claiming that the performer's nationality and residence were irrelevant and that all the fees payable had to be shared according to Article 8(2) Directive 2006/115/EC. PPI relied on Irish law, which precludes performers who are neither nationals nor residents of an EEA Member State from receiving a share of the fees that are payable when their performances recorded outside the EEA are played in Ireland. This results in the phonogram producers receiving the totality of those fees, even if they are established outside the EEA. The High Court referred the case to the CJEU for a preliminary ruling because it doubted that such national legislation was compatible with Article 8(2) Directive 2006/115/EC. The referring court asked the CJEU to what extent, and how, Article 8(2) Directive 2006/115/EC must be interpreted in with regard to 'national treatment' read in the light of the Rome Convention and of the WPPT. It also asked what discretion Member States had regarding the beneficiaries of the right to a single equitable remuneration, including in response to a reservation notified by a third State under Article 15(3) WPPT.

The CJEU pointed out that Article 8(2) Directive 2006/115/EC clearly sets out an obligation to grant the performers and phonogram producers the right to equitable remuneration, which must be shared between them where the use of the phonogram takes place in the EU (§ 56, 58). The interpretation of

the concepts of Directive 2006/115/EC must be consistent with the WPPT, which, in principle, obliges the Member States to grant the right to remuneration also to nationals of other WPPT contracting parties (§ 62). Article 8(2) Directive 2006/115/EC does not expressly state whether the words 'relevant performers' refer solely to performers who are nationals of an EEA Member State or equally to performers who are nationals of a third State (§ 49). Nor does it lay down any condition under which the performer or phonogram producer should be a national of an EEA Member State or domiciled or resident in such a State, nor under which the place where the creative or artistic work is carried out should fall within the territory of an EEA Member State (§ 61).

Following these considerations, the CJEU concluded that, where phonograms are used in the EU, the national legislature cannot limit the right to remuneration solely to EEA Member State nationals. In addition, the reservations permitted by the WPPT do not limit the right of those performers from third States to a remuneration in the EU, although such limitations may be introduced by EU legislature, provided that they comply with the requirements of Article 52(1) of the Charter. The mere existence of a reservation under the WPPT does not fulfil the Charter's requirement that any limitation on the right to remuneration must be clearly and precisely provided for by law (§ 86-87).

Finally, the CJEU ruled that, as follows from the wording of Article 8(2) Directive 2006/115/EC, both performers and phonogram producers are entitled to a single equitable remuneration, and that provision does not permit a Member State to rule out the sharing of remuneration in respect of certain categories of performers (§ 93-94).

The text of the judgment is available here.

Neighbouring rights –Communication to the public – broadcasting – phonogram

Case C-753/18 Föreningen Svenska Tonsättares Internationella Musikbyrå U.P.A. (Stim) and Svenska Artisters Och Musikers Intresseorganisation Ek. För. (SAMI) v Fleetmanager Sweden AB and Nordisk Biluthyrning AB, EU:C:2020:268 [2 April 2020]

This preliminary ruling concerns the question as to whether the hiring out of motor vehicles equipped with radio receivers may constitute copyright infringement, that is, an unauthorised communication to the public of phonograms.

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According to Article 8 of the WIPO Copyright Treaty, 'authors […] shall enjoy the exclusive right of authorising any communication to the public of their works, by wire or wireless means […]'. Under Article 3(1) of Directive 2001/29/EC (the Information Society Directive), 'Member States shall provide authors with the exclusive right to authorise or prohibit any communication to the public of their works, by wire or wireless means, including the making available to the public of those works […]'. Article 8(2) of Directive 2006/115/EC (the Rental and Lending Rights Directive) establishes that 'Member States shall provide a right in order to ensure that a single equitable remuneration is paid by the user, if a phonogram published for commercial purposes, or a reproduction of such phonogram, is used for broadcasting by wireless means or for any communication to the public […]'. The Agreed Statements concerning Article 8 of the WIPO Copyright Treaty clarifies that 'the mere provision of physical facilities for enabling or making a communication does not in itself amount to communication within the meaning

of this Treaty or the Berne Convention'. Recital 27 of the Information Society Directive reproduces in essence the declaration.

This preliminary ruling originates from two separate proceedings involving Fleetmanager and Nordisk Biluthyrning (NB), two Swedish motor vehicle rental companies, which directly or indirectly hire vehicles equipped with radio receivers. As regards the first proceeding, Föreningen Svenska Tonsättares Internationella Musikbyrå U.P.A. (Stim), the Swedish collective management organisation for musical works, brought Fleetmanager before the District Court of Sweden. Stim had claimed that Fleetmanager had made a contributory infringement by making vehicles equipped with radio receivers available to other motor vehicle rental companies. The infringement allegedly related to the infringement committed by the rental companies, making musical works available to the public without authorisation. The District Court held that the hire of vehicles equipped with radio receivers involved a 'communication to the public' but found Fleetmanager not liable of contributory infringement. The appeal court upheld the decision. Stim appealed on a point of law before the Swedish Supreme Court. As regards the second proceeding, NB brought an action against Svenska Artisters och Musikers Intresseorganisation ek. för. (SAMI), the Swedish organisation managing the related rights of performers, before the Swedish Patents and Market Court. NB sought a declaration that it was not required to pay fees (on the basis that the hired vehicles were equipped with radio receivers) to SAMI for the use of sound recordings. The Patents and Market Court found that the use of a phonogram, covered by Article 8(2) Directive 2006/115/EC, corresponded to a 'communication to the public' within the meaning of Article 3(1) Directive 2001/29/EC. It also held that the provision, by NB, of radio receivers in the hire cars had made it possible for the occupants of those vehicles to hear recordings and that constituted a 'communication to the public'. The appeal court overturned the decision. SAMI appealed on a point of law to the Supreme Court.

The Swedish Supreme Court referred to the CJEU for a preliminary ruling. In particular, it asked if 'the hiring out of cars which are equipped as standard with radio receivers' means 'that the person who hires the cars out is a user who makes a communication to the public within the meaning of Article 3(1) of [the Information Society] Directive and within the meaning of Article 8(2) of [the Rental and Lending Rights] Directive'. It also asked about the 'significance, if any, of the volume of the car hire activities and the duration of the hires'.

First, the CJEU recalled that, in line with previous case-law the expression 'communication to the public' must be interpreted as having the same meaning in the provisions of both Directives (see 15/03/2012, C-162/10, Phonographic Performance (Ireland), EU:C:2012:141). Moreover, the concept of 'communication to the public' must be interpreted in the light of the equivalent concepts contained in international laws (see 04/10/2011, C-403/08 and C-429/08, Football Association Premier League and Others, EU:C:2011:631). That concept includes two cumulative criteria: an 'act of communication', and the communication of the work to a 'public'. In order to assess whether the hiring out of vehicles equipped with radio receivers constitutes an 'act of communication', several other criteria should be considered. The assessment should be carried out applying such criteria 'individually and in their interaction with each other, […]' (see, inter alia, 14/06/2017, C-610/15, Stichting Brein, EU:C:2017:456). The Court also emphasised the 'indispensable role played by the user' and the 'deliberate nature of his intervention'. The user makes an 'act of communication' when he acts, 'in full knowledge of the consequences of his action, to give his customers access to a protected work, particularly where, in the

absence of that intervention, those customers would not be able to enjoy the broadcast work, or would be able to do so only with difficulty' (see, inter alia, 15/03/2012, C-135/10, SCF, EU:C:2012:140).

The case concerned the supply of radio receivers as part of a hired motor vehicle, making it possible to receive broadcasts without any additional intervention (by the leasing company). According to the Court, this case fell under the description of Recital 27 of Directive 2001/29/EC, as the 'mere provision of physical facilities for enabling or making a communication', and therefore 'does not in itself amount to communication within the meaning of [the] Directive'. The Court found that there was no need to investigate the criteria of communication to a 'public', nor to answer the second question referred.

The Court concluded that Article 3(1) Directive 2001/29/EC and Article 8(2) Directive 2006/115/EC must be interpreted as meaning that the hiring out of motor vehicles equipped with radio receivers does not constitute a communication to the public within the meaning of those provisions.

The text of the judgment is available here.

Communication to the public – Distribution – Literary and artistic works (e-books)

Case C-263/18 *Nederlands Uitgeversverbond, Groep Algemene Uitgevers* v *Tom Kabinet*, EU:C:2019:1111 [19 December 2019]

This preliminary ruling concerns the lawfulness of online business models involving the sale of 'second-hand' e-books.

The CJEU clarified whether the supply to the public by downloading e-books, for permanent use, falls under the right of communication to the public (Article 3(1) of the Information Society Directive, D 2001/29/EC); or whether it falls under the right of distribution to the public (Article 4(1) D 2001/29/EC). Under Article 4(2), the distribution right is exhausted after the lawful first sale or other transfer of ownership in the EU of the original or of a copy of the work.

Nederlands Uitgeversverbond (NUV) and Groep Algemene Uitgevers (GAU), associations defending publishers' interests in the Netherlands, brought an action for copyright infringement against Tom Kabinet before the rechtbank Den Haag (District Court, The Hague). Tom Kabinet, a publisher of, inter alia, e-books, provides an online service of 'second-hand' e-books. Members of a 'reading club' may acquire e-books which were purchased by the publisher, or which were donated for free by some members. The applicants claim that this would constitute an unauthorised communication to the public.

The Court of Justice recalls that the exclusive rights of 'communication to the public' and of 'distribution to the public' have to be interpreted in light of Articles 8 and 6(1) of the WIPO Copyright Treaty (WCT). According to the 'agreed statements' concerning Articles 6 and 7 of the WCT, the expressions 'copies' and 'original and copies'' refer to tangible objects only, and cannot cover intangible works such as e-books. Unlike the special legislation for computer programs, the Information Society Directive did not aim to achieve an assimilation of tangible and intangible copies of works. From an economic perspective, e-books do not deteriorate over time, and thus constitute perfect substitutes for new copies. Rights holders would not be able to obtain an appropriate reward for their work if the exhaustion principle applied. The sale of e-books is not an act of distribution to the public.

For the supply of e-books to qualify as a 'communication to the public', two cumulative conditions must be met. First, there must be an act of communication of the work, and second, the work must be communicated to a public. The first condition is fulfilled if the members of the public may access the protected work from any place and time of their choice, irrespective of whether they actually access it. In this case, that condition is fulfilled because any member of the reading club can access the website from any place and time. Concerning the second condition, the number of persons able to access the work at the same time, as well as the number of persons able to access it in succession, have to be taken into account. Given that any person can become a member of the reading club, and given that there is no restriction on the number of copies to be downloaded by a member nor on the life duration of a copy, a substantial number of persons are able to access the protected work. The works are communicated to the public through the sale of second-hand e-books.

Lastly, the Court underlines that a communication to the public must be performed either by using specific technical means, different from those previously used; or to a new public that was not targeted by the rights holders when they initially authorised the communication of the work. In this case, since the making available of an e-book is usually accompanied by a user licence allowing them to download the e-book on their own equipment, the criterion of new public is fulfilled.

The text of the decision is available on the Curia website.

Neighbouring rights – Performers - Reproduction – Making available to the public –- Broadcasting - Phonogram

Case C-484/18 Spedidam and Others v Institut national de l'audiovisuel, EU:C:2019:970 [14 November 2019]

This preliminary ruling concerns the conditions under which a cultural heritage institution may exercise a performer's exclusive rights of reproduction and of making available to the public.

Articles 2(b) and 3(2)(a) Information Society Directive (D 2001/29/EC) require Member States to provide exclusive rights for performers to authorise or prohibit the reproduction and making available to the public of fixations of their performances. The French Court of Cassation asked the CJEU whether national legislation which establishes a rebuttable presumption that the performer has allowed a cultural heritage institution to exploit audio-visual works is compatible with those provisions.

The Institut national de l'audiovisuel (INA) is a public body responsible for conserving and promoting the national audio-visual heritage. Article 49 of the French law on freedom of communication (Loi n° 86-1067 du 30 septembre 1986 relative à la liberté de communication, Loi Léotard) vests INA with the right to exploit extracts of archives of national broadcasting companies. Two rights holders brought infringement actions against INA for marketing online, without authorisation, video recordings and phonograms of a deceased musician. Article L. 212-3 of the French IP Code (Code de la propriété intellectuelle) requires written authorisation from the performer for fixing and reproducing his performance and communicating it to the public. Under Article L. 212-4, the signature of a contract between a performer and a producer constitutes such written authorisation.

The Court of Justice refers to Case C-301/15 *Soulier and Doke*, ECLI:EU:C:2016:878 (16/11/2016) and stresses that in light of the objectives of the Information Society Directive, the performer's rights of

reproduction and of making available to the public must have a broad meaning. Like the author's rights, the performers' rights cover both the enjoyment and the exercise of the rights. As exclusive rights are of a preventive nature, prior consent for use is required. However, this does not mean that the authorisation must be given explicitly. When the conditions are strictly defined, implicit consent may be admissible.

A performer who is involved in the making of an audio-visual work which will be broadcast by national broadcasting companies is aware of the envisaged use. The presumption laid down in French law is rebuttable, as it allows rights holders to demonstrate that no consent to later usage was given. It also establishes a fair balance of rights and interests; not allowing the cultural heritage institution to exploit part of its collection because it does not hold written proof of consent would be detrimental to the interests of many rights holders, including directors, producers, national broadcasting companies or other performers involved in the same work. The presumption cannot affect performers' rights to receive appropriate remuneration for the use of fixations of their performances.

National legislation establishing such a rebuttable presumption is compatible with EU law.

The text of the judgment is available on the Curia website.

Reproduction – Exceptions and limitations – Fundamental rights and freedoms-phonogram (sampling)

Case C-476/17 *Pelham GmbH and Others* v *Ralf Hütter and Florian Schneider-Esleben*, EU:C:2019:624 [29 July 2019]

This preliminary ruling relates to the question of whether 'sampling' infringes copyright-related rights.

The German Federal Supreme Court asked the CJEU to clarify, among other things, whether the use of a very short sequence of a phonogram (a 'sample') in another phonogram infringes the reproduction rights of the sampled phonogram's producer (Article 2(c) Information Society Directive, D 2001/29/EC) and/or their distribution rights (Article 9(1)(b) Rental and Lending Rights Directive, D 2006/115/EC). It also asked whether this kind of use could be considered a 'quotation' (Article 5(3)(d) Information Society Directive), or justified by other exceptions in national copyright law, or by taking into account the rights set out in the EU Charter of Fundamental Rights (the Charter). German law provides for a so-called right of free use (Paragraph 24(1) of the Urheberrechtsgesetz, the German Act on Copyright and Related Rights). According to that provision, 'an independent work created in the free use of the work of another person may be published or exploited without the consent of the author of the work used'.

The lengthy national proceedings related to a dispute between the members of a German band (the claimants) and the authors and producers of a song and phonogram (the defendants). The claimants alleged that the defendants infringed their copyright and related rights by using approximately 2 seconds of a rhythm sequence from one of the claimants' songs in a continuous loop in their own song.

According to the CJEU, 'sampling' amounts to reproduction 'in part' in the sense of EU law. However, a user who uses the technique of sampling to create a new work exercises the freedom of the arts (Article 13 of the Charter). Using a 'sample' in a modified form unrecognisable to the ear would not infringe the phonogram producer's exclusive rights.

A 'sample' is not a 'copy' in the sense of the Rental Rights Directive, which also aims to give rights holders tools to fight against the damage caused by piracy. A 'copy' reproduces all or a substantial part of the sounds fixed in a phonogram.

The Member States' laws cannot provide for other exceptions to the rights of phonogram producers than those listed in the EU directives.

In principle, a 'sample' could be considered a quotation when the conditions for this exception are fulfilled. One of these conditions is that the creator of a new work wants to enter into 'dialogue' with the existing work. A dialogue is not possible when the earlier work cannot be identified by the quotation.

The Information Society Directive has fully harmonised the reproduction rights for phonogram producers; these rights are defined in unequivocal terms, not qualified by any condition, or subject to any particular type of measure.

The text of the decision is available on the Curia-website.

Communication to the public – Reproduction – Exceptions and limitations - Fundamental rights and freedoms (political manuscript)

Case C-516/17 *Spiegel Online GmbH v Volker Beck*, EU:C:2019:625, [29 July 2019]

This preliminary ruling concerns exceptions and limitations to the rights of reproduction and of communication to the public.

Notably, the German Federal Supreme Court asked the CJEU to clarify the discretion left to Member States when implementing exceptions, the role of freedom of information and of the press (Article 11 EU Charter of Fundamental Rights, the Charter), and the scope and conditions of the exceptions for quotations and news reporting (Article 5(3)(c) and (d) Information Society Directive, D 2001/29/EC, the Directive).

A German politician claimed that the publishers of an online news magazine infringed his copyright by making available for download the complete text of a manuscript for an article by means of a hyperlink.

In the 1980s, the politician had claimed that the initial publisher of the article in a book had changed the meaning of his work. The politician had distanced himself from the contents of the manuscript in the 1990s. In 2013, before the publication by the online magazine at issue, he gave the original manuscript to a number of publishers but did not authorise them to publish it. He published the manuscript on his own website with some annotations.

In the view of the CJEU, the exceptions for news reporting ('use of works or other subject matter in connection with the reporting of current events') and quotation are *not* measures of full harmonisation. Considering the more limited economic importance of these exceptions, the directive only imposes minimum conditions. However, the Member States' discretion is limited, notably by the conditions set out in the exceptions, general principles of EU law, the principle of proportionality, the objectives of the directive, or the Charter.

Freedom of information and freedom of the press cannot justify restrictions to the authors' exclusive rights to reproduction and communication to the public that go beyond those listed in the Directive.

Those exceptions and limitations also confer rights on users. Especially when they aim to ensure the respect of fundamental freedoms, they must be interpreted in a manner that ensures their effectiveness and purpose.

The CJEU defines the different conditions of the news reporting exception ('reporting', 'current events', citing the source, proportionality), which the national court has to examine. National law cannot require the user to get prior authorisation for use under the exception; this would make it difficult for relevant information to be disseminated rapidly in the online environment.

In order to benefit from the quotation exception, the user must establish a direct and close link between the quoted work and his or her own reflections, allowing for an intellectual comparison. A quotation may be made by including a hyperlink to the quoted work (footnotes are not a requirement). In the present case, the national court must assess whether the use was in line with fair practice and proportionate.

A work or part of a work has 'already been lawfully made available to the public' if this happened with the authorisation of the copyright holder or in accordance with a non-contractual licence or a statutory authorisation. In this case, the national court must examine, among other things, whether the initial publisher had the right (contractually or otherwise) to make the editorial amendments.

The text of the decision is available on the Curia-website.

Reproduction - Communication to the public – Making available to the public – Exceptions and limitations - Fundamental rights and freedoms (military papers)

Case C-469/17 Funke Medien NR W GmbH v Bundesrepublik Deutschland, EU:C:2019:623, [29 July 2019]

This preliminary ruling concerns the discretion left to Member States when implementing the rights of reproduction and of communication to the public and making available for authors, as well as exceptions and limitations to these rights (Article 2(a), Article 3(1) and Article 5(2) and (3) Information Society Directive, D 2001/29/EC, the Directive). The German Federal Supreme Court also asked the CJEU to clarify the role of fundamental rights (EU Charter of Fundamental Rights, the Charter), when assessing the scope of exceptions and limitations. Notably, it asked whether the fundamental rights of freedom of information (Article 11(1) of the Charter) or freedom of the media (Article 11(2) of the Charter) justify exceptions or limitations beyond those listed in the Directive.

In the national proceedings, the German government had claimed that the operator of the website of a German newspaper had infringed its copyright by publishing, without permission, parts of military status reports. These status reports, which the website operator published with an introductory note, further links, and a space for comments, were classified as 'restricted'; the government only makes summaries of those reports available to the public.

The CJEU first observes that the national court must assess whether the reports are 'works' protected by copyright. This would be the case if the author who drew up the report was able to make free and creative choices (selection, sequence, combination of words), expressing his or her creativity in an original manner. Purely informative documents, entirely characterised by their technical function, cannot be original.

The Information Society Directive has fully harmonised the rights of reproduction and communication to the public and making available for authors; the rights are defined in unequivocal terms, not qualified by any condition, or subject to any particular type of measure.

The exceptions for news reporting (Article 5(3)(c), second case, 'use of works or other subject matter in connection with the reporting of current events') and quotation (Article 5(3)(d)) are *not* measures of full harmonisation. Member States enjoy limited leeway when implementing them, so that they can balance the different interests at stake.

Freedom of information and freedom of the press cannot justify restrictions to the authors' exclusive rights to reproduction and communication to the public that go beyond those listed in the Directive.

These exceptions and limitations also confer rights on users. Especially when they seek to ensure the respect of fundamental freedoms, they must be interpreted in a manner that ensures their effectiveness and purpose. According to case-law of the European Court of Human Rights, political speech and discourse on matters of public interest are of particular importance when it comes to freedom of expression (see ECtHR, 10/01/2013, *Ashby Donald and Others v. France*, CE:ECHR:2013:0110JUD003676908).

In this case, the publication of the reports (if they are 'works') together with the introductory note, a space for comments and links, could be considered as 'use of works… in connection with… reporting'. The national court must assess whether all the other conditions of the exception are fulfilled.

The text of the decision is available on the Curia-website.

Distribution – storage of infringing goods

Case C-572/17 *Riksåklagaren* v. *Imran Syed/ Criminal proceedings against Imran Syed*, EU:C:2018:1033 [19 December 2018]

This preliminary ruling clarifies that the storage of goods bearing a motif protected by copyright may constitute infringement of the exclusive right of distribution under certain conditions (Article 4(1) of the Information Society Directive, D 2001/29/EC).

A Sweden-based retailer sold clothes and accessories with rock music motifs, some of which were protected by copyright and trade marks, and stored these goods in different storage facilities. In national criminal proceedings, the first instance court found that the retailer had infringed trade mark and copyright law with reference to the goods stored both in the shop and in other storage facilities, due to the fact that these goods were identical. The second instance court, however, found infringement only with reference to the goods stored in the shop. The case was appealed before the Supreme Court, which asked the CJEU to clarify the notion of 'distribution'.

The CJEU reiterated that all the acts or steps preceding the conclusion of a sale contract may fall within the concept of 'distribution', even if they are not followed by a transfer of ownership. However, it must be proven that the goods are actually intended to be distributed to the public, for example, by being offered for sale in a Member State where the works in question are protected by copyright (C-516/13, EU:C:2015:315). The storage of infringing goods, identical to those sold in the shop, could be considered as an indication that the goods were actually intended to be sold. To assess whether this is

indeed the intention, the national court must consider all the relevant factors, including accounting elements, the regular restocking of the shop, sale/storage volumes, or current sales contracts. The distance between the place of storage and the shop is not a decisive factor on its own.

The text of the judgment is available on the Curia Website.

Communication to the public – Making available to the public (photograph)

Case C-161/17 *Land Nordrhein-Westfalen* v *Dirk Renckhoff,* EU:C:2018:634 [7 August 2018]

This preliminary ruling relates to the question whether the reposting of a work that is freely available on the internet can infringe copyright. More precisely, the Court of Justice (CJEU) clarified whether such behaviour constitutes an act of 'communication to the public' in the sense of Article 3(1) of the Information Society Directive (D 2001/29/EC).

A photographer had authorised the operator of an online travel portal to use his photographs. A student at a German public school downloaded a photo and used it to illustrate a school paper, citing the source. That paper, including the photo, was subsequently made available on the school's website.

According to the CJEU, reposting a protected photo that was made available on the internet with the rights holder's consent and without any technical restrictions can infringe copyright. By downloading a work from one website and making it available on another website, the user communicates the work to a 'new public'. Reposting makes it much more difficult for rights holders to control or stop the further use of their work.

Reposting is therefore different from linking. In its decision in *Svensson*, the Court had held that by linking to press Articles lawfully and freely available on the internet, the operators of a news-monitoring service did not communicate the Articles to a 'new public' (C-466/12 *Svensson and Others*, EU:C:2014:76; summary available on eSearch Case Law).

The text of the decision is available on the Curia-website.

Audiovisual Media Services – Broadcasting right – Sporting event

Spain's Supreme Court – LaLiga v Atresmedia SA and Mediaset SA v CNMC [28 April 2022]

In this dispute brought by LaLiga against Atresmedia SA and Mediaset SA, the Spanish Supreme Court confirmed the right of the two media companies to have free access to football matches and other sporting events of high interest to the public, in order to record images (including images of what happened in the stadium beyond the playing field) and broadcast short news reports. For the Court, this right is compatible with the fact that media services have exclusive television broadcasting rights for the retransmission of the sporting event.

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Atresmedia and Mediaset are providers of audiovisual media services under the terms of Article 2(1) of Law 7/2010 (General Law on Audiovisual Communication (GLAC)), and they both provide a media

service throughout Spain. As audiovisual providers, both should have the right to request access to the stadiums and to the signal of the matches organised by LaLiga, the Spanish national professional football league, in order to compile and broadcast short news reports on their respective channels. This access derives from Article 19(3) GLAC (implementing Article 15 Directive 2010/13/EU Audiovisual Media Services Directive) which states that broadcasters that have acquired exclusive rights to an event of high interest to the public, must guarantee other broadcasters the right to access sports venues to record images and broadcast short news reports, without having to acquire audiovisual rights or having to pay any fee for doing so. The goal is to safeguard the citizen's fundamental freedom to receive information.

NB according to Directive 2010/13/EU (recital 56), the requirements regarding access to events of high interest to the public should be without prejudice to Directive 2001/29/EC (Infosoc Directive) and the relevant international conventions in the field of copyright and neighbouring right.

In 2016, LaLiga filed a complaint against the National Commission for Markets and Competition (CNMC) claiming that Atresmedia was illegally broadcasting news reports of matches of the national professional football championship in violation of Article 19(3) GLAC. In 2017, Mediaset informed CNMC that LaLiga had denied them access to the stadiums and was subsequently imposing on them certain conditions to access stadiums. Due to the similarity between both proceedings, they were joined. CNMC stated that the conditions set out by LaLiga when denying or limiting access to the stadium to both Mediaset and Atresmedia, were not compatible with the right of access set out in Article 19(3) GLAC.

LaLiga filed an appeal against the CNMC decision that was subsequently rejected. LaLiga filed to annul this decision, mainly claiming that the judgment did not conform to Article 19(3) GLAC with regards to the definition of a provider of audiovisual media services and the scope and extent of the content of such reports, in particular with regards to images captured at the sporting venue.

The Supreme Court ruled that licensees of free-to-air television services could be considered as providers of audiovisual media services under Article 19(3) GLAC. They are deemed to be 'providers' for each licence they hold in respect of main channels which broadcast general news programmes. Therefore, they are entitled to access the sporting venues, where events of high interest to the public are taking place, and to broadcast short news reports, on fair, reasonable, objective, and non-discriminatory conditions. The Court added that no fee should be payable if the service is used only for general news programmes, on a deferred basis, and with a duration of less than 90 seconds.

The Court then observed, notably referring to the CJEU case C-283/11 (judgment of 22 January 2013, Sky Österreich GmbH v Österreichischer Rundfunk, EU:C:2013:28), that granting the right to access the sporting venue and to broadcast a summary is compatible with media services having exclusive television broadcasting rights for the retransmission of that event.

Regarding the notion of 'short news reports', the Court ruled that the criteria of informative relevance and general interest for society should prevail over the freedom of enterprise. It stated that this notion could cover images captured at the sporting event, including images of what happened beyond the playing field.

In conclusion, the Supreme Court confirmed that Atresmedia and Mediaset do have the right to access football stadiums and record images for news summaries.

The text of the Spanish Supreme Court is available here.

The text of the CNMC resolution is available here.

Copyright infringement - musical work

England and Wales High Court 827 – Ed Sheeran et al. v Sami Chokri et al., [06 April 2022].

The England and Wales High Court found in favour of Ed Sheeran in a proceeding he took against Sami Chokri, in which he sought from the Court a declaration that his song, 'Shape of You', did not infringe on Chokri's copyrighted song, 'Oh Why'. Sami Chokri made a counterclaim for copyright infringement, which became the primary focus of the Court's judgment. In reaching its verdict, the Court considered both the similarities of the two works in question and the evidential history submitted by both parties in the leadup to the creation of the song 'Shape of You'.

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In order to address the declaration of non-infringement sought by Ed Sheeran and resolve the counterclaim made by Sami Chokri, the Court focused on whether Ed Sheeran's song 'Shape of You' infringed 'Oh Why'. The defendants based their claim on the following three main arguments:

1. the similarity of the musical works;
2. Ed Sheeran having access to Sami Chokri's song 'Oh Why';
3. Ed Sheeran's history of collecting ideas from other music and putting it into his own songs.

Regarding the **similarity of the works**, the Court began by citing the **Francis Day v Bacon** case, which states that in assessing infringement between two works, the outcome will largely depend on the aural perception of the presiding judge. Although accepting that some sounds were similar, the Court found five major differences between the works and, on this basis, stated that infringement could not be found on the grounds of similarity of sound alone.

The Court then assessed whether the plaintiffs had **access to 'Oh Why' prior to writing 'Shape of You'**. Ed Sheeran and all members of his team who helped write the song 'Shape of You' claimed that, to the best of their knowledge, they were unaware of Mr Chokri's song 'Oh Why'. Despite the specific attempts made by the defendants to bring the song to the attention of Ed Sheeran and his writing team, the Court was satisfied on the basis of the evidence submitted that no such attempts had been successful. The defendants also tried to claim that Ed Sheeran would have discovered the song himself, as he actively followed the UK music scene and because he was looking for new talent for his record company. In particular, the defendants claimed that Ed Sheeran and his team were seeking inspiration for another song similar to 'Bloodstream', one of Ed Sheeran's biggest hits. Once again, the Court dismissed these assertations on the basis of the evidence submitted.

The final ground was that Ed Sheeran had **a reputation for copying others**. The Court noted from cases such as **Mood Music Publishing v De Wolfe** that other instances of copying could be admitted; with the greater the number of examples put forward, the greater the likelihood that a finding of copying

could be established. However, the Court rejected the examples given by the defendants of instances where Ed Sheeran had expressly recognised using or being inspired by the music of others, as in these circumstances he had given them credit and obtained appropriate clearance to do so. The other instances of alleged copying put forward by the defendants were rejected by the Court on evidential grounds.

Having assessed the three grounds for an infringement put forward by the defendants, the Court concluded that no infringement had taken place. The Court proceeded to allow a declaration of non-infringement to be made in favour of Ed Sheeran and his team.

The text of the judgment is available here.

Communication to the public - Making available to the public – Damages – Fundamental rights and freedom (data protection)

Finland Supreme Court – BA/S v Oyj's [10 March 2022]

In the wake of the CJEU case 'Mircom' (judgment of 17 June 2021, Mircom, C-597/19, EU:C:2021:492), Finland's Supreme Court confirmed that internet services providers (ISPs) – in this case 'A Oyj' – can be required to disclose subscribers' identification data to rights holders, if they are suspected of copyright infringement in the context of a peer-to-peer network. In making its decision, the Court considered that a fair balance must be struck between all the rights/fundamental freedoms at stake. This decision overrules the ruling from the Market Court and is particularly relevant in light of a common practice in Finland (sometime referred to as 'copyright trolls') which consists in the large scale sending of letters to alleged copyright infringers demanding cash settlements for the alleged offenses.

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The dispute arose between a group of film rights holders, (BA/S), and a Finnish telecommunications company, DNA Oyj (A Oyj). BA/S discovered that films on which it held exclusive rights, were being made available to subscribers by A Oyj, on a peer-to-peer network by means of the BitTorrent protocol. Pursuant to Section 60a of Finland's Copyright Act, BA/S filed an action before the Market Court in order to oblige A Oyj to produce the identification data for 34 subscriptions, from which, according to BA/S, a significant amount of copyright protected material had been made available to the public without BA/S's consent. However, under Section 60a of Finland's Copyright Act, rights holders are only entitled to obtain subscriber's details if they make content available to the public 'to a significant extent'. A Oyj claimed that none of the subscriptions identified had reached this threshold for 'significant' infringement.

In 2020, the Market Court ruled that a case-by-case assessment of each subscribers was needed, especially considering the repeated or long-term distribution of infringing material for the period in question. On that basis, the Court found that the threshold for 'significant infringement' had been met only in five cases and ordered A Oyj to hand over the identification data of these five subscribers. A Oyj appealed the decision asking to reject entirely BA/S's application.

The Supreme Court overturned the Market Court's decision. It ruled that A Oyj should hand over the details of all 34 subscribers listed in BA/S's application, not only 5 of them. In response to A Oyj's

request to refer the preliminary question to the CJEU on whether Section 60a of the Copyright Act complied with Union law, the Supreme Court stated that this request was not needed to resolve the matter as this provision was in line with Union law. It considered that, as confirmed in the CJEU Mircom case, Union law does not set an obstacle to national regulation that essentially corresponds to Section 60a of the Copyright Act.

The Supreme Court then looked at the meaning of making protected copyright material available to the public 'to a significant extent'. It relied mainly on the CJEU Mircom case, which states that in order to establish that the copyrighted content has been made available to the public, it is not necessary to prove that the user concerned has first downloaded from the network a number of parts of the file representing a minimum threshold. So, giving access to a protected work or material is already enough, and persons comprising that public, may access it from wherever and whenever they choose.

The Court also noted that any act whereby a user, in full knowledge of the consequences of what he or she is doing, gives access to protected work, is liable to constitute an act of communication for the purposes of Article 3(1) and (2) of Directive 2001/29. Regarding the present case, the Court clarified that by downloading and installing a separate program that is a prerequisite for using BitTorrent technology, users are fully aware of the program's features and have given their consent to use it. It also held that through the peer-to-peer network, users acting together have been able to access copyrighted works that have been published without the permission of the author or his representative, regardless of the place and time.

Then, still referring to the CJEU's judgment in the Mircom case, the Supreme Court underlined that when assessing the scope of the right of making available to the public, a key evaluation criterion was the number of recipients and potential recipients of the copyrighted material. It found that the large number of IP addresses connected to the network was an important factor to check if a significant number of persons use a peer-to-peer network using BitTorrent technology. The Supreme Court added that, based on the report presented in the case, BitTorrent users have practically no opportunity to influence in which swarm they share the work and how many users are attached to this swarm. Nevertheless, the number of users of a P2P network can be considered to indicate the total number of persons who directly participated in the sharing and downloading of a certain work at a certain moment. On that basis, the Court considered that the material was made available widely.

The Court eventually found that the disclosure of the contact information in question complied with the goal of achieving a fair balance between the IP rights holders' right to access information, the privacy protection of telecommunication users, and the right to the protection of personal data that is part of it.

Therefore, the Court ordered A Oyj to hand over identification data for all the 34 subscribers listed in the application, having considered that they all met the threshold for 'significant infringement'. This decision might impact a common practice in Finland, which consists in issuing copyright infringement notices to alleged infringers with the aim of avoiding litigation while generating revenue.

The text of Finland's Supreme Court is available here.

Copyright infringement - Making available to the public - Piracy – Streaming (IPTV packages) – Damages – Civil sanctions

The District Court of Zeeland-West-Brabant, IEF 20538; C/02/378025 / HA ZA 20-629, BREIN v the Defendant [19 January 2022]

Dutch anti-piracy group Stichting BREIN brought an action alleging that the individual behind the website ExpatsIPTV (www.expats-iptv.en), had infringed the copyright of BREIN's members by providing unauthorised access to IPTV packages. These packages included copyright-protected films, TV series and streams of (paid) TV channels. The District Court for Zeeland-West-Brabant ruled in BREIN's favour, finding that the defendant's conduct amounted to an act of 'making available to the public' in violation of the Netherlands Copyright Law. The Court restricted the defendant from offering the infringing IPTV packages and ordered him to provide further information on the sales and parties involved, and imposing penalties for non-compliance.

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The BREIN foundation (BREIN) is a Dutch anti-piracy group entitled to issue legal claims on behalf and for the benefit of its members, mainly copyright rights holders. BREIN gathered evidence that IPTV (Internet Protocol Television) packages providing unauthorised access to copyright-protected works were being sold. These packages infringed the copyright of several of its members. As a result, on 13 May 2020, BREIN was initially granted an injunction to remove the ExpatsIPTV website and temporarily prevent the sale of the IPTV packages. After being identified by BREIN, the individual (defendant) denied involvement at an oral hearing on 8 December 2021. However, during the proceedings on 19 January 2022, the individual admitted to selling the infringing packages.

BREIN argued that because the content accessed via the hyperlink was not provided with the rights holders' permission, the defendant's provision of the hyperlinks for profit infringed the rights holders' copyright. The Court found that the defendant's actions constituted an act of 'making available to the public' within the meaning of Articles 1 and 12 of the Copyright Act, Articles 2, 6, 7a and 8 of the Neighbouring Rights Act, and Article 3 of Directive 2001/29 (InfoSoc Directive). The Court ordered the defendant to cease offering access to IPTV subscriptions / software packages within 24 hours, subject to a penalty of EUR 5 000 for each day that he failed to do so.

At BREIN's discretion, the defendant was also subject to a penalty of EUR 500 for each individual unit sold or hyperlink provided, limited to EUR 50 000 overall.

Eventually, the defendant was required, under Article 28(9) of the Copyright Act, to provide BREIN, within 7 days of the judgment, with various pieces of information about the sale and provision of IPTV packages, including:

- details of the parties involved in the infringement;
- the number of packages sold;
- the prices of the IPTV packages sold;
- the profit made by the sales.

BREIN sought the details of the other parties involved because it viewed this information as necessary to effectively stop the infringements. BREIN argued that this information was also necessary to

determine the extent of the infringement. The defendant will face a penalty of EUR 500 for each day that he fails to provide this information, limited to EUR 15 000 overall. Additionally, the defendant was ordered to pay the full costs of the 19 January proceedings, estimated at EUR 9 758.96.

The text of the judgment is available here.

Copyright infringement – Term of protection – Making available to the public (geo-blocking)

Court of Amsterdam, The Anne Frank House v The Anne Frank – Fund C/13/710961 / KG ZA 21-1010 [1 February 2022]

The present case concerns one of the most famous diaries in the world, the diary of Anne Frank. The dispute arose between the Anne Frank Foundation and the Anne Frank Fonds (AFF). The AFF claimed that the Foundation had made an unauthorised publication of the manuscripts of Anne Frank's diary, alleging copyright infringement. The court of Amsterdam ruled that the Anne Frank Foundation did not infringe the copyright that the AFF holds in the Netherlands for the works of Anne Frank, placing great importance on the geo-blocking system used by the Foundation to block Dutch visitors.

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The AFF (the plaintiff), is a non-profit foundation, founded by Otto Frank (Anne Frank's copyright owner). The Anne Frank Foundation (the defendant) is an independent foundation that concentrates on scientific research and maintaining Anne Frank's house in Amsterdam. The other defendants involved in this case are the Royal Dutch Academy of Science and the Association for Research and Disclosure of Historical Text.

In 2008, the Foundation invited the Academy to conduct scientific research into Anne Frank's works. In 2011, realising that they would need to do further research, the Foundation and the Academy decided to continue their collaboration. They said that it would last approximately five years and that the results would be published in a Dutch and English web, with the possibility of reading Anne Frank's writings. In 2015, this project resulted in a dispute, as AFF had requested the Foundation and the Academy not to infringe the AFF's copyright on Anne Frank's work. The Court established that, in the Netherlands, the copyright would expire in 2037. Therefore, the Foundation stated that they would refrain from publishing their works in the Netherlands until the copyright had expired. However, in other countries, such as Belgium, the copyright had already expired.

In 2021, the Foundation and the Academy launched a new scientific online edition of all Anne Frank's manuscripts, displaying the original manuscripts online for the first time. However, they did not make it available online in the Netherlands by means of a geo-blocking system. As a result, the website could not be accessed from the country, and an 'access denied due to copyright reasons' message was displayed whenever someone tried to access it.

The AFF was unhappy with the geo-blocking system, as they alleged that it could be easily circumvented using a VPN connection. Consequently, they initiated preliminary proceedings before the Court of Amsterdam. They alleged that the Foundation were not complying with the previous judgment, and that the online publication of the works amounted to copyright infringement in the Netherlands. In

turn, the Foundation stated that there was no communication to the public as the website did not target the Netherlands and was not for profit.

The Court finally dismissed all the AFF's claims. It emphasised the importance of the geo-blocking system, stating that it had not been shown in any way that the defendants (or third parties) invited or called on Dutch internet users to circumvent the geo-blocking system. The Court added that the defendants had done everything reasonably possible to block, or at least sufficiently hinder and discourage access to the website from the Netherlands. Therefore, relying on Article 3 of Directive 2001/29/EC, the Court considered that there had been no act of communication to the public amounting to a copyright infringement.

The text of the judgment is available here, while a commentary about it is available on this web page.

Copyright infringement – Scope of exclusive rights – Injunctions – Computer program

The Hamburg Regional Court – Axel Springer v Eyeo GmbH [January 2022]

German publisher Axel Springer (the claimant) initiated a legal proceeding before the Hamburg Regional Court (hereafter the Court) to stop the developer of the browser plug-in Adblock Plus - Eyeo GmbH (the respondent) from blocking advertising, alleging copyright infringement because of the change to the programming code underlying the websites. The Court has ruled that the claimant is not entitled to injunctive relief since there was no change in the program substance and, therefore, no unauthorised duplication and/or reworking of the copyrighted code of the computer programs.

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The claimant has requested injunctive relief before the Court to stop the respondent from blocking advertising through its service (Adblock Plus), asserting that ad blockers infringe the copyright by changing the programming code, drastically reducing the volume of advertising seen by its users.

The claimant has argued that ad blockers interfere with the presentation of websites and how copyrighted content is displayed in browsers, intervening with how users view copyright-protected offers from media companies, in violation of copyright law. The claimant then referred to the OLG Hamburg (Az.: 5 U 23/12) court ruling in which the national court ruled that a piece of software for Sony's Playstation Portable console that changed code in memory to facilitate cheating was infringing, constituting a revision of the software under Section 69c of the German Act on Copyright and Related Rights (Copyright Act), which requires permission from the rights holders. The respondent argued that browser-side plug-ins do not modify the code on the claimant's servers.

The Court ruled that the claimant is not entitled to injunctive relief pursuant to Section 91(1) of the Copyright Act since the processes carried out by AdBlock Plus following the local saving of the website do not constitute a revision under Section 69c of the Copyright Act. The transferred hypertext markup language (HTML) files are not changed, instead the data structures generated by the browser are displayed differently than intended by the author. The Court clarified that German law prohibits interference with the program substance, thus the ad blocking process does not violate the copyright as there is no change in the program's substance.

The respondent has expressed its intention to appeal the decision.

The text of the judgment is not publicly available but further information on this judgment is available on this web page and this web page.

Neighbouring rights – Single equitable remuneration – Phonogram

Estonian Performers Association v MTU Urban Style, Estonian Supreme Court, Case 2-16-17491, [17 June 2021]

In a judgment delivered on 17 June 2021, the Estonian Supreme Court addressed certain issues relating to the rights of phonogram producers in Estonia. The Court, following the CJEU jurisprudence, stated that the single equitable remuneration rights available to phonogram producers (and performers) whose phonograms are being used by third parties will be valued based on the economic value the third parties derive from their use. Furthermore, the Supreme Court made clear that rights holders could not prevent a third party from using their phonograms in circumstances where that third party is paying the requisite single equitable remuneration.

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Established under S76 of the Copyright Act, the non-profit organisation *Estonian Performers Association* (EEL) (the plaintiff) represents over 350 000 performers from around the world in Estonia. The defendant, Urban Style, is the owner of a dance school, whom the plaintiff alleged was using phonograms without remuneration. The case began with the plaintiff bringing an action before an Estonian county court against the defendant for an amount of EUR 5 648.76 plus default interest. The plaintiff relied on S72 of the Copyright Act, which states that phonogram performers and producers are entitled to a single equitable remuneration in circumstances where parties made commercial use of their phonograms through communication to the public. This law is derived from Article 8(2) Directive 2006/115/EC (the Rental and Lending Rights Directives), which makes such remuneration mandatory while leaving leeway to Member States to specify the criteria for determining the remuneration. The plaintiff also sought an order which would prevent the defendant from further use of the phonograms without the plaintiff's consent and without payment of remuneration for the initial use, citing S81.7(1)/(2) of the Copyright Act and S1055.3 of the Law of Obligations Act. Typically, in such circumstances, the commercial user of such phonograms must either enter into a contract with the rights holder, or else pay the normal fixed rate established by the plaintiff. The court highlighted that, unlike with traditional copyrights (exclusive rights are *preventive* in nature), the right to remuneration under **S81.7(1)/(2)** for the use of phonograms can be made after the party has finished with them (it is *compensatory* in nature).

Guidance on rates of equitable remuneration were established by the CJEU in decisions such as *SENA* (06/02/2003, C-245/00, SENA, EU:C:2003:68) and Reha Training (31/05/2016, C-117/15, Reha Training, EU:C:2016:379). In this latter case, the CJEU held that where a protected work is broadcast to the public and the broadcast has a profit-making nature, this will be a factor for consideration when determining the remuneration rates. The Estonian Supreme Court, referring to those decisions, stated

that the following criteria must be taken into account when determining the reasonable tariffs of exclusive rights and remuneration rights:

1. the economic value of the use of the commercial phonogram in trade;
2. the nature and extent of the exploitation of the work and subject matter of the rights related to copyright;
3. the economic value of the service provided by the collective management organisation.

In response to defences raised by the defendant, the court also stated that neither the legal form of the user of the phonograms nor the fact that the music was not used for the full duration of the dance classes would be sufficient defences against the fees claimed by the plaintiff.

Regarding the plaintiff's demand under **S81.7(1)/(2) of the Copyright Act** and **S1055 of the Law of Obligations Act**, the court stated that while the plaintiff could act to prevent the defendants from wrongfully using the phonograms, they could not prevent the defendants from using the phonograms in circumstances where the necessary equitable remuneration has been delivered (*compensatory nature* of right to remuneration). This was held to be the case even where the court was satisfied that the defendants had earlier infringed the rights of the phonogram producers.

The text of the judgment is available here.

Copyright infringement – communication to the public – Social media – Damages (pictures)

Regional Court of Hamburg, 310 O 352/20 [12 November 2020]

The Regional Court of Hamburg decided that re-pinning a copyright protected picture on Pinterest, a social media platform specialising in image sharing where users can upload images and create personal collections through 'pinning'/saving other users' images, constitutes an infringement of copyright.

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A photographer found one of his pictures being displayed and used for promotional purposes on the Pinterest page of a real estate company without his permission. Although, he had previously granted a license for use of this picture to the architect of the photographed building, it did not extend to the usage on social media platforms or sub-licensing. The photographer sued the real estate company for breaching his exclusive right of communication to the public and the company responded by claiming that it had not uploaded the image to Pinterest, only reposted/pinned it on its page. Furthermore, the real estate company questioned ascertaining the lawfulness of the initial upload by citing Pinterest's terms of service (ToS). The ToS require that users may only upload pictures when they are the sole and exclusive owner or have all rights, licenses and releases that are required to publish the content on Pinterest.

The Regional Court of Hamburg found that, in the present case, to 're-pin' the picture infringes the author's right of communication to the public under paragraph 19a of Urheberrechtsgesetz (equivalent to Article 3(1) of the Infosoc Directive). The court assessed the case with regard to previous judgments of the CJEU, especially *GS Media* and *Renckhoff*, concluding that, as the 're-pin' enables users to view

the image, it is in fact an act of communication. Furthermore, the judges confirmed that a 'new public' was reached, since the actions of the defendant allowed all Pinterest users (an indeterminate number of recipients) to access the image and even though the image was previously available on Pinterest, it was without the photographer's permission meaning that this public could be considered as 'new'. Lastly, the court addressed the subjective element and found that the defendant, as an entity operating for profit, should have performed the necessary checks to establish whether the hyperlink led to an image posted lawfully or illegally.

The defendant failed to demonstrate sufficient actions by the undertaking to ascertain the legality of the 're-pinned' image and subsequently to rebut the assumption of knowledge. Moreover, the court rejected the defence through the ToS, since there is no evidence to show that users comply with these ToS. In consequence, the real estate company was found liable for copyright infringement through 're-pinning' of an illegally uploaded picture.

The text of the judgment (in German) can be found here.

Copyright infringement – Reproduction - Communication to the public - social media (pictures)

Tallin Circuit Court, 2-18-751, [11 November 2020]

In this case the Tallin Circuit Court ruled that once a copyright protected work (here a photograph) has been legally and publicly posted on Facebook, the copyright owner cannot claim copyright infringement when the work is reused or shared according to Facebook's terms of use.

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A painter (X) posted a photo of his painting representing a little girl (Y) on his Facebook public timeline (also called the 'wall'), to promote his work and eventually sell it. After seeing the post, a journalist (Z) and one of the main spokespersons of the Estonian Association of Parents of Children with Cancer (U) posted publicly, on his Facebook timeline, the photo of the painting mentioning that the painter was taking advantage of Y, a young girl battling against cancer.

X sued Z for copyright infringement, arguing that the journalist had no right to use the copyrighted work. Z responded that the painting was a mere copy of Y's picture, that had been published by her parents when they presented their story to the public and that X had no right to reproduce it. In fact, the painter had received multiple requests from Y's family to delete the representation of the young girl on the internet.

The Court assessed the terms of use (ToU) of Facebook, which mention that public settings in Facebook means that a user has chosen, when making a post, to make it accessible to any internet user when their profile is opened. The Court took the view that since under the Facebook ToU, Z had the right to use the information X had posted on his Facebook timeline, Z has **not infringed** X's copyright. The Court also acknowledged that the painting was indeed a representation of Y's picture.

The case highlights the risks that may arise from publicly posting copyright protected content on social media, and the legal effects that the terms of use may have.

The text of the judgment is available here (in Estonian).

Reproduction – Exceptions and limitations- Fundamental rights and freedoms – phonogram (sampling)

Bundesgerichtshof (BGH, German Federal Court of Justice), Case I ZR 115/16, *Metall auf Metall IV* [30 April 2020]

This landmark ruling of the German Federal Court of Justice (Bundesgerichtshof, BGH) clarifies that reproduction of a sample constitutes an infringement of the right of phonogram producers, unless the sample used in a new song is unrecognisable to the ear according to an average music listener.

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The Federal Court of Justice had to decide under which conditions the rights of a phonogram producer were infringed by sampling (in this case, copying of a 2-second sample of a song).

The applicants, members of the musical group 'Kraftwerk', had published in 1977 a phonogram featuring the song 'Metall auf Metall'. They claimed that the defendants (music composers Pelham and Haas and producer Pelham) had used 2 seconds of a rhythm sequence from this song when they had composed the song 'Nur Mir', and had thereby infringed their rights as producers of sound recordings.

In national criminal proceedings the first instance court found the infringement of copyrights and held that the defendants were jointly and severally liable to compensate the applicants for all the damage suffered by them as a result of the production and/or distribution of the sound recordings. The defendants were also unsuccessful on appeal. They asked for a revision (further appeal on a point of law) before the BGH, which sent the case back to the first instance court to be re-examined. The appeal was dismissed a second time. By order of 1 June 2017, the Senate referred questions on the interpretation of the reproduction right for phonograms, the compatibility of section 24(1) of the German Copyright Act (UrhG) with EU law and the applicability of copyright exceptions to sampling, to the CJEU for a preliminary ruling. In its judgment of 29 July 2019, C-476/17, Pelham and Others, EU:C:2019:624 (summary available on eSearch Case Law), the Court confirmed that the phonogram producers' exclusive rights to reproduce and distribute a phonogram allowed them to prevent another person from using a sound sample of their phonogram to include it in another one. However, the Court stated that there was no reproduction/distribution when the sample was included in the phonogram in a modified form unrecognisable to the ear.

The Federal Court of Justice followed the CJEU's guidance and overturned the Court of Appeal's judgment. The BGH concluded that the standard applied to justify the use of a sample was that of an average music listener since this type of audience best achieves the goal of striking a balance between phonogram producers' rights and artistic freedom.

The text of the judgment (in German) is available here.

Distribution – storage of infringing goods

Högsta Domstolen (Swedish Supreme Court), Case B 5089-16 *Riksåklagaren v. IS* [28 May 2019]

In this judgment Swedish Supreme Court confirmed that *the storage* of goods bearing a motif protected by copyright may infringe the exclusive right of distribution.

According to Section 2 of the Swedish Copyright Act (SCA) a work is made available to the public 'when copies of the work are placed on sale, leased, lent, or otherwise distributed to the public'. Pursuant to Section 53 SCA, 'anyone who, in relation to a literary or artistic work, commits an act which infringes the copyright enjoyed in the work under [Section 2 SCA], shall, where the act is committed wilfully or with gross negligence, be punished by fines or imprisonment for not more than two years'.

The defendant had a shop where he sold counterfeit clothes and accessories, and was found liable for both trade mark and copyright infringement. Besides the store, the goods were also stored at a storage facility close to the shop, and in a warehouse located near to the shop.

The Swedish Supreme Court decided to stay the proceedings and referred two questions to the CJEU for a preliminary ruling. The CJEU held that the storage of infringing goods can constitute copyright infringement under certain conditions. The storage of goods identical to the ones that are sold in the shop can be an indication that the goods are actually intended to be sold. In order to assess whether the goods are actually aimed at being sold in the shop, the national court must consider all the relevant factors such as, for example, the regular restocking of the shop with goods from the storage facilities at issue, accounting elements, the volume of sales and orders as compared with the volume of stored goods, or current contracts of sale (19/12/2018, C-572/17 *Imran Syed*, EU:C:2018:1033).

The investigation into the case showed that the goods in the warehouses were intended to be sold in the store, that all the goods belonged to the defendant, and that the goods in the warehouses were identical to the goods offered for sale in the store. Also, the store was regularly restocked with goods from the warehouse. The Swedish court thus held that the storing infringed the exclusive right according to the SCA.

Since the defendant was also sentenced for criminal liability for copyright infringement, the amount of the daily fines was set slightly higher as compared to what the Patent and Market Court had decided.

The text of judgment (in Swedish) is available at Högstadomstolen.se.

Computer program – Communication to the public – Making available to the public- Copyright Infringement

Bundesgerichtshof (Federal Court of Justice, Germany, BGH), Case I ZR 132/17 'Testversion' [16 March 2019]

In this decision, the German Federal Court of Justice (BGH) clarified under what circumstances posting a computer program on a portal constitutes copyright infringement.

Article 3(1) Information Society Directive (D 2001/29/EC) establishes an obligation for Member States to provide authors with the right to communicate their works to the public, including by making the work

available. The Computer Programs Directive (D 2009/24/EC) establishes a specific legal protection of computer programs. It does not provide for a specific right of communication to the public.

Section 15(2) of the Urheberrechtsgesetz (UrhG), the German Copyright Law, implements the right to communicate a work to the public. Section 19a UrhG implements the right of making the work available to the public. Section 69c(4) UrhG establishes a specific exclusive right to perform or authorise the communication to the public of a computer program, including making it available to the public.

Microsoft Corp., a company established in the United States which develops and sells the computer program Microsoft Office Professional Plus 2013, sought injunctive relief, disclosure and rendering of account and damages from the defendant. The latter had offered that computer program for sale on its website, a web shop and eBay, allegedly infringing Microsoft's copyright. The defendant had sent emails to 'test purchasers', disclosing a licence key and a download link. The download link led to the portal, where the program was available for download. Furthermore, it could also be used by all visitors as a 30-day free trial version. The Regional Court upheld Microsoft's claim. The defendant's appeal was unsuccessful.

The Federal Court of Justice upheld that the appeal was unfounded.

First, the court stated that the defendant's behaviour constituted an 'act of communication'. As to the 'public nature' of such an act, there had to be an 'indeterminate number of potential recipients and a large number of people'; the number is 'indeterminate' if it is 'not limited to specific people belonging to a private group'. 'Large' relates to how many recipients have access 'simultaneously and successively'. Furthermore, the work had to be communicated using technical means which are different from the ones used for previous communications. Subordinately, it must be communicated to a public different from the one previously taken into account by the copyright holder when it authorised the initial communication. According to CJEU case-law (07/08/2018, C-161/17, Renckhoff, EU:C:2018:634), the court recalled that, where the works are posted on a website different from the one originally used by the rights holder, the public taken into account is different from the one already considered, and therefore new. The absence of any restriction to accessing the work is irrelevant in such a case. Where links allow for access to works which are legitimately and freely available to all users on another website, there is no communication to the public. In fact, 'these users are potential recipients of the original communication'.

Where the subsequent communication is made through a technical means that differs from the one used for the initial one, there is no need to assess the novelty of the public. In that case, the act requires the rights holder's permission. Both Microsoft and the defendant were providing the program through the same technical means (internet). The court therefore assessed if the public addressed was new, in particular with regard to the fact that Microsoft was already making freely available the program with a 30-day usage restriction.

The BGH underlined that when posting it on its portal without the rights holder's authorisation, the defendant communicated Microsoft's computer program to a new public. Furthermore, the defendant did not provide a clickable link on its website to the software that had been made freely available to all internet users by the applicant with a 30-day usage restriction; instead, it posted the computer program on its download portal without the applicant's consent. This constituted infringement of the right of communication to the public in the form of making available the work to the public.

In conclusion, the BGH clarified that making a computer program available for download on an online portal may constitute an independent act of making available to the public. The operator of the portal has the program on its computer, and therefore it is independent of the original source; the defendant thus exercises control over the availability of the work.

The text of the judgment (in German) is available at the website of the Bundesgerichtshof.

Public Performance (fixation) – Reproduction – Communication to the public

Cour de Cassation (Supreme Court of France), first civil chamber, No 17-19490 [12 September 2018]

In this decision, the Supreme Court of France clarified the notion of fixation of a performance. The fixation of the performance plays an important role in determining the scope of the authorisation that needs to be given by the performer regarding the exploitation of the performance and its reproduction. Article L 212-3 of the French Intellectual Property Code states that the performer must authorise the fixation of the performance, reproductions and communications to the public of the latter, as well as any separate use of the sound and the image of the performance when both have been fixated at once in writing.

The ex-wife and children of a famous deceased French comedian initiated proceedings against the production company with which the comedian had concluded contracts for the exploitation of recordings of his sketches and songs. The date of the fixation of the performance was important in the present case, not only to define all the contractual obligations of the production company, but also to define the type of authorisation that was needed for the exploitation and reproduction of the performance. The successors claimed that they had royalty rights resulting from the exploitation of the performance. The calculation of these royalties started on the date of fixation of the performance. In this regard, the Court of Appeal considered the fixation of a performance as the act of communication of the performance to the public, noticing that a performance is fixed once the master version is finalised.

The Supreme Court found that the Court of Appeal had violated Article L 212-3, and specified that the fixing of the performance is done by the first incorporation of the artist's performance into a medium. It partially reversed the decision of the Court of Appeal.

The rights holders had also claimed, based on Article L 132-12 of the French Intellectual Property Code, that the production company had not respected its contractual obligation of exploiting the works at issue. The Supreme Court confirmed the answer and approach adopted by the second instance court, which had rejected the claim. The company was exploiting the works, with respect to the contract, even if these acts of exploitation reached different levels or had different intensity depending on the economic environment.

The text of the decision is available (in French) on legifrance.fr.

Broadcasting – Reproduction - Originality – Derivative works

Corte di Cassazione (Italian Supreme Court), Section 1, No 14635/2018 [6 June 2018]

In this decision, the Italian Supreme Court clarified the doctrine of 'plagio evolutivo' ('evolutionary plagiarism').

In a TV programme, Italian broadcasters had used a puppet that strongly resembled a mascot created by an American author. The Italian character did not reproduce the original work identically.

In the Supreme Court's view, the use of the mascot could be considered a case of 'plagio evolutivo'. In such cases, the derivative artwork differs from the existing work only in certain formal aspects. The derivative work, even though it does not simply reproduce the original artwork, cannot be considered original and unique. It is an unauthorised reproduction of the original work in violation of Articles 4 and 18 of the Italian Copyright Law (Legge sul Diritto d'Autore No 633 of 1941).

The Corte di Cassazione sent the case back to the Court of Appeal for reassessment.

The text of the judgment (in Italian) is available on cortedicassazione.it.

Broadcasting – Communication to the public

Audiencia Provincial de Alicante (Provincial Court, Alicante), Section 8, No 21/2018, [16 January 2018]

In this decision, the Provincial Court of Alicante recognised that the use of TV channels in hotel rooms without prior consent infringes the rights of broadcasting organisations. It confirmed a ruling of the Juzgado de lo Mercantil de Alicante n.º 2 (Alicante Commercial Court No 2) of 24 March 2017.

A Spanish hotel chain had retransmitted broadcasts owned by a German-based broadcaster in its hotel rooms without a proper licence.

In the Provincial Court's view, the retransmission infringed Article 126(1)(d) of the Spanish IP law (Ley de la Propriedad Intelectual), which states that broadcasting companies have the exclusive right to authorise the retransmission of their broadcasts. Retransmission does not have to be continuous or recurrent. In this case, infringement was committed in the context of a business activity that consisted in offering various services, including access to protected content on cable TV in multiple hotel facilities.

The judges also shed light on the interpretation of 'retransmission'. In accordance with EU jurisprudence (see, e.g., 27/02/2014, C-351/12, OSA, EU:C:2014:110, para. 24-26) and Spanish case-law (Supreme Court of Spain, Civil Section, No 428/2007 and No 314/2009), the concept of 'retransmission' can be considered equivalent to that of 'communication to the public' within the meaning of Article 3(1) of the Information Society Directive (2001/29/EC). Retransmission can be by any technical means (cable or wireless).

The text of the judgment (in Spanish) is available on poderejudicial.es.

Scope of moral rights

Right of attribution

German Supreme Court – I ZR 179/22 [15 June 2023]

The case concerns the inalienable status of the right of attribution in German law. Unlike economic rights, moral rights have not been harmonised in EU law, raising issues for courts and rights holders when it comes to the **enforcement of copyright** with a **cross-border dimension**. The moral right of attribution is covered by Article 13 of the German Copyright Act, which states that the author of a work is entitled to be identified as such. The German Supreme Court confirmed that the author may not waive such a right but **may waive the need to exercise that right** under certain conditions that the Court developed.

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The case arose from a dispute between a professional photographer (the 'claimant'), who marketed his photos via **micro stock portals**, and the owner of a website ('the defendant'), who downloaded the claimant's photo and used it as a background on her website. By agreeing to the Terms and Conditions of the micro stock portal, the photographer had agreed to sublicense his photos to customers. By virtue of this, users are not required to attribute the photographs to him. However, on the basis of **Article 13 of the German Copyright Act**, the claimant sued the defendant for not citing him as the author of the photograph used on the defendant's website.

The first and second instance courts dismissed the claim. The Supreme Court then confirmed the decision, finding that:

- The claimant signed the agreement with the platform willingly and was aware of the terms and conditions.
- The claimant was used to employing the services of micro stock portals and did so aware of their convenience. Waiving the attribution rights allows the author to reach a wider audience.
- In principle, the right of attribution may not be waived as it is an integral part of the inalienable personality rights of the author.
- Nevertheless, **waiving the exercise of this right** is allowed under certain conditions.
- Agreements restricting the exercise of the right of attribution are valid, provided that they are not contrary to the **accepted principles of morality**, and they do not **unreasonably disadvantage** the author.
- Such an assessment requires a **balancing of the interests** of the author and the licensee taking account of the **type of work**, the **purpose** and **duration** of the agreement and the **customs** and norms of the relevant sector.
- In the present case the author chose the micro stock portal in his own interest to avoid the time and cost associated with marketing the photographs himself. The economic convenience of these

portals comes from the large number of licenses signed with customers. The licensing terms are convenient and attract end users not only because of the **low fees** but also because they **do not impose the burden** of citing the author, or of obtaining the author's waiver.

The text of the judgment is available here.

Copyright infringement – Moral rights

Budapest Regional Court of Appeal, 8.Pf.20.559/2021/5. [28 September 2021]

In this case, the Budapest Regional Court of Appeal decided that in a conflict of private rights of equal ranks (i.e. the moral rights of the author of a mosaic and the property rights of the owner of the building on which it is affixed), the dispute must be judged only on the basis of the principle of a proper exercise of rights, and it must be decided on a case-by-case basis.

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The plaintiff is the successor of the author of a mosaic in a theatre. He filed a lawsuit against the owner of the theatre, which was being converted, during which time the copyright protected work was covered up.

The Court dismissed the plaintiff's action. It examined the property rights of the defendant under the Hungarian Civil Code, including the right to the proper and uninterrupted use of the property and carried out the balancing exercise established by the case-law. As a result of this examination it concluded that the conversion at issue was carried out in the legitimate exercise of the defendant's property rights and in the justified interest of the defendant.

The method used to cover the mosaic was irrelevant, as was any damage to the work of art that might have occurred in the process, because the defendant – that is, the theatre manager – could have removed the mosaic completely in the exercise of its ownership rights.

The decision concerns the moral rights of the author, which are not harmonised under EU law and are thus regulated at the level of the Member States, as indicated in recital 19 of the D 2001/29/EC (Information Society Directive).

The text of the judgment (in Hungarian) is available here.

Right of attribution – Author – Authorship

Corte di Cassazione, Prima Sezione Civile (Italian Supreme Court of Cassation, First Civil Section), Case No. 15104/15 [5 July 2019]

In this decision, the Italian Supreme Court, among other rulings, clarified the consequences of publishing a work protected by copyright without mentioning the author's name.

Article 20 Law 633/41 (Italian Copyright Law) grants the author the right to claim authorship of his or her work, and to object any modification or derogatory action in relation to his or her work.

Istituto della Enciclopedia Italiana fondata da Giovanni Treccani S.p.a., an Italian publishing house, published an encyclopaedic dictionary. M.G. is the creator of figures included in that dictionary. He claimed that the publishing house had used the figures without mentioning his name, and therefore infringed his moral rights. Before the Court of Appeal of Rome, the publishing house had, among other arguments, sustained that mentioning the author's name in one of the volumes, which was part of the entire encyclopaedia, was sufficient to comply with Article 20 Law 633/41.

The Court of Appeal ordered the Italian publishing house to pay damages to M.G. However, it found that the missing mention constituted a contractual breach; the author had suffered no prejudice with regard to copyright law (Court of Appeal of Rome, 9 December 2014). It considered that anonymity, with no wrongful attribution (i.e. to a person who is not the author), does not constitute copyright infringement under Article 20 Law 633/41.

The Supreme Court rejected the Court of Appeal's interpretation as contrary to Article 20 Law 633/41 and to the reasoning of that provision. A prejudice to the author's moral right of attribution exists when the indication of the author is missing, even when the work is not attributed to others. Consequently, the work must always be attributed to its author, and in such a way that readers can easily perceive it.

The text of the judgment (in Italian) is available on cortedicassazione.it.

Disclosure – Exhaustion – Author

Cour de cassation (Supreme Court of France), First Civil Chamber, Case No 17-18237 [10 October 2018]

This judgment of 10 October 2010 by the Supreme Court of France clarified the circumstances under which the moral right of disclosure can be considered exhausted. According to French copyright law, every author has the right to decide whether and under what conditions to disclose their work (see Articles L 121-2 and L 111-3 of the French IP Code, Code de la propriété intellectuelle). This right, as with every other moral right in France, is not limited in time and can be exercised posthumously, for example by the author's descendants.

In 1970, one of the children of a deceased painter gave a painting to a famous English singer-songwriter, who then used a reproduction of the painting on the cover of his 2011 collector's edition album. The painter's daughter initiated infringement proceedings against the singer-songwriter and his record label company. She based her action inter alia on the moral rights of disclosure and integrity.

In 2016, the Paris first instance court held that the use of the painting by the defendants caused harm to the integrity of the painting. The court of appeal disagreed because the artwork on the album cover was reproduced in its entirety, with the painter's signature, without any elements being added or deleted, and could not be regarded as having an advertising purpose. In addition, the court of appeal held that the painter's daughter had exercised the right of disclosure by giving the painting to the singer-songwriter, therefore exhausting said right.

The Supreme Court considered that the sole fact of the physical object which embodies an artwork being handed over to a third party is not sufficient to determine that the right of disclosure has been exercised. It confirmed that there was no infringement of the right of integrity. As to the claim for prohibition and withdrawal from the market of the albums, the court of appeal had held that all co-

authors of the album should have been questioned (see Article 16 of the French Code of Civil Procedure). The Supreme Court found that the court of appeal should have given the parties the opportunity to present observations. These issues were sent back to the Court of Appeal of Versailles for reassessment.

The text of the decision (in French) can be found on the website of legifrance.gouv.fr.

Authorship – Joint authorship – Infringement

Cour de cassation (Supreme Court, France), First Civil Chamber, appeal No 17-14728, FR:CCASS:2018:C100310 [21 March 2018]

This decision concerns, inter alia, the conditions under which co-authors may bring an action for infringement of their moral rights in works of joint authorship (*oeuvres de collaboration*, Article L. 113-3 of the Code de la propriété intellectuelle). The executor of a deceased singer-songwriter's moral rights claimed that the publishers of a bibliography about the artist infringed the latter's moral rights by reproducing 60 excerpts of the lyrics of 58 songs.

In the view of the Cour de cassation, the songs in question are collaborative works, because the co-authors created them in a 'community of inspiration'. Although the lyrics of the songs were based on pre-existing poems, the songs themselves were created in a continuous exchange between the poets and the songwriter, who had suggested various modifications.

The co-author of a collaborative work can only bring an action for infringement of moral rights on his or her own when contributions can be individualised, that is separated from the work. In this case, the poets' contributions were inseparable from the songwriter's contribution. Since the claimant did not question the other co-authors, the claim was inadmissible.

In addition, the Cour de cassation confirmed that use of the excerpts could not benefit from the exception for short citations (Article L. 122-5 of the Code de la propriété intellectuelle). The excerpts were intended neither to illustrate a controversy nor to enlighten a statement nor to deepen an analysis for an educational purpose. Nor had the defendant demonstrated that they served to enrich the knowledge of the public.

The text of the decision (in French) is available at Legifrance.gouv.fr.

Collective Management of rights

CJEU - copyright and related rights - fair remuneration - performers' rights

Case C-575/23 – *ONB and Others, EU:C:2025:141* [6 March 2025]

The **preliminary ruling** concerns Articles 18-23 and Article 26(2) of the Directive (EU) 2019/790 on **copyright and related rights**. It related to the proceedings between musicians engaged by the Orchestre national de Belgique (Belgian National Orchestra - ONB) and the Belgian Government, in the context of the Royal Decree of 1 June 2021. The Court of Justice of the European Union (CJEU) ruled that EU law precluded national legislation which automatically assigned the exploitation of related rights to employers in cases where performances are carried out under an employment contract or statute and fall within their scope.

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The exploitation of the related rights of the musicians of the ONB used to be negotiated on a case-by-case basis. Following unsuccessful negotiations on **fair remuneration** for the performances between the ONB and the trade union delegation of musicians, Belgium adopted the Royal Decree of 2021. Based on the decree, all rights on the exploitation of performances were assigned to the ONB, as far as they relate to performances carried out in in the course of employment. Performers sought an annulment of the Royal Decree, claiming that its provisions infringed the EU law. The referring court (Conseil d'Etat) referred **two questions to the CJEU**:
1. Shall Articles 18 to 23 of the Directive 2019/770 be interpreted as precluding the transfer of the related rights, of statutory employees on performances carried out in the course of employment? 2. If the CJEU answers affirmatively to Question 1, do the concepts of 'acts concluded' and 'rights acquired' (within Article 26(2) of Directive 2019/790) cover the transfer of related rights?

Since the questions related to fair remuneration for authors and performers in exploitation contracts and to the temporal application of Directive 2019/790, the Court reformulated the questions to analyse the legality of the Royal Decree regarding **Articles 2(b) and 3(2)(a) of Directive 2001/29, Articles 3(1)(b), 7(1), 8(1) and 9(1)(a) of Directive 2006/115**.

The Belgian Government claimed that the Royal Decree is excluded from the ***rationae temporis*** of Directive 2019/79 because it was conducted before the deadline for transposing the Directive. This is contrary to Article 26(1) and (2) as the application of the Directive is 'without prejudice to acts concluded and rights acquired before 7 June 2021' to ensure that the Directive regulates all acts of exploitation. Consequently, it even applies to performances that are regulated by a contract concluded prior to 7 June 2021.

The Court analysed whether the Directive applied to musicians employed under an administrative law statute and to the performances conducted in the course of their employment. Specifically, whether the word 'performers' apply to such musicians. According to the EU case law, concepts used in the intellectual property directives must be interpreted the same way, to ensure coherence (4 October 2011, C-403/08 and C-429/08, *Football Association Premier League and Others,* 20 April 2023, C-755/21 and C-826/21 *Blue Air Aviation*). In this case, nothing suggested that the Directives conferred another meaning to the word 'performer'. Such interpretation is also in line with international law (WIPO Performances and Phonographs Treaty Article 2 a).

The final issue concerned the assignment of the related rights of performers without their consent and whether it was precluded by the Directives. The CJEU noticed that the performers signed a memorandum of disagreement to the Royal Decree, so the lack of consent was clear. Therefore, national legislation assigning performers' related rights without their consent was considered against Directives 2001/29 and 2006/115.

The text of the decision can be found here.

CJEU – Copyright - collective - rights management

Case C-470/21 – *Reprobel CV v Copaco Belgium NV,* EU:C:2024:951 [14 November 2024]

The CJEU ruled that an entity entrusted by a Member State to collect and distribute fair compensation can be considered a **public entity** upon which an individual can rely to prove the incompatibility with EU law of a national provision.

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The case arose from a dispute between Reprobel CV, a copyright collecting society entrusted by the Belgian State to collect and distribute fair compensation to authors and publishers for reprography activities, and the company Copaco Belgium NV. This latter refused to pay Reprobel the amounts it claimed as compensation for the use of copyrighted works. Copaco argued that the flat-rate remuneration system, introduced by the Belgian Law on Copyright and Related Rights for reprography, was incompatible with Articles 5(2)(a) and (b) of Directive 2001/29/EC (the InfoSoc Directive). This system was likely to lead to the overcompensation of the beneficiaries by charging both flat-rate remuneration and proportional remuneration, with no mechanisms for reimbursement.

The CJEU examined the **compatibility** of the **Belgian system** with the **InfoSoc Directive** and the conditions under which an individual could rely on the **direct effect** of Articles 5(2)(a) and (b) to disapply national rules. The Court also considered whether an entity entrusted by a Member State to collect and distribute fair compensation could be considered a **public entity** upon which an individual can rely to prove the incompatibility with EU law of a national provision.

The CJEU ruled the following.

- An entity entrusted by a Member State to collect and distribute fair compensation can be considered a public entity upon which an individual can rely to prove the incompatibility with EU law of a national provision, provided that the entity has special powers to perform that task in the public interest. These powers must go beyond those which result from the normal rules applicable in relations between individuals, for instance, the power to claim remuneration by way of fair compensation from the manufacturers and distributors of copying devices and media and the power to request information.
- In a system of fair compensation, Member States need to provide a right of reimbursement for remuneration that was erroneously collected to finance that compensation.

- The national Belgian legislation concerned doesn't provide any reimbursement mechanisms, therefore, it is incompatible with Article 5(2)(a) and (b) of the InfoSoc Directive.

- The referring court must guarantee the full effectiveness of EU law by disapplying that national legislation for the purposes of resolving the dispute pending before it.

- Articles 5(2)(a) and (b) of the InfoSoc Directive have direct effect as they are unconditional and sufficiently precise. This means that individuals can rely on these provisions before national courts, against public entities (such as Reprobel), where the Member State has failed to implement the Directive correctly.

The text of the judgment is available here.

CJEU – Copyright - Copyright management - Freedom to provide services

CJEU, C-10/22, Liberi editori e autori (LEA) v Jamendo SA [28 May 2024]

This case concerns the general and absolute exclusion, under Italian law (Article 180 Italian Copyright Act), of foreign independent management entities (**IMEs**) from the right to provide copyright management services in Italy. This exclusion does not apply to foreign collective management organizations (**CMOs**), which may operate in Italy and represent Italian rights holders. The CJEU ruled that such an exclusion could be justified only in light of the overriding public interest of copyright protection. On the contrary, national legislation that automatically excludes IMEs based in another EU Member State from providing their services within that state constitutes a disproportionate restriction to the free movement of services as guaranteed by **Article 56 TFEU**.

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The dispute arose between **LEA**, an Italian-based CMO and **Jamendo** an IME established in Luxembourg that had been operating in Italy since 2004. LEA (the 'claimant') brought legal action seeking for an injunction against Jamendo (the 'defendant') before the **District Court of Rome** (*Tribunale ordinario di Roma*). LEA essentially relied upon the exclusion of foreign IMEs from the copyright management market under the Italian legal framework (Article 180 Italian Copyright Act) to seek a cease and desist order to prevent the defendant from carrying out copyright management activities in Italy. The defendant submitted that Directive 2014/26 had been incorrectly transposed into Italian law and claimed that this directive should confer on EU-based IMEs the right to lawfully operate in all the internal market. The referring Court requested a preliminary ruling to the CJEU and essentially asked whether Directive 2014/26 should be interpreted as precluding national legislation from excluding **IMEs based** in **another Member State** from the **right to provide intermediation services** within the **territory of that State**.

In its judgment of 21 March 2024, the Court found the following.

- Directive 2014/26 does not contain any disposition related to the access to copyright management activities and therefore does not preclude national law from foreclosing or conditioning such access. Nevertheless, since the dispute involves a situation of trade between Member states and since such legislation restricts the freedom to provide services, the Court first examined the applicability of other EU instruments, namely Directive 2000/31/EC (E-commerce Directive) and Directive 2006/123/EC on services in the internal market. However, Article 3(3) of Directive

2000/31/EC and Article 17 of Directive 2006/123/EC exclude 'copyright and neighbouring rights' from their respective scopes of application. The Court found that those broadly formulated exclusions also cover the activity of copyright management.

- The absence of harmonisation concerning the access to copyright management activities for foreign IMEs by secondary law of the EU does not preclude the application of EU primary law regarding the freedom to provide services guaranteed by Article 56 TFUE.
- Since the Italian legislation implied a restriction to the freedom to provide services, the Court assessed the proportionality of such a restriction. The Court recalled that the protection of IP rights constitutes an **overriding reason in the public interest** and ruled that the relevant Italian Law, in principle, could be justified in the light of the objective of copyright protection.
- On a subsidiary level, the Court also found that a difference of treatment between CMOs and IMEs does meet the concern to attain the objective of copyright protection in a **consistent and systematic manner**. Indeed, under Directive 2014/26, CMOs are subjected to stricter non-discriminatory and transparency requirements compared to IMEs. More specifically, unlike CMOs, IMEs are free to set up their own tariffs and are not obliged to accept copyright holders that fulfil objective requirements, which leaves them the room to **opt for** the **most profitable categories** of rights relegating the burden of managing the less profitable categories to CMOs.
- Notwithstanding the above, the Court concluded that national legislation that automatically excludes IMEs established in another Member state from the right to manage copyright goes **beyond what is necessary** to attain the objective of copyright protection. Indeed, authorising those entities to perform their activities while being subjected to suitable regulatory requirements could prove to be a sufficient means to secure that objective.

The text of the decision can be found here.

CJEU – Collective rights management- Reproduction right – Exceptions and limitations- Private copying levy

Case C-260/22 – Seven.One Entertainment Group GmbH, Corint Media GmbH, EU:C:2023:900 [23 November 2023]

This CJEU preliminary ruling clarifies that Article 5(2)(b) of Directive 2001/29 precludes national legislation that excludes broadcasting organisations, whose fixations of broadcasts are reproduced by natural persons for private use and for non-commercial ends, from the right to the fair compensation provided for in that provision.

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The case arose from a dispute between Seven.One, a German TV broadcaster (the 'claimant') and Corint Media, a collective management organisation (the 'defendant'). This latter collects and distributes private copy levies (so called blank media levy) on behalf of broadcasting organisations. The parties entered into a management contract that governed the exclusive exercise and exploitation of the claimant's copyrights and related rights. The claimant then requested the defendant to collect a fair

compensation in respect of the blank media levy. However, the defendant refused to do so on the grounds that Paragraph 87(4) of the German Copyright and Related Rights Act (Urheberrechtsgesetz – UrhG) excluded broadcasting organisations from the right to fair compensation provided for by Article 5(2)(b) of Directive 2001/29/EC.

Therefore, Seven.One took legal action before the Landgericht Erfurt (Regional Court of Erfurt, Germany). The key issue raised was whether the claimant could rely on Article 2(e) and Article 5(2)(b) of Directive 2001/29/EC to have **national legislation** contrary to those provisions **set aside**.

The German court, therefore, referred the case to the CJEU for a preliminary ruling, asking:

- if Directive 2001/29/EC must be interpreted as meaning that broadcasting organisations are entitled, directly and originally, to the right to the fair compensation provided for under the 'private copying' exception, in accordance with Article 5(2)(b);
- if broadcasting organisations may be excluded from the right to fair compensation because they are already entitled to fair compensation in their capacity as film producers;
- if broadcasting organisations may be excluded from the right to fair compensation even though, sometimes they do not acquire film producers' rights at all, or they acquire them only to a very small extent.

The CJEU held the following.

- From a combined reading of Article 2(e) and Article 5(2)(b) of Directive 2001/29, broadcasting organisations **must** be **granted** the right to fair compensation under the **private copying exception** when reproductions of fixations of their broadcasts are made by natural persons for private and non-commercial use.
- Article 2 of the Directive does not provide any difference of treatment between broadcasting organisations and other categories of rights holders.
- Article 5(2)(b) of Directive 2001/29 unequivocally imposes on those Member States that choose to implement the private copying exception an unconditional and precise obligation to ensure that rights holders receive fair compensation.
- The fact that some broadcasters are also film producers and already receive fair compensation in that respect, is irrelevant.
- Broadcasting organisations suffer a harm which is **not minimal,** and their situation is comparable to that of other rights holders; therefore, **precluding** them the **right to a fair compensation** would result into a breach of the **principle of equal treatment** under Article 20 of the Charter of Fundamental Rights.
- Nevertheless, even clear, precise and unconditional provisions of a directive (such as those in Article 2(e) and Article 5(2)(b) of Directive 2001/29) **do not allow** a national court to **disapply** a **national provision** that is inconsistent with them, if that would impose an additional obligation upon an individual.
- On the contrary, a **national court** must **set aside** a provision of national law that is contrary to a directive where that directive is relied on against the Member State that has not implemented it or

has not implemented it properly. That occurs, for instance, where the defendant is a public administration or an entity subject to the authority or control of the State or where it is required to perform a task in the public interest and has special powers to do so. This is the case of a **collective management organisation** upon which the law has conferred **special powers** to act in the **public interest**.

The text of the judgment is available here.

CJEU – Collective rights management - Legal standing

Case C-201/22 – Kopiosto ry, Telia Finland Oyj, EU:C:2023:914 [23 November 2023]

This case arises from a dispute between a collective management organisation (CMO) and a TV network operator over the unlawful retransmission of copyrighted content. The decision issued by the CJEU concerns the **legal standing** of CMO and their direct interest in bringing legal action to protect IP rights covered by extended collective licenses.

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On 24 January 2018 the CMO Kopiosto (the 'plaintiff') brought legal action before Finland's Market Court against Telia (the 'defendant'), a cable TV network operator, for retransmitting television broadcasts without the authorisation of the rights holders.

The Court ruled out the plaintiff's legal standing and dismissed the action finding that the Finnish CMO was not entitled to bring claims in its own name and on behalf of the rights holders it represented.

Therefore, the plaintiff filed an appeal before the Supreme Court of Finland claiming it had **legal standing** given the direct interest in taking legal action as a contractual licensing organisation, as required by Article 4(c) of Directive 2004/48/EC ('IPRED').

The national court referred the CJEU for a preliminary ruling asking:

1. whether the legal standing of CMOs provided for by Article 4(c) of IPRED refers only to the general capacity to be a party in legal proceedings, or if it requires **a right expressly recognised by national law** to bring legal proceedings in their own names.
2. whether CMOs may bring legal action in their own names to protect copyrights of authors who have **not authorised** the management of their rights (where the CMO is entitled to grant extended collective licenses).
3. whether CMOs are **presumed** to have a **direct interest** and **legal standing** to bring an action in their own name and, in this regard, which significance should be given to the fact that the CMO also represents authors who have not authorised the management of their rights, and that the legal standing is not expressly provided for by law.

The CJEU found the following.

- The **legal standing** of CMOs **does not need** to be **expressly recognised** by a specific legislative provision, but it **may result** from **general procedural rules**.
- If national law recognises the direct interest of a CMO to bring legal proceedings, the Member State concerned must recognise the legal standing of the CMO.
- In this regard, **national courts** are tasked with determining whether CMOs have, under the applicable national law, a **direct interest** in bringing legal proceedings.
- In lack of direct interest Member States **are not required** to recognise CMOs' legal standing.

The text of the judgment is available here.

Collective management of rights – VAT on royalties – Public performance

C-501/19, UCMR – ADA Asociaţia pentru Drepturi de Autor a Compozitorilor v Asociația Culturală 'Suflet de Român' [21 February 2021]

In 2012, a dispute arose between *UCMR-ADA Asociația pentru Drepturi de Autor a Compozitorilor* (UCMR – ADA Association for the copyright of composers; 'UCMR-ADA'), a collective management organisation which was responsible for collecting royalties for the public performance of musical works at concerts and shows in Romania and *Asociația Culturală 'Suflet de Român'* (Cultural Association 'Romanian Soul', ('the Association')). The dispute concerned the taxation, for value added tax (VAT) purposes, of a payment of royalties that the Association had agreed to pay in respect of a public performance of musical works at a show organised by the Association.

Since the Association had paid only part of the remuneration claimed by UCMR-ADA, the matter came before the courts. The Court of Appeal of Romania considered that the transaction was not subject to VAT, but this was further appealed to *Înalta Curte de Casaţie şi Justiţie* (High Court of Cassation and Justice, Romania). Here, UCMR-ADA argued that the Court of Appeal infringed the Tax Code as well as the principle of VAT neutrality, as its decision has the effect of making UCMR-ADA, and not the Association, bear the VAT burden, even though UCMR-ADA is not the end user of the works at issue. The latter court had doubts as to the interpretation of Directive 2006/112/EC, as amended by Directive 2010/88/EU ('the VAT Directive') and referred two questions to the European Court of Justice (CJEU):

1) Do the holders of copyright in musical works supply services within the meaning of Articles 24(1) and 25(a) of the VAT Directive to performance organisers from which collective management organisations receive remuneration, in their own name but on behalf of those right holders, for the public performance of musical works?

2) If the first question is answered in the affirmative, do collective management organisations, when receiving remuneration from performance organisers for the right to perform musical works for a public audience, act as a taxable person within the meaning of Article 28 of the VAT Directive? Then, are they required to issue invoices including VAT to the respective performance organisers,

and, when remuneration is paid to authors and other holders of copyright in musical works, are the latter, in turn, required to issue invoices including VAT to the collective management organisation?

The first question

In answering the first question, the CJEU first assessed whether the transaction between the parties was carried out for consideration. In order for a supply of services to be covered by the VAT Directive and hence be taxable, it must be made for consideration. Also, there must be a legal relationship between the provider of the service and the recipient (§ 31). The Court held that the fact the use of the musical works is granted at the request of the user who in turn pays the fee confirms that not only is there a legal relationship between the service provider/holder and the recipient/user but there is also a direct link between the service supplied and the consideration received. Secondly, the remuneration paid by the user constitutes the actual consideration for the service supplied in the context of that legal relationship (§ 34-36).

In this case, the amount paid by the collective management organisation to the copyright holder constitutes remuneration. The CJEU then confirmed that that the transaction between the parties is a supply of services for consideration within the meaning of Article 2(1)(c) of the VAT Directive. It concluded that Article 2(1)(c) of the VAT Directive must be interpreted as meaning that a holder of copyright in musical works supplies services for consideration to the end user, a performance organiser, where the latter is authorised to perform those works for a public audience in return for the payment of remuneration collected by an appointed collective management organisation which acts in its own name but on behalf of that copyright holder.

The second question

Next, the CJEU answered the second question of the Romanian court, namely whether Article 28 of the VAT Directive should be interpreted to mean that a collective management organisation which collects royalties, in its own name but on behalf of copyright holders, for the authorisation of the public performance of their protected works, acts as a ‘taxable person’.

The CJEU considered that the collective management organisation, by granting licences to users of protected works and by collecting remuneration on behalf of copyright holders, takes part in the supply of services by the holder of the right to the user, namely the performance organiser. The performance organiser (in this case the Association) must be considered to have received the services from the holders before providing those services to the end users itself. Therefore, the collective management organisation must be considered to have acted as a commission agent within the meaning of Article 28 of the VAT Directive (§ 45-46).

Following this, the CJEU assessed the consequences of the application of Article 28 of the VAT Directive with regard to invoicing. Here, the Court held that where a collective management organisation, acting as a taxable person, grants, in its own name but on behalf of copyright holders, licences to performance organisers for the purpose of performing musical works for a public audience, in return for remuneration, that organisation carries out a transaction that is subject to VAT in the same

way as the copyright holders supply a taxable service when receiving remuneration from the collective management organisation.

The taxable collective management organisation is required to issue in its name to the end user an invoice documenting the collection of royalties due from that user, including VAT. After receiving the royalties transferred by that organisation, the copyright holders are required, if they are taxable persons, to issue an invoice to the organisation documenting the remuneration received and the VAT to which that remuneration is subject.

To conclude, the Court held that the collective management organisation is a taxable person when it collects royalties in its own name, even if it does so on behalf of the copyright holder. This is because the organisation is 'deemed to have received the service from the [copyright] holder before providing it, personally, to the end user.' The copyright holder must then issue an invoice to the management organisation for the royalties received and, if the holder is personally subject to VAT, the invoice must reflect an additional VAT payment.

The text of the judgment is available here.

Collective management of rights – tariffs – competition

C-372/19 Belgische Vereniging van Auteurs, Componisten en Uitgevers CVBA (SABAM) v Weareone.World BVBA and Wecandance NV, EU:C:2020:959 [25 November 2020]

This preliminary ruling concerns the interpretation of Article 102 TFEU in relation to tariffs applied by SABAM, a de facto monopolistic Belgian collective management organisation (CMO) to music festival organisers for the right to communicate musical works to the public. The Court clarified that using a remuneration model that is based on the gross receipts from ticket sales, without deducting non-music related costs from these receipts, did not, in principle, constitute an abuse of a dominant position within the meaning of Article 102 TFEU.

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SABAM had requested the organisers of the Belgian music festivals, Tomorrowland and Wecandance, to pay royalties for the music played in those festivals. The festival organisers disputed two elements of the method used by SABAM to calculate the royalties. Firstly, the fact that they were based on a tariff that was calculated on the basis of the gross receipts from ticket sales after deducting certain costs (reservation fees, VAT and municipal taxes), but no other non-music related costs (e.g. costs for decoration, security and consumptions that are included in the ticket prices). Secondly, they disputed the flat-rate system by tranche used by SABAM according to which, if the amount of music played belonging to SABAM's repertoire reached a certain threshold (more than 2/3), the festival organisers were charged the full digressive tariff with no discount.

The festival organisers claimed that this remuneration system was against Article 102 TFEU because the tariff was an approximation and did not bear a reasonable relation to the economic value of the service rendered by the CMO. The Commercial Court in Antwerp (*Ondernemingsrechtbank Antwerp)* referred preliminary questions to the CJEU, on the compatibility of this remuneration system.

The CJEU, in line with its previous case-law, reasoned that royalties calculated on the basis of such a model are to be regarded as a normal exploitation of copyright. Similarly, a monopolistic CMO does not, in principle, infringe Article 102 TFEU if it applies tranche-based discounts to the overall tariff, unless there is an alternative method that would make it possible to identify and quantify more precisely the number of protected works played at the festivals. However, the CJEU recognised that the application of such a remuneration model could lead to an abuse of dominance if the royalty tariff actually imposed by the CMO was excessive in view of the nature and extent of the use of the musical works, the economic value generated by the use of those works and the economic value of the CMO's services. The national court would need to verify whether SABAM's tariff system was excessive and abusive, taking into consideration all the relevant circumstances of the particular case, including the determined royalty rate and income base.

The text of the judgment is available here.

Exceptions and limitations

FR – copyright infringement – Exceptions and limitations – Fundamental rights and freedom (freedom of expression and information)

Judicial Court of Paris, 3e ch., 2e sect., Eric Zemmour and others v Société des Auteurs et Compositeurs Dramatiques (SACD), Gaumont and others, RG No 22/00034 [4 March 2022]

The Judicial Court of Paris (the Court) ruled that the unauthorised use of copyrighted materials in a political video campaign cannot benefit from the quotation exception. It further underlined that copyright protection in the case at issue constituted a proportionate and necessary interference with the freedom of expression. Moreover, it held that such use in a political framework violates the moral rights of paternity and distorts the integrity of the original works. Interestingly, the Court looked at the balance between copyright and the right to freedom of expression, and in line with the judgment of the CJEU in 'Spiegel Online' (29/07/2019, C-516/17, Spiegel Online, EU:C:2019:625) confirmed that invoking freedom of expression as a defence is not capable of justifying beyond the exceptions (here quotation exception) a derogation from the author's exclusive rights.

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In November 2021, French election candidate Eric Zemmour (one of the defendants) included copyrighted extracts of audiovisual works in his 10-minute presidential election campaign video, *Je suis candidat à l'élection présidentielle*. The video was published on official social media channels. Invoking a violation of their economic and moral rights for the exploitation without authorisation of extract of their works, Gaumont, the French movie production and distribution company, and other rights holders (the applicants), brought a legal action. The

defendants (Eric Zemmour, the association Reconquête, publisher of the official website of the politician, and its president François Miramont) put forward three main arguments:

1. the unauthorised use was justified by the informative nature of the video, constituting a new work, and thereby falling under the quotation exception;
2. being prohibited from associating works of fiction with political discourse would constitute a disproportionate violation of freedom of expression, in violation of the European Convention on Human Rights Charter of Fundamental Rights of the European Union;
3. there was no violation of the author's moral rights because they had indicated the source of the short extracts through hyperlinks.

The Court sentenced the defendants for copyright infringement. The judge denied them the benefit of the exception for short quotation, before applying the proportionality test and verifying whether the conviction for infringement did not constitute a violation of the defendants' freedom of expression. Eventually the judge confirmed violation of moral rights in the case at issue.

The quotation exception, transposed from Directive 2001/29/EC, in Article L. 122-5 (3) of the French copyright law, applies when three cumulative conditions are met:

(i) prior disclosure/ lawful communication to the public;

(ii) respect for the right of integrity and clear indication of the source;

(iii) short quotations justified by the critical, polemical, educational, scientific or informative nature of the work in which they are incorporated.

Regarding the second condition, the Court underlined that the published video did not include direct references to the names of the rights holders. Instead, there were hyperlinks to the film extracts on the same video sharing platform (YouTube). The hyperlinks only indicated the title of the film and the name of the owner of the social media channel.

Regarding the third condition, the Court clarified, in respect of the notion of dialogue/link between the work cited and the citing work, that the defendants' video incorporates copyrighted materials as a visual background of the speech delivered, and does not establish a dialogue between the extracts of the works in question. They are not introduced to support a statement or to deepen an analysis. Furthermore, the Court observed that such use was not necessary for Eric Zemmour's political discourse: first, other extracts or free images could have been used as effectively to illustrate his point and, second, the removal of the disputed extracts would not have changed his statement as they were used as simple illustrations.

Regarding striking the right balance between conflicting fundamental rights and freedoms, namely, IP rights and freedom of expression and access to information, the Court ruled that in this case the applicant's copyright protection constituted a proportionate and necessary interference with the defendants' freedom of expression. The Court recalled that, under Article 10 of the European Convention on Human Rights, limitations to freedom of expression are permissible under certain conditions and further relied on CJEU case-law (29/07/2019, C-516/17, Spiegel Online, EU:C:2019:625) which held that freedom of information and freedom of the press, enshrined in Article 11 of the EU Charter of fundamental rights, are not capable of justifying, beyond the exceptions or limitations provided for in Article 5(2) and (3) of Directive 2001/29/EC, a derogation from the author's exclusive rights of reproduction and of communication to the public, referred to in Article 2(a) and Article 3(1) of that directive respectively.

On the violation of moral rights, after confirming a breach of the paternity right, the Court ruled that by using the extracts to accompany a political candidate's speech, the defendants infringed the right of respect and integrity of the works. For the Court, the excerpts were diverted from their primary purpose, which is to entertain or inform, because the audiovisual works were presented in a political context which distorted its meaning.

Finally, the Court ordered the defendants to pay the applicants EUR 70 000 by way of compensation.

The text of the judgment (in French) is available here.

Reproduction right – Exceptions and limitations- Private copying levy

C-263/21, Asociación Multisectorial de Empresas de la Electrónica, las Tecnologías de la Información y la Comunicación, de las Telecomunicaciones y de los Contenidos Digitales (Ametic) v Administración del Estado and others (EGEDA, ADEPI, AIE, AISGE, Ventanilla Única Digital, DAMA, CEDRO, AGEDI, SGAE), EU:C:2022:428 [8 September 2022]

This case concerns the Spanish system of compensation for private copying. The Court of Justice first confirmed that a national legislation that empowers an 'umbrella' organisation, established and controlled by collective copyright management organisations (CMOs), with managing (i) exemption from payment in respect of compensation for private copying and (ii) reimbursement thereof is compatible with Article 5(2) of Directive 2001/29/EC or more generally with the principle of equal treatment. However, some safeguards must exist: the certificates and reimbursements must be granted in good time and in accordance with objective criteria. There must also be a possibility of challenging the decision before an independent body. Secondly, the Court confirmed that the 'umbrella' organisation is also entitled to request information. It considered that in the context of a system based on unilateral declarations by operators to establish both the amount of the compensation and sales which must be exempted from it, enabling the legal entity to check the veracity of the declaration is a necessary condition for ensuring effective collection of the compensation.

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The Federation of the Spanish Digital Industry Sector (AMETIC) brought an action seeking to annul certain provisions of a Royal Decree implementing Article 25 of the Law on Intellectual Property, with respect to the Spanish system of fair compensation for private copying. This legal framework entrusts a legal person – here Ventanilla Unica Digital (VUD) – established and controlled by CMOs with managing (i) exemption from payment in respect of compensation for private copying and (ii) reimbursement thereof. For AMETIC, this regime entails a conflict of interest which is not compatible with Directive 2001/29/EC or more generally with the principles of EU law, including the principle of equality between debtors and creditors of the compensation.

The Spanish Supreme Court referred the following two questions to the Court of Justice for a preliminary ruling.

1. Is the form of composition of the legal person provided for in paragraph 10 of the new Article 25 of the [Law on Intellectual Property] compatible with Directive [2001/29] or, more generally, with the general principles of EU law?
2. Is it compatible with Directive [2001/29] or with the general principles of EU law for national legislation to confer on the aforementioned legal person powers to request information, including accounting information, from those applying for a certificate of exemption from the obligation to pay compensation for private copying?'

To answer the **first question**, the Court went through its settled case-law regarding the interpretation of Article 5(2)(b) of Directive 2001/29/EC (paragraphs 33-42) about who bears the burden of the levy. The Court also commented on the exclusion of payment for copies made by persons other than natural persons for purposes clearly unrelated to the making of copies for private use and clarified that the grant of exemption certificates or reimbursement must apply in those specific cases. It must be effective and not made exceprossively complex (paragraph 45).

The Court then confirmed that the management of compensation for private copying falls within the tasks of CMOs and that a legislation, such as that in Spain, where a legal person is entrusted with managing exemptions from payment in respect of compensation and reimbursement of it, may meet an objective of simplicity and effectiveness from which the debtors also liable for that compensation also benefit (paragraphs 48-49). However, the Court underlined that those exemption certificates and reimbursements must be granted in good time on the basis of objective criteria which do not entail any discretion on the part of the person competent to examine the application submitted for that purpose (paragraph 53). Additionally, it must be possible to challenge the decisions of that legal person before an independent body (paragraph 54). Applying those principles to the Spanish legislation, the Court noted that those safeguards a priori existed, considering, however, that this is for the referring court to verify.

As to the second question, the Court first noted that the possibility to request information to verify the correct application of the national rules regarding the private copying compensation constituted an integral part of the private copying exception under Article 5(2)(b) (paragraph 68). Then it observed that

the performance of its duties by the legal person would be hindered if the person under review could, by invoking the confidentiality of their business accounts, refuse access to the accounting information necessary for such performance. However, for the Court, the checks must relate exclusively to information needed to verify that the conditions for benefiting from an exemption or reimbursement are satisfied and to calculate the amount of the compensation. Furthermore, if this information is confidential, the legal entity which becomes aware of it is required to safeguard the confidential nature of that information (paragraph 73).

The text of the judgment is available here.

Reproduction right – Exceptions and limitations – Private copying levy (cloud)

Case C-433/20, Austro-Mechana Gesellschaft zur Wahrnehmung mechanisch-musikalischer Urheberrechte Gesellschaft mbH v Strato AG, – ECLI:EU:C:2022:217 [24 March 2022]

The CJEU ruled that the private copying exception under Article 5(2)(b) of Directive 2001/29/EC applies to reproductions in the cloud of copyright-protected content for private purposes. The Court then clarified that Member States that decided to implement the private copying exception in their national law, are required to provide for the payment of a fair compensation to rights holders. However, such remuneration does not necessarily need to be imposed on providers of cloud services. Specifically, when setting the private copying levy for private copies in the cloud, Member States must ensure that the levy paid, insofar as it affects several devices and media in that single process (e.g., tablets, mobiles), does not exceed the possible harm to the rights holders resulting from the act in question.

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The case concerns a request for a preliminary ruling on the interpretation of Article 5(2)(b) of Directive 2001/29/EC (InfoSoc Directive). The request was made in the proceeding between Austro-Mechana Gesellschaft zur Wahrnehmung mechanisch-musikalischer Urheberrechte Gesellschaft mbH (Austro-Mechana – the plaintiff), a copyright collecting society, and Strato AG (the defendant), a provider of cloud storage services, concerning the 'fair compensation' payable by Strato for providing that service. The plaintiff requested to invoice and subsequently collect the fair compensation owed by Strato for the exploitation of the right of reproduction on 'storage media of any kind'. The defendant argued that no remuneration was due for cloud computing services. Moreover, it stated that it had already paid the required levy in Germany, where its servers are hosted, and that users in Austria had already paid a levy for the making of private copies on the terminal equipment necessary to upload content to the cloud.

The Court dismissed the action, stating that Strato did not make storage media available to its customers, but instead provided them with an 'online storage service'. The plaintiff turned to the Vienna Higher Regional Court, which decided to stay the proceedings and refer two questions to the CJEU for a preliminary ruling:

- does the expression 'on any medium' in Article 5(2)(b) of Directive [2001/29] include reproductions made on the servers of a cloud computing service?

- If so, can rights holders require the providers of this service to impose a levy even if their customers (natural persons) have already paid a levy when purchasing the devices, such as laptops, smartphones, tablets, that are subsequently used to carry out the acts of reproduction covered by that provision?

In his opinion, Advocate General (AG) Hogan stated that the private copying exception can apply to reproduction in the cloud, made by natural persons for private uses of copyright-protected content. For the second question, the AG opined that a levy or fee is not payable for reproduction by a natural person from a cloud computing service when first, the person accessing this service has already paid a private copying levy for the devices and media with copying and storage capacity, and second, this levy reflects the harm caused to the rights holder by this reproduction. The AG further considered that, where a Member State has chosen to provide for a levy system on devices/media, the referring court may in principle assume that this, in itself, constitutes 'fair compensation' within the meaning of Article 5(2)(b) of the InfoSoc Directive, unless the rights holder can clearly demonstrate that this payment would be inadequate in the present case.

The CJEU mainly followed this opinion. It provided that the private copying exception applies to 'reproductions on any medium'. On the notion of 'reproduction', it stated that the saving of a copy of a work in storage space in the cloud constitutes a reproduction of that work (para. 18). On the notion of 'any medium', the Court first observed that it refers to all media on which a work may be reproduced, including servers of a cloud computing service and added that the fact that the storage space is made available from a server belonging to a third party is not decisive (para. 23). For the Court, this broad interpretation of 'any medium' is supported by the context and wording of the provision which does not specify the characteristics of the devices used to make copies, is consistent with the objectives of the legislation at issue (i.e. ensure the development and operation of new technologies and safeguard a fair balance of rights and interests), and is consistent with the principle of technological neutrality (para. 25-27).The Court then clarified that this case was to be distinguished from *VCAST* (29/11/2017, C-265/16, EU:C:2017:913) and *Nederlands Uitgeversverbond and Groep Algemene Uitgevers* (19/12/2019, C-263/18, EU:C:2019:1111) highlighting that saving a copy in the cloud (act or reproduction under Article 2(a) of InfoSoc Directive) can be separable from possible acts of communication to the public (Article 3(1) of InfoSoc Directive) that would result from it (para. 31-32).

Secondly, the Court found that Member States which implement the private copying exception are required to provide for a system of fair compensation intended to compensate rights holders (para. 38). However, Member States enjoy broad discretion in that regard. Relying on its case-law, the Court recalled that: as regard the person liable for the fair compensation, in principle, it should be the person carrying out the private copying (the user of cloud computing storage services). However, given the practical difficulties in identifying private users, Member States can establish a private copying levy chargeable to the producer or importer of the digital equipment, device or media – including cloud servers – made available to private users. That levy can be passed on economically to the purchaser of such servers and will ultimately be borne by the private users who use that equipment or to whom a reproduction service is provided (para. 44). Regarding the level of fair compensation, the Court highlighted that it has to be linked to the harm caused to rights holders from the making of copies for private use (para. 49-50), which in the context of cloud servers, may be made from a number of connected terminals (e.g. mobile, telephone, tablet) (para. 51). The Court then ruled that when setting

the private copying levy, Member States may take into account that certain devices and media may be used for private copying in connection with cloud computing. However, they must ensure that the levy thus paid, insofar as it affects several devices and media in that single process, does not exceed the possible harm to the rights holders resulting from the act in question (para. 52-54).

This court decision can be found here and CJEU press release here.

Computer program – Exceptions and limitations - Decompilation

Case C-13/20, Top System SA v the Belgian State (Top System), ECLI:EU:C:2021:811 [6 Oct 2021]

In this case regarding the interpretation of Article 5(1) of Directive 91/250/EEC (Software Directive), the Court found that a lawful user of a computer program can decompile the program to correct errors affecting its operation. However, the Court also clarified that the user can only decompile that program to the extent necessary to correct the errors and in compliance, where appropriate, with the conditions of the licensing software agreement.

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The dispute between Top System SA (IT providers) and the Belgian State arose in relation to the decompilation by SELOR, the Selection Office of the Federal Authorities (Belgium), of a computer program developed by Top System and forming part of an application for which SELOR held a user licence. Top System submitted that, pursuant to Articles 6 and 7 of the Software Directive, decompilation could only be carried out with the author's authorisation or for interoperability purposes, not for the purpose of correcting errors affecting the functioning of the program concerned.

The Court in first instance dismissed the claim and Top System filed an appeal. Before the Brussels Court of Appeal, SELOR acknowledged the decompilation of part of the program but claimed, inter alia, that it was entitled under Article 6(1) to do it to correct certain design errors preventing it from being used for its intended purpose. In order to assess whether SELOR was entitled to decompile, the Court looked first at whether the decompilation could fall within the scope of an exception under Article 5 of the Software Directive and therefore referred the two following questions.

- Should Article 5(1) of Directive 91/250 be interpreted as meaning that the lawful purchaser of a computer program is entitled to decompile all or part of that program in order to correct errors affecting the operation of that program, including where the correction consists in disabling a function that is affecting the proper operation of the application of which the program forms a part?

- Should Article 5(1) of Directive 91/250 be interpreted as meaning that the lawful purchaser of a computer program who wishes to decompile that program in order to correct errors affecting its operation must satisfy the requirements laid down in Article 6 of that Directive or other requirements?

The CJEU noted that a decompilation constitutes an alteration of the program's code, involving a reproduction of that code, and a translation of the form of the code falling under the rights holder's exclusive rights and requiring prior authorisation (Article 4(b) Software Directive). However, this authorisation is not required for some uses carried out under the requirements specified in Articles 5

and 6. It ruled that Article 5(1) of the Directive should be interpreted as meaning that the lawful purchaser of a computer program can carry out the decompilation of all or parts of the program. However, the decompilation must be aimed at correcting the error affecting the operation, which includes the disabling of the function affecting the operation of the application.

The Court further mentioned that the decompilation of the program by the lawful purchaser aiming to correct errors affecting the operation 'is not required to satisfy the requirements laid down in Article 6 of that Directive'. It clarified, however, that the decompilation had to remain strictly necessary to fulfil the correction and be done in compliance with the conditions stipulated in the contract with the holder of the copyright in that program. Regarding the correction of errors, the Court pointed out that the concept of 'error', within the meaning of that provision, must be interpreted in accordance with its usual meaning in everyday language, while also considering the context in which it occurs and the purposes of the rules of which it is part.

The text of the judgment is available here.

Reproduction right – Exceptions and limitations – Private copying levy (AG Opinion)

AG Hogan's Opinion in Case C-433/20 [ECLI:EU:C:2021:763] Austro-Mechana Gesellschaft zur Wahrnehmung mechanisch-musikalischer Urheberrechte Gesellschaft mbH v Strato AG [23 September 2021]

In this opinion regarding the interpretation of the private copying exception under Article 5(2)(b) of Directive 2001/29 (Infosoc Directive), Advocate General (AG) Hogan firstly noted that this exception can apply for reproduction in the cloud, made by natural persons for private uses of copyright protected content. Then the AG examined what (if any) the 'fair compensation' due to rights holders would be in this case, and in particular, whether rights holders could require the providers of the cloud service to collect a levy, even if their customers have already paid a levy when purchasing the devices, such as smartphones or tablets, which are subsequently used to carry out the acts of reproduction covered by that provision.

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The copyright collecting society Austro-Mechana (the plaintiff) brought an action before the Handelsgericht Wien (Commercial Court, Vienna, Austria) against Strato (the defendant), a German-based company offering an online cloud storage service under the name 'HiDrive'. The plaintiff asked to invoice and subsequently collect the fair compensation owed by Strato for the exploitation of the right of reproduction on storage media. The defendant claimed that the applicable 'UrhG' (Austrian Law on Copyright) does not provide for any remuneration for cloud services and that the legislator, aware of the technical possibilities, had deliberately dispensed with this possibility. The Court dismissed the action, stating that, although the UrhG refers to 'storage media of any kind', Strato does not provide its customers with storage media but makes storage capacity available online. The plaintiff turned to the Vienna Higher Regional Court, which decided to stay the proceedings and refer two questions to the CJEU for a preliminary ruling.

- Does the expression 'on any medium' in Article 5(2)(b) of the InfoSoc Directive include reproductions made on the servers of a cloud computing service?

- If so, can rights holders require the providers of this service to impose a levy even if their customers (natural persons) have already paid a levy when purchasing the devices such as laptops, smartphones, tablets which are subsequently used to carry out the acts of reproduction covered by that provision?

To answer the first question, AG Hogan referred to previous CJEU case-law, which provides that Member States have broad discretion in transposing the private copying exception provided for in Article 5(2)(b) of the InfoSoc Directive into their national law. They may opt for a narrower exception than is permitted at EU level (27/06/2013, C–457/11 & C–460/11, VG Wort and Others, EU:C:2013:426), but are prohibited from discriminating unduly between different operators and users (05/03/2015, C–463/12, Copydan Båndkopi, EU:C:2015:144). AG Hogan then held that, while Member States had such a wide margin of discretion, they were not allowed to adopt legislation that would contradict the purpose of the Directive. Moreover, he stated that the InfoSoc Directive is intended to take account of technological progress and thus prevent copyright legislation from becoming obsolete, as stated in recital 31 of the Directive. This means that the phrase 'on any medium' in Article 5(2)(b) of the InfoSoc Directive does not allow Member States to differentiate inappropriately between different types of goods and services and is not limited to reproductions on physical media or in analogue or non-digital form. For the AG, those terms include reproduction based on cloud computing services provided by a third party.

Regarding the second question, the AG opined that a levy or fee is not payable for reproduction by a natural person from a cloud computing service when first, the person accessing this service has already paid a private copying levy for the devices and media with copying and storage capacity and second, this levy reflects the harm caused to the rights holder by this reproduction. The AG further considered that, where a Member State has chosen to provide for a levy system on devices/media, the referring court may in principle assume that this, in itself, constitutes 'fair compensation' within the meaning of Article 5(2)(b) of the InfoSoc Directive, unless the rights holder can clearly demonstrate that this payment would be inadequate in the present case.

The Opinion is available here.

NL – Copyright, neighbouring rights – database – publication – distribution - exceptions and limitations - literary and artistic work

Court of Amsterdam, C/13/737170 / HA ZA 23-690, *DPG Media B.V., Mediahuis Nederland B.V., Mediahuis NRC B.V. v. Knowledge Exchange B.V.* [30 October 2024]

This decision by the Amsterdam District Court concerns whether HowardsHome news infringed the publisher's intellectual property rights, including their copyright, press publishing rights and database rights under Article 7b of the Neighbouring Rights Act (Wet op de naburige rechten) and Section 15o(1) of the Copyright Act (Auteurswet).

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HowardsHome (the 'defendant') provides press reviews via an alert service 'HowardsHome news', aggregating news articles from various sources. HowardsHome gets its notifications via RSS (Really Simple Syndication) from articles available online, including a link, and a short excerpt of the article. In February 2020, LexisNexis was granted the exclusive wholesale licensing rights of DPG and Mediahuis, two European media companies that publish several national and regional daily newspapers in the

Netherlands. In March 2020, HowardsHome and LexisNexis entered a partnership agreement, allowing the former to purchase and integrate licensed content from LexisNexis.com into their own offer. In 2022, however, LexisNexis ended the agreement claiming that HowardsHome was not abiding by its terms as it was providing content that was scraped via their RSS feed and not through licensing.

The publishers brought legal action before the Amsterdam District Court submitting that HowardsHome services infringed their exclusive press publishing right under Article 7b of the Neighbouring Rights Act. The publishers argued that the publication of hyperlinks in the HowardsHome news alerts accessed parts of their website that were behind a paywall. HowardsHome disputed this claim, arguing, pursuant to Article 7b(2)(b), that Article 7b(1) was not applicable to hyperlinking press publications. The court concluded that the publishers were unsuccessful at substantiating the claim that HowardsHome's news hyperlinks unlawfully obtained content that was behind the publisher's paywall.

The publishers also argued that HowardsHome's use of snippets from their websites breached their exclusive rights to reproduce and communicate to the public. The court interpreted Article 7b(2) as meaning that the use of short excerpts and/or a few words from a press publication is permitted. The court also referenced Recital 58 2019/790 (CDSM Directive). There is no numerical definition of 'a few short words', but the use should not exploit the publisher's economic investment. In the case at issue, the excerpts used from the publisher's website was around 150 characters, or 20 words. The court found that the publishers failed to prove that HowardsHome's use of 150 characters undermined their investment, thus the use fell under the **few short words exception**.

The court held that the **press publication/RSS feeds** are **copyrighted works** and that HowardsHome's use amounted to reproduction and making the works available to a new audience. While, in theory, this would require the permission of the publishers, the court held that quoting it is a legitimate exception under Article 15a(2) of the Copyright Act. HowardsHome made limited and proportionate use of the original texts and provided the source of the snippet.

HowardsHome also argued that its use fell under Article 15o(1) of the Copyright Act, the text and data mining (TMD) exception. In this regard, the court found that:

- the publishers did not substantiate that HowardsHome had processed and provided data that was behind the paywall in their alerts;
- while the publisher's website may have expressly reserved use of their content from text and data mining, they did not do so expressly for HowardsHome and were unable to sufficiently establish that their copyright was appropriately reserved on the machine-readable website;
- the reservation on the publisher's website only excluded certain bots, including the GPTBot, ChatGPT-User, CCBOT and anthropie-ai, thus, under Section 15o(1), HowardsHome had the right to read, analyse and automate the public texts.

The text of the decision is available here.

DE – Exceptions and limitations, TMD exception, Generative Artificial Intelligence

Hamburg District Court, 310 O.22723, *LAION v Robert Kneschke*, [27 September 24]

The Hamburg District Court has ruled that LAION, a non-profit organisation, did not infringe copyright law by **creating a dataset for training artificial intelligence (AI) models** through web scraping publicly available images, as this activity constitutes a legitimate form of **text and data mining** (TDM) for scientific research purposes.

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The photographer Robert Kneschke (the 'claimant') brought a lawsuit before the Hamburg District Court against LAION, a non-profit organisation that created a dataset for training AI models (the 'defendant'). According to the claimant's allegations, LAION had infringed his copyright by **reproducing** one of his images without permission as part of the dataset creation process.

LAION created this dataset by **aggregating** publicly available **images** and their corresponding **textual descriptions**. The dataset was made publicly available **for free** and could be used to **train AI models**. During the creation process, LAION's software analysed the images, including Kneschke's image, to ensure that the descriptions matched the image content.

It was not disputed that LAION had downloaded a copy of Kneschke's image that was available in low resolution and watermarked.

The Court of Hamburg **dismissed the lawsuit** ruling out a copyright infringement as LAION's reproduction of Kneschke's image was covered by the **TDM exception for scientific research** under Article 3 of the Digital Single Market (DSM) Directive, implemented in German law by Section **60d of the Act on Copyright and Related Rights** (Urheberrechtsgesetz 'UrhG'). The German judges reasoned that LAION's activities, including scraping and analysing images for AI training, qualified as TDM and considered the two TDM exceptions provided by German law.

The court applied **Section 60d UrhG** (TDM for scientific research purposes) rather than **Section 44b UrhG** (TDM for non-scientific purposes), finding that LAION was a **non-profit organisation** and the dataset was created for **non-commercial purposes** and published **free of charge**, making it in the public interest.

The fact that **two employees** of LAION **also work** for a **for-profit company** (Stability AI) did not disqualify LAION from relying on the TDM exception for scientific purposes, as this **did not give** the for-profit company any '**decisive influence**' over LAION's research work.

Similarly, the court **dismissed** the argument that **web-scraping** protected works necessarily has **commercial purposes** given it is ultimately aimed at generating (through AI) identical or similar products that will compete with them.

This argument fails to distinguish between the **three stages** of AI development: dataset creation, AI model training and the subsequent use of the trained AI to generate new content. While compiling the training dataset, it is **unknown** whether the second step (training) will be successful, **or** what **specific content** might be generated by the AI in the third step (AI application).

As the TDM exception for scientific purposes doesn't provide an opt-out mechanism for rights holders, the validity of the reservation of rights made by the claimant was not crucial to the settlement of the case. Nevertheless, the court, in an *obiter dictum*, suggested that a **reservation of rights** expressed in **natural language** is likely to be considered **machine-readable**, as technologies able to detect opt-outs expressed in natural language were already available in 2021.

The text of the judgment is available here.

AU – Exception and limitations (Parody), Fundamental rights and freedoms

Supreme Court, Case 4Ob97/24d, *Der Räuber Hotzenplotz* [27 August 2024]
This case concerns a copyright infringement action brought by a book publishing company against a political party for using a copyrighted image in a political campaign without authorisation. The action involves the scope of limitations and exceptions of copyright law, specifically the **parody exception** and the **free adaptation** doctrine under Austrian law (§ 5 (2) UrhG).

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The claimant, owner of the copyright to the children's book series '*Der Räuber Hotzenplotz*' and its graphic representations, brought a **copyright infringement** action against a political party. According to the allegations, the party was using an image resembling the books' character Räuber Hotzenplotz for a political campaign titled 'Räuber Rathausplatz', which criticised an Austrian mayor and his party. The illustration portrayed the targeted mayor with typical elements of the fictitious character's representation.

The first instance court (Landesgericht für Zivilrechtssachen Wien) rejected the claimant's request for an injunction. However, this decision was overruled by the Oberlandesgericht Wien (Vienna Court of Appeal) who granted an injunction finding a copyright infringement. The defendants appealed this decision to the Austrian Supreme Court.

The Austrian Supreme Court upheld the lower court's decision by rejecting the appeal. The court held that the defendants' use of the image **did not meet** the requirements for **free adaptation** under § 5 (2) UrhG, as the new work was not a free transformation of the original work. The court also found that the defendants' use of the image was **not** justified by the **parody exception**, as the claimant had been unintentionally included in a political dispute without the possibility of being able to comment. The court's reasoning relied on the following arguments.

- The **free adaptation doctrine** requires that the new work is a free adaptation or transformation of the original work, rather than a mere copy or imitation.
- A comprehensive balance of interests should be made, taking all the circumstances of the individual case into account, when applying the exception for parody.

- The defendants' use of the image was found to be **more exploitative** than **transformative**, as it served to exploit the popularity of the Räuber Hotzenplotz character rather than to convey a political message.
- Moreover, the claimant had a right not to be associated with a political campaign (or any other content) without their consent.

In reaching its decision, the Supreme Court relied on the case-law of the European Court of Justice (CJEU), specifically the ruling in Deckmyn (03/09/2014, C-201/13, Deckmyn, EU:C:2014:2132). The court held that the CJEU had established a **high threshold for the parody exception**, requiring that the new work must be a **genuine parody** and **not** merely a **humorous** or **ironic use** of the original work. The court also emphasized that the parody exception must be interpreted restrictively, in line with the CJEU's ruling in Deckmyn, which held that the exception can only be applied in cases where the new work is a genuine parody, and **not** where it is used for **commercial purposes**.

The text of the decision can be found here.

FR – Exception and limitations (Parody), Fundamental rights and freedoms

Court d'appel de Rennes, RG n°21/04257, *Tintinimaginatio and Moulinsart v Xavier Marabout*, [04 June 2024]

The Rennes Court of Appeal has settled a landmark case on **copyright infringement** and parody exception. The French judges determined whether a parodic work, featuring characters and figurative elements from ***The Adventures of Tintin***, infringed the copyrights on them.

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The case centred around the parodic paintings, inspired by *The Adventures of Tintin*, made by Xavier Marabout. In 2015, Moulinsart (now known as Tintinimaginatio), the rights holder of Hergé's works, discovered that Marabout was selling these parodic paintings online and issued a notice demanding

their removal. Marabout argued that his works fell under the parody exception and continued to exhibit them.

Tintinimaginatio filed a lawsuit for copyright infringement and parasitism before the Court of Rennes (Tribunal Judiciaire de Rennes), seeking to prohibit Marabout from using the Tintin saga's characters and original elements.

Initially, the Tribunal Judiciaire de Rennes (First Instance Court) ruled in favour of Marabout, finding that his parodic paintings did not constitute copyright infringement. However, Moulinsart (now known as Tintinimaginatio), the rights holder of Hergé's work, appealed the decision to the Rennes Court of Appeal.

The appeal court overturned the first instance court's decision, finding that Marabout's parodic paintings did indeed constitute copyright infringement and parasitism. The court based its decision on the following reasoning.

- Marabout's paintings did not meet the criteria for being a parody under French copyright law, as they did not have a humorous intent and did not transform the original work in a way that would be considered a parody.
- The paintings were not a legitimate form of artistic expression, but rather an unauthorised use of the Tintin characters for commercial purposes.
- Marabout's use of the Tintin characters was not a homage to Hergé's work, but rather a way to profit from the reputation and goodwill of the Tintin characters without authorisation.

The court ordered Marabout to cease all reproduction, representation, adaptation and exploitation of the Tintin characters and to pay a provision of EUR 15 000 to Moulinsart as compensation for the damages suffered. The court also ordered Marabout to pay EUR 5 000 to Moulinsart for parasitism.

This ruling sets a significant precedent for the application of the parody exception under copyright law, highlighting the importance of balancing the rights of creators with the need to protect freedom of expression.

You can find the text of the decision (in French) here.

ES – Communication to the public – Moral right of integrity

Juzgado de lo Mercantil nº 09 de Barcelona, nº 11/2024 776/2022-D1, Visual Entidad de Gestión de Artistas Plásticos v PUNTO FA, S.L. [11 January 2024]

In this case, the Commercial Court of Barcelona strikes a **fair balance** between the copyright holder's right of **communication to the public** and the **right** of the owner of the tangible artwork **to exhibit** it in **virtual environments** (including the **metaverse**), in a **transformative way**. The Spanish Court finds that the use of **copyrighted plastic artworks** in the creation of **derivative digital works** and non-fungible tokens (**NFTs)**, without authorisation, does not necessarily constitute **copyright infringement** under the Spanish Intellectual Property Law ('Ley de Propiedad Intelectual'). Obliging the owner of the tangible medium to obtain authorisation from the rights holders through a licence, for example, would be a **disproportionate burden** given that the **use** of the **prior work** is **harmless**.

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This case arises from a dispute between Visual Entidad de Gestión de Artistas Plásticos (VEGAP or the 'claimant'), a collecting management organisation for plastic artworks, and Punto FA, S.L., a holding of Mango Group (the 'defendant'). The latter used five artworks, regularly purchased, to create digital works and NFTs, without the permission of the copyright holders. These works were displayed in three synchronised exhibitions that took place in the physical Mango store in New York City, on a digital platform and on the Metaverse, respectively. Therefore, in 2022, the claimant brought legal action before the Commercial Court of Barcelona (Juzgado de lo Mercantil de Barcelona) for infringement of their copyrights, economic and moral rights, seeking injunctions ordering the destruction of the infringing goods, a request for information and compensation for damages. According to the claims, the defendant's conduct infringed their **exclusive rights** of **reproduction**, **transformation, diffusion** and **communication to the public**, as well as their **moral right** to the **integrity of the work**.

The Court ruled in favour of the defendant, ruling out the copyright infringements for the following reasons.

- The right of communication to the public is **limited** by the owner of the tangible support of the work's **right to public exhibition**, except in the event of a different arrangement between the parties or if the exhibition were to harm the reputation of the author.
- The creation of derivative works, including digital works and NFTs, falls within a legal framework that permits transformation under specific conditions, particularly when such works do not compete with the prior artworks or harm the copyright holders' interests.
- The use of the prior works to create derivative digital works and NFTs was a **transformative use**, as such it had a different character and purposes and didn't replace the original use of the prior works. For instance, the defendant's works included **new elements** from the fashion world and Mediterranean culture and were not designed just for an exhibition but for the inauguration of a new store. The transformative use of the prior works was a **harmless use** (or **fair use** in US law), as the exhibition of the new works by the defendant didn't have a **commercial purpose** and didn't compromise the prior works' **integrity** and **value** or compete with it on the market.
- On the contrary, this use gave value and notoriety to the claimant's works that were mentioned and celebrated during the exhibition.

- The application of the doctrine of '**fair use**' from U.S. law didn't alter the system of sources of law, as it stemmed from the application of the Spanish law principle of '**harmless use**' ('derecho al uso inocuo del derecho ajeno'). According to this principle, the right to property is limited by its social function. As a result, this right may not be exerted against the common good to prevent harmless uses of it.
- In light of the above, in the **balance** between **conflicting rights**, the **right** of the owner of the tangible medium to **exhibit the work**, even in a **transformative way**, **prevails** over the **copyrights** on the prior works. Obliging the owner of the tangible medium to obtain the authorisation of the rights holders through a licence, for example, would be a **disproportionate burden** given that the **use** of the **prior work** was **harmless**.

The text of the judgment is available here.

Exception and limitations (Parody), Fundamental rights and freedoms

Supreme Court of Denmark, Eriksen vs. Berlingske [17 May 2023]

This judgment issued by the Supreme Court of Denmark concerns the **parody exception** under Danish law. The judgment clarifies the scope of the parody exception and provides **guidance** regarding the use of copyrighted works for the purpose of **parody** or **satire**. The ruling also reflects a growing recognition of the value of parody and satire in contemporary culture and the need to **balance** the interests of creators and copyright owners with the broader interests of society in freedom of expression and creativity.

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This case arose from a dispute between the heirs of copyrights to the iconic 'Little Mermaid' statue (the 'claimants') and a Danish artist (the 'defendant') who created a series of drawings incorporating elements of the statue, one representing the statue with a zombie face and another with a facemask. These images were published during the COVID-19 pandemic, and they were intended for political **satirical purposes**.

The company sued the artist for copyright infringement, alleging that his drawings copied the original statue without authorisation. The case was initially heard by a first instance court, which ruled in favor of the heirs. The artist appealed the decision, and the case was eventually heard by the Danish Supreme Court. In its ruling, the Supreme Court first clarified that, although Denmark did not reproduce Article (5)(3)(k) of Directive 2001/29/EC (the 'InfoSoc Directive') in its statutory law, there is a **non-statutory parody exception** under Danish law, which must be interpreted in accordance with EU law. In this regard, the Danish judges applied the **test** established by the European Court of Justice in the '**Deckmyn**' case (C-201/13, Deckmyn, EU:C:2014:2132) for determining whether a work constitutes a parody or satire, finding that the drawings concerned:

1. evoked the **idea** of an existing work;
2. displayed **visible differences** from that work so as to avoid a risk of confusion;
3. were an expression of **humour** or **mockery**.

The Court ruled that the parody exception applied in the present case. While the drawings were original and constituted an independent work, the Court found that a parody **does not need** to have **its own original character**. The images were intended for **satirical purposes**, and they evoked the **cultural significance** of the iconic Little Mermaid statue and its place in Danish society. Moreover, they **did not** commercially **compete** with the original work or harm the economic interests of the copyright owner.

The Supreme Court's decision in this case followed a long line of legal precedent in Denmark and the EU that has recognized the importance of parody and satire in promoting **freedom of expression** and **creativity**. The Court's ruling reaffirmed the principle that the use of copyrighted works for the purpose of parody or satire may be allowed under the law, provided that certain conditions are met.

The text of the judgment is available here, and a comment on it is available here (IPKAT).

Subject matter of copyright protection (fictional character) – Exception for parody

Italian Supreme Court, CO.GE.DI. International – Compagnia Generale Distribuzione s.p.a. v Zorro Productions Inc., decision No 38165/2022 [30 December 2022]

This decision concerns the copyright protection of a fictional character (Zorro) and the legal regime of parody under both copyright and trademark law. The Italian Supreme Court ruled that: (i) parody is not a derivative work but a work that is autonomous from the parodied work, characterised by a conceptual reversal, and therefore it does not require a creative re-elaboration; (ii) parody does not constitute a copyright infringement when it respects a fair balance between the copyright to the prior work and the freedom of expression of the parody's author; and (iii) the parodic use of a trade mark, not in the course of trade, can constitute an infringement when the trade mark is reputed and the parody takes unfair advantage of the repute of the sign or is detrimental to it.

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This case arose from a dispute between Zorro Productions Inc. ('the claimant') and CO.GE.DI. International – Compagnia Generale Distribuzione s.p.a. ('the defendant') about the latter's use of the Zorro character in a television and radio advertisement for bottled water. The claimant brought legal action to protect its copyright to the Zorro fictional character as well as the related trade marks. The Court of Rome found in favour of the claimant. In contrast, the Court of Appeal of Rome sided with the defendant, stating that the fictional character Zorro had fallen into the public domain. In 2017, the Supreme Court overruled that judgment, finding that the fictional character was still protected under copyright, as the term of protection (70 years post mortem auctoris) also applied to American authors. The Supreme Court referred the case back to the Court of Appeal, which, in 2018, found that the parody of Zorro in the television advertisement amounted to a copyright infringement because conditions for the parody exception were not fulfilled. In particular, the parody was not a creative remake of the previous work, but rather an undue association with the character for commercial purposes. However, the Court of Appeal ruled out trade mark infringement, since the claimant's signs were not used in the course of trade, but only in a parodic context. This was sufficient to exclude any likelihood of confusion on the part of the relevant public.

The Court of Appeal's decision was challenged again before the Supreme Court.

- In its decision, the Supreme Court first confirmed that a fictional character could enjoy copyright protection. Secondly, it held that a parody was an autonomous work since, although it reproduced the traits of the parodied work, it implied a conceptual reverse (Italian *rovesciamento concettuale*). Therefore, unlike derivative works that are in continuity with the original works, parodies do not need to reinterpret or re-elaborate the existing work. Thirdly, the Court clarified that a parody was a type of quotation for the purpose of criticism or review in accordance with Article 70(1) of the Italian Copyright Act, and would fall under the scope of this exception only if it respected a fair balance between the copyright to the prior work and the freedom of expression of the parody's author. Therefore, for the Court, the parody should not exceed the limits justified by its purpose and should not interfere with the normal exploitation of the prior work. In this view, the fact that the parody was made for advertising or commercial purposes was not decisive. The Court then concluded that, in applying requirements not found in the law, the Court of Appeal had erroneously assessed the parody exception in this case.
- With regard to the parodic use of trade marks, the Supreme Court found that a trade mark's functions include not only the distinctive function (i.e. serving as a badge of origin), but also the advertisement and investment functions. Therefore, the use of the sign in a parodic context, and not in the course of trade to distinguish goods or services, was per se decisive. In this regard, the Court held that, when a trade mark enjoys a reputation in the European Union pursuant to Article 9(2)(c) EUTMR, its parodic evocation might create a link with the message it incorporates. In this case, the parody risked taking unfair advantage of the repute of the trade mark or might be detrimental to it. On this basis, the Supreme Court also asked the Court of Appeal to review its assessment.

The text of the judgment (in Italian) can be found here, and a comment on it is available here (IPKAT).

Zorro in the 'Brio Blu' advertisement (source: IPKAT)

Subject matter of copyright protection (fictional character) – Exception for parody

Court d'appel d'Aix-en-Provence – Chambre 1-2, Peppone v Tintinimaginatio, No 22/04302 [24 November 2022]

The Court of Appeal of Aix-en-Provence assessed the conditions of the parody exception in relation to a sculpture inspired by the fictional character Tintin. The Court found that, in order for a work to fall under this exception, it must recall the pre-existing artwork and contain clear differences that make confusion impossible. The work must also manifest an element of humour and make a mockery of the original work, conditions that were deemed not fulfilled in the case. The Court ruled that paying tribute to Tintin, with only aesthetic variations, did not qualify as a parody, but rather constituted a misappropriation of notoriety for a commercial purpose.

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The defendant is a contemporary artist who creates sculptures representing, among others, pop-culture figures such as Snoopy, Popeye and Mickey Mouse, using the techniques of silk-screen printing and marouflage. Since 2017, Peppone has been creating and commercialising sculptures and busts inspired by the fictional character Tintin and the rocket from the well-known album *Objective lune* by the Belgian cartoonist Georges Remi, known as Hergé.

In 2019, Tintinimaginatio (previously SA Moulinsart) and M. Hergé's sole heir (the plaintiffs), filed legal action against the artist for copyright infringement before the Court of Marseille. The artist invoked the parody exception. On 17 June 2021, the Court of First Instance granted the plaintiffs' claim.

The case went to appeal, where the Court first assessed the **originality of the fictional character** and ruled that Tintin qualified for copyright protection. Firstly, the Court recalled the distinction between originality and novelty, recalling that the notion of anteriority is irrelevant under copyright law. It held that Tintin was a 'typical' character, whose graphical depiction was characterised by unconstrained aesthetic choices, such as his round face topped by a raised quiff, round eyes, small straight nose, and thin or round mouth. All these are essential characteristics that allow him to be identified at first glance. They reflect his author's personal imprint and, therefore, are original.

Secondly, the Court proceeded to analyse the infringement and assess whether the parody exception could apply. It noted that the exception applied under two main conditions: first, a parody must recall the existing artwork and display perceptible differences from it so that no confusion is possible; second, the work must also display an element of humour and mock the original work (03/09/2014, C-201/13, Deckmyn and Vrijheidsfonds, EU:C:2014:2132).

The Court found that, in this case, there was **only an aesthetic variation** of the work, without any specific intellectual contribution and/or interpellation, nor humour or even derision. The defendant's work did not alter the nature and/or significance of the original work. Confusion was therefore possible. The Court also relied on the artist's defence – which, far from demonstrating his intellectual contribution or humorous input, merely contended that the sculpture was his tribute to Hergé's work. This, together with the fact that he was using the titles of the *Tintin* albums, reinforced the Court's conviction that the defendant's work did not qualify as a parody, but rather constituted a misappropriation of notoriety for a commercial purpose.

The Court therefore confirmed the judgment of the Court of First Instance, ordering payment of EUR 114 157 in damages and legal costs in favour of the plaintiffs.

The text of the judgment (in French) is available here.

Source : RTBF.be – © Christophe Simon – AFP

Subject matter of copyright protection (parodied work) – Exception for parody – moral rights

Cour d'appel de Paris – Pôle 5 – Chambre 2 – Case No 20/18194 – X v. Y [30 September 2022]

This decision concerns the copyright protection of parodic works and the right of other artists to appropriate and reproduce them (in whole or in part) in subsequent works. The Paris Court of Appeal ruled that: (i) a parody may constitute a work eligible for copyright protection; (ii) the reproduction of a parodic work (*la Joconde Playmobil*) for an 'appropriationist' artistic purpose, without any creative reinterpretation or modification, does not fall under the parody exception and qualifies as a copyright infringement.

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In 2011, the plaintiff, a French painter, revisited and reinterpreted Leonardo da Vinci's painting *Mona Lisa* by replacing the iconic female image with a Playmobil figurine (*La Joconde Playmobil*). The defendant, a French artist presenting himself as belonging to the kinetic and figurative pop art movement, developed a process based on the superimposition of photographs on panels. In 2018, the plaintiff discovered that the defendant was presenting on his social media account, and offering for sale in an art gallery, panels reproducing parts of the plaintiff's revisited work (*La Joconde Playmobil*).

The latter brought legal action before the Court of Paris (*Tribunal de Grande Instance de Paris*), which, in a judgment issued on 3 December 2020 (No 19/06289), rejected the claim and ruled out copyright protection for *La Joconde Playmobil*. For the Court, this work did not meet the originality requirement.

The plaintiff appealed this decision before the Paris Court of Appeal, which overruled the Court of First Instance's judgment. The Court first held that the criterion of novelty was not relevant in assessing originality. It found that the plaintiff's work was original, observing that, despite the reproduction of *Mona Lisa*'s elements, the artist had made arbitrary aesthetic choices in reshaping the figure as a Playmobil toy. For the Court, although the elements of the painting were already known, the work's overall appearance made it a painting with a particular physiognomy that distinguished it from the toy (i.e. Playmobil) it evoked, or from creations of the same kind. Therefore, in the Court's view, this parodic version of *Mona Lisa* reflected the personal touch of its author and enjoyed copyright protection.

Secondly, the French judge ruled that the defendant's panels infringed the plaintiff's (i.e. the author's) **economic** and **moral** rights.

- Regarding the author's economic rights, the judge found that the defendant's reproduction of parts of the parodied work could not fall under the exception for parody and could not be justified on the ground of appropriation theory (fr. *appropriationnisme*). According to appropriation theory, copyright protection must not be an obstacle to artistic creativity and freedom of expression. The Court stated that this theory could not be invoked to contest the infringement in this case, 'since the incorporation of a pre-existing work into a new work, without the collaboration of the author of the latter, certainly constitutes a new work which is the property of the author who made it, but subject to the rights of the author of the pre-existing work' (Articles L. 113-2 and L. 113-4 of the Intellectual Property Code).

  The court also rejected the parody exception, as the defendant claimed his work was a parody of the da Vinci painting and not a parody of *La Joconde Playmobile*, which was reproduced identically in the disputed panel. The Court found, in particular, that the defendant did not create a new original work reproducing features of a prior work: on the contrary, he took over the prior work largely unaltered. The few minor modifications added on one side were not deemed creative.
- Regarding the author's moral rights, the judge found that, by removing the background of the painting, cutting off the bottom of the depiction of the character (i.e. Mona Lisa), and not mentioning the plaintiff's name on the panels, the defendant had infringed the moral right of integrity of the plaintiff's work and his rights of paternity over it.

The Court ordered the defendant (together with the art gallery) to compensate the plaintiff EUR 60 000 for his economic loss (based on the number of 13 paintings containing the reproduction of the plaintiff's work) and EUR 20 000 for the moral prejudice against him.

The text of the judgment (in French) is available here.

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Exceptions and limitations (pastiche)

Berlin Regional Court, Martin Eder v Daniel Conway, decision nr 15 O 551/19 [March 2022]

The Berlin Regional Court, referring to the pastiche exception, sided with the painter Martin Eder who was accused of copyright infringement. This decision is the first application of the pastiche exception since July 2021, when it was included in the German Copyright Act due to the implementation of the Directive on Copyright in the Digital Single Market (D 2019/790). The German legislation highlighted that the pastiche exemption has to consider the growing digitisation, new technical inventions, and corresponding new ways of interacting with digital works.

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English artist Daniel Conway (the plaintiff) sued the German painter Martin Eder (the defendant) for copyright infringement. Conway claimed to be the creator of the first depiction of a blossoming cherry tree on a lava cliff (pre-existing digital work), used later as part of the Eder's painting 'The Unknowable' in the manner of collage-like integration. The Regional Court of Berlin ruled that Eder's work was a pastiche, not violating Conway's copyright to his graphic. The Court relied on the new pastiche exception according to which 'the reproduction, distribution and public communication of a published work for the purpose of caricature, parody and pastiche is permitted' (§ 51a of the German Copyright Act).

The court highlighted the relevance of the pastiche exception in the context of the artistic dialogue with digital artworks within 'analogue' art. Moreover, in its consideration, the court expressed doubt as to whether the artist was actually the copyright author or owner of the graphic, which can be easily found on the internet, and is being offered as a stock image and imprint on different products by providers not related to Conway.

See decision nr 15 O 551/19 (currently not publicly available) or the comment on the case here.

Exceptions and limitations (parody)– Fundamental rights and freedoms

Østre Landsret Danmarks Domstole (Eastern High Court of Denmark's Courts), Eriksen v Berlingske, [9 February 2022]

In this case, the Danish Court assessed whether the caricature/parody exception, which is not implemented in the Danish Copyright Act, could justify the use of photos of the little mermaid's statue to illustrate press articles in Denmark. According to Article 5(3)(k) of the InfoSoc Directive (Directive 2001/29/EC), Member States may allow exceptions to or limitations of their copyright protection for 'use for the purpose of caricature, parody or pastiche'. Nevertheless, not every country decided to implement this exception, leaving it for the courts to decide. Here, the Court stated that if the parody principle was recognised under Danish law, the applicability of such a principle was extremely limited and would not apply in this case.

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The well-known literary character, the Little Mermaid, is also considered the symbol of Copenhagen (Denmark) where her statue, created by Danish sculptor Edvard Eriksen, is placed. Eriksen died in 1959 and his copyright on the Little Mermaid will expire at the end of 2029.

In 2019 and 2020, Berlingske, a Danish newspaper, used the image of the statue without permission from Eriksen's heirs. In 2019, the Little Mermaid statue was presented as a zombie ('*Evilness in Denmark*'), on the front page, to illustrate an article on the immigration debate culture in Denmark. In 2020, a photograph of the Little Mermaid's statue was used again with a mask in an article on the pandemic (*'Are you afraid of corona? Then you probably vote for the Danish People's Party'*). The newspaper claimed that both uses of the statue didn't require permissions, as they were for the purpose of caricature and parody, and also fell under freedom of expression, protected under Article 10 of the European Convention of Human Rights (ECHR). Conducting a proportionality assessment, the Court dismissed the last argument. As there is no caricature/parody exception in the Danish Copyright Act, the Court examined whether this exception could apply in this case, considering the copyright laws of other Member States. Eventually, the Court held that the use of the image of the Little Mermaid in both articles was not strictly necessary. There were other ways to illustrate the current events, without including a third party's work. Hence, the newspaper was not allowed to use those pictures without asking permission from Eriksen's heirs. The Court ordered the newspaper to pay DKK 300 000 in compensation.

The text of the judgement (in Danish) is available here.

Exceptions and limitations (quotation – visual art) – Copyright infringement

Italian Supreme Court, Archivio Mario Schifano v M.S. Multistudio Foundation [8 February 2022]

The Italian Supreme Court, in the case between the heirs of famous Sicilian painter and the foundation bearing his name, assessed whether inserting the collection of an artist's works in a methodological study could fall under the quotation exception. The Court answered in the negative, finding specifically that the quotation exception only applies to partial reproductions of works, including in the visual arts, and relying on the principle of strict interpretation of exceptions.

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After Mario Schifano's death, a non-profit foundation was set up to archive and preserve his works. Schifano's wife was a member of the foundation but decided to leave it after several years to create the 'Archivio Mario Schifano', communicating that it was the only organisation authorised to certify the authenticity of her husband's works. In 2008, the foundation published a six-volume work that illustrated in detail their computer-based cataloguing of data related to Schifano's works. They distributed it for free among public institutions, art galleries and auction houses. Schifano's heirs sued the foundation claiming both violation of their economic and moral rights over Schifano's works.

At the first instance, the Tribunal of Milan dismissed the plaintiff's claims, but later the Milan Court of Appeal issued a permanent injunction to prevent the defendant from further exploitation of Schifano's works and ordered it to pay Schifano's heirs EUR 20 000 for the unauthorised use of the painter's works. Surprisingly however the Milan Court of Appeal found that the quotation exception provided for by Article 70 of the Italian Copyright Act applied in this case, reasoning that while entire reproductions of the painting were at stake, only part of the painter's entire artistic production was reproduced, that the reproduction was for research purposes (a study on the computer-based cataloguing of the painter's works) and not for allowing the artistic enjoyment of the collection, and that the reproduction was for non-competitive use.

The case went to the Supreme Court, which overturned the Court of Appeal decision and confirmed that, according to the principle of strict interpretation of exceptions, the quotation exception provision allows only partial reproductions of protected works, even in the visual arts, and no matter the scale of reproduction, it never constitutes a free use. The court referred to the Article 10 of the Berne Convention according to which quotations are permissible provided that their extent does not exceed that justified by the purpose. The Supreme Court underlined that the work should have autonomous character and not enter in competition for the cited work. Finally, the Supreme Court ordered courts to verify that the amount of original work quoted is indeed the quantity necessary for the purpose justifying the free use, as this had not been verified by the Court of Appeal.

In this decision, the Court referred to Italian case-law. It followed only partially guidance provided by the CJEU in cases Funke Medien (29/07/2019, C-469/17, EU:C:2019:623), Pelham (29/07/2019, C-476/17, EU:C:2019:624), Spiegel online (29/07/2019, C-516/17, EU:C:2019:625) and Painer (07/03/2013, C-145/10, EU:C:2013:138) about the interpretation of the quotation exception under Article 5(3)(c) Directive 2001/29. In those cases, the Court stressed that under certain conditions, the quotation exception could apply in case of full reproduction of a work (the 'essential characteristics of a quotation are the use, by a user other than the copyright holder, of a work or, more generally, of an extract from a work for the purposes of illustrating an assertion, of defending an opinion or of allowing an intellectual comparison between that work and the assertions of that user' (para. 78 Spiegel)).

The text of the judgment (in Italian) is available here and a comment of it here.

Exception and limitation - Compensation – Collective rights management (Press publisher's 'ancillary' right)

Madrid Commercial Court nº16 - Judgment nº208/2021 - ECLI:ES:JMM:2021:11356 - CEDRO vs. GOOGLE DISCOVER [20 December 2021]

This case concerns the so-called 'ancillary' right introduced in Spain in 2014, enabling news publishers to receive compensation for the use of their content by online platforms, including news aggregators. By its decision, the Madrid Court dismissed the lawsuit filed by the Spanish Center for Reprographic Rights (CEDRO), ruling that the GOOGLE DISCOVER service could not be considered as an online news aggregator 'making available to the public non-significant fragments of contents'. The judge first assessed the nature of the service carried out by GOOGLE DISCOVER when personalising the content on mobile devices through hyperlinks leading to press websites. Then, it stated that the text with hyperlink provided could not constitute a 'fragment' of the protected journalistic works, but just single words, and added that it could not be classified as a 'snippet' (12/09/2019, C-299/17, CJEU VG Media, EU:C:2019:716), due to its minimal length and its lack of informative content.

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The dispute arose between a collective management organisation (CMO), CEDRO, and Google Ireland Ltd. CEDRO administers the exclusive right of communication to the public over regular publications of works such as newspapers or magazines. Since December 2016, GOOGLE provides a service called GOOGLE DISCOVER, through which it offers the users of GOOGLE SEARCH and GOOGLE CHROME personalised content for mobile devices. This content includes links to journalistic information hosted on the websites of newspapers, and it is selected based on the interests expressed in previous searches. In view of this, CEDRO claimed that the activity carried out by GOOGLE DISCOVER was covered under article 32(2) of the Spanish Intellectual Property Law (Texto Refundido de la Ley de Propiedad Intelectual, TRLPI).

This provision, which has since been abolished with the implementation of Directive 2019/790 on copyright and related rights in the Digital Single Market (C-DSM) in Spain, stated that publishers and other rights holders were entitled to equitable compensation for 'the making available to the public by providers of online services of content aggregation of non-significant fragments of content, available in periodicals publications or in regularly updated websites and which have an informative purpose, of creation of public opinion or of entertainment'. Legally speaking, this provision established an exception allowing certain uses of news content online, coupled with an 'unwaivable' compensation, subject to compulsory collective management, to be paid to publishers or authors of the original press articles.

Relying on this provision, CEDRO asked GOOGLE DISCOVER to pay remuneration amounting to a total of EUR 1 million. GOOGLE DISCOVER refused, arguing that article 32(2) TRLPI did not apply because it was contrary to the Spanish intellectual property law, and to European and international norms, such as, Articles 101 and 106 of the Treaty on the Functioning of the European Union (TFEU), Article 4(3) of the Treaty on European Union (TEU), and Article 10(1) of the Berne Convention. Furthermore, it argued that article 32(2) TRLPI was also contrary to Article 15 C-DSM and should have

been notified to the European Commission, pursuant to Article 8(1) of Directive 98/34/EC, which establishes that Member States must communicate any draft on standards and technical regulation.

Considering the documentation provided by both parties, the court analysed the performance of GOOGLE DISCOVER when personalising the content on mobile devices through hyperlinks leading to press websites. The Court ruled that the inclusion of these hyperlinks was free and did not fall under the activity of 'aggregation of non-significant fragments'. Regarding the sentence in the hyperlink provided by GOOGLE DISCOVER, the Court stated that it consisted of two lines of text, amounting to a total of 67 to 75 characters without spaces. The Court held that these two lines could not constitute a 'fragment' of the protected journalistic works, but just single words, due to their minimal length and lack of informative content. The Court then ruled that it had not been established that these lines have been extracted from the text of article 32(2) TRLPI. The Court went on to state that those lines could not be classified as a 'snippet' (12/09/2019, C-299/17, CJEU VG Media, EU:C:2019:716), as characters added in the hyperlink did not reach the minimum dimensions needed. In conclusion, the Court found that the GOOGLE DISCOVER service could not be considered as an online aggregation service provider 'making available to the public non-significant content fragments' as there was a lack of proof to establish that those words were 'aggregation of non-significant fragments of content' triggering the right to remuneration in the sense of article 32(2) TRLPI.

In light of this, the Court had not to assess the level of the remuneration claimed by CEDRO under article 32(2) TRLPI. However, it pointed out that the way of calculating this remuneration (EUR 0.00029203 per click) was not clear or transparent and, therefore, did not comply with article 164(3) TRLPI on general tariffs.

The text of the judgment (in Spanish) is available here.

Exception and limitations (Pastiche), Fundamental rights and freedoms

Landgericht Berlin – No 15 O 551/19 [2 November 2021]

In this case, the Regional Court of Berlin explored the scope and the grounds of the pastiche exception under German law. The Court ruled that a prior work may be partially reproduced by a pastiche work for reasons such as appreciation or homage to the original work. This exception strikes a balance between freedom of expression, freedom of the press, art, and the rights of users and authors.

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The claimant, a British freelance artist, took legal action before the Regional Court of Berlin against the defendant, a well-known German painter, for copyright infringement on a digital computer graphic called 'Scorched Earth', representing a dark mountain landscape with lava flows, clouds and a blossoming cherry tree. The graphic was also offered for sale on online marketplaces in various forms, such as carpets, T-shirts, or backpacks.

The defendant creates postmodern pastiche works, combining works by well-known artists with current pop-cultural media kitsch, in order to 'annoy the world with pictures'. According to critics, his works have brought new life and meaning to old cultural elements, stereotypes, and motifs. The claimant alleged that the defendant created an oil painting representing his graphic in the background, and a wooden

balcony railing with an old, naked woman in the foreground. This painting was exhibited at the defendant's atelier in Berlin.

The Court first analysed the relevant legal framework, focusing on the pastiche exception under Article 51(a) of the German Copyright Act. In this regard, the German judges found the following.

- Under Article 23(1) of the German Copyright Act, if the newly created work maintains a sufficient distance from the prior work, it is not an adaptation or a transformation and, therefore, the use of the prior work is lawful.
- Under Article 51(a) of the German Copyright Act, the reproduction, distribution and communication to the public of a copyrighted work for the purpose of caricature, parody and pastiche is allowed.
- Unlike parody and caricature, which require a humorous or mocking component, a pastiche may also contain an expression of **appreciation of** or **homage to** the original work. This exception strikes a **balance** between **freedom of expression**, **freedom of the press**, **art**, and the **rights** of **users** and **authors**.
- The most important element in pastiche is the **act of communication** through **stylistic imitation**, which may involve the **use** or **incorporation** of the **prior work** or its parts.
- There is **no threshold of artistic merit** for a work to qualify for the pastiche exception. The newly created work must be **known to the public**, and the **artistic dialogue** between the works must be **understandable to the audience**.

In light of the above, the German Court dismissed the claims for the following reasons.

- The defendant's painting was a **pastiche**, given the **imitation of the style** of the claimant's work, the features of which were fully recognisable.
- The defendant's creation was not a mere copy of the claimant's work. First, it used a totally different technique, namely oil-based paint instead of digital paint. Second, the defendant **added visual elements** such as a bird, a wooden balcony, and the figure of a woman. In this way, he put the prior work in a **new context**, creating a completely **different impression**.
- The pastiche exception ensures the **freedom of art** and acknowledges **that no author creates in a vacuum, starting from scratch**. As a result, the adoption of kitsch and trashy motifs by the defendant could be considered an expression of his particular style.
- The defendant created **sufficient distance** by choosing a completely different technique, which **changes the perception of the work**. Furthermore, there was no risk of confusion between the two works.
- The defendant did not aim to obtain marketing benefits, as shown by his making the work available for free in his atelier.
- Any possibility of **confusing** the two pieces of art was **excluded**.
- The claimant did not lose any of his rights to use his work and did not suffer any economic limitations.

The text of the judgment is available here.

Exceptions and limitations (parody) – Copyright infringement – Damages

Court of Marseille, Case 19/03947, Moulinsart v Christophe Tixier ['Tintin busts' case] [17 June 2021]

On 17 June 2021, the Court of Marseille sentenced the sculptor Christophe Tixier, alias Peppone, to pay EUR 114 157 in damages to SA Moulinsart for sculpting and selling busts of Tintin, the famous character of Hergé, in other words, for counterfeiting. The Court confirmed that the character of Tintin is an original work within the meaning of the intellectual property code.

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Christophe Tixier was sued by the company Moulinsart, the manager of Hergé's work, for having made and sold around 90 busts of Tintin, covered with comic strips. The plaintiff claimed around EUR 200 000 in damages and the return of the sculptures.

Christophe Tixier appealed the decision, denouncing Moulinsart's obstinacy towards artists inspired by Tintin, and sustained his claim that Tintin's character should not be perceived as original since Hergé had taken the name and the graphics from 'Tintin-Lutin', a character created by Benjamin Rabier in 1989. Nevertheless, the Court stressed that the originality of a work should not be confused with its innovative and new character and concluded that Hergé's Tintin was an original work pursuant to the French Intellectual Property Code. The Court rejected the defendant's claim referring to the exception of parody and stated that the busts at hand constituted an infringement of Hergé's copyright. Tixier, along with his company, were ordered jointly and severally to pay Moulinsart EUR 114 157 in damages, calculated on the basis of the revenue they had obtained from selling the sculptures. As regards damages for moral prejudice, the Court awarded EUR 10 000, to be paid to Fanny Vlamynck, heir to the copyright. In addition, the judge ruled that Moulinsart was entitled to claim, on the basis of Article 1240 of the French Civil Code, a sum of EUR 5 000 in compensation for moral prejudice since Tixier's actions could have discredited the company and damaged its reputation.

The text of the judgment is available here (in French).

Christophe Tixier, alias "Peppone", façonne en résin des héros de bande dessinée. © Crédit photo: CHRISTOPHE SIMON / AFP

Scope of author's economic right – Communication to the public – Exceptions and limitations – Private use (CJEU referrals for preliminary ruling)

Supreme Court of Austria, Cases 4Ob 40/21t [27 May 2021] and 4 Ob 44/21f [22 June 2021]

In June 2021, the Austrian Supreme Court of Justice (OGH) referred several questions to the CJEU for a preliminary ruling on the interpretation of Article 3(1) and Article 5(2)(b) of the InfoSoc Directive, in particular with regard to the notion of '**communication to the public**' and the **private copying exception** in relation to IPTV services. The references concern two different cases which are not directly related.

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In the first case (*4 Ob 40/21t*), the plaintiff, who owns IP rights in several TV shows, sued the defendant, an Internet Protocol Television ('IPTV') service targeting business customers (e.g. hotels and stadiums). The IPTV service in question included an online video recorder that allowed customers to record individual TV shows and a 'replay' feature that allowed customers to watch TV shows on demand for up to seven days.

The Austrian Supreme Court referred two questions to the CJEU. The **first question** was whether Article 5(2)(b) of the InfoSoc Directive allows the operation of an online video recorder which does not create a separate copy of the programmed broadcast content, but merely refers to an existing copy already made by another user? The same question arises when the IPTV operator has a 'replay' function that makes content available for retrieval over a seven-day period. And what if the content is made available to the user without the consent of the rights holder?

In the **second question**, the referring Court asks whether the IPTV operator performs an act of 'communication to the public' within the meaning of Article 3(1) of the InfoSoc Directive by providing the user with access to content which has not been authorised for online use by the rights holder and by influencing which TV show the end user can receive via the IPTV service. The Court also clarified that the IPTV operator does not explicitly point out the possibility of unauthorised use of the service but informs its customers in the contract that they have sole responsibility for obtaining the rights.

The text of the judgment (in German) is available here.

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In the **second case** (*4 Ob 44/21f*), the IP owner of several TV broadcasts sued the defendant, who operates an IPTV platform, on the basis of license agreements with the plaintiff. According to these agreements, the defendant was obliged to block the streaming signal for certain broadcasts in certain territories (*geo-blocking*). The plaintiff claims that **circumventing the defendant's geo-blocking measures** is relatively easy and that the defendant, knowing that customers were using its service outside the licensed territory, did not prevent such illegal use.

The **first question** referred is whether the concept of 'communication to the public' in Article 3(1) of the InfoSoc Directive can be interpreted as covering the IPTV operator that directly manages a streaming platform, influences which TV programmes the end-user can receive and has control over the content (with the possibility of blocking it in certain territories). The Court also asked whether Article 3(1) of the InfoSoc Directive could be interpreted as covering the IPTV operator if the user obtains access to

unauthorised broadcast content and if the operator is aware that its service also allows the reception of unauthorised content via VPN services installed by end-users. In the affirmative, the referring court asks the CJEU to rule on whether **third parties** that advertise the service, conclude trial subscriptions with end users, operate a customer service and accept payments from end users, **are also liable** for communication to the public since those third parties do not proactively inform customers of the unavailability of certain programmes in their respective territories, they only do so when they are specifically asked for those programmes.

Finally, the last question of the referring court concerns Article 2(a) and (e) and Article 3(1) of the InfoSoc Directive, to be interpreted in conjunction with Article 7(2) of Regulation No 1215/2012 **(Brussels I Recast)**. Under this provision, by virtue of the **principle of territoriality**, a person domiciled in a Member State may be sued in another Member State for copyright infringement in the courts of the place where the harmful event occurred or may occur. In that case, does that court have jurisdiction only to rule on the damage caused in the territory of the Member State to which it belongs, or can it also rule on acts of infringement committed outside that territory (worldwide)?

The text of the judgment (in German) is available here.

Exceptions and limitations (parody) – Copyright infringement – Damages

Judicial Tribunal of Rennes, Moulinsart v M. Xavier Marabout, n° 17/04478 [10 May 2021]

In another case related to Tintin, dated 10 May 2021, Moulinsart sued painter, Xavier Marabout, for infringement and, subsidiarily, for unfair competition. Marabout was offering for sale on his website paintings reproducing and adapting characters from the work *The Adventures of Tintin*, in a 'Hopperian' style (Edward Hopper, American artist), without Moulinsart's prior authorisation. The Court of Rennes ruled that the parody exception applied.

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The case concerned, in essence, the balance of interests between freedom of expression (the basis of the parody exception) and the rights of the author of the parodied work. The Court of Rennes assessed the two essential characteristics of the parody exception pursuant to Article L. 122-5 of the French Intellectual Property Code. First, it found that the paintings evoked the pre-existing work in an unequivocal way, and that they were distinctive enough to avoid competition with the parodied work. The Court reasoned that Marabout placed Tintin in a context different from the original work and his natural world. In addition, the paintings evoked the style of the 19th century American painter, Edward Hopper, known for his canvases depicting urban scenes. Therefore, the disputed works were noticeably different from the Belgian movement initiated by Hergé, known as the 'clear line'. Second, the Court found that the condition to constitute an expression of humour or mockery was satisfied since the paintings were likely to provoke a smile. Therefore, the Court applied the exception of parody and rejected the action for infringement. Moulinsart was ordered to pay EUR 30 000 in damages to Mr Marabout for wrongful denigration because it had sent letters to art galleries without due care, making a pejorative assessment and discrediting the work that the parodist was marketing, thus causing the immediate withdrawal of the works.

The text of the judgment is available here and also here (in French).

En motocyclette dans le Vernon (2016). Serie Hergé Hopper. - Photo XAVIER MARABOUT

Exceptions and limitations – Exception for parody – freedom of artistic expression

Court of Appeal of Paris, Case 19/20285, *Jeff Koons v Franck Davidovici* ('Fait d'hiver') [23 February 2021]

This case concerns the fine line between inspiration and piracy in the world of art and the interpretation of the exception for parody. The Court of Appeal of Paris upheld the ruling of the first instance court finding that the American artist Jeff Koons had infringed copyright in the French artist's Franck Davidovici's photo titled 'Fait d'hiver', created for the fashion brand, Naf-Naf's campaign of 1984. Koons' sculpture from 1988, also titled 'Fait d'hiver', representing a woman and a pig, and exhibited in the Centre Georges Pompidou in 2014, was found by the French court in breach of copyright, not falling within the scope of the exception for parody.

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Koons was held liable by the Paris District Court (Tribunal de Grande Instance de Paris) in 2018, in a lawsuit filed by Davidovici, author of an advertisement created for the autumn-winter 1984 fashion campaign. In the photo, a young brown woman with short hair, is lying in the snow, next to a little pig carrying a barrel of Saint-Bernard around her neck. During a retrospective exhibition of Jeff Koons' work in the Centre Georges Pompidou in 2014, Davidovici had discovered a sculpture also entitled 'Fait d'hiver', presented as having been made by Koons in 1988 and revealing, according to him, similarities with his advertisement photo. Therefore, he sued the artist for piracy in 2015. Koons had argued that US law (not French law) was applicable by virtue of the Rome II Regulation. The Paris District Court rejected this argument, as well as Koons' claim that the photograph lacked originality. The Court noted that Davidovici had expressed free and creative choices when realising his photograph. On the other hand, the Court argued that Koons, representative of the 'appropriationist' movement, could not invoke his freedom of artistic expression and the parody exception since the absence of mention of the photographer's name (source) did not reasonably allow the public to distinguish the original work from the parody. Thus, the Court ordered the removal of Koons' work from the exhibition and ordered the artist, the company 'Jeff KOONS' and the Centre Georges Pompidou to jointly and severally pay the sum of EUR 190,000 to the author of the photograph as damages.

The Court of Appeal of Paris considered that, taking into account the CJEU's *Deckmyn* decision, (03/09/2014, C-201/13, Deckmyn and Vrijheidsfonds, EU:C:2014:2132), the parody exception within the meaning of Article 5(3)(k) of Directive 2001/29 could not be invoked. In the Deckmyn case, the CJEU ruled that essential characteristics of parody are, first, to evoke an existing work, while being

noticeably different from it, and secondly, to constitute an expression of humour or mockery. The French judge argued that those cumulative conditions were not fulfilled in the present case. The Court emphasised that Koons did not demonstrate his intention, notably at the time of the creation, to evoke the pre-existing work titled 'Fait d'hiver'. The judges also noted that there was no circumstance that would justify the artist's refraining from researching the author of the photograph in order to receive the authorisation to exploit it. With regards to artistic freedom, the Court of Appeal outlined that by virtue of the European Convention on Human Rights (Article 10(2)), such freedom is not absolute and has to be balanced against third-party rights such as copyright. In this case, the Court found that the restriction of the freedom of expression was proportionate and necessary on the basis of the French code of intellectual property (Article L 122-4 CPI). In spite of some differences applied by Koons, like the necklace of flowers worn by the pig, or glasses on the forehead of the young woman, the sculpture substantially took the original elements of the photograph, in particular its composition, without making any reference to it. Therefore, the judge confirmed that Davidovici's claim of violation of his freedom of creative expression was justified.

The text of the judgment (in French) is available here.

Koons's Fait d'Hiver	*Davidovici's* Fait d'Hiver

Exceptions and limitations - Freedom of panorama exception (Graffiti) – Moral right to integrity

Tribunal Judiciaire de Paris - n° 20/08482 – Asian Marianne graffiti case [21 January 2021]

This case concerns 'freedom of panorama', a copyright exception regulated in France under Article L122-5, 11° of the French Code of intellectual property, implementing Article 5(3)(h) of the Directive 2001/29/CE. The Decision offers an interesting insight on the originality threshold for a mural covering buildings in public space. Such a mural was featured in a political campaign advertisement. The judge found that there was no violation of the author of the painting's moral right to the integrity of his work, nor any violation of economic rights since the freedom of panorama exception – interpreted in extenso - applied to the use of the graffiti in specie.

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During the 2020 municipal election campaign, LFI's campaign advertisements featured an Asian Marianne ('Marianna asiatique'), a symbol of diversity, painted on a wall near the Republic Square in

Paris. The author of the mural graffiti claimed copyright in it and demanded damages from the leader of the political party in question, and from the party itself, for the unauthorised use of his work.

The judicial tribunal of Paris acknowledged the artist's copyright, in particular for the aesthetic choices made in order to express an important message for humanity. On the other hand, the tribunal did not consider that his moral rights had been infringed, neither the paternity right, nor the right to the integrity of his work. On the latter, the tribunal held that the political message of the party was not of such a nature as to undermine the integrity of the work since the party itself propagates the same value of social diversity, as the author does himself. Regarding the author's economic rights, the tribunal stated that there was no infringement since the freedom of panorama exception applied. The exception covers the reproduction and the display by individuals of architectural works or sculptures, made to be located in public places, for non-commercial use only. It was introduced to protect primarily those individuals sharing touristic photos online. Here, the Tribunal provided a rather extensive interpretation of this exception. It argued that the 'freedom of panorama' allows any person to photograph, film, draw, etc. works of architecture and sculpture, as well as the graffiti appearing on such works, as long as they are permanently located in public areas, and provided that the reproduction is made by a natural person (here the party's leader) for non-commercial purposes. By an extensively-reasoned interpretation of Article L122-5 of the Code of intellectual property, which is, according to the Tribunal, compatible with the much broader terms of Directive 2001/29/EC, the judge then confirmed that the use of the 'graffiti' was covered by the freedom of panorama exception. As regards the party, a legal entity, the judge held that it may claim the benefit of the short citation exception.

The text of the judgment (in French) is available here.

Exceptions and limitations – Fundamental rights and freedoms

Swedish Patent and Market Court – Case B 7348-20 A v B (the EN SVENSK TIGER/This is a Swedish Tiger! Case) [9 October 2020]

This Swedish Patent and Market Court ruling concerned the delicate balance between copyright protection and the parody exception together with freedom of speech. The Court acquitted A after being prosecuted with copyright infringement for publishing an altered version of the work of visual art 'En Svensk Tiger' (A Swedish Tiger) on the cover of his book and on the internet. The author had stated that the image had been used for a parodying purpose.

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A had published various versions of the copyright protected work 'En Svensk Tiger' on the internet and on the cover of his book. This visual work of art had been created by Bertil Almqvist in the 1940s, during World War II, and was part of a war-time propaganda campaign to urge the Swedish people to remain silent about Swedish affairs. In several illustrations the tiger was portrayed with an armband with a swastika logo, and performing the Hitler salute. The pictures were accompanied with the text 'En Svensk Tiger' (This is a Swedish tiger!). A foundation owning the copyrights on the original work reported the case to the police and A was prosecuted for copyright infringement. A claimed that the altered tiger had only been used in a critical context within the framework of a societal podcast he operates, as well as on the cover of his controversial book, in which he claimed that the Swedish Social Democrats

collaborated with Nazi Germany during the war. He insisted that his use of the work was satirical and was thereby permitted under freedom of speech.

The Court explained that Swedish copyright law confers on the author the exclusive rights to reproduce and make the work available to the public. It also includes the right to oppose certain modifications to the work. However, the parody exception limits these exclusive rights. The parody exception is not explicitly regulated in the Swedish Copyright Act, but in practice, an exception has been developed that is based on the idea that a parody constitutes a new and independent work. However, this view requires that the parody differ significantly from the original work. This principle has been developed in court practice with the support of EU law (see CJEU judgment 03/09/2014, C-201/13, Deckmyn and Vrijheidsfonds, EU:C:2014:2132).The Court then found that A's tiger was too similar to the original work to be considered as an independent work. However, it held that there was a parodic element in A's communications of the works and that this parodic point was not directed at the original work of art but rather at the symbolism that the 'En Svensk Tiger' has acquired over time. Balancing the opposing interests, the Court concluded that A's reproduction and making available of the altered version of the 'En Svensk Tiger' was permitted, because it was done for parody purposes.

The text of the judgment is not publicly available. A press release (in Swedish) is available here. This decision is not final because the prosecutor has appealed the judgment.

Exceptions and limitations – Fundamental rights and freedoms

Swedish Supreme Court, Case T 4412-19 Sveriges Television Aktiebolag (SVT) v KE (the Iron Pipes case) [18 March 2020]

This case concerned the delicate balance between copyright protection and fundamental freedoms in relation to a film made by a politician involved in a street fight, and whether a TV channel was obliged to compensate the politician for the use of the clips and images filmed by him. The Swedish Supreme Court ruled in favour of copyright protection over freedom of expression and information and freedom of the press, stating that the public interest does not preclude a right to compensation under the Swedish Copyright Act for the unauthorised use of a film.

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In 2010, a person (KE) who was running for Parliament in the Swedish general elections was involved in a fight in central Stockholm. KE filmed the fight with his mobile phone and a clip from the film was uploaded onto YouTube with his authorisation. SVT, a Swedish television company, then published three longer sections of KE's film on their website, including clips which KE had not originally uploaded to the YouTube channel. SVT also used images from the video in various news articles and news programs for many years without KE's permission. KE submitted that, because of his rights in the film he was entitled to compensation from SVT for its communication to the public. SVT, on the other hand, claimed that, because of KE's political activity, they had the right to use the video to give factual information to the public about the incident. In national proceedings, the Swedish Patent- and Market Court (*Patent och marknadsdomstolen*) and the Patent and Market Court of Appeal (*Patent och Marknadsöverdomstolen*) held that SVT was obliged to pay compensation to KE for the unauthorised use of the material. The case was appealed before the Swedish Supreme Court.

The Supreme Court cited the recent CJEU judgments, C-469/17 *Funke Medien* (29/07/2019, C-469/17, Funke Medien NRW, EU:C:2019:623), C-476/17 *Pelham* (29/07/2019, C-476/17, Pelham and Others, EU:C:2019:624) and C-516/17 *Spiegel Online* (29/07/2019, C-516/17, Spiegel Online, EU:C:2019:625) which also address the interplay between copyright protection and freedom of information and freedom of the press. The Court confirmed that KE had rights to the film as a producer of an audiovisual recording according to Section 46 of the Swedish Copyright Act (1960:729) and as a photographer for the individual images according to Section 49a. The restriction in Section 23 applies to the right of photography and Section 25 to both the right of photography and the right as the producer of the recording. The photographs had not been shown to have been published in the manner required by Section 25. Nor could Section 25 be applied, since the photographs and the recording couldn't be considered to have been seen or heard during a current event. The public interest in information that exists in a case such as this cannot therefore affect the right to receive compensation for the use of a work. Copyright's exclusive rights may also be limited in the light of the European Convention of Human Rights – which includes, for example, the right to freedom of expression – in situations where these rights are of particularly high importance. However, this only applies in relation to the state and not to civil liability. The Court concluded that, since SVT had used the longer version of the video which had not been made public or seen or heard in the course of an event, SVT was not able to rely on the exception in Articles 23 and 25 to support its publications. The Court upheld the decision of the Swedish Patent and Market Court of Appeal.

The text of the judgment (in Swedish) is available here.

Exceptions and limitations – Private copying levy

Cour de cassation (Supreme Court, France), first civil chamber, No 18-23.752 [5 February 2020]

This decision from the French Supreme Court (*Cour de cassation*) concerns so-called levies for private copying and the question whether a company based in Luxembourg offering for sale devices for private copying on the internet, falls into the scope of persons liable for fair compensation in France.

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According to Article L. 311-4 Code de la propriété intellectuelle (French IP Code), manufacturers, importers or the person making intra-EU acquisitions must pay a remuneration for private copying of works protected by copyright. Article 5(2)(b) Directive 2001/29/EC (the Information Society Directive) allows Member States to provide for exceptions for reproductions made on any medium by a natural person for private use for purposes not directly or indirectly commercial, provided that the rights holders receive fair compensation.

The Société Copie France, a collective management organisation in charge of collecting remuneration for private copying of audiovisual and audio content, brought an action against Only Keys. Only Keys is a company based in Luxembourg which offers recording tools for sale on the internet for the reproduction of works for private use. In an emergency procedure, the Paris Court of Appeal (*Cour d'appel de Paris*) ordered Only Keys to pay a sum of money equal to the remuneration for private copying, and to report their inventory on a monthly basis. Only Keys brought an action against the Court of Appeal's decision. They argued that Article L. 311-4 of the French IP code was drafted prior to the

adoption of the Information Society Directive, and that the interpretation of the French provision is narrower than Article 5(2)(b) of the Information Society Directive. The latter would not be directly applicable in the Member States, and a *contra legem* interpretation of French law could not be adopted to include a company based outside France in the scope of the persons liable for compensation for providing devices for private copying.

The French Court stated that even though Article L. 311-4 of the French IP Code is prior to the Information Society Directive, it has to be interpreted in the light of the Directive in order to achieve its desired result, without, however, leading to a *contra legem* interpretation of national law. According to CJEU case-law (16/06/2011, C 462/09, Stichting de Thuiskopie, EU:C:2011:397 – summary available on eSearch Case Law), Article 5(2)(b) of the Information Society Directive should be interpreted as meaning that it is for the Member State that has introduced the exception to the reproduction right to ensure that rights holders actually receive fair compensation for the harm caused. The mere fact that the seller of the reproduction equipment is established in another Member State to that of the purchasers has no bearing on this obligation. In this case, it is up to the national courts to interpret national law in a way that ensures fair compensation from the commercial seller. Therefore, a clause in the general conditions of the sale, transferring the payment of 'specific taxes to the States such as for example taxes on copyright' to the final customer, cannot annul the requirement for due compensation. Fair compensation would be ineffective if it had to be collected from end users. The Court concluded that Only Keys should be considered as having contributed to the import of the reproduction tools, and therefore rejected the request to cancel the Court of Appeal's judgment.

The text of the judgment (in French) is available here.

Neighbouring rights – Infringement – Broadcasting – Authorship – Exceptions and limitations

Svea Hovrätt (Svea Court of Appeal), No PMT 1473-18 [23 July 2019]

This decision concerns infringement of neighbouring rights (Sections 46 and 49a of the Swedish Copyright Act) and the conflict with freedom of speech and information.

In 2010, a political scandal known as 'Järnrörsskandalen' occurred in Stockholm, and a politician recorded part of this event with his mobile phone. Four months later, the political party Sweden Democrats published extracts of the record with the consent of the politician on their YouTube channel. A few months after that, Sweden's Television (Sveriges Television AB, SVT) used film sequences and frozen images from other parts of the record on TV, as well as in different TV programmes available on its website. SVT also continued to make the record available even after the politician had requested to be named as an author and to be paid reasonable compensation. The politician brought an action against SVT and others, asking the Court to confirm that he was entitled to compensation for the use. SVT argued that the event was considered as one of the biggest political scandals in the history of Sweden, and in view of the public interest, the exception for reporting current events by the press as well as freedom of information justified the use.

The Court of Appeal held that the record is protected by a neighbouring right as a recording (Section 46 of the Swedish Copyright Act) and that the frozen images are protected as photographic images (Section 49a of the Swedish Copyright Act).

The Court of Appeal inter alia found that SVT, as the Swedish national public television broadcaster, has a duty to research the authorship of media it publishes. As to copyright exceptions, the Court of Appeal stressed that the parts of the record that SVT used had not been previously legally published. Therefore the news reporting exception did not apply; considerations of freedom of speech and information did not change that assessment.

The Court of Appeal found that some of SVT's programme elements were parodies and fulfilled all the conditions of a parody exception (it referred to the CJEU decision in case C-201/13 *Deckmyn and Vrijheidsfonds*, ECLI:EU:C:2014:2132, 03/09/2014).

The Court of Appeal concluded that SVT must pay compensation to the author according to copyright law; partly reasonable compensation for the use of the record, and partly compensation for the additional damage that the infringement has brought. The Court of Appeal has allowed the judgment to be appealed.

The text of the decision is available (in Swedish) on the website of the Svea Court of Appeal.

Other: Image right

IT- Image rights – Fundamental rights and freedom (right of information) photographs

Italian Supreme Court, Gianni Rivera v RCS, decision No 19515/2022 [18 June 2022]

In 2012, Gianni Rivera, a famous Italian ex-football player, accused RCS, a publisher of sports newspapers, of the unauthorised use of his image in several publications on the history of football. By its decision, the Italian Supreme Court overruled the interpretation of the lower instances, stating that private activities that have no direct or indirect connection with the activity of a famous person fall outside the scope of application of the defence under Article 97 of the Italian Copyright Act. The Supreme Court performed a balancing exercise between rights and interests at stake. It ruled that in the case at issue, the use of the footballer's image on the photos in question for news reporting, without his consent, could fall under this defence, as in essence it was neither offensive nor inappropriate and did not expose his private life.

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Mr Rivera is a famous ex-footballer for Milan AC. He was also a Member of the European Parliament. In a few publications about football's history, the newspaper RSC used several photos of Rivera playing football, but also engaging in other activities, defined by him as non-professional activities. In 2015, the Milan Court of First Instance agreed with the footballer, stating that the reproduction of his image when engaged in non-professional activities was unlawful (as he was not playing football and/or not wearing his football uniform). In 2017, the Milan Court of Appeal sided with the first instance judge arguing that

the footballer's public notoriety did not allow RCS to publish his images when connected to non-professional activities. RCS appealed the decision to the Supreme Court, which did not follow the lower courts' interpretation and sided with RCS, considering inter alia that the defence under Article 97 of the Copyright Act applied in this case. This provision provides circumstances under which the consent of a portrayed person is not required for reproducing their image.

The Supreme Court mainly explained that Rivera's photographs were neither inappropriate nor offensive and did not expose his private life. Moreover, the footballer was posing for photographers, which could be deemed as providing his permission for taking them (for example, he posed while getting off the plane after a match or being interviewed). Balancing the rights at stake and looking at the exercise of freedom of expression/information, the Court confirmed the need to evaluate whether the use of a person's image is essential to ensure the completeness and accuracy of the information provided. Specifically in this case, the Court held that the image was not used for a promotional or advertising purpose and that that purpose could not automatically be inferred from the entrepreneurial nature of the activity. It observed that news reporting could also look to the past and is not only about providing updates on current events. For journalistic purposes, the Court held that it was unnecessary for photographs to be indispensable to inform public opinion about a fact of some social utility; neither do the photographs have to be relevant to the professional activity of the person depicted. What matters is that the photographs convey news of public interest to the public targeted by the periodical, which is for the lower court to further assess.

The original decision (in Italian) is available here and more information on IPKAT

Image right – reputation – parody

Dutch Supreme Court –Case 20/02691, Max Emilian Verstappen v MAVIC S.À.RL, ECLI:NL:PHR:2021:953, [22/04/2022]

The Dutch Supreme Court overturned the judgment of the Amsterdam Court of Appeal and ruled that the use of a lookalike (doppelganger) can constitute a violation of an image right under Article 21 of the Copyright Act 1992 (Auteurswet – 'AW'). The Supreme Court stated that a person must be recognisable in the image of the lookalike and that this possibility of recognition is increased when there are additional circumstances, such as the manner of the presentation of the lookalike. In addition, the Court found that while the character of the image is not important in answering the question of whether it is a portrait, it is significant in determining whether the portrayed person has a legitimate interest in objecting to the use of their image.

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Max Verstappen, a professional racing driver who enjoys worldwide fame, is represented by Mavic, which has an exclusive license to promote and exploit Verstappen's intellectual property rights (IPRs). Verstappen appeared in a Jumbo supermarket chain commercial on Dutch national television with the slogan 'quickly ordered, quickly delivered at home'. In this commercial, Verstappen delivered Jumbo's groceries to customers' doors with his Formula 1 car to advertise Jumbo's home delivery of groceries. This commercial was launched on 27 September 2016. The very next day, the defendant, Picnic, an

online supermarket that delivers groceries, posted a video on its Facebook page named 'if you're on time, you don't have to race'. In this 32-second video, a person who was a Verstappen lookalike featured, wearing the same racing outfit and cap that Verstappen wore during his media appearances and on the track.

The questions here were whether Verstappen could oppose the publication of Picnic's video and if Picnic had acted unlawfully. Verstappen initiated proceedings against Picnic before the Amsterdam District Court. The Court ruled that the video contained a portrait within the meaning of Article 21 AW, and that Picnic had acted unlawfully, ordering them to pay Verstappen EUR 150 000. However, the Amsterdam Court of Appeal came to a different decision. It stated that Article 21 AW only protected Verstappen against unauthorised disclosure of his portrait, adding that the video depiction by the actor/lookalike in question and his performance could not be regarded as a portrait of Verstappen. The Court of Appeal concluded that the disclosure of the video was not unlawful towards Verstappen or Mavic because neither Verstappen's honour, reputation, nor business interests had been harmed by the release of the video.

Verstappen brought the case before the Dutch Supreme Court, where the Advocate General advised that a lookalike could constitute a portrait, as long as there is a sufficient degree of recognisability. The Court agreed with the Advocate General. It clarified that for the image of a lookalike to constitute a portrait, the person should be recognisable in pictures. Furthermore, the possibility of recognition is increased when there are additional circumstances, such as the way the lookalike is presented (e.g., the racing outfit and the video's scenario). For the Court, this last requirement prevents the image of someone who resembles another person from being regarded as a portrait of that person. Lastly, the Dutch Supreme Court found that the character of an image, for example a parody, is not important in answering the question of whether it is a portrait. However, that character may play a role in the weighing of interests prescribed by Article 21 (AW). In light of those considerations, the Court concluded that the image at issue was a portrait of Verstappen under Article 21 (AW). The Supreme Court annulled the judgment of the Amsterdam Court of Appeal of 2 June 2020 and referred the case to the Court of Appeal in The Hague for further considerations and decision.

The text of the judgment is available here.

Image right – Personality right of celebrities

Germany – Bundesgerichtshof (German Federal Court of Justice) – Case I ZR 120/19 / Case I ZR 207/19 [21 January 2021]

In these two judgements issued on the same day, the German Federal Court of Justice assesses the application of the right to personality and image of two celebrities in relation to the posting of their picture in a Facebook post (Case I ZR 120/19) and in a German Tabloid (Case I ZR 207/19) without their consent. The General Court confirmed that both claimants' personality and image rights had been infringed.

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The facts of Case I ZR 120/19 concern an online TV guide 'TV Movie', which used images of four popular television presenters, including the claimant - Günther Jauch, in a Facebook post. The page

administrator created a post which stated that one of the presenters visible in it was to retire because of cancer (not indicating which one of the presenters). The post included a picture of the claimant, who had not agreed for it to be used. When clicking on the post, the reader was redirected to the defendant's website (www.tvmovie.de), where the actual illness of the other television presenter (whose picture was also included in the post) was truthfully reported. The claimant's picture was used as 'clickbait'. The claimant sought a 'cease and desist' order against the site as well as the payment of an appropriate licence fee.

Regarding Case I ZR 207/19, it was brought by the actor Sascha Hehn (the claimant), who played a cruise ship captain in a long-running German soap opera. His image was used by the best-selling Sunday German tabloid *Bild am Sonntag* (the defendant) to advertise a pay-to-enter competition, with the first prize being a 'dream trip' on a luxury cruise. The claimant, whose real name was used in the spread, issued a legal action, seeking a cease and desist order of the use of his image, the provision of information, reimbursement of costs and finally, payment of an appropriate license fee for the promotional use.

Although considered separately, both cases were decided according to identical provisions of German civil law (Section 812 (1) sentence 1, case 2, and Section 818 (2) BGB) The provision requires the surrender or restitution of value of an unlawfully taken object - in this case, the property law right to determine the use of one's own image.

The Court held in the first case that no legitimate issues were illuminated by the use of the image. Indeed, the clickbait style of the post verged on deliberately false reporting, which stands at the margins of justified media freedom. The Court also held that consent to use an image does not extend to use which violates an individual's legitimate interest.

In the second case the Court confirmed that, despite the fact that the image of Mr Hehn was used only to attract attention to the competition and did not contribute to the formation of public opinion, his personal image right was indisputably infringed.

In both cases the claimants sought a cease and desist order as well as the payment of the appropriate license fee. In Case I ZR 120/19 it was EUR 20 000.

The text of the judgements (in German) are available here and here.

Enforcement – Right of information

Right of information – Intermediaries – Fundamental rights and freedoms – data protection

C-264/19 Constantin Film Verleih GmbH v YouTube LLC and Google Inc., EU:C:2020:542 [09 July 2020]

Where a film is uploaded onto an online video platform, such as YouTube, without the copyright holder's consent, Directive 2004/48/EC (the Enforcement Directive) does not oblige the judicial authorities to

order the operator of the video platform to provide the email address, IP address or telephone number of the user who uploaded the film concerned. Article 8 of the Enforcement Directive provides for the disclosure of the 'addresses' of persons who have infringed an intellectual property right, but this only covers the postal address of the user concerned, not their email, IP address or telephone number.

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Constantin Films has exclusive rights in respect of cinematographic works. Some of those works had been uploaded onto the YouTube platform without the rights owner's authorisation. Consequently, it had demanded that YouTube and Google provide information relating to each of the users who had performed the uploads, in accordance with its right to information set out in Article 8 Directive 2004/48/EC. With regard to the names and postal addresses of the users of the platform who uploaded the works, the parties had settled the dispute at first instance. However, Constantin had obtained only fictitious user names, and therefore had requested that the defendants be ordered to provide additional information concerning: their email addresses and mobile telephone numbers, and the IP addresses used by the relevant users to upload the files and the IP address last used to access their Google account. The Regional Court dismissed the applicant's request. However, the Higher Regional Court granted it in part and ordered YouTube and Google to provide it with the email addresses. Constantin appealed on a point of law before the Federal Court of Germany, maintaining its claims. In their own appeal on a point of law, the defendants asked for Constantin's request to be dismissed in its entirety. The Federal Court requested a preliminary ruling, asking whether the word 'addresses' in Article 8(2)(a) Directive 2004/48/EC should be interpreted to include the user's email addresses and telephone numbers, as well as the IP address used to upload the files or the IP address used when the user's account was last accessed.

According to the CJEU, the term 'addresses' constitutes a concept of EU law, which must normally be given an independent and uniform interpretation. Therefore, the meaning and scope of that term must be determined in accordance with its usual meaning in everyday language, also considering the context in which it occurs and the purposes of the rules of which it is part and (where appropriate) its origins. According to the CJEU, the term covers only the postal address (place of a given person's permanent address or habitual residence). It does not refer to the email address, telephone number or IP address. This interpretation is justified by the preparatory works to the Enforcement Directive (which do not contain any reference to the email address, telephone number or IP address) and by the context in which the concept is used. Furthermore, considering the Directive's general objective, it is also consistent with the purpose of Article 8. The CJEU noticed that, although the right to information seeks to apply the fundamental right to an effective remedy guaranteed in Article 47 of the Charter of Fundamental Rights of the European Union, and therefore to ensure the effective exercise of the fundamental right to property (including intellectual property), when adopting the Directive, the EU policymakers had chosen to provide for a minimum harmonisation concerning the enforcement of intellectual property rights. Therefore, in Article 8(2), that harmonisation is limited to 'narrowly defined information'. The CJEU also recalled that it had previously held that that provision's aim is to reconcile the compliance of holders' rights to information and of users' rights to the protection of personal data. According to the CJEU, Member States have the option of providing for the possibility for the competent judicial authorities to order the disclosure of such information. Therefore, it would be possible for Member States to allow rights holders to receive 'fuller information', provided that a 'fair balance is

struck between the various fundamental rights involved and compliance with the other general principles of EU law, such as the principle of proportionality'.

Consequently, the CJEU concluded that the term 'addresses' in Article 8(2)(a) 'does not cover, in respect of a user who has uploaded files which infringe an intellectual property right, his or her email address, telephone number and IP address used to upload those files or the IP address used when the user's account was last accessed'.

The text of the judgment is available here.

File sharing – Piracy – Infringement

Case C-149/17 *Bastei Lübbe GmbH & Co. KG* v *Michael Strotzer*, EU:C:2018:841 [18 October 2018]

This preliminary ruling clarifies the balance to be struck between effective protection of intellectual property (see Articles 3(1) and 8(1) and (2) of the Information Society Directive, 2001/29/EC, and Article 3(2) of the Enforcement Directive, 2004/48/EC, Article 17(2) of the Charter of Fundamental Rights) and respect for family life (Article 7 of the Charter of Fundamental Rights).

The case concerned the German law on injunctions and damages for copyright infringement (para. 97 of the German Copyright Act, UrhG). According to the case-law, owners of an internet connection are presumed liable for copyright infringement committed via their internet connection. The presumption may be rebutted if third persons had access to the internet connection. When the third person is a family member, the owner is not required to provide further details on the time and nature of the use of that connection.

The claimants in the national proceedings held the rights to an audiobook that was uploaded via the defendant's internet connection for file-sharing. The defendant claimed that his parents also used the connection.

In the opinion of the Court of Justice, German legislation places an obstacle in the way of the judge when it comes to obtaining evidence of copyright infringement (see Article 6(1) Directive 2004/48/EC). The initiation of proceedings as such cannot ensure the enforcement of intellectual property rights. This results in a serious breach of the copyright holder's fundamental rights; the requirement to ensure a fair balance between the various fundamental rights in question is not respected. The balance would not be affected if the national legislation provided copyright holders with other means of collecting evidence of infringement (for the German court to determine).

The text of the judgment is available on the Curia Website.

IT – Digital piracy - distribution of illicit content - precautionary measures

Court of Milan, 29198/2024, Lega Nazionale Professionisti Serie A v Cloudfare Inc. [19 December 2024]

The Court of Milan considered a complaint from a co-holder of audiovisual rights, Lega Nazionale Professionisti Serie A ('SERIE A'), that took **precautionary action** against Cloudfare to block domain names and routing of network traffic to the identified IP addresses. While on first instance the court rejected the claims, on second instance it upheld Serie A's claims and ordered precautionary measures against Cloudfare. The case establishes a new precedent for the liability of delivery network providers.

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Lega Nazionale Professionisti Serie A ('SERIE A') is a co-holder, along with football teams, of the **audiovisual rights** for the events and games organised by the Serie A League in Italy. Serie A seized the Court of Milan seeking a **precautionary measure** under Article 700 c.p.c. (Italian Code of Civil Procedure) against Cloudfare Inc. ('Cloudfare'). Cloudfare, a delivery network provider, was said to **facilitate** the **distribution of illicit content** through its services. Serie A requested the Court to i) block the Domain Name System (´DNS´) resolution of domain names and routing of network traffic to the contested IP addresses and those reported through the Piracy Shield platform, and ii) cease providing any service to infringers or make the best effort to prevent users from accessing illicitly distributed content. SERIE A's position was supported by other licensees of the audiovisual rights – Dazn Limited, Lega Nazionale Professionisti Serie B and Sky Italia s.r.l.

The claims were dismissed in the first instance as inadmissible and/or unfounded, following Cloudfare's intervention. According to the Court, i) the plaintiff had not sufficiently proved Cloudfare's casual contribution to the infringements, ii) it was not within the powers of the judicial authority to order Cloudfare to adhere to the 'Piracy Shield' platform set by AGCOM (Italian Communication Authority) nor to identify the measure that Cloudfare should have taken to avoid distribution of illicit content.

Serie A challenged the precautionary order before the same court that, in second instance, upheld SERIE A's claims, overruling its previous decision. In the court's eyes, since Cloudfare is an information society service provider, and its services were being used to commit the alleged offences, there was an obligation to ensure protection of copyright under Articles 156 and 163 of Italian Copyright Law and the Legislative Decree No 70/2003. Moreover, the potential damage caused by the conduct was considered sufficient to grant an injunction.
According to Law No 93/2023 Article 2(3), AGCOM may order platforms to disable access to content that is abusively disseminated, by blocking the DNS resolution of domain names and preventing the routing of network traffic to IP addresses, along with ordering the blocking of any future domains, sub-domains or IP addresses. AGCOM's assessment found a reverse proxy operating for the site. Moreover, Serie A provided technical evidence proving that IP addresses and domain names are the same as those already inhibited by the other access providers participating in the Piracy Shield program. The documents provided by SERIE A sufficiently proved that Cloudfare carried out activities to support and optimise the sites where the infringing content was available. Cloudfare offered services including content filtering to a given site, DNS systems and VPN services. As stated in a note by AGCOM, the provision of such services contributed to the infringements carried out by third parties who

knowingly exploit the intermediary's services to conduct their illicit activities. Lastly, Cloudfare had disregarded SERIE A's notification to take precautionary actions which further weakened its position.

The Court of Milan fully upheld Serie A's claims and ordered Cloudfare to take the following measures:

- Prohibit the DNS resolution and routing of network traffic to IP addresses that were flagged by Serie A.
- Terminate the DNS, CDN and reverse proxy that were used to infringe audiovisual rights.
- Adopt the necessary technological and organisational measures to prevent future infringements.
- Prohibit future DNS resolution of any second-level domain name.
- Implement technical measures to effectively prohibit users from accessing aliases arising from modifications to second, third, and fourth-level domains.
- Disclose data and information regarding the identity of the customers who have used Cloudfare´s services.
- Pay a fee of EUR 10 000 for each day of delay in implementing the prescribed measures as well as reimburse all legal costs.

The text of the decision can be found here.

Right of information – intermediaries – fundamental rights and freedoms – data protection

Bundesgerichtshof (BGH, German Federal Court of Justice), Case I ZR 153/17 *YouTube-Drittauskunft II* [10 December 2020]

In December 2020, the BGH handed down a judgment concerning the request made to an online intermediary service (YouTube) to provide third-party information, namely an email address, telephone number and an IP address, in relation to the infringement of IP rights occurring on its service. The plaintiff's appeal was rejected and the Court confirmed the principles stated in the CJEU's 'Constantin Film Verleih' judgment (09/07/2020, C-264/19, Constantin Film Verleih, EU:C:2020:542).

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The plaintiff is a film distributor active in Germany and asserts exclusive rights to authorise and prohibit the use of the films 'Parker' and 'Scary Movie 5'. The first defendant operates the internet platform 'YouTube' and the second defendant is 'Google', the parent company of the first defendant and owner of the domains used by the first defendant for the internet platform. In order to upload videos to 'YouTube', the users must first register with a 'Google user account' and provide a name, an email address and a date of birth. Publishing videos longer than 15 minutes on the platform requires a mobile phone to be provided to which an activation code is transmitted.

The aforementioned films had been illegally uploaded onto YouTube and accessed a total of more than 54 000 times before being blocked. The plaintiff requested information from the defendants regarding

the users who had uploaded the films. After a settlement in the first instance, the names and postal addresses were provided. Subsequently, the plaintiff requested additional information in the defendants' possession, namely the users' email addresses and telephone numbers, the IP address used to upload the file and the IP address last used by the user to access their Google/YouTube account. The Regional Court dismissed the action.

The plaintiff's appeal was partially successful. The Higher Regional Court ordered the defendants to provide information about the email addresses of the users who uploaded the films, and otherwise dismissed the claim. As a result, this case was brought to the BGH where the plaintiff pursued his claim for disclosure of the users' information (e.g. IP address) and the defendants pursued their request for the complete rejection of the claim. The BGH referred preliminary questions regarding the interpretation of Article 8 of Directive 2004/48/EC (the Enforcement Directive) to the CJEU whose response was provided in its 'Constantin Film Verleih' judgment (09/07/2020, C-264/19, Constantin Film Verleih, EU:C:2020:542). The CJEU ruled that Article 8(2)(a) of the Enforcement Directive 'must be interpreted as meaning that the term ''addresses'' contained in that provision does not cover, in respect of a user who has uploaded files which infringe an intellectual property right, his or her email address, telephone number and IP address used to upload those files or the IP address used when the user's account was last accessed'.

The BGH rejected the plaintiff's appeal on law and confirmed that the right to information about the 'name and address' within the meaning of Section 101(3) No. 1 UrhG, which transposes Article 8 of the Enforcement Directive, does not include information about the email addresses and telephone numbers of the users of the services. Neither does it include information about the IP addresses used for uploading infringing files or the IP addresses last used by users of the services to access their user account.

The text of the judgment (in German) is available here.

Enforcement – Intermediaries and Injunctions

Infringement - Data protection - Fundamental rights and freedoms

Case C-470/21 – *La Quadrature du Net*, EU:C:2024:370 [30 April 2024]
This case concerns the power of public authorities to access and **combine** IP (internet protocol) addresses with data relating to **civil identity**, for the purposes of **identifying** authors of online infringements of copyright and related rights. The Court of Justice of the European Union (CJEU) found that such processing activities are compliant with EU law only if they meet strict **substantial** and **procedural conditions**. Such conditions encompass a **watertight separation** between different categories of data and a **prior review** by a Court or an independent administrative body to ensure that the combination of data is **necessary** and **proportionate** and **does not allow** to draw **precise conclusions** about **the private life** of data subjects. In this way, the CJEU strikes a **fair balance** between the public interest in **targeting infringers** and the **fundamental right to privacy**.

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Under French legislation (Article L331-21 and following of the Intellectual Property Code) HADOPI (High Authority for the Dissemination of Works and the Protection of Rights on the Internet) has the **authority** to **access data** on **civil identities**, related to IP addresses holders, stored by communication services providers. Moreover, Rights holders provide HADOPI with IP addresses of suspected infringers of copyright and related rights. In this context, the French Authority may match these categories of data, through an **automated system,** to identify suspected infringers to target based on its **graduated response system**. The HADOPI system provides a series of graduated measures to target infringers: initial warnings; fines; and referral to the public prosecution service, in the case of criminal offences.

In proceedings pending before the Council of State, some digital rights associations (including *La Quadrature du Net*) challenged the French legislation's compliance with EU law, specifically with Article 15(1) Directive 2002/58 ('e-Privacy Directive') and Articles 7, 8 and 11 and Article 52(1) of the Charter of Fundamental Rights of the European Union.

The Council of State referred the CJEU that issued a preliminary ruling finding that national legislations may require communication service providers **to retain IP addresses**, in a general and indiscriminate manner, for the purpose of combating criminal offences. In principle, national legislation may authorise the combination of data on civil identity and IP addresses to identify infringers. Nevertheless, such processing operations must be **necessary** and **proportionate** to the goal of targeting infringers. This means that HADOPI's processing system could be deemed compliant with EU law only if the following substantial and procedural conditions were met.

- Communication service providers must retain different categories of data separately (e.g. IP addresses and civil identity data), not to allow to draw precise conclusions on private life of IP address holders.
- The retention period imposed on these providers must be limited to what is strictly necessary.
- Public authority's access to data should be exclusively for identifying suspected infringers and should **not enable** drawing precise conclusions about the private life of IP address holders.
- Officials of the authority must be **prohibited** from **disclosing** information on the files accessed by IP address holders (except for referral to prosecutors), from **tracking** users' clickstream and more in general from using IP addresses for **purposes other** than adopting response **measures** against infringers.
- The authority may combine data about civil identities and allegedly infringed work titles only upon prior **review** of a **court** or an **independent administrative body** to avoid abuses.
- Such a review may **not** be entirely **automated** to guarantee a **balance** between the public interest to combat infringements and the fundamental right to privacy. Otherwise, the combination of such data might enable precise conclusions on the private life of IP address holders.
- The **data processing system** used by the public authority must be subject at **regular intervals** to a **review**, by an independent body, to verify (i) the integrity of the system, (ii) the effective safeguards against the risks of abusive or unlawful access to or use of the data, (iii) the effectiveness and reliability of the system in detecting potential offending conducts.

The text of the decision can be found here.

Article 17 C-DSM – Fundamental rights and freedoms – Action for annulment (CJEU ruling)

Case C-401/19, Republic of Poland v European Parliament and Council of the European Union, EU:C:2022:297 [26 April 2022]

On 26 April 2022, the Court of Justice of the European Union (CJEU) dismissed the Republic of Poland's action for the annulment of Article 17(4)(b) and (c), in fine, of Directive (EU) 2019/790 on copyright and related rights in the Digital Single Market (C-DSM Directive). In doing so, the Court confirmed that this provision was compatible with the EU Charter of Fundamental Rights (CFR). Essentially, the Court reasoned that the liability regime established under Article 17(4) of the C-DSM Directive entails a limitation to freedom of expression and information under Article 11 CFR by the preventive control it de facto requires from online content-sharing service providers (OCSSPs) on content posted by their users. However, the Court ruled that this limitation is justified and is compliant with conditions set out in Article 52(1) CFR and the proportionality principle. The judgment underlines that the safeguards enshrined in Article 17 are sufficient to protect those freedoms and rights and to ensure a fair balance between them.

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In 2019, the Republic of Poland brought an action for annulment before the CJEU, claiming that the obligations set out in Article 17(4)(b) and (c) of the C-DSM Directive *in fine* violate Article 11 CFR. The applicant argued that these obligations effectively force OCSSPs to install content monitoring technologies that would prevent lawful uploads and undermine users' rights to freedom of expression.

In the judgment, the CJEU ruled that Article 17 of the C-DSM Directive is compatible with freedom of expression and information under Article 11 CFR and, therefore, dismissed the action brought by the Republic of Poland.

Key findings

Liability regime

Article 17 of the C-DSM Directive creates a new liability regime in the copyright field. It provides that, in essence, OCSSPs perform an act of communication to the public and need to obtain an authorisation from the relevant rights holder(s) for the content uploaded onto their website. If no authorisation is obtained, then, in order to exempt themselves from liability for copyright infringement, they will have to demonstrate that they have:

- made best efforts to obtain an authorisation;
- made best efforts to ensure the unavailability of specific works that rights holders have identified in advance;
- acted expeditiously to remove notified content and made best efforts to prevent future uploads.

Two of those cumulative conditions were at the heart the action for annulment. Under Article 17(4)(b) and (c) of this liability exemption mechanism, OCSSPs are required to carry out preventive monitoring, provided that service providers have received 'relevant and necessary information from rights holders'. Upon reception of the substantiated notice, service providers must ensure the unavailability of specific works (notice and take down) and ensure the works already taken down do not reappear (notice and stay down). In case of erroneous or unjustified content blocking, users should have effective complaint, redress and out-of-court mechanisms available (§ 70), which serve as additional safeguards to the OCSSP's obligation not to block lawful content under Article 17(7) of the C-DSM Directive.

Existence of a limitation on the exercise of the right to freedom of expression and information resulting from the liability regime introduced in Article 17 of Directive 2019/790

The Court considered that the requirement for prior review of the uploaded content under Article 17 entails a limitation on the exercise of freedom of expression and information of OCSSP users.

The Court noted that Article 17(4)(b) and (c) of the C-DSM Directive impose an obligation to conduct a prior review of uploaded content, which requires OCSSPs to employ automated content recognition (ACR) and filtering tools, which currently do not have alternatives (§ 54).

However, the Court emphasised that Article 11 CFR should be interpreted in light of Article 10 of the European Convention on Human Rights and the case-law of the European Court of Human Rights. Article 11 CFR is not absolute. Limitations on its exercise are permissible insofar as it satisfies all conditions laid down in Article 52(1) CFR and the principle of proportionality is respected. They must be 'provided for by law', respect the essence of the right to freedom of expression, and comply with the principle of proportionality (also required under Article 17(5) of the C-DSM Directive).

The justification for the limitation

The Court considered the imposed limitation on freedom of expression to be justified, taking into account not only Article 17(4) of the C-DSM Directive in isolation, but also the provisions that accompany that regime (Article 17(7)-(10)), and considering the legitimate objective pursued by Article 17, namely the protection of IP rights holders, guaranteed in Article 17(2) CFR (§ 69).

Assessing compliance under Article 52(1) CFR, the Court ruled that the obligation under Article 17(4) of the C-DSM Directive did not disproportionately restrict the right to freedom of expression and users of those services. It referred to the following safeguards.

1. In order to prevent the risk associated with the use of automatic recognition and filtering tools on fundamental rights, the EU legislature has provided **clear and precise limits on the preventative measures** that may be required under Article 17(4) of the C-DSM Directive, excluding, particularly, measures that filter and block lawful content when uploading (§ 85). The Court reemphasised that the filtering system, which might not make a distinction between lawful and unlawful content, would not be compatible with the right guaranteed under Article 11 CFR and would not ensure a fair balance between the right to freedom of expression and information and the right to intellectual property (§ 86).
2. Article 17 of the C-DSM Directive provides that users are authorised, by national law, to upload their content for the purposes of quotation, criticism, review, caricature, parody or pastiche, and

should be informed by OCSSPs that they can use works and other protected subject matter under the **copyright exceptions and limitations** that are mandatory under EU law (§ 87).

3. The liability regime requires right holders to provide '**relevant and necessary information**' or '**sufficiently substantiated notification**' regarding potentially infringing content, which serves as precondition to 'protect the exercise of the right to freedom of expression and information of users who lawfully use those services' (§ 89).
4. The Court clarifies that the application of Article 17 of the C-DSM Directive should not result in a **general monitoring obligation**, which means that 'the providers of those services cannot be required to prevent the uploading and making available to the public of content, which, in order to be found unlawful, would require an independent assessment of the content by them in the light of the information provided by the rightsholders and of any exceptions and limitations to copyright' (§ 90).
5. Procedural safeguards under Article 17(9) of the C-DSM Directive protect the right to freedom of expression and information of online content-sharing service users in cases where the providers of those services erroneously or unjustifiably block lawful content (§ 93). Under these provisions, the users are provided with enforceable rights against OCSSPs and IP owners through effective and expeditious **complaint and redress mechanisms**. Furthermore, service providers must ensure that the reasons for the removal or disabling of access to the content are duly justified (§ 94) and Member States must ensure that users have access to **out-of-court redress mechanisms,** enabling an impartial settlement of the disputes and effective judicial remedies. Specifically, users must be able to assert the use of an exception or limitation to copyright and related rights in a court or another relevant judicial authority (§ 95).
6. To supplement the system of safeguards provided for in Article 17(7)-(9) of the C-DSM Directive, the Commission was required to organise a stakeholder dialogue to discuss best practices for cooperation between the relevant actors, taking into account conflicting fundamental rights and freedoms, and issue a **Guidance** (§ 96).

In light of the abovementioned findings, the Court concluded that Article 17 of the C-DSM Directive includes appropriate safeguards to ensure, in accordance with Article 52(1) CFR, the right to freedom of expression and information of the users of those services (Article 11 CFR), and a fair balance between the right of users and the right to intellectual property (Article 17(2) CFR) (§ 98).

The Court underlined that Member States must, when transposing Article 17 of the C-DSM Directive into their national law, act on the basis of an interpretation of that provision that allows a fair balance to be struck between fundamental rights and interpret their national law in a manner consistent with the provision, fundamental rights and general principles of EU law (§ 99).

The text of the judgment is available here.

Article 17 C-DSM - Fundamental rights and freedoms – Action for annulment (AG opinion)

AG Øe's Opinion in Case C-401/19 Republic of Poland v European Parliament and Council of the European Union [15 July 2021]

On 15 July, the Advocate General (AG) Saugmandsgaard Øe released his long-awaited Opinion in the Case C-401/19 (*Republic of Poland v European Parliament and Council of the European Union*). **The AG considers that Article 17 of the C-DSM Directive is compatible with the EU charter of Fundamental rights (CFR) and should not be annulled**. In the AG's view, it is compatible insofar as the monitoring obligations of online content sharing service providers (OCSSPs) are circumscribed by sufficient safeguards, contained in the provision itself, to minimise the impact of the resulting filtering activities on users' freedom of expression and information.

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In 2019, the Republic of Poland brought an action for annulment before the Court of Justice of the European Union (CJEU), claiming that the obligations set out in Article 17(4)(b) and (c) *in fine* violate Article 11 of the EU Charter of Fundamental Rights (CFR). The applicant argued that these obligations effectively force OCSSPs to install content monitoring technologies that would prevent lawful uploads and undermine users' rights to freedom of expression.

In his opinion, AG Øe advises the CJEU to rule that Article 17 of the C-DSM Directive is compatible with freedom of expression and information under Article 11 CFR and therefore dismisses the action brought by Poland.

Key findings:

Liability regime: Article 17 of the C-DSM Directive creates a new liability regime in the field of copyright for OCSSPs. In the AG's opinion, EU legislature has redefined the scope of the right of 'communication to the public' within the meaning of Article 3 of Directive 2001/29 for the (sole) purpose of the application of that Article 17.

The purpose of Article 17 of the C-DSM: the provision pursues an objective of general interest recognised by the Union and aims to ensure effective protection of intellectual property rights. Article 17(4)(b) and (c) provides that OCSSPs are required to carry out preventive monitoring, which may be expected from a diligent operator and in compliance with the principle of proportionality.

No general monitoring obligation: public authorities cannot require OCSSPs to monitor all types of illegal information disseminated through their services. However, they may impose 'specific' monitoring obligations on certain online intermediaries regarding a *specific file* that makes illicit use of a protected work. In this respect, the monitoring obligations under Article 17(4) should be regarded as specific and not general. As such, they do not conflict with Article 15 of the e-Commerce Directive. Moreover, as in Case C-18/18 (*Glawischnig-Piesczeck),* the AG suggests that the 'generality' of an obligation must be determined not by the amount of information processed, but by the specific content sought in the information collected.

Freedom of expression, information and artistic expression: the AG considered that Article 17 does not, in principle, interfere with freedom of expression, information and artistic expression. **However**,

Article 11 of the Charter should be interpreted in the light of **Article 10 ECHR** and the case-law of the European Court of Human Rights (ECtHR). **Article 11 CFR is not absolute**; limitations on its exercise are permissible insofar as it satisfies all conditions laid down in Article 52(1) of the Charter. They must be 'provided for by law', respect the essence of the right to freedom of expression, and comply with the principle of proportionality (also required under Article 17(5) of the C-DSM Directive). According to the AG, **Article 17 meets** all the above requirements.

- **The policy choice of EU legislature regarding the new liability regime of certain online intermediaries**: according to the AG, the changing digital environment, the vast amounts of content uploaded online and the difficulty of identifying content without technical tools justified a change in the balance of intermediary liability for OCSSPs to ensure the effective protection of rights holders.
- **Safeguards and users' rights**: in view of the risks of 'over-blocking', the AG also considered that Article 17(7) and Article 17(9) contain 'meaningful safeguards to protect the users of sharing services against measures involving the improper or arbitrary blocking of their content.' In the AG's view, Article 17(7) has not simply mandated Member States to implement certain copyright exceptions in their own laws but has 'expressly recognised that users of sharing services have subjective rights under copyright law.' Those users are provided with enforceable rights against OCSSPs and IP owners, to make legitimate use, on sharing services, of protected works, including exceptions and limitations to copyright.

The Opinion does not question the recent judgment in the joined cases C-682/18 and C-683/18, (*YouTube and Cyando*). In postscript the AG also mentions the Commission's Guidance on Article 17 issued in June 2021, reflecting the Commission's position before the Court. However, the AG is critical regarding the 'earmarking mechanism' from the guidance if it means that providers should block content *ex ante* simply on the basis of an assertion of a risk of significant economic harm by rights holders. He thereby reflects one of the main academic reproaches of the Commission's guidance.

The AG Opinion is available here.

Liability of intermediaries (online platform) – Communication to the public – Exemption of liability

Joined Cases C-682/18 and C-683/18 *Frank Peterson v Google LLC, YouTube Inc., YouTube LLC, Google Germany GmbH (C-682/18) and Elsevier Inc. v Cyando AG* (C-683/18), ECLI:EU:C:2021:503 [22 June 2021]

The questions referred in this preliminary ruling lies at the crossroads between the InfoSoc Directive (Directive 2001/29), IPRED (Directive 2004/48) and the E-Commerce Directive (Directive 2000/31), regarding the liability of online platforms for illegal uploads of copyright-protected works by users. They do not concern the interpretation of Article 17 of the DSM Directive (Directive (EU) 2019/790). The Court considered that in principle online platforms do not themselves make a communication to the public of such illegal content illegally posted online by their users.

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Frank Peterson, a music producer, brought an action against YouTube (YT) – the video sharing platform – before the German court regarding recordings uploaded by YT users without his permission. The publisher Elsevier brought a similar action against the platform Cyando – the file-hosting and sharing platform – in respect to the online posting by Cyando users of various works for which Elsevier holds exclusive rights, without their authorisation.

The Federal Court of Justice (Germany) referred a number of questions to the CJEU for a preliminary ruling.

- The court asked if operators of video-sharing platforms containing copyright-protected works made publicly accessible by users without the consent of the rights holders perform an 'act of communication' within the meaning of Article 3(1) of the InfoSoc Directive (Directive 2001/29), when they earn advertising revenue by means of the platform or when they list, display and recommend videos to their users.
- In the affirmative, the court further asked if, the video-sharing platform could benefit from the 'exemption from liability' provided by Article 14 of the E-Commerce Directive (Directive 2000/31) (Ecom), and should that be the case, if the national requirement according to which a rights holder can obtain an injunction against a service provider only when infringements occurring on their platforms keep repeating after a notification, is compliant with Article 8(3) of InfoSoc Directive.

In its answers, the CJEU highlighted that:

- Operators of online platforms **do not, in principle, make a communication to the public themselves** of copyright-protected content illegally posted online by users of those platforms, **unless** those operators contribute, beyond merely making the platforms available, to giving access to such content to the public in violation of copyright. This is the case, inter alia:

  - where the platform has specific knowledge that illegal content is available on its platform and refrains from expeditiously removing it.

  - where the platform despite knowing that users are making illegal content available, refrains from putting in place appropriate technological measures to counter copyright infringement on that platform.

  - or where the platform participates in selecting protected content illegally communicated to the public, providing tools intended for the illegal sharing of such content or knowingly promoting it.

- Platforms (such as Youtube, Cyando) can benefit from **exemption from liability** under the Ecom, unless they play an 'active role' of such a kind that gives them knowledge of or control over the content uploaded to their platform.
- The InfoSoc Directive does not preclude a situation under national law whereby a copyright holder cannot obtain an **injunction against an operator** whose service has been used by a third party to infringe its rights, that intermediary having no knowledge of that infringement (within the meaning of Article 14 Ecom), **unless**, before court proceedings are commenced, **that infringement has first been notified to that intermediary** and the latter has failed to intervene expeditiously in order to remove the content or block access to it. It is, however, for the national courts to ensure that that condition does not result in the actual cessation of the infringement being delayed in such a way as to cause disproportionate damage to the rights holder. It means

that for the Court, imposing the notification of an infringement as a condition for obtaining an injunction conforms with Article 8(3) InfoSoc (Injunction).

The text of the judgment is available here.

Injunction (stay down- territorial scope) – Online Platforms (Social Media)

Case C-18/18 Eva Glawischnig-Piesczek v Facebook Ireland Limited, EU:C:2019:821 [3 October 2019]

This preliminary ruling concerns the scope of the obligations of social network providers to remove or block unlawful information posted by users.

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According to Article 14 E-commerce Directive (D 2000/31/EC) so-called hosting providers are exempted from any liability for unlawful information stored if they remove it as soon as they gain knowledge of the unlawfulness. They may however have some obligations to end or prevent infringements. According to Article 15(1), information society service providers should have 'no general obligation to monitor'. The Austrian Supreme Court asked the CJEU to clarify whether this principle allows injunctions that require hosting providers to remove *identical* or *equivalent* content to content previously declared illegal. It also asked whether injunctions could have a worldwide effect.

A Facebook user had shared an article from a news magazine about an Austrian politician on his non-restricted personal page, including a photo of the politician. The user had also added a comment which was found to be insulting and defamatory, and to harm the politician's reputation. When Facebook did not remove the content upon her request, the politician asked the Austrian courts to grant an injunction.

The Court of Justice stresses that the prohibition of imposing general monitoring obligations does not concern monitoring obligations in *specific cases*. When a hosting provider stores a piece of content for a user which was declared unlawful by a court, monitoring is justified. Social networks facilitate the quick exchange between users, and there is a genuine risk that illegal information will be copied and shared by other users. Injunctions covering *identical* content to content declared illegal are therefore legitimate, irrespective of who requested the storage of information.

In addition, for the injunction to be effective, it may extend to *equivalent* content, i.e. content that essentially conveys the same message, but is worded slightly differently. However, and in order to keep this monitoring specific and not excessive, it is important to identify, in the injunction, specific elements such as the name of the person targeted in the illegal information, the circumstances and the content of the information. EU law is respected when the hosting provider does not have to carry out an independent assessment, because it has recourse to automated search tools and technologies.

There is no restriction on the geographical scope of the injunction's effects, as long as national law takes into account the international legal framework.

The text of the judgment is available on the Curia website.

Liability of Intermediaries (online platform)- Communication to the public – Making available to the public- Streaming

Oberlandesgericht Nürnberg – No 3 U 2910/22 [1 August 2023]

This case concerns the **liability of online marketplaces** for copyright infringement carried out by third-party vendors. The German Court applied the jurisprudence of the CJEU in 'YouTube/Cyando' (22/06/2021, C-682/18 and C-683/18, YouTube/Cyando, EU:C:2021:503), finding that the defendant failed to take appropriate measures to prevent repeated copyright infringements of the same work, despite the notice sent by the claimant.

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The claimant was a photographer who alleged that a picture of the Manhattan Bridge he had taken was being used to advertise a TV set on several websites without authorisation. These advertisements were linked to the **online marketplace Rakuten** and were related to products offered on that marketplace by third-party vendors.

The claimant requested and obtained from Rakuten the removal of his copyright-protected image from the website. Nevertheless, the plaintiff found out that the same image was being used in other advertisements on the same marketplace by other vendors.

In light of the above, the photographer took legal action against Rakuten before the Court of Nürnberg for copyright infringement, mainly for failing to adopt reasonable measures to prevent the unauthorised use of his copyright-protected images.

The Court found the following.

- The German legislation implementing Directive (EU) 2019/790 (the 'CDSM Directive') – Urheberrechts-Diensteanbieter-Gesetz ('UrhG') – was not applicable, as the conduct took place before this legislation came into force and, in any case, online marketplaces are not 'online content-sharing service providers' within the meaning of this Directive.
- Nevertheless, the Court found Rakuten **liable** based on **CJEU case-law** (i.e. the 'YouTube/Cyando' judgment), finding that without the sales platform provided by the defendant, it would be impossible, or at least more complex, to freely share potentially copyright-infringing content on the internet. The German judges identified **three situations** where the platform is **liable for copyright infringement**.

1. When the operator knows or should know that protected content is unlawfully made available to the public via its platform by users and, despite this, it does not take the **appropriate technical measures** that may be expected of a diligent operator to credibly and effectively combat copyright infringements.
2. When the operator is involved in the selection of protected content that is unlawfully made available to the public, offers on its platform **tools** specifically designed for sharing such content, or **intentionally encourages** such sharing.

3. When the operator **has been notified** by the right holder that protected content has been unlawfully **made available** to the public via its platform and **does not take** the **necessary measures** to prevent access to this content **in a timely manner**. The platform must also prevent the continued making available to the public of illicit content by **similar infringements**, within the limits of what is **technically** and **economically reasonable**.

The Court found that the marketplace **failed to** take **appropriate measures** to prevent **repeated infringements** of the **same work**, despite the notice sent by the claimant. Furthermore, the marketplace did not explain why It was not possible to verify the offers made by the vendors.

Applying the CJEU's jurisprudence, the court held that Rakuten could not benefit from an exemption of liability as a hosting provider. Therefore, the platform was found to have carried out an act of communication to the public under Article 3 of the InfoSoc Directive and Section 19a UrhG.

The Court set compensation for damages at EUR 6 675. This sum was calculated based on the invoices for granting licences in similar cases, the average of which was EUR 4 450. This amount was increased by 50 % for infringement of moral paternity rights, as the claimant was not mentioned as the author of the photograph in the advertisements.

This is the first time a German court has applied the new liability principles to an online marketplace.

The text of the judgment is available here.

Liability of intermediaries (online platform) – exemption from liability

Judgment of the Hoge Raad der Nederlanden, Stichting Brein v News-Service Europe, No 17/01135, NL:PHR:2022:534 [27 January 2023]

This case concerns a dispute between the Dutch right holders' association BREIN ('the appellant') and a provider of Usenet services known as News-Service Europe ('NSE' or 'the respondent'). After a 14-year legal battle, the Supreme Court of the Netherlands held that NSE was not liable for copyright infringement on its services and was not deemed a content curator. In this judgment, the Dutch court applied the direction expressed by the CJEU in the 'YouTube' and 'Cyando' joined cases (C-682/18 and C-683/18, EU:C:2021:503), according to which an online platform benefits from the liability exemption laid down by Article 14(1) of the E-commerce Directive when: (i) it does not play an active role in giving its users access to a protected work in breach of copyright; (ii) it is not aware of specific illegal acts committed by its users; and (iii) it deletes or blocks access to protected content expeditiously and puts in place appropriate technological measures to take such content down.

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NSE was a provider of Usenet services, which allowed users to exchange messages and content and stored them for a retention period before they were deleted. While NSE had put in place notice-and-takedown procedures by 2009, BREIN took legal action for infringement of copyright and neighbouring rights, seeking a cease-and-desist order as well as a declaratory judgment.

The Court of Amsterdam found in favour of BREIN, finding that NSE, through its intermediary services, had facilitated copyright infringement by its users and was required to implement a full filtering-and-takedown system for its content, in order to comply with the relevant copyright legislation. NSE ceased

providing its services but appealed the decision. The Amsterdam Court of Appeal overturned the lower court's judgment, finding that NSE was exempt from liability for copyright infringement as it complied with the conditions set out by Dutch copyright legislation, transposing Article 14(1) of the E-commerce Directive. In particular, the judges held that NSE: (i) provided purely technical, automatic and passive services; (ii) was not aware of the infringing activities carried out by its users; and (iii) set up sufficiently effective notice-and-takedown procedures. BREIN appealed this ruling before the Supreme Court of the Netherlands.

The Supreme Court initially sought a preliminary ruling from the CJEU in relation to the case. However, it withdrew its request following the CJEU's decision regarding YouTube and Cyando (C-682/18 and C-683/18, EU:C:2021:503). Applying the legal principles laid down by the European Union judges in the abovementioned decisions, the Supreme Court of the Netherlands confirmed the findings of the Court of Appeal and ruled out NSE's liability for the copyright infringement carried out by its users. In this regard, the Dutch judges held that the respondent lacked knowledge of the infringements committed through its services, and that, once it was notified, it had suitable takedown measures in place. Furthermore, the Court pointed out that the first-instance decision's reasoning seemed to imply a general monitoring obligation that ran contrary to Article 15 of the E-Commerce Directive.

In light of the above, BREIN was ordered to pay EUR 65 000 in legal fees, although the impact of the judgment was limited by the respondent's cessation of its services in 2011. This case reflects the importance of the 'YouTube' and 'Cyando' decision for national courts when assessing intermediary liability.

The text of the judgment is available here.

Copyright infringement (books) – injunctions (dynamic) – intermediaries

Tribunal Judiciaire Paris, 3-ième Chambre, 1re sec., Syndicat national de l'Edition c/SFR, Bouygues Telecom, Free et Orange, RG No 22/08014 [25 August 2022]

In this case, the Court of Paris issued a 'dynamic' blocking injunction against leading French internet access service providers (IAPs), asking them to prevent access to the piracy website Z-Library. The Court examined the proportionality of the injunction to be issued and found that, to guarantee the balance between IPR protection, freedom of information and freedom of enterprise, the IAPs must be able to choose the appropriate blocking measures to implement. In addition, the search for this balance implies ruling out any measures providing absolute systematic and unlimited control over time.

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Le Syndicat national de l'Edition ('SNE' or 'the claimant'), a French professional organisation representing book publishers, took legal action against Bouygues Telecom, FREE, Y Z, ORANGE and Y ('the respondents'), French telephone operators and IAPs. These latter provided internet access to Z-Library, a 'shadow library' website enabling users to unlawfully download copyright-protected content such as books and articles. The website was accessible by users in France through 205 domain names and offered more than 20 million books and 86 million articles, including works belonging to right holder members of SNE.

Therefore, the claimant sought a 'dynamic' injunction under L.336-2 of the French Intellectual Property Law (transposing Article 8(3) of Directive 2001/29/EC) to order the respondents to prevent access to Z-Library to its subscribers located on French soil by blocking 209 identified domain names and any other domain names (mirror websites), to be identified through an accelerated judicial proceeding on the merits (without prejudice to a possible referral to ARCOM).

The Court upheld SNE's claim. It found that the Z-Library website enabled users to download copyright-protected content without the right holders' authorisation. In reaching this conclusion, the Court relied on several reports from sworn agents and studies, but also on the fact that the Z-Library website was listed in the European Commission's Counterfeit and piracy watch list and had been blocked by national courts, notably in Denmark and England. For the Court, SNE was therefore entitled to request a blocking injunction. The Court referred to CJEU case-law and held that the protection of the fundamental right to property, which includes the rights linked to intellectual property, must be balanced against the protection of other fundamental rights (29/01/2008, C-275/06, Promusicae, EU:C:2008:54). To preserve the balance between IPR protection, freedom of information and freedom of enterprise, the Court stressed that IAPs must retain the choice of which measures to implement. It also held that measures providing absolute, systematic, and unlimited control over time would violate this balance.

In light of the above, the Court of Paris issued an injunction ordering the respondents to take all appropriate measures to prevent access to the Z-Library website from the French territory, by any effective means of their choice, and in particular by domain name blocking, for a period of 18 months.

The Court order further stated that:

- it applied to the domain names and associated sub-domains listed in a table attached to the judgment;
- the cost of the blocking measure was to be borne by the respondents;
- it was for the respondents to inform the claimant of the measures' implementation, specifying any difficulties they might encounter;
- in turn, it was for the claimant to indicate to the respondents which domain names were no longer active, in order to avoid unnecessary blocking costs;
- the blocking measures could be updated, in the event of a change in domain names or access paths, through an accelerated judicial procedure on the merits or by referring the matter to a judge in interlocutory proceedings (*juge des référés*).

The text of the judgment (in French) is available here and here.

A similar blocking injunction was issued regarding the platforms 'Sci-Hub' and 'LibGen' – see **Tribunal Judiciaire de Paris, 3-ième Chambre, 1re sec., Elsevier Masson et al. vs. SFR and other, 20 October 2022**. The text of the judgment (in French) is available here.

Blocking injunction- liability of intermediaries (Content Delivery Network- DNS server)

Tribunal of Milan (sec. 14), Sony Music Entertainment Italy s.p.a., Universal Music Italia s.r.l., Warner Music Italia s.r.l. v Cloudfare Inc., RG No 50126/2021 [11 July 2022]

Finding that the websites blocking orders issued by AGCOM (the Italian communication authority) were bypassed by Italian users switching to public DNS resolvers, some key music industry players, including Universal Music, Warner music and Sony music, brought the case to the Milan court. As a result, on 11 July 2022, the Court issued a preliminary injunction against Cloudfare, ordering the US company to take all appropriate means to prevent its customers from accessing the identified copyright infringing BitTorrent sites through its **DNS public servers**.

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The proceedings were initiated by Universal Music Italy, Warner Music Italy and Sony Music Entertainment Italy (the applicants) against Cloudflare, as an intermediary service provider, pursuant to Article 156 of the Italian Copyright Law.

Noticing that audio content for which they hold copyrights were made available through several torrents websites (e.g. kickasstorrents.to), the applicants first requested AGCOM, the Italian communication authority, to order internet services providers (ISPs) to prevent Italian users from accessing those websites. However, despite this administrative blocking order, the sites were still being accessed through the use of CLOUDFARE public DNS servers. So the applicants initiated a legal procedure to oblige Cloudfare to be more active in preventing music piracy and to implement those blocking orders via its public DNS server.

Cloudfare argued about the lack of local jurisdiction and the applicants' failure to demonstrate that Italian users were using CLOUDFARE's DNS servers to access the websites concerned. It also argued that the applicants failed to prove rights ownership on the works allegedly infringed. The Court dismissed those claims.

Further, Cloudfare contended that the requested blocking measure would have side effects, leading to the blocking of legitimate websites as well. It also questioned the effectiveness of the measure, which would not prevent users from accessing the infringing websites via other public DNS services. The Court similarly rejected those arguments. It observed that the defendant had created and made available a public DNS service called 1.1.110, which could be used as an alternative service to the DNS resolution generally provided by telecommunications operators (mere conduit providers). This service did not consider the infringing nature of the sites to be blocked and allowed users to identify and access them. The applicants also pointed out that CLOUDFARE was made fully aware of the unlawful nature of those sites and was technically capable of implementing blocking of its DNS services as it already prevented access to websites classified as dangerous (including malware or content directed at an adult audience, e.g. pornographic sites). Relying on technical reports, the judge

underlined that the services provided by CLOUDFARE enabled the anonymisation of the sites targeted by the AGCOM order.

The Court then ordered Cloudfare to implement within 30 days the most appropriate technical measures to prevent its customers from accessing the websites identified, via its public DNS server (DNS blocking). Cloudfare was also required to block any future domains (referred as 'aliases') from which these sites may operate. The Court imposed on Cloudfare a penalty of EUR 10 000 for each day of delay in complying with the above order and also required Cloudfare to pay the costs of the proceedings. Cloudfare filed an appeal against this decision.

The text of the judgment is not publicly available but more information can be found here (Trevisan&Cuonzo).

Copyright infringement - Injunctions - Intermediaries – Broadcasting

The Greek Committee for the Notification of Copyright and Related Rights Infringement on the Internet, decision no 92/2022 [2 July 2022]

Since 2018, the Greek Committee for the Notification of Copyright and Related Rights Infringement on the Internet (EDPPI) is the public body dealing with online piracy in Greece through an out-of-court (administrative) procedure (infographic here – Article 66E Law 2121/1993). Rights holders may request that illegal use of their content be removed or blocked by internet services providers (ISPs). EDPPI publishes a list of the decisions issued and maintains a list of the blocked domains. In this recent dynamic blocking decision, EDPPI ordered the ISPs to block new domains used by the infringer to continue the already established violation of NOVA BROADCASTING S.A.'s rights.

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NOVA BROADCASTING S.A. (the applicant) provides subscription radio and television services in Greece and holds related rights to the broadcasting of sporting events, under an exclusive licence for the Greek territory. Informed about a violation of its rights occurring through the domain name iptvmango.net, the applicant sought a blocking injunction via the EDPPI procedure. Considering that the infringement was substantiated, the EDPPI issued a decision (no 52/2022) ordering ISPs to block access to this domain for 3 years (**'Normal' blocking injunction**). Nevertheless, shortly afterwards the infringer changed the domain name to iptv-mango.co and continued violating the applicant's IP rights. Under the dynamic procedure, the applicant asked EDPPI to extend the blocking injunction to the new domain name, for the same period (3 years) and with a fine of EUR 850 for each and every day of non-compliance ('**Normal' dynamic blocking injunction**).

It is not the first time that the applicant used the EDPPI procedure to enforce its rights online. In a previous decision related to the illegal transmission of football matches (no 28/2021), the Committee issued a **live blocking injunction** covering the domain names hosting the illegal transmission of the sporting events on which NOVA holds exclusive broadcasting rights.

The original decision (no 92/2022, in Greek) is available here.

Click here to find out more about the administrative procedures available under the EDPPI. Here are some of the main features:

Blocking injunction: After receiving a substantiated application from rights holders (with sufficient evidence), the Committee can ask ISPs to remove content if it is hosted on a website whose server is within Greek territory, or to block access to it when the server is outside Greek territory. If the infringement is on a large scale, ISPs can decide between either removal or blocking. They can also take other measures deemed appropriate to stop the infringement, and the prevention of any recurrence of the infringement.

Dynamic blocking injunction: In case of repeated infringements, a new application, again with sufficient evidence, must be filed. The Committee, via a shorter procedure (10 days), will issue its decision extending the blocking order to the new domain(s).

The EDPPI is also entrusted with a **live blocking procedure** (paragraph 10A of Article 66E Law 2121/1993) regarding **sport and cultural events**, allowing DNS, URL and IP blocking measures. The application must be submitted, at the latest, 15 days before the scheduled transmission of the event. The decision is issued, at the latest, 24 hours before the transmission of the first event and transmitted to the applicant, services providers and the Hellenic Telecommunication and Post Commission (EETT). ISPs are ordered to block access within 6 to 12 hours from the notification of the decision and must inform the EETT that they have complied with it.

Live dynamic blocking injunction: If the illegal transmission is transferred to a new URL, IP address or DNS, the rights holders may submit to the EETT any supplementary evidence, even during the transmission of the event and without paying a new fee. ISPs will be ordered to block the new domains and addresses, in certain cases, within 30 minutes from the notification of the EETT's order. Several safeguards exist.

Copyright infringement – Interlocutory injunctions – Intermediaries – Broadcasting

The Civil Court of Malta, 82 / 2022ISB, La Liga Nacional de Futbol Profesional, Infront Sports & Media AG v Epic Communications Limited, Melita Limited, GO Plc, [27 June 2022]

La Liga Nacional de Futbol Profesional and Infront Sports & Media AG (the claimants), who hold the right to broadcast live sporting events in Malta, have sought a blocking injunction against several internet service providers (ISPs) (the defendants) before the Civil Court of Malta. The injunction is in relation to the unauthorised transmission of the claimants' content from the IP addresses of some of the ISP's clients to Maltese internet users. The Court ordered the ISPs to block IP addresses under the terms of undisclosed agreements reached between the claimants and the defendants. The ISPs were also ordered to block access to IP addresses that fell under the agreements, at any time during the 2022/23 season, as long as the defendants are notified of them not less than 96 hours before a live sporting event. This decision marks the first judicial dynamic blocking injunction in Malta in relation to live sporting events.

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The claimants sought a blocking order against the defendants under Article 8 of the Maltese Enforcement of Intellectual Property Rights (Regulation) Act. A number of IP addresses were identified to give online access to sport audiovisual content, streamed without authorisation from the claimants, thereby infringing their copyright.

In this case, the illegally streamed audiovisual content could be accessed in Malta through websites, mobile devices, apps, computers and/or other electronic devices available from the service provided by

the defendants. The Court stated that while the defendants did not themselves infringe the claimants' rights, the service they provided was nevertheless being used to commit those copyright infringements. As a result, the Court observed that the most effective way for the claimant to stop the infringement was to prevent access to the streaming services which were illegally transmitting the audiovisual content.

For it to be effective, and efficient, the Court considered it appropriate to impose a dynamic order. It notably appointed technical experts entrusted with the identification, during the course of the 2022/23 seasons, of other IP addresses that may illegally transmit the audiovisual content on which the claimants hold copyrights.

Regarding the blocking order, the Court clarified that the defendants had to block access to IP addresses pursuant to Article 10 of Chapter 488 of the Laws of Malta and an undisclosed agreement reached between parties on 1 June 2022. The Court required the defendants to provide notification to the defendants in writing regarding the dates and timing of blocking access not less than 96 hours before the live event. Furthermore, the Court asked the claimants to send the defendants the list of concrete IP addresses to be blocked at least 24 hours before the event.

The Court eventually clarified that the claimants would not submit blocking requests with a list of IP addresses more frequently than twice a week and would be the only ones to assume full legal responsibility for the correctness of the information provided to the defendants. Furthermore, the Court referred to the agreement reached between the parties, where if previously blocked IP address were released, the defendants must renew the access within 24 hours after being notified by the claimants.

The text of the judgment is available here and here and further information is available here.

Copyright infringement – Injunctions – Intermediaries – Broadcasting

Tribunal Judiciaire de Paris, Case No RG 22/52332, Societe beIN Sports France v. Societe Orange Caraibe, S.A.S. Societe Francaise de Radiotelephone SFR, S.A.S. SFR Fibre, Société SOC Reunionnaise du Radiotelephone, Société Outremer Telecom, S.A. Bouygues Telecom, Société Free [21 June 2022]

The Tribunal Judiciaire de Paris has taken another decision under the accelerated judicial procedure of dynamic blocking injunctions in France. This time the dispute was between broadcaster beIN Sports (claimant) and several named internet service providers (ISPs). The Court ordered the ISPs to block several domain names, finding that the free live streams of **Wimbledon** tennis matches made available on websites via these domain names infringed the claimant's rights to broadcast the matches under Article L333-10 of the Sports Code. The Court also established the scope for blocking infringing domain names identified after the proceedings.

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The All England Lawn Tennis and Croquet Club transferred to beIN Sports the exclusive rights to broadcast the Wimbledon tennis tournament in the territory of France, including its overseas territories. The claimant company beIN Sports specialises in broadcasting sports competitions, in particular tennis tournaments. Several websites were identified by beIN Sports that were accessible via a number of listed domain names. These websites had previously made tennis matches available to the public, including matches at the Rome WTA 1000 and the Madrid WTA 1000 competitions.

The claimant sought an order for ISPs Orange Caraibes, Orange, SFR, SFR Fibre, Réunionnaise du radiotelephone, Free, Bouygues telecom and Outremer télécom to implement all the necessary measures to block access to the websites it alleged were infringing its exclusive rights to broadcast sporting events in the French territory. In addition, beIN Sports requested that the blocking order be capable of extension to mirror domain names that had not yet been identified at the date of proceedings, but nonetheless provide access to infringing websites.

The Court was satisfied that, in light of Article L333-10 of the Sports Code, the websites identified provided unauthorised access to the public of sporting competitions for which beIN Sports held exclusive broadcasting rights, and that the unauthorised broadcasting of these competitions was the main purpose or one of the main purposes of the websites. Therefore, the Court granted beIN Sports' request for a dynamic blocking injunction in relation to unauthorised broadcasts of Wimbledon tennis matches. Given the urgency arising from the fact that Wimbledon was fast approaching at the date of the proceedings, the ISPs were given **3 days to implement** the necessary measures to prevent access to the infringing websites, primarily by domain name blocking. The ISPs were requested to maintain the blocking measures until the end of the final match at Wimbledon.

The Court also clarified that when the rights holder wishes to extend the blocking order to services that were not yet available at the time of the order, they are required to identify the service in question to l'Autorité de régulation de la communication audiovisuelle et numérique (ARCOM). Then, when ARCOM confirms that the service is unlawfully broadcasting the events or that this is its main purpose, it will notify the ISPs of the measures to be taken to block that service.

The costs of the blocking measures will be shared between the rights holder and the ISPs, with the distribution calculated by ARCOM.

The text of the decision is not yet publicly available but should be published on this public database soon.

Intermediaries (search engines) – Liability of intermediaries (defamation)

Italian Supreme Court, P.A. v Google, decision no 18430/2022 [8 June 2022]

The Supreme Court ruled that when it comes to its search activities, a search engine can be considered as a hosting provider and therefore enjoys the liability exemption provided that certain conditions are fulfilled (Article 14(1)(a) D 2000/31/EC). However, in this case, given that Google had been notified about the specific defaming content, giving them actual knowledge about the illegal information and they had failed to restrict access to it, the Court ruled that the liability exemption did not apply.

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In 2017, a colleague of the claimant was found liable for defamation. On a web page he managed, the colleague had presented the claimant as a member of a mafia who had committed several crimes. Consequently, the claimant notified Google of this decision and requested that it delist the URLs relating to the defaming information. Google did not comply with the request and the claimant brought the case to the Milan Court of First Instance.

In 2020, the Milan Court ordered Google to delist the relevant URLs and search information and compensate the claimant for the moral damage (EUR 25,000) suffered as a consequence of its inaction.

In its decision, the Court stated that Google could be considered as a hosting provider but rejected applying the hosting liability exemption (under Article 14 Directive 2000/31/EC). It found that this exemption applied only to Information Society Service Providers (ISSPs) in relation to third-party information and not to a search engine, that aggregates information based on choices undertaken independently from it. However, the Court found Google liable for its inaction on the basis of the general tort liability provision arising from the Italian Civil Code.

Google filed an appeal to the Italian Supreme Court, arguing that the Court had misapprehended the exemption of liability regime regarding search engines, as its search activity makes it a caching provider, under another liability exemption. Eventually, the Italian Supreme Court agreed with the Milan Court about the function of a search engine as being akin to hosting but disagreed with excluding the applicability of the hosting liability exemption regime to search engines. The Court ruled that even if search engines, as hosting providers, can benefit from the liability exemption, in this case, it does not apply as Google was notified about the specific defaming content. Consequently, it knew about the illegal information and failed to restrict access to it (Article 14(1)(a) D 2000/31/EC).

The decision (in Italian) is not yet available, but a comment on it is to be found on IPKat.

Liability of intermediaries (online platform) – Copyright infringement

Bundesgerichtshof –I ZR 140/15, I ZR 53/17, I ZR 54/17, I ZR 55/17, I ZR 56/17, I ZR 57/17 und I ZR 135/18 [02 June 2022]

After the CJEU's preliminary ruling (22/06/2021, C-682/18 and C-683/18, *YouTube and Cyando*, EU:C:2021:503), the Bundesgerichtshof ruled on the cases YouTube and Cyando, looking at the liability of these platforms regarding infringing content uploaded by their users. The Court allowed the plaintiffs' appeals in all proceedings but referred the cases back to the Court of Appeal, considering that there were still facts to be assessed, such as whether these operators had adopted appropriate technical measures to combat infringing content.

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Frank Peterson, a music producer, brought an action against YouTube – the video sharing platform – before the German court regarding recordings uploaded by YouTube users without his permission. The publisher Elsevier brought a similar action against the platform Cyando – the file-hosting and sharing platform – in respect to the online posting by Cyando users of various works for which Elsevier holds exclusive rights, without their authorisation. The Federal Court of Justice (Germany) stayed the proceedings and referred a set of questions to the CJEU for a preliminary ruling.

In the first case ('YouTube'), the Bundesgerichtshof held that the Court of Appeal had not made sufficient findings on the question as to whether the defendant had taken the appropriate technical measures to combat copyright infringements on its platform – measures to be expected from a diligent economic operator. The findings of the Court of Appeal also did not justify the assumption that YouTube had breached its duty, by, upon clear notification of the infringements to the plaintiff's rights, not taking the necessary measures to prevent access to that content.

In the other 6 cases regarding Cyando, the Bundesgerichtshof similarly held that there were other facts to be examined by the Courts of Appeal. According to the Court, in 5 of these cases there were indications that the defendant did not take sufficient technical measures. The proactive measures it used (keyword filter during download, hash filter, some manual checks and searches in link resources) were deemed not sufficiently effective in countering copyright infringements, and the other measures cited by the defendant (provision of an 'Abuse Form' and an 'Advanced Take-Down Tool') were merely reactive and, therefore, also insufficient. Furthermore, there were also strong indications that the defendant's business model was based on the availability of infringing content and intended to entice users to share infringing content via the defendant's platform. In one case, the Bundesgerichtshof held that the prerequisites of the defendant's communication to the public according to the legal situation at the time of action are fulfilled.

However, in all the cases above, the Court of Appeal is required to examine whether there is an act of communication to the public under the Act on the Copyright Liability of Online Content Sharing Service Providers, which came into force on 1 August 2021.

The text of the judgment is still not publicly available but the press release is available here.

Copyright infringement (Unlicensed Streaming) – Injunctions – Intermediaries – IPTV services

Tribunal Judiciaire de Paris, Fédération Française de Tennis v SFR-FIBRE, ORANGE, ORANGE CARAIBE, SOCIETE FRANCAISE DU RADIOTELEPHONE-SFR, SOCIETE REUNIONNAISE DU RADIOTELEPHONE SRR, FREE, BOUYGUES TELECOM, COLT TECHNOLOGY SERVICES, OUTREMER TELECOM and CANAL + TELECOM, N° RG 22/53742, [25 May 2022]

At the request of the French Tennis Federation (the claimant), the Paris Judicial Tribunal (Tribunal hereafter) issued an injunction against several internet service providers (ISPs) including SFR FIBRE, ORANGE, ORANGE CARAIBE (the defendants) to block access to domains that allow the defendant's customers to access streaming sites broadcasting (IPTV services) the claimant's content without authorisation. This blocking injunction was granted through the accelerated judicial procedure aimed at issuing 'proportionate measures' to put an end to or prevent serious and repeated infringements in relation to sporting events or competitions (Article L. 333-10 of the Sports Code). The injunction extends to any mirror domains of previously identified infringing websites, which can be blocked on the request of the France administrative authority Arcom (Audiovisual and Digital Communication Regulatory Authority), without the need for the claimant to initiate a separate legal proceeding.

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The claimant, French Tennis Federation, is an international association, official organiser of the French Open Tennis tournament 'Roland Garros'. In May 2022, the claimant, who holds exclusive live broadcasting rights in France over Roland Garros tennis matches, asked the Tribunal to order the defendants to block infringing domains to prevent the access to IPTV services, which violate its

exclusive broadcasting rights through unauthorised communication to the public. The French Tennis Federation has further asked the Tribunal to block future mirror websites of the domains listed in the claim.

The Tribunal granted the injunctive relief through the accelerated judicial procedure based on Article L. 333-10 of the Sports Code which aims at facilitating the blocking, removal or dereferencing of illicit broadcasting of sporting events and competitions.

To obtain that injunction, the Tribunal performed a two-step analysis, looking first at the infringements of the audiovisual exploitation right provided for in Article L333-1 of the Sports Code and then at the measures solicited, in particular, their proportionality. First, the judge ruled that the claimant had successfully provided proof of **serious and repeated infringements**. It observed that the domains indicated by the claimant had been used to give access to unauthorised broadcasts of live events accessible from France, and therefore communication to the public was established. It then confirmed that the defendant's customers had repeatedly infringed the exclusive rights of the claimant by means of a service whose main objective was to provide access to the unauthorised broadcasting of sports events. Second, the Court considered that the requested **blocking injunctions** were **proportionate** and strictly necessary, as the blocking measure would be implemented strictly to the list of domain names (or sub-domains) communicated by the claimant, and the defendants would be free to choose the method of implementing the blocking injunction within the limited duration of the measure.

The tribunal also found proportionate, given the urgency of the matter and the fact that the match schedule was known well in advance, to allow defendants a maximum of two days from the notification of the decision, to implement the measures. It ordered the measures to be implemented until the end of the French Open Tennis tournament, from French territory and/or by the defendant's subscribers located on this territory, targeting in particular the online public communication services currently accessible from the specific domain names listed.

The Tribunal noted that under Article L. 333-11 of the French Sports Code, the claimant is entitled to communicate to **Arcom** the identification data of services not yet identified at the date of the order, that are illegally broadcasting the French Open championships, or whose main objective or one of whose main objectives, is the broadcasting of the French Open championships. Then, it will be for ARCOM to verify the infringement and notify the identification data to the defendants so that they can adapt and expand the blocking measures to those mirror infringing services for the remaining duration of these measures.

The Tribunal also recalled the possibility for the defendants to refer the matter to the President of the Court of First Instance in the event of difficulty in the implementation of the order (e.g., potential overblocking), to lift the blocking measures.

Finally, the Tribunal ruled that the claimant would inform the defendants of domain names that are no longer active or whose purpose have changed, in order to avoid unnecessary blocking costs. Regarding the costs, the Tribunal held that they would be shared between the parties according to the terms of a future agreement concluded under the aegis of ARCOM.

The text of the decision is not yet publicly available but further information on this judgment is available on this web page.

Copyright infringement – interlocutory injunctions – intermediaries – broadcasting

Tribunal Judiciaire de Paris – Case No RG 22/52488, S.A.S. Societe d'Edition de Canal Plus v S.A. Bouygues Telecom, S.A.S Free, Societe Orange SA, S.A. Societe Francaise de Radiotelephone and S.A.S. SFR Fibre, [07 April 2022]

The Canal Plus publishing company (SECP) brought an action against several French internet service providers (ISPs) in the Tribunal Judiciaire de Paris, seeking a dynamic blocking injunction in relation to several specified domain names leading to copyright infringing websites. The Court ordered the ISPs to block the domain names, finding that the free livestreamed football match broadcasts made available on the websites infringed the SECP's rights to broadcast the matches under Article 333-10 of the Sports Code. This marks another decision under the new accelerated judicial procedure of dynamic blocking injunctions in France.

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The Football Association Premier League Ltd. (FAPL), which owns the rights to broadcast football games in the English Premier League (EPL), licenced the SECP, a French audio-visual communications company, to broadcast 380 EPL matches during the 2021/2022 season in France.

The SECP identified a number of domain names leading to websites that offered free livestreams of EPL matches to the French public. The SECP requested the Court to order French ISPs, namely Bouygues Telecom, Free, Orange, SFR and SFR Fibre, to implement all measures necessary to block access to the websites alleged to have infringed the SECP's exclusive rights to broadcast the EPL games in France. The SECP sought this blocking order to be extended to domain names that lead to infringing websites and had not yet been identified at the time of the request, but may be identified in conjunction with l'Autorité de Régulation de la Communication Audiovisuelle et Numérique (ARCOM) at a later date.

The judge ruled that SECP had successfully provided proof of serious and repeated infringements within the meaning of Article L 333-10 of the Sports Code, thereby fulfilling the conditions required to issue a blocking measure. The domains indicated by the SECP had been used to give access to unauthorised live event broadcasts and were not giving access to private correspondences. Therefore, online communication to the public was established.

The Court allowed the ISPs 3 days to implement all appropriate measures to prevent access to the sites listed (24 in total), notably through domain name (and associated sub-domain name) blocking. The Court ordered ISPs to maintain these measures until the final match of the EPL season. In relation to infringing sites identified after the date of the decision, the rights holder must identify the alleged infringing sites to ARCOM, which will then assess whether sporting events have been illicitly broadcasted before notifying the ISPs and requiring them to implement blocking measures.

The costs of the blocking measures will be shared between the rights holder and the ISPs in a distribution calculated by ARCOM.

The decision is not yet publicly available but should be published from this public database soon.

Copyright Infringement – Injunctions – Intermediaries – Piracy (Dynamic blocking injunctions)

England and Wales High Court, Claim No. IL-2021-000092, Columbia Pictures Industries, Disney Enterprises, Netflix Studios, Paramount Pictures Corporation, Sky UK Ltd, Universal City Studios Productions LLLP and Warner Bros. Entertainment Inc. v British Telecommunications PLC, EE Limited, Plusnet PLC, Sky UK Ltd, TALKTALK Telecom Ltd and Virgin Media Ltd. [03 February 2022].

Many companies such as Sky, Universal, Netflix, Disney and others in the entertainment industry, requested that the UK High Court order six internet services providers (ISPs) to block access to the websites 'Mixdrop.me' and 'Mixdrop.co' in a dynamic way. They petitioned the High Court to do so under s 97A of the Copyright, Designs and Patents Act 1988. The Court acceded to the petition and issued a blocking order against these British ISPs, preventing them from allowing access to the named websites. The High Court's decision continues the trend of British courts actively assisting media companies in their efforts to stifle online copyright infringement through pirating websites.

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By a petition issued on 22 December 2021, streaming companies and production studios (including the applicants) requested the High Court to issue a blocking order against the websites Mixdrop.co and Mixdrop.me, which were allegedly infringing their copyright by disseminating their works. Mixdrop.co is a file sharing website where individuals can upload files to be downloaded by other users. Mixdrop.me is a streaming site where videos can be watched online.

The High Court granted this order under s97A of the Copyright, Designs and Patents Act 1988, enabling injunctions against service providers where such service providers have actual knowledge of a person using their service to infringe copyright. Although the court did not expand on how they reached their verdict, it was satisfied that the order was necessary and ordered the named UK ISPs (the respondents) to prevent their users from accessing both Mixdrop.co and Mixdrop.me.

Specifically, the order:

- requires these ISPs to block future access to the two target websites (Mixdrop.co and Mixdrop.me), as well as **any other websites facilitating access to the target websites** of which they have been notified by the applicants;
- allows the applicants to notify the respondents of any **new URLs** employed by the target websites in the future. Should these websites that facilitate access to the blocked sites stop doing so, the respondents may lift the block on these websites;
- states that the ISPs must be informed by the applicants in circumstances where the target websites have moved to an IP address where the server at the IP address hosts a site not forming

part of a target website, or where a server hosting a target website commences hosting a site that isn't part of a target website;

- requires the respondents be notified where the target website uses a server of a notified IP address, and there are sites on that server that do not carry out unlawful activity. In such circumstances, the respondents are not required to block that IP address.

Furthermore:

- any notifications must be made within a reasonably practicable time from the date on which the applicants become aware of the change in status of the target website or server;
- they must be implemented within **10 working days** by the respondents upon receipt of notification from the applicants;
- when blocking the site, the respondent must **make clear to its users** attempting to access the blocked site that it is blocked due to a court order. It must mention the parties that obtained the order and state that any user has the right to apply to the court to discharge or vary the order.

While carrying out the requirements of this order, the respondents can temporarily **not follow the order**, where they are doing so in an effort to:

- correct and investigate potential over-blocking of material;
- monitor the reliability of their Internet Watch Foundation blocking systems;
- maintain the integrity of their internet services and the functioning of their blocking systems;
- upgrade, maintain or troubleshoot their blocking systems;
- avert or respond to an imminent security threat to networks or systems.

However, respondents must notify the applicants that they are suspending their court-ordered activities and must give a reason for doing so.

Regarding the **allocation of costs**, the applicants were required to pay the initial and any follow-up costs that the respondents expend to comply with the order. The order also highlighted the right of the target website operators to challenge this order.

In Schedule 2, the order highlighted the **technical means** through which the ISPs can block access to the target websites and other sites of which they are notified by the applicants.

The text of the order is available here.

Copyright infringement (Unlicensed Streaming) – Injunctions- Intermediaries - Liability of intermediaries

Tribunal Judiciaire de Paris (Paris Judicial Tribunal) – beIN Sports France v Orange, SFR, Free, Bouygues Télécom, Colt and Outremer Télécom, [20 January 2022]

At the request of broadcaster beIN Sports France (the claimant), the Paris Tribunal issued an injunction against several internet service providers (ISPs) including ORANGE, SFR, SFR FIBR and others (the defendants) to block access to domains and sub-domains that allow the defendant's customers to access the claimant's content without authorisation. This is the first blocking injunction granted under

the provisions of the new legislation (Article L. 333-10 of the Sports Code), which established an accelerated judicial procedure for the purpose of implementing 'proportionate measures' to prevent or put an end to infringements against any person likely to contribute to remedying it. The injunction extends to mirror domains of previously identified infringing websites which can be blocked by the recently established French anti-piracy agency ARCOM (Autorité de régulation de la communication audiovisuelle et numérique), without initiating a separate legal proceeding.

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In January 2022, the claimant, which holds exclusive live transmission rights in France, asked the Paris Judicial Tribunal to order the defendants to block 20 infringing domains to prevent access to illegal live streaming/broadcasting by their customers.

The judge granted an injunctive relief through the accelerated judicial procedure based on Article L. 333-10 of the Sports Code, which aims to facilitate the blocking of fraudulent websites that are broadcasting illegal content through IPTV or streaming.

The judge ruled that the claimant had successfully provided proof of serious and repeated infringements within the meaning of Article L. 333-10 of the Sports Code, thereby fulfilling the conditions required to issue a blocking measure. The domains indicated by the claimant had been used to give access to the unauthorised broadcasting of the live event, and therefore communication to the public was established. The defendants' customers then repeatedly infringed the exclusive rights of the claimant by means of a service whose main objective was to provide access to the unauthorised broadcasting of sports events. The Court considered that the requested blocking injunctions were proportionate and strictly necessary, as the defendants were free to choose the method of implementing the blocking injunction within the limited duration of the measure.

For more information: in October 2021, France passed Act no 2021-1382 of 25 October 2021 on the regulation and protection of access to cultural works in the digital age. This modified the French Intellectual Property Code and established the new authority ARCOM, created by the merger of Hadopi and the Conseil supérieur de l'audiovisuel (the French audiovisual regulator). One of ARCOM's new responsibilities is to publish a list of services that seriously and repeatedly infringe copyright and related rights. This list aims to inform users and encourage intermediaries to stop collaborating with the listed services. It may also be used by rights holders in their legal actions to obtain blocking measures. ARCOM will also support the implementation of (live) dynamic blocking injunctions. Upon referral by the rights holders after a court decision, ARCOM is empowered to request the updating of measures ordered by the judge targeting services that infringe copyrights, as well as services that illegally broadcast live sports content. Another of ARCOM's task will be to encourage the conclusion of agreements between rights holders and all the other interested parties so as to put an end to infringements of protected content on the internet.

The text of the judgment (in French) is available here.

Copyright infringement – Injunctions – Liability of intermediaries (DNS resolver) – Fundamental rights and freedoms

The Hamburg Regional Court, Sony Music Entertainment Germany GmbH v Quad9 Stiftung, [November 2021]

The Hamburg Regional Court (the Court) has confirmed a preliminary injunction[1] against the DNS resolver Quad9 Stiftung (the respondent) in a case brought by Sony Music Entertainment Germany GmbH (the claimant). The Court considers that Quad9 Stiftung is contributing to copyright infringement when its DNS service resolves a domain name providing access to an infringing website based on the principle of a breach of its duty of care (Störerhaftung). The appeal decision largely follows the reasoning of the first instance. The Court ruled that the respondent had been notified about an infringement in a clear manner, that it could not invoke the 'mere conduit' liability exemption under the German Telemedia Act (TMG) and that none of the fundamental rights of the respondent and users were unduly affected by the injunction.

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The court of first instance ordered the respondent to block access to a website that was held to contain links to copyright-infringing content on another website. The Court granted injunctive relief based on the principle of a breach of the duty of care (Störerhaftung). The Court held that a DNS resolver can be liable for indirect involvement in copyright infringements if it remains inactive despite a specific notification of an infringement, and thereby contributes to the accessibility of the links to copyright-infringing content on another website.

In the appeal decision, the Court upheld the preliminary blocking injunction. The Court's assessment confirmed that the respondent was notified about an infringement in a clear manner and that its non-intervention despite the notification had led to a violation of its reasonable duty of care. Furthermore, the Court ruled that the DNS service was not eligible for the liability exemptions under the TMG. Relying on a previous judgment by the Cologne Higher Regional Court of 9 October 2020 (Az. 6 U 32/20), the Court concluded that a DNS resolver cannot invoke 'mere conduit' liability exemption under Section 8(1) TMG as it neither provides access to a communication network nor transmits information. It only triggers the IP address query to the DNS servers.

The Court then referred to CJEU case-law (27/03/2014, C-314/12, UPC Telekabel Wien, EU:C:2014:192) according to which the measures adopted by the internet service provider must be strictly targeted to balance conflicting fundamental rights. The Court confirmed that the injunction was proportionate since blocking applies to structurally infringing websites with predominantly illegal offers. Therefore, there was no legitimate interest of the respondent's customers to obtain access. The Court also stated that the respondent's right to conduct business was not unduly restricted as it already offered a resolver variant that filters malware sites as part of its business model.

[1] The Hamburg Regional Court, 310 O 99/21, Sony Music Entertainment Germany GmbH v Quad9 Stiftung, [12 May 2021].

The respondent has announced that it will appeal against the decision, arguing that a DNS resolver should not bear the costs of enforcing claims for copyright infringements in which it is not involved or aware.

The text of the judgment is not publicly available but the information is available here.

Copyright infringement – Intermediaries – Liability of intermediaries – Fundamental rights and freedoms

The Portuguese Intellectual Property Court, 520/20.0YHLSB, Visapress and GEDIPE v Telegram Fz Llc [15 November 2021]

At the request of Visapress and GEDIPE, two collective management organisations (CMOs), the Portuguese Intellectual Property Court ordered the messaging app Telegram Fz Llc (the respondent) to block access to 17 piracy-related channels with over two million members. The blocking injunction was filed under the provisions of Article 210-G of the Code of Copyright and Related Rights (transposing Article 9 of the Enforcement Directive (2004/48/EC). This decision clarifies requirements for an injunction in the context of encrypted messaging applications, where its functionality (user anonymity and large storage capacity) makes effectiveness of intellectual property enforcement more challenging.

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Telegram offers an encrypted chat service that enables person to person (P2P) and person to group exchanges of messages, images and audio files. The application allows users to create channels through which they can broadcast messages to unlimited audiences. The applicants (Portuguese CMOs) claimed that files containing copyright infringing content were shared and made available to the public through some of those channels without obtaining authorisation or remuneration being paid to their members.

They requested a blocking injunction to be issued against the respondent, on the ground of Article 9 of the Enforcement Directive (2004/48/EC), to prevent any imminent IPR infringement. The Court held that Telegram was an intermediary providing a storage service that is making the content available to the public. Provided that the copyright infringing content was shared through channels accessible to any user of the messaging service, it could not constitute sharing for private use.

Therefore, after establishing that there was an act of communication to the public through sharing on Telegram channels, the Court then clarified the requirements for an injunction to be ordered:

- injunctions must be effective, proportionate and dissuasive, and must not create barriers to legitimate trade. (Articles 3(1) and (2) of the Enforcement Directive);
- the measures adopted by the internet service provider must be strictly targeted to balance conflicting fundamental rights and should not deprive internet users of the possibility of lawfully accessing the information available (27/03/2014, C-314/12, UPC Telekabel Wien, EU:C:2014:192).

The Court ruled that the injunction to block access to Telegram channels was necessary and proportional to prevent the unauthorised sharing of copyrighted materials.

The Court acknowledged that the effectiveness of the blocking injunction would be limited as the measure can be circumvented by creating new groups/channels. However, the Court emphasised that the measure was adequate and proportionate to ensure protection of intellectual property rights, deterring sharing and availability of infringing content. It further considered that the injunction would increase visibility of the infringements, stimulating P2P messaging services (including encrypted services) such as Telegram to take action against new and repeat infringers.

The text of the judgment (in Portuguese) is available here.

Neighbouring rights infringement – Intermediaries – Broadcasting- Injunction

The Committee for the Notification of Copyright and Related Rights Infringement on the Internet (EDPPI) in Greece – decision nr 28/2021, [27 October 2021]

In a case covering illegal online transmission of live sport events, the Greek 'Committee for the Notification of Copyright and Related Rights Infringement on the Internet (EDPPI)' issued one of its first administrative dynamic blocking injunctions to prevent violations of the claimant's (NOVA Broadcasting) rights. It ordered Greece's internet access providers to terminate access to specific infringing domain names and extended the order to similar infringements in the future.

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NOVA BROADCASTING S.A. (the claimant) provides subscription radio and television services in Greece. It also provides conditional access services for digitally encrypted satellite and internet programmes, and has legally acquired, for the current season, the exclusive (re)broadcasting rights within Greece of several national and international sport events.

The claimant provided EDPPI with evidence of unauthorised broadcasting of football matches taking place through specific domain names. The claimant argued that the upcoming football matches, due to be broadcasted by it, were of international importance and of special interest for most of the television audience for sporting events. It underlined that it was, therefore, highly probable that infringement would take place through specific domain names that permitted the unauthorised subscriber to connect, in particular through the use of codes or decoders.

In order to prevent serious and imminent harm and irreparable damage to the claimant and to the public interest, EDPPI ordered a blocking injunction. The Committee specifically ordered the internet access providers listed in the Hellenic Telecommunications and Post Commission (EETT)'s register of Providers of Networks and Electronic Communications Services to:

- terminate the access to particular domain names within 6 to 12 hours of the notification of the present decision and up to the 31 December 2021;
- send declarations of compliance with the operative part of this decision to the Telecommunications Directorate of EETT within the same deadline, i.e. 6 to 12 hours.

Moreover, the Committee extended the order to any other domain names hosting illegal transmission of the listed sports events. In that regard, the claimant will have to submit to the Telecommunications Directorate of EETT additional information regarding the new violations of the listed sports events. Then

the Directorate will immediately order (via electronic messages) that the internet access providers terminate access to the additional URLs, IP addresses or domain names. The order will be valid until issuance of a relevant supplementary decision by the Committee, to be issued no later than 1 month after.

The text of the judgment (in Greek) is available here.

Copyright infringement – Communication to the public – Injunction (Unlicensed Streaming)

Columbia Pictures Industries Inc & Ors v British Telecommunications Plc & Ors [2021] EWHC 2799 (Ch), [22 October 2021]

In this judgment, the United Kingdom (UK) High Court clarified whether websites hosting links to unlicensed streams are performing an act of communication to the public under copyright law and issued a blocking injunction against internet service providers (ISPs). The decision clarifies the UK requirements for granting the blocking injunctions against ISPs.

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In this case, six members of studio groups, including Disney and Netflix, jointly issued website blocking injunctions applications against six large UK ISPs, concerning five websites being used for unlicensed streaming of vast amounts of copyrighted film and television content. These sites provide easy access to the copyrighted works, and they are all operated outside the UK jurisdiction.

The Court noted that, for infringement to take place, there must be an act of communication of the infringed materials to the public. Interestingly, the UK Court referred to the GS Media case (08/09/2016, C-160/15, Media BV v Sanoma Media Netherlands BV, EU:2016:644) confirming that the act of posting a hyperlink to a work illegally placed on the internet constitutes 'a communication to the public' under Article 3.1 of Directive 2001/29. The Court found that the 'public' requirement was met on the basis that the services were accessed by a very large number of people. Moreover, the services were made available to a 'new public' and specifically targeted UK users. This was because the default language was English, there were a significant number of visits to the sites from the UK and the use of advertisements featured pounds sterling.

Still referring to CJEU case-law (GS Media, Pirate Bay) the Court clarified that, where operators conduct their activities for profit, they are expected to have carried out the necessary checks to ensure that the works are not illegally published (the 'presumption of knowledge'). It concludes that, in this case, websites operators know or must be taken to know that they are providing access to work placed on the internet without the IP owners' prior consent. Finally, the Court noted that the websites operator 'positively encouraged and facilitated' the act of copying by their users. It inferred this from the quantity of material indexed on the websites, their purpose of making the content available and the extent of traffic to the sites, but also from the provision of a user-friendly environment to locate and access this content.

The Court concluded that it had jurisdiction to grant a blocking injunction against ISPs, provided that the following four conditions were met:

1) the named ISPs are service providers;

2) users and/or operators of the websites infringe copyright;
3) users and/or operators use the ISPS' services to do this;
4) the ISPs have actual knowledge of this fact.

After clarifying jurisdiction, Judge Falk considered the requirements for an injunction to be ordered. The injunction must be necessary, effective, dissuasive, not too expensive or too complicated, avoid barriers to legitimate trade, have a fair balance between the fundamental rights engaged, be proportionate, and be safeguarded against abuse. Proportionality was noted as the most important factor, as the others all feed into the proportionality consideration.

The Court was satisfied that the injunction was necessary to prevent or limit damage for the studios. It was justified on this basis, as well as on the knowledge that the public has no legitimate interest in accessing copyright works in infringement of the studios' rights.

The text of the judgment is available here.

Liability of intermediaries (online platform) – Communication to the public

Case 4 Ob 132/21x Puls 4 v Google LLC, YouTube Inc [17 September 2021]

Drawing on the interpretation of the CJEU in *You Tube and Cyando*, the Austrian Supreme Court ruled, that online video sharing platform YouTube was not performing an act of communication to the public under EU copyright law of the content uploaded by its users. The Court also stressed that it could benefit from the liability exemption under Article 14 Directive 2000/31/EC unless it had knowledge of or awareness of specific illegal acts committed by its users relating to protected content uploaded to its platform.This decision was delivered before transposition of the Directive EU/2019/790 on copyright and related rights in the Digital Single Market of 17 April 2019 into national law.

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The claimant, Puls 4, is a broadcaster and operator of an Austrian television station. In September 2021 Puls 4 brought a claim against the video sharing platform YouTube (the defendant), which stores content uploaded by its users. You Tube offers users the option to monetise (claim revenue) their uploaded videos, upon confirmation that they hold the necessary copyrights to use the videos.

The claimant sought an injunctive relief based on § 18a (1) UrhG, arguing that the defendant was responsible for copyright infringement by its users, who are making the videos available to the public within the meaning of Article 3(1) of Directive 2001/29/EC. The claimant further stated that YouTube, upon being notified, assumed an active role giving it knowledge of the illegal content or control over it. From its side, YouTube invoked the liability exemption for providers of hosting services (Article 14 of Directive 2000/31/EC), also arguing that there was no communication to the public within the meaning of Art. 3 (1) Directive 2001/29/EC.

Following the CJEU ruling in 'YouTube and Cyando' (22/06/2021, C-682/18 and C-683/18, EU:C:2021:503), the Austrian Supreme Court denied a communication to the public in the sense of Article 3(1) Directive 2001/29/EC (§ 18a (1) UrhG). For the Court, even though YouTube plays a central role in making content posted by users accessible, this is not sufficient to establish a communication to

the public. Furthermore, the Supreme Court referred to previous case-law (14/06/2017, *Stichting Brein*, C-610/15, EU:C:2017:456, paragraph 26), according to which 'a platform operator makes an "act of communication" when it intervenes, in full knowledge of the consequences of its action, to give its customers access to a protected work, particularly where, in the absence of that intervention, those customers would not, in principle, be able to enjoy the work.' It follows that, there is communication to the public when the hosting provider knows or should have known that copyright protected content is made available to the public by its users and does not immediately take the necessary measures, exercising due diligence, to prevent access to that content.

In the present case, the Court found that the mere fact that the defendant has general knowledge of the infringing user-generated content on the platform, is not sufficient to establish the active role of the operator giving it knowledge por control over that content. The circumstance that YouTube acts with the intention of making a profit is not decisive.

Then, the Court underlined that as same criteria for the assessment of the communication to the public applied to the assessment of the liability exemption under Article 14(1) of the E-commerce Directive (C-682/18 and C-683/18 §§107-108), the defendant could therefore rely on such exemption. It stated however that such an operator would be excluded from the exemption from liability if it has knowledge of or awareness of **specific** illegal acts committed by its users relating to protected content uploaded to its platform (C-682/18 and C-683/18 §§117-118).

The text of the judgment is available here.

Copyright infringement – Injunctions – Liability of intermediaries (DNS resolver) – Fundamental rights and freedoms

The Hamburg Regional Court, 310 O 99/21, Sony Music Entertainment Germany GmbH v Quad9 Stiftung, [12 May 2021]

At the request of Sony Music Entertainment Germany GmbH, the Hamburg Regional Court ordered DNS resolver Quad9 Stiftung to block access to a website that was held to contain links to copyright-infringing content on another website. The Court granted injunctive relief based on the principles of breach of duty of care (Störerhaftung/interferer liability) on the grounds that Quad9 Stiftung is contributing to copyright infringement as its DNS service resolves a domain name, providing access to a website that links to copyright-infringing content on another website. Quad9 filed an appeal against this interim injunction.

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The Swiss non-profit DNS resolver Quad9 Stiftung (the respondent) translates web addresses that users want to visit into numerical IP addresses so they can be publicly accessed. In March 2021 Sony Music GmbH (the applicant) requested the respondent to prevent access to the copyright infringing content through DNS blocking. As no action was taken, in June 2021, Quad9 Stiftung was ordered by the Hamburg Regional Court to stop resolving domain names of the websites that Sony Music GmbH believed contained links to copyright-infringing content. The Court held that a DNS resolver can be liable as an interferer for indirect involvement in copyright infringements if it remains inactive despite a specific notification of an infringement, then contributing to the accessibility of the links on the website. Whether there was a breach of duty of care depends on the circumstances of the case, determining to

what extent the alleged interferer was expected to carry out an examination or monitoring to prevent third party infringement.

- The Court accepted the applicant's argument that the respondent already blocks problematic websites (those that contain malware, spyware). The Court held that the respondent had received the rights holder's notice regarding the infringement in a clear manner, that it was reasonable to follow up on this notification and to check whether its service was contributing to the accessibility of the infringing content.

- The Court further accepted the applicant's argument that there was no other effective possibility to act against the direct infringers, as an attempt to block the website by contacting the host provider was ineffective. The Court stated that alternative accessibility to copyright infringing content such as through different DNS resolvers does not call into question the respondent's contribution with regard to the specific means of access possible via its service.

- The Court then referred to CJEU case-law (27/03/2014, C-314/12, UPC Telekabel Wien, EU:C:2014:192) according to which the measures adopted by the internet service provider must be strictly targeted to balance conflicting fundamental rights. In particular, DNS blocks implemented in the DNS resolvers must not lead to overblocking of legal content available on such structurally copyright-infringing websites. In the present case, the Court found that there was no legitimate interest of the respondent's customers to obtain access to websites containing links to predominantly illegal offers. Therefore, there was no overblocking at stake and Quad9 Stiftung's right to conduct business and internet users' right to freedom of information were not unduly affected.

- The Court also ruled that the DNS service was not eligible for the liability exemptions under the German Telemedia Act (TMG) as the respondent neither provides access to a network nor transmits information.

Following the court order (12/05/2021 – 310 O 99/21) Quad9 Stiftung filed an appeal (31/08/2021) against the interim injunction. The respondent mainly argued that:

- it had no relationship with any of the parties who were involved in distributing or linking to the content,
- DNS resolvers were protected from third-party copyright infringements under the German Telemedia Act and the e-Commerce Directive,
- this interim injunction would set a precedent for services used in retrieving web pages, such as providers of browsers, operating systems or antivirus software being held liable as interferers if they do not prevent the accessibility of copyright-infringing websites,
- establishment of DNS blocking would not result in copyright-infringing content no longer being accessible as internet users can access blocked websites through different DNS resolvers, or website operators can switch to another domain,
- difficulty of implementing blocking limited to the territory of Germany would affect users in other countries, making the injunction disproportionate.

The text of the judgment (in German) is available here and in English (automatically translated) here.

A copy of Quad9's appeal brief (in German) is available here, and in English (automatically translated) here.

Enforcement – preliminary injunction – liability of intermediaries

Tribunale di Roma | Decreto – R.G. 20859/2021 [1 April 2021]

RTI s.p.a. v Twitch Interactive Inc.

On 1 April 2021, the Court of Rome issued a preliminary injunction ordering the removal (within 24 hours) of several videos uploaded on the video-sharing service 'Twitch' containing TV broadcasts owned by Mediaset (RTI s.p.a.), pursuant to Articles 163 and 156 of the Italian Copyright Law (implementing Article 8(3) of Council Directive 2000/29/EC) and Article 669 *bis* et seq. and Article 700 of the Italian Code of Civil Procedure.

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On 29 March 2021, the Italian media company and TV broadcaster Mediaset (RTI s.p.a.) (the plaintiff) applied for an injunction (decreto *inaudita altera parte*) against the video-sharing service Twitch (the defendant) for alleged copyright infringement, as the latter had reproduced and made available on its platform 'Twitch.tv' several videos-on-demand containing excerpts from Mediaset's TV shows *L'Isola dei Famosi* and *Amici*.

Five days earlier, on March 24, 2021, the plaintiff had sent the defendant a cease-and-desist letter demanding the removal of the mentioned content from its platform. Twitch did not remove the infringing content even after it became aware of it.

Mediaset sought a preliminary injunction to prohibit Twitch from live-streaming, storing and making available any further copyright protected content from its repertoire. Moreover, the plaintiff requested the court to apply the liability regime provided in Directive (EU) 2019/790 in the present case.

Having ascertained the two conditions of *fumus boni iuris* and *periculum in mora* (likelihood of success on the merit of the case and danger in delay), the Court issued the injunction and qualified Twitch as an 'active' hosting provider, that cannot benefit from the liability exception provided by D.Lgs. 70/2003 (implementing Directive 2000/31/EC). The Court referred to the decision of Italian Supreme Court No 7708/2019 (RTI v Yahoo) to explain when the intermediary's conduct can be considered 'active', and listed a number of behaviours that characterise a hosting provider as 'active', such as 'filtering, selecting, indexing, organizing, cataloguing, rating, using, modifying, extracting, and promoting content to individual users'. Finally, the court imposed a daily penalty payment of EUR 15 000 on the defendant for each further unlawful distribution.

The original text of the judgment (in Italian) is available here.

Blocking injunction - liability of intermediaries (Cyberlocker and stream ripping) – Making available to the public - copyright infringement

The High Court of England and Wales issued two website blocking orders, to block access to, respectively, a cyberlocker and a number of stream ripping sites/app.

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England and Wales High Court – *Capitol Records and Others v BT and Others* [2021] EWHC 409 (Ch) – [25 February 2021]

The claimants were record label companies, represented by the British Recorded Music Industry Ltd ('BPI') and Phonographic Performance Limited ('PPL'). The claimants sought an order against the six largest internet service providers (ISPs) in the UK, requiring them to block their subscribers' access to a cyberlocker website nitroflare.com, contending that the website is used to infringe the claimants' copyrights on a large scale, both by the operators of the cyberlocker site and the users of the site. A cyberlocker site is a file storage site which makes available unlicensed commercial content, including music files, by allowing users to upload and download unlicensed content to and from its servers.

The judge considered that the CJEU conclusion in case C-610/15 (the Pirate Bay) would be applicable in the case at hand and concluded that deliberate facilitation of a communication is sufficient to establish an act of communication, and that it was shown that the site operator had the intention to facilitate infringements when providing the service. There was no evidence of any serious attempt by the site operator to take steps to combat unlawful use. The site operator was responsible for the transmission of the files to the downloading user and thus, the site operator was responsible for the communication of the claimants' copyrighted content to the public by electronic means.

Therefore, the judge concluded that the infringements were committed by the users of the site (under s.16 CDPA, which is the UK equivalent of Article 2 of the InfoSoc Directive) and the operators of the site, by authorising users' infringements, as joint tortfeasors. Interestingly, the judge concluded that the operators of the cyberlocker site in question **do directly infringe copyright** by performing unauthorised acts of communication to the public under the s.20 CDPA (the UK equivalent of Article 3 of the InfoSoc Directive). This approach is interesting, because it is in contrast with the position of AG Saugmandsgaard Øe, who concluded that neither YouTube nor cyberlocker 'Uploaded' would be directly performing acts of communication to the public under Article 3 of the InfoSoc Directive.

The text of the judgment can be found here.

Communication to the public - Stream Ripping - Technical Protection Measures – Piracy

England and Wales High Court – *Young Turks Recordings and Others v BT and Others* [2021] EWHC 410 (Ch) – [25 February 2021]

The claimants were record companies, represented by the British Recorded Music Industry Ltd ('BPI') and Phonographic Performance Limited ('PPL'). The claimants sought an order against the major ISPs operating in the UK, requiring them to block their subscribers' access to certain stream ripping websites and an app, contending that the operators of the infringing sites are directly or jointly liable for infringing

the copyrights of the claimants. The claimants also submitted that the infringement involves wholesale circumvention of technological protection measures (TPMs). The claimants submitted that all of the infringing sites had participated in and/or enabled a process called 'stream ripping', i.e. the 'ripping' of audio files used with music videos that are offered on streaming services, in particular YouTube. Stream ripping is a process whereby streamed audio content is converted into permanent audio downloads which can be stored for future consumption and/or sharing with others.

The judge used a similar reasoning to the previously-mentioned judgment and referred to the CJEU 'Pirate Bay' case, as well as to case C-527/15 'Filmspeler', concluding that deliberate facilitation of a communication is sufficient to establish an act of communication and that this is shown if the operator had an intention to facilitate infringements when providing the service. The judge ruled, similarly to in the above judgment, that the infringements were committed by the users of the sites and app and by the operators of the sites and app by authorising users' infringements and as joint tortfeasors with the users. The operators were also **directly liable** under the UK equivalent of Article 3 of the InfoSoc Directive. The judge also repeated his opinion that the CJEU would certainly not follow the AG's Opinion in YouTube/Cyando, because the AG's views depart from three earlier CJEU copyright decisions.

The text of the judgment can be found here

Liability of intermediaries (online platform) – Making available to the public – civil sanctions

Tribunale di Roma Sez. XVII – RTI s.p.a. v Dailymotion S.A. – R.G. 62326/15 [10 January 2021]

On 10 January 2021, the Court of Rome (Tribunale di Roma) declared Dailymotion liable for copyright infringement for hosting RTI s.p.a. (Italian mass-media company and largest broadcaster)'s audiovisual content. Dailymotion was ordered to pay EUR 22 000 000.00 to RTI s.p.a. for the illegal reproduction and making available to the public of 1 500 videos containing RTI's TV shows. The Court also imposed a daily penalty of EUR 1 000 for further unlawful dissemination of the extracts concerned. In addition, the Court ordered Dailymotion to publish the ruling in several Italian newspapers and Dailymotion's homepage.

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In September 2015, RTI s.p.a. (the plaintiff) sued Dailymotion for copyright infringement concerning the illegal reproduction and making available to the public of protected audiovisual content and for the illegitimate use of the plaintiff's trade marks ('Canale 5', 'Italia 1', 'Retequattro', 'La5' and 'TGCOM24') pursuant to Articles 2043, 2050, 2055 of the Italian Civil Code; Articles 78ter and 79 of the Italian Copyright Act and Articles 12-20 of the Italian Code of Industrial Property.

Dailymotion, arguing on the lack of jurisdiction and on the merit, contended that as 'passive' hosting provider, with no control over the data uploaded by its users, it could benefit from the liability exemption provided by Article 14 of the E-commerce Directive.

On the jurisdiction issue, the Court qualified itself competent to hear the case, following the *forum commissi delicti* criteria pursuant to Article 5 of the Brussels Convention.

On the liability regime, the Court referred to the CJEU cases C-324/09 (12/07/2011, L'Oréal and Others v eBay International AG and Others, EU:C:2011:474), C-291/13 (11/09/2014, Sotiris Papasavvas v O Fileleftheros Dimosia Etaireia and Others, EU:C:2014:2209) and C-610/15 (14/06/2017, Stichting Brein v Ziggo BV and XS4All Internet BV, EU:C:2017:456*)* and to the national decision *Cassazione* Civile *19 Marzo 2019 no. 77080* from the Italian Supreme Court (*Corte di Cassazione*)*,* to clarify the conditions under which the exemption provided by Article 14 of the E-commerce Directive applies. In the specific case, the Court found that Dailymotion, as a hosting provider, could not benefit from the liability exemption. The Court referred to the following activities as suggesting an 'active' role of Dailymotion: (i) listing user-uploaded content in different sections and categories, (ii) suggesting to users the creation of a personal account, (iii) offering recommended content to its clients on the basis of user-profiling, and (iv) offering indexing activity and promotion of content outside the website.

Finally, the Court ruled on remedies. It awarded EUR 20 000 000.00, calculated by Court-appointed experts based on the following criteria: (i) the damage suffered by RTI (calculated as the price for a regular licence to use the content for as long as it was illegally uploaded), ii) the Dailymotion advertising revenue from the uploaded videos, (iii) the price of each published piece of content calculated using the time during which the content was viewed (the Court defined criteria such as '*prezzo del consenso*'). This amounted to damages of EUR 751 per minute in damages, for approximately 30 000 minutes of content in total. Furthermore, the Court awarded EUR 2 000 000.00 in moral damages under Article 171 et seq of the Italian Copyright Act and imposed a daily penalty of EUR 1000 for further illegal dissemination. Lastly, the Court ordered the publication of the ruling in national newspapers such as 'IlSole24ore' and 'Corriere della Sera' on Dailymotion's homepage.

The text of the judgement is not publicly available but information is available here and here

Liability of intermediaries (online platform) – making available to the public – civil sanctions

Tribunale di Roma, Sezione XVII, R.G. 23739-2012, RTI s.p.a. v QLIPSO Inc. [28 December 2020]

On 28 December 2020, the Court of Rome (Tribunale di Roma) declared QLIPSO Inc., owner of the 'Veoh' platform, liable for copyright infringement, for hosting RTI s.p.a. (an Italian mass-media company and the largest broadcaster)'s audiovisual content. QLIPSO was ordered to pay EUR 3 309 760.00 to RTI s.p.a. for the illegal reproduction and making available to the public of RTI's content. The Court also imposed a daily penalty of EUR 1 000 for any further unlawful dissemination of the mentioned content and ordered the publication of the ruling in several Italian newspapers and on Veoh's homepage.

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In April 2012, RTI s.p.a. (the plaintiff) sued QLIPSO, pursuant to Article 2043 of the Italian Civil Code and Articles 78ter, 79 and 156 et seq. of the Italian Copyright Act, for the illegal reproduction and making available to the public of RTI's protected content. This content, consisting of 50 videos with extracts from 36 RTI TV shows, had been uploaded onto the 'Veoh' platform. The plaintiff also sued QLIPSO for the illegitimate use of their trade marks ('Canale 5', 'Italia 1', 'Retequattro', 'Mediaset Premium',

'TG5', 'TG4' and 'Grande Fratello') appearing in the audiovisual content, pursuant to Articles 1, 2 and 20 of the Italian Code of Industrial Property.

QLIPSO, arguing on the lack of jurisdiction and on the merit, contended that, as a 'passive' hosting provider, it could benefit from the liability exemption provided for in Article 14 of the e-Commerce Directive.

Regarding jurisdiction, the Court qualified itself as competent in the case, following the forum commissi delicti criteria of Article 5 of the Brussels Convention.

On the liability regime, the Court referred to CJEU cases C-324/09 (12/07/2011, L'Oréal and Others v eBay International AG and Others, EU:C:2011:474), C-291/13 (11/09/2014, Sotiris Papasavvas v O Fileleftheros Dimosia Etaireia and Others, EU:C:2014:2209) and C-610/15 (14/06/2017, Stichting Brein v Ziggo BV and XS4All Internet BV, EU:C:2017:456) to clarify the conditions under which the exemption provided for in Article 14 of the e-Commerce Directive applies. In this specific case, the Court found that QLIPSO, as hosting provider, could not benefit from the liability exemption. The Court referred to the following activities as suggesting that QLIPSO had an 'active' role: (i) listing user-uploaded content in different sections and categories; (ii) not monitoring potential third-parties' copyright infringement with the notice-and-takedown practice; (iii) carrying out for a profit advertisements contained in the uploaded videos. Assessing QLIPSO's direct liability as an online intermediary, the Court ruled that such liability could be engaged when the intermediary enabled the uploading of copyright-protected content via its platform.

To support this interpretation, the Court briefly referred to Article 17(1) and (3) of Directive 2019/790 (not yet implemented) which provides that certain intermediaries, when giving the public access to copyright protected works uploaded by its users, are performing an act of communication to the public or an act of making available to the public. The provision also clarifies that, in such a case, they are not entitled to the liability exemption provided for in Article 14 of the e-Commerce Directive.

Finally, the Court ruled concerning remedies. It awarded an amount of EUR 3 309 760.00, calculated by Court-appointed experts based on the following criteria: (i) the damage suffered by RTI (calculated as the price for a regular licence to use the content for as long as it was illegally uploaded); (ii) the QLIPSO advertising revenues from the uploaded videos; (iii) the price of each published content calculated using the time during which the content was viewed (the Court defined criteria such as 'prezzo del consenso' or 'equity criterion'). This amounted to damages of EUR 1 071 per minute of infringing content uploaded on the platform. Lastly, the Court imposed a daily penalty of EUR 1 000 for further illegal dissemination of the content on the platform and ordered the publication of the judgment in national newspapers such as 'IlSole24Ore' and 'Corriere della Sera' and on Veoh's homepage.

The text of the judgment is not publicly available but information is available here and here.

Blocking injunctions (live streams of sport events)

High Court of Justice, Business and Property Courts of England and Wales, Case No: IL-2018-000155, MATCHROOm V BriTish telecommunications PLC et al. [29 October 2020]

In this ruling, the Hight Court of Justice ordered the biggest UK ISPs to prevent access to certain IP addresses being used to infringe copyrights in relation to live streams of box event. The Court set out the modalities of such "live" website blocking order. It addressed notably the applicant's request to keep certain parts of the order confidential (e.g. list of targeted IP addresses, detection conditions) and detailed notably the rules for giving notifications to the applicants, the time for compliance, the duration of the order, and the suspension of blocking measures.

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The plaintiffs ('Matchroom') run boxing events. The respondents are the biggest internet service providers in the United Kingdom. Matchroom seeks a website blocking injunction to prevent access to certain IP addresses which are being used to infringe their copyright relating to live streams of the events. A website blocking injunction has already been granted to Matchroom in September 2018, extended and varied in May 2019 and ceased to have effect on 1 October 2020. The plaintiffs requested an extension of the said order, yet the Court treated the filing as a new application for a website blocking injunction.

The applicants submitted that it would be appropriate for the court to make the order sought on the basis of the reasons held by the court to justify the making of the orders in ***FAPL v British Telecommunications plc [No 1]*** and ***FAPL v British Telecommunications plc [No 2]*** [2017] EWHC 1877 (Ch). One of the respondents supported the application, the rest did not oppose it.

According to the witness statements provided by the applicant and one of the respondents the dynamic blocking orders 'had significant positive impact in reducing in UK consumers' access to infringing live streams of Matchroom boxing events', that 'blocking has worked smoothly in practice' and that over-blocking is not a concern.

The applicants requested that certain parts of the order are kept confidential. The reason was that all of it is information (list of targeted IP addresses, detection conditions and requirements which an IP address must satisfy in order for that IP addressed to be notified so that it will be blocked) which would, if publicly available, undermine the purpose of the order itself. That is because it would help those seeking to circumvent the web blocking system to avoid it in various ways. The Court agreed that the applicants and the broadcasters have a clear interest in maintaining the confidentiality of the arrangements. The opposite bears a tangible risk of undermining the blocking and assisting the infringers. Yet the Court decided that other applicants for related web blocking orders should be able to have access to the order in its entirety in order to be able to take advantage of the information contained therein (the scope, the IP addresses the ways they will be blocked, etc).

The Court ordered the disabling of access to each of the IP addresses for the target servers as defined in a confidential schedule notified by the applicants to the respondents. The blocked access should be unblocked as soon as reasonably practicable after the expiry of the event.

The Court set out in detail also the rules for giving notifications to the applicants, the time for compliance, the duration of the order and the possibility for the applicants to apply for extension of the operation, the notifications to third parties, the suspension of blocking measures, permission to apply on notice to vary or discharge the order insofar as it affects particular persons (not only limited to the respondents but also third parties such as users) and confidentiality.

The Order contains five schedules in total. Schedule 1 includes a list of Matchroom events to be blocked. The schedule is subject to variations, in particular as far as additions of events are concerned which are to be notified from time to time to the respondents according to the rules set in the Order. Schedule 2 contains a list of target servers (not disclosed to the public) and is subject to any changes (additions or removals) from time to time which are notified to the respondents according to the rules set in the Order. Schedule 3 contains the detection and notification criteria which are also omitted from the public version of the Order. Schedule 4 contains the technical means of blocking. Schedule 5 is a list specifying what is considered confidential material.

The text of the judgment is available here.

Blocking injunction – liability of intermediaries (Domain name registrar)

Bundesgerichtshof (BGH, German Federal Court of Justice), Case I ZR 13/19 [15 October 2020]

In this case, the German court refers to the 'Störerhaftung' doctrine and ruled that the domain name registrar who participates in the connection of the domain, can be liable as a 'Störer' for providing access to copyright-infringing content under the registered domain. However, the Court clarifies that this liability arises when the 'Störer' fails to block access to the domain despite being informed of a clear and readily ascertainable infringement, provided that (1) illegal content is predominantly made available under the disputed domain, and (2) the rights holder has previously taken unsuccessful action against the parties who have committed or contributed to the infringement themselves. As these requirements were not proved in this case, the Court decided that the domain name registrar could not be ordered to disconnect the dispute domain names (injunctive relief).

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On 2 August 2013. a BitTorrent search page was accessible via the domain, whose registrar was the defendant. This resulted in the possibility of illegally downloading the music album 'B.L.' by the artist R.T., in which the applicant holds the exclusive exploitation rights. The applicant requested the defendant to put an end to the infringement by 13 August 2013. The defendant replied by providing the information about the registrant, the reseller and the host provider established in the Netherlands and forwarding the initial request to the customer. The applicant obtained a temporary injunction against the defendant from the Saarbrücken Regional Court on 30 August 2013, which was confirmed by the court of appeal. The applicant then applied for a final injunction requiring the defendant to refrain from allowing third parties to reproduce and/or make publicly accessible the music album 'B.L.' by the artist R.T. and the sound recordings contained in it, and to pay EUR 2 307.85 plus interest. The Regional Court upheld the action and the appeal of the defendant was unsuccessful.

The BGH overturned the judgment and referred the case back to the appeal court.

The BGH noticed that the registrar's task of efficiently allocating and administering the sub-level domains below the top-level domains resulted in making the internet domain concerned accessible, not by technical means, but by administrative measures. In this respect, the registrar is similar to an internet access provider. The Court emphasised that a breach of duty of care can be only invoked if the registrar was informed of a clear and easily ascertainable violation of the law, since only then, could a registrar who acts to make a profit be reasonably expected to follow up on such a notification and, in the event of a breach of his duty to check, be held liable. The Court, however, clarified that the registrar cannot be required to conduct an examination of a complaint relating to the content made available under the domain, since he usually has no knowledge of the published content and this process would require a considerable amount of effort. For the Court, the notice given by the rights holder must indicate with sufficient clarity the circumstances which may trigger the registrar's obligation to verify or monitor the information. Furthermore, the rights holder needs to demonstrate that they have taken unsuccessful action against the operator or hosting provider of the domain or that such action has no chance of success.

Applying this to the case at issue, and after balancing the fundamental rights involved, the Court confirmed that requiring an examination of complaints in relation to content provided under a domain could result in a disproportionate burden on the registrar and jeopardise their business model. As a consequence, the Court reasoned that they could only be subjected to subsidiary liability, that arises when the rights holder has taken unsuccessful action against the parties who have committed the infringement themselves (operator of the website) or who have contributed to the infringement by providing services (host provider), unless such action lacks any prospect of success.

Moreover, the BGH emphasised that the contractual relationship between the registrar or a reseller contractually associated with the registrar and the registrant does not justify the direct liability, as the service provided by the registrar is neutral in its approach because it is limited to the registration of the domain. To prevent ‘overblocking’ of content, the registrar's disruptive liability is only reasonable if the contents accessible under the domain concerned are predominantly illegal.

The Court granted the defendant’s appeal and confirmed that they did not have the obligation to work towards disconnection of the disputed internet domain since the requirement to engage their subsidiary liability as a registrar was not met. As a result, the FCJ ruled that the plaintiff’s claim for injunctive relief could not be awarded and referred the case back to the court of appeal for a new hearing and decision.

The text of the judgment (in German) is available here.

Blocking injunction – liability of intermediaries (Content Delivery Network-Domain Name Server)

OLG Köln (Higher Court of Cologne), Case I-6 U 32/20, *Universal Music v Cloudfare* [9 October 2020]

In this case, the Higher Court of Cologne (*OLG Köln*) confirmed the blocking injunction obliging Cloudflare (the defendant) to prevent third parties from making available to the public a music album via certain websites and domain name servers. Cloudflare was also ordered to provide Universal Music (the applicant) with information about the name and address of the website operator. In reaching that

conclusion, the Higher Court considered that Cloudflare had failed to take appropriate actions to stop the infringing activities occurring via its Content Delivery Network (CDN) and DNS (domain name server) resolver services.

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The applicant is a well-known producer of sound recordings who distributes, among other things, the music album Herz Kraft Werke by the artist Sarah Connor. The defendant offers various internet services, such as content delivery network (CDN) services and so-called DNS resolver services for internet users. The above-mentioned album was available for downloading as 'Album of the Week' via the ddl-music.to website with reference to the 'Nitroflare' webpage. The ddl-music.to website was a contractual partner of the defendant and used its CDN services. The defendant was registered as an authoritative name server for the latter.

The Regional Court confirmed the defendant's liability under national law as a 'Störer' (disrupter) and subjected it to an interim blocking injunction. The defendant claimed that it neither provided websites with internet access nor hosted their content. It had no control over the content of websites whose operators used its services. Furthermore, these websites could still be accessed without the defendant's services.

The Higher Court of Cologne reasoned that the defendant's appeal was unfounded and that the defendant had failed to oppose the regional court's assumption that, as a CDN service provider, it was jointly responsible for making the musical album at issue publicly accessible via the ddl-music.to website.

According to the Court, despite the fact that the defendant itself neither operated the website nor had set the hyperlinks, contractually, it had taken over the role of the website operators to act as a CDN server for the website and had, therefore, contributed adequately to the causal violation of the law. This resulted in responsibility for the infringement as a disrupter. For the Court, the defendant's contribution was that it intervened in the data traffic between the customer's website and users, so that all the internet traffic to and from the customer's website ran through the defendant's server network. The activation of the defendant's server was therefore adequately causal for the illegal public access to the music album in question via the customer's site.

The Court also held that, since the defendant's business model was initially objectively neutral and socially desirable, a general obligation to audit and monitor the content of its customer domains would be disproportionate. However, the defendant had specific knowledge of the illegal activity and, from that point on, was obliged to refrain from contributing to the unlawful activities. For 8 months the defendant failed to react and, therefore, an injunction had to be confirmed.

Moreover, the Court held the defendant liable as a disrupter for making its DNS resolver available to internet users. As a DNS resolver, the defendant enabled the users to resolve a domain name into a numerical IP address and to find the page in dispute there. In the Court's opinion, as soon as the specific infringement was pointed out, the defendant had an obligation to review and block it.

After considering the above, the Higher Court of Cologne dismissed the defendant's appeal and dismissed the applicant's cross-appeal as inadmissible.

The text of the judgment (in German) is available here.

Blocking injunction – liability of intermediaries (Content Delivery Network) – civil sanctions

Tribunale di Milano (Court of Milan) – Ordinanza n. 42163/2019 R.G. Sky Italia, Lega Serie A v Cloudflare Inc. and others, [5 October 2020]

On 5 October 2020, the Court of Milan confirmed a dynamic blocking injunction ordering the blocking of current and future domain names and IP addresses of several internet protocol television (IPTV) services for illegal distribution of audiovisual content. Major Italian internet services providers (ISPs), together with the hosting provider 'OVH' and the content delivery networks (CDN) operator 'Cloudflare Inc.', were involved in the decision. While Cloudflare Inc.argued that it could not be found liable for hosting infringing content, the Court held that this service qualified as an intermediary pursuant to Article 156 et seq. of the Italian Copyright Act (implementing Article 8(3) of D 2001/29/EC), against which an injunction could be issued regardless of any liability of its own. The Court also clarified the scope of the dynamic blocking order, inviting rights holders to communicate new IP addresses and domains to the service providers to extend the blocking injunction to cover future infringements.

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In this case, the claimants (the TV platform 'Sky Italy' and Italy's top football league 'Lega Nazionale Professionisti Serie A') requested the Court of Milan (Sezione XIV – Impresa A) to issue a dynamic blocking injunction ordering hosting provider OVH and the CDN operator Cloudflare Inc. and others (the respondents) to block access to several IPTV services (customers of the respondents) distributing infringing audiovisual content. The blocking injunction was requested based on Article 156 et seq. of the Italian Copyright Act implementing Article 8(3) of D 2001/29/EC.

Cloudflare Inc. claimed that the Court did not have jurisdiction in the case. It also argued that it was only providing a transitory data storage service and, consequently, could not be found liable for directly hosting the infringing content. The Court rejected the respondent's claims. Firstly, the Court clarified that its conduct 'could facilitate, through the mere activity of the storage of static data, the third parties' copyright-infringing activity'. Secondly, the Court ruled that an injunction could be issued against Cloudflare Inc. and others under Article 156 Italian Copyright Act and Article 669*bis* et seq. Italian Code of Civil Procedure. It further underlined that the classification between hosting providers, caching and mere conduit services was irrelevant, provided that the possibility of issuing an injunction against an intermediary on the basis of the above provisions did not depend on the intermediary's liability for the (alleged) infringement.

In assessing this request, the Court then referred to Court of Justice of the European Union (CJEU) case-law (27/03/2014, C-314/12, UPC Telekabel Wien, EU:C:2014:192) according to which the measures adopted by the ISPs must be strictly targeted. Regarding the scope of the dynamic injunction, the Court ordered the ISPs to immediately take the most appropriate technical measures to prevent access not only to the websites and services already identified in the appeal, but also to:

- the same services regardless of the domain name used, insofar as they refer to the same services and resolving to the IP addresses (current and future) identifying the 'Main Servers' and/or the 'Delivery Servers' underlying them;
- any other possible IP address that allows access to the aforementioned domain names;

- the aforementioned domain names, even if access is associated with a top-level domain other than those already indicated which makes available to the public the same unlawful content referred to in the services covered by the order;
- future websites that will make the same contents available to the public through additional mirror websites and main servers – the aliases resulting from changes to the second-level domain – provided that, in addition to referring to the same illegal content, the link between the parties responsible for the illegal activity carried out by such websites is objectively detectable.

Regarding the blocking of additional mirror websites, the Court required the claimants to communicate to the respondents any new IP address that allows the connection to the websites in question and allows access to the same content. The injunction should also be extended to possible changes to the second-level domain, provided that, in addition to referring to the same illegal content, the link between the parties responsible for the illegal activity carried out by such websites is objectively detectable. The Court also asked the claimants to inform the respondents by attaching copies of the communications issued by the infringers containing the variation of the second-level domain or in any case the documented elements that prove the link among the infringing subjects.

The injunction will remain in force in 2022 and requires all relevant IPTV services to implement the dynamic blocking order.

The text of the judgment is not publicly available but information is available here and here.

(Dynamic) Blocking injunctions – intermediaries (ISP)

Swedish Patent and Market Court of Appeal – Case PMT 13399-19 Telia Sverige AB v Svensk Filmindustri and others [29 June 2020]

In this ruling the Swedish Patent and Market Court of Appeal (*Patent och Marknadsöverdomstolen*) approved the dynamic blocking injunction ordered by the previous instance against Telia, an internet service provider (ISP) but clarified further how to frame the order to ensure legal certainty for the ISP, provided that it can be subjected to a penalty or a fine for not implementing it properly. Doing so, the Court held that it was for the rights holders (not the ISP) to monitor the internet for the appearance of new or similar domain names to be blocked pursuant to the injunction order.

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AB Svensk Filmindustri and others (the rights holders) are companies operating in the film industry. Telia Sverige AB (Telia) is an ISP. Telia's customers had been able to access the services of The Pirate Bay, Nyafilmer, Fmovies and several other related proxies and mirror sites, where copyright protected material was unlawfully made available. The rights holders brought an action against Telia, demanding Telia to block their customers' access to services that contributed to the infringement. In December 2019, the Swedish Patent and Market Court decided in favour of the rights holders and issued a dynamic blocking injunction against Telia. Telia appealed before the Swedish Patent and Market Court of Appeal, which upheld the ruling of the earlier instance.

Firstly, after balancing the parties' interests, the Court considered it proportionate to issue the injunction and confirmed the earlier instance's conclusions. The Court, however, decided to clarify the modalities and form of the dynamic blocking injunction so as to target the services of The Pirate Bay, Nyafilmer,

Fmovies and Dreafilm as a whole. The Court stated that it was not necessary to identify the persons administering the services or to describe the services in question. Instead, it was essential to clearly describe the characteristics, structure and operation of the services. Furthermore, the Court clarified that the domain names and URLs related to search engines did not fall within the scope of the injunction, nor should it cover situations where links to the services were included in posts on Facebook or Twitter. Furthermore, the Court stated, contrary to the previous instance, that it would not be appropriate or proportionate to require Telia to monitor new domain names and URLs that infringe the rights holder's copyrights. Instead, the Court held that the rights holders should notify to Telia which specific domain names and URLs they should block and give Telia a three week timeframe to implement the necessary measures. The Court confirmed that the injunction should be in force for three years and considered that the penalty payment of SEK 500 000 was appropriate and well balanced.

The text of the judgement (in Swedish) is available here

(Dynamic) Blocking injunctions – Liability of intermediaries – Streaming – Communication to the public – Making available to the public

Svenska Patent- och marknardsdomstolen (Swedish Patent and Market Court), Case No PMT 7262-18 [9 December 2019]

This decision of the Swedish Patent and Market Court concerns so-called dynamic blocking injunctions and a joint responsibility of the internet service provider for copyright infringement.

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According to Article 1 of the Swedish Copyright Act (1960:729), the creator of a literary or artistic work holds the copyright. Pursuant to Article 2, copyright, within the restrictions set out in the law, provides for the exclusive right to reproduce the work and make it available to the public. Under Article 53b, a court may prohibit the infringer, or anyone who contributes to an action of infringement, from continuing the action under the threat of a fine. According to Article 3(3) of the Information Society Directive (D 2001/29/EC), the copyright will not be exhausted by any act of communication to the public or making available to the public. Article 8(3) requires Member States to ensure that rights holders may apply for an injunction against intermediaries whose services are used by a third party to infringe copyright.

AB Svensk Filmindustri and others (the rights holders) are companies operating in the film industry. Telia Sverige AB (Telia) is an internet service provider. Telia's customers have been able to access the services of The Pirate Bay, Nyafilmer and Fmovies, where protected material was made available. The rights holders brought an action against Telia, demanding that they be required to block access for their customers to services that contribute to the infringement.

The Swedish court cited CJEU case-law (27/03/2014, C-314/12, UPC Telekabel Wien, EU:C:2014:192, summary available on eSearch Case Law), according to which an internet service provider is considered to be an intermediary in the meaning of Article 8(3) of the Information Society Directive. The CJEU has further stated in 07/07/2016, C-494/15, Tommy Hilfiger, EU:C:2016:528, summary available on eSearch Case Law that Member States should ensure that intermediaries, whose services are used by third parties to infringe IP rights, regardless of the intermediary's own liability, may be obliged to take

actions to prevent these infringements, and new similar infringements. The Swedish court stated that Telia Sverige AB is an internet provider in the meaning of the Information Society Directive. The court found that there has been infringement in an objective sense, and that Telia therefore has joint responsibility.

The court considered the proportionality of the prohibition given under Article 53b by taking the interests of the rights holders, Telia's freedom of trade and the internet users' freedom of information into account. The court assessed the risk of over-blocking access to domain names. The court pointed out that it is clear from the present case that the services at issue in this case changed their domain names and/or used proxy services to circumvent any blocking measure. The rights holders had revised their list of domain names several times during the written proceedings. The court stated that it would be unreasonable to find a prohibition under the threat of a fine disproportional because there is a possibility of changing domain names so that after the change, some of the domain names and URLs would no longer lead to the services. The court also stated that the injunction in the present case is not an open injunction but an injunction that specifies the access of four services defined in the judgment to be prevented by technical blocking measures that target the domain names and URLs of the services. Furthermore, it is time-limited, and a new court examination can take place if necessary.

The Swedish Patent and Market Court prohibited Telia Sverige AB from making the protected material set out in the judgment available to the public. To comply with the prohibition, Telia is required to prevent access, by technical blocking measures, to The Pirate Bay, Nyafilmer and Fmovies services via domain names and URLs listed in the judgment. Telia is also required to take reasonable steps to block the access to these specified services through other domain names and URLs than those specified in the judgment. The prohibition is given under the threat of a SEK 500 000 fine over a period of 3 years.

Telia Sverige AB has appealed before the Swedish Patent and Market Court of Appeal.

The text of the decision will be available on eSearch Case Law.

Liability of Intermediaries – Piracy – Online Platforms

Corte di Cassazione, Prima Sezione Civile (Italian Supreme Court), Case No 7708/2019 [19 March 2019]

This decision of the Italian Supreme Court concerns the liability regime applicable to hosting providers for copyright infringements committed by users of the hosting services. The Supreme Court clarifies the notion of 'active hosting provider', and the conditions for liability.

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In 2011, the Tribunal of Milan found Yahoo (Italy) S.p.A. liable for copyright infringement. The platform had given access to various videos and programmes owned by RTI (Reti Televisive Italiane S.p.A.). In 2015, the Court of Appeal upheld the appeal brought by Yahoo, stating that the hosting provider had acted as a mere intermediary, without actively having processed data on its own. The rights holder appealed before the Supreme Court.

The Supreme Court recalled the meaning of the notion of 'active hosting provider' in the sense of Article 14 of the E-Commerce Directive (D 31/2000/EC) and Article 16 of the Italian Legislative Decree

No 70/2003. An 'active hosting provider' carries out an activity which goes beyond a purely technical, automatic and passive service, contributing with others to the illegal activity.

The Supreme Court clarifies that active conduct can also be found in case of an omission ([2]) of the hosting provider, namely when the latter does not remove the illegal content under the following conditions: it was aware of the offences committed by the users after having been notified by the rights holder or by someone else (1); it could have verified for itself the unlawfulness of the other party's conduct, and this verification can be considered as being reasonably expected from a professional operator. In this case, the hosting provider is liable of serious negligence (2). The provider had the chance to act usefully and immediately since it was aware of the illegality. This finding is in line with the relevant EU case-law (see amongst other C-324/09, L'Oréal SA, para. 120-121-122, ECLI:EU:C:2011:474) (3).

As to the identification of the infringing videos, the judges in the main proceedings have to verify whether it is technically possible to identify those videos by the title of the transmission only or whether an indication of the URL address is necessary.

The judgment is annulled and sent back to the Court of Appeal of Milan in a different composition, for a new decision on the merits. The same Court of Appeal will evaluate the damages and the payment of the costs.

The text of the judgment (in Italian) is available at italgiure.giustizia.it.

Blocking Injunction- Communication to the public (hyperlinks) Online Platforms

Committee for the Notification of Copyright and Related Rights Infringement on the Internet (EDPPI), [February 2019]

The Greek Committee for the notification of online copyright and related rights infringement has ordered Greek internet access providers to block access to the website of a platform via which users could upload and share links to protected content.

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The Greek Committee for the notification of online copyright and related rights infringements ('the Committee') is an administrative entity under Article 66E of the Greek Copyright Act (Law No 2121/1993), which may order the blocking of websites with infringing content after having been notified by the rights holders (see also the orders of 4 October 2018, Nos 1/2018, 2/2018, 3/2018).

The operators of a fee-based platform used storage services offered by another provider. Customers would upload illegal content to that storage space, from where the content would be connected to the platform through hyperlinks; on the platform, they could access such content via hyperlinks. A Greek rights holders' organisation sent a notice to the platform operators, requesting them to take down the

([2]) Doctrine of Italian Criminal Law (Article 40, para. 2 of the Criminal Code)

illegal content. They then asked the Committee to request all Greek internet access providers to block access to the website.

The Committee referred to Article 3 of the Greek Copyright Act, which states that the author has the right to decide whether his or her work will be communicated and presented to the public, and may prohibit any reproduction of the work. The Committee noted that, when the operator of a platform is or should be aware of the illegal content offered through hyperlinks available on its site, it makes a communication to the public (Article 3(1) D 2001/29/EC), and therefore infringes copyright. It found the request of the rights holders' organisation admissible, and confirmed both the illegal character of the content available on the platform and the knowledge of the platform operators.

After having notified all of the relevant parties and given that the content was still available (contrary to the platform operators' statements), the Committee ordered all providers that were registered with the Greek Telecommunications and Post Commission (EETT) as internet access providers to block access to the infringing websites, within 48 hours.

Moreover, given the gravity of the infringement and its duration, the Committee ordered the blocking measures for three years, and penalty payments of EUR 700 for every day of non-compliance with the order.

The text of the order can be found (in Greek) on the Hellenic Copyright Organisation (5/2018) website.

Blocking injunction – Piracy – fundamental rights and freedoms

Svea Hovrätt – Patent – och marknadsöverdomstolen (Svea Court of Appeal), Case No PMÖ 9945-18 [1 February 2019]

In this decision the Svea Court of Appeal reviewed a decision of the Stockholm District Court (15/10/2018, PMT 7262-18). The lower court had issued an injunction against the Swedish internet service provider (ISP) Telia, requesting the latter to block access to websites where works were made available unlawfully by third parties.

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In the appeal, the ISP argued that the blocking injunctions contravened its freedom to conduct a business, the freedom of information of internet users, and the right to property (ownership of domain names). They also noted that one-third of the blocked domain names did not direct traffic to any website, or to any other site than those claimed in the first instance. In addition, one of the services, Dreamfilm, was not accessible under any of the domain names and is now accessible as a legal service.

Regarding fundamental rights the Svea Court of Appeal first referred to CJEU case-law (27/03/2014, C-314/12, *UPC Telekabel Wien,* EU:C:2014:192) according to which the measures adopted by an ISP must be strictly targeted, and serve to bring an end to a third party's infringement of copyright or of a related right. The measures should not affect internet users who use the provider's services in order to lawfully access information. The national procedural rules must provide a possibility for internet users to assert their rights before the court once the measures taken by the ISP are known (*UPC Telekabel*, paras 56-57).

As one of the services is now available legally, and one-third of the blocked domain names do not direct traffic to any website or to other sites, the Court of Appeal found that a provisional blocking order was unproportionate. The freedom of information of internet users must be taken into account. Therefore, the Court of Appeal annulled the first instance and rejected the interim injunction.

According to Swedish law the decision cannot be appealed and is therefore final.

The text of the judgment (in Swedish) is available at:

http://www.patentochmarknadsoverdomstolen.se/.

Blocking injunction– Piracy – Online Platforms

Committee for the Notification of Copyright and Related Rights Infringement on the Internet (EDPPI), [7 November 2018]

The Greek Committee for the Notification of Online Copyright and Related Rights Infringements ('the Committee'), an administrative entity under Article 66E of the Greek Copyright Act (Law 2121/1993), has issued its first blocking orders. The Committee may order the takedown of websites with infringing content after having been notified by the rights holders. When filing an application, rights holders must show that they have, where possible, and without success, submitted a takedown notice to the provider. If the Committee considers that the case should proceed, it will send a notice to the relevant intermediary. The providers have the chance to present objections, to comply, or to obtain a licence from the rights holder. If the case proceeds, the Committee will issue a decision.

A Greek rights holders' organisation requested that all Greek internet access providers block several torrents, streaming and subtitle websites where infringing content (films) was being offered.

The Committee issued three separate decisions. One ordered all providers who are registered with the Greek Telecommunications and Post Commission (EETT) as internet access providers, and which failed to comply with the blocking request, to block 38 infringing websites, within 48 hours.

The Committee rejected the applicant's request to order the blocking of all future alternate URL of these websites on the grounds of lack of precision. Moreover, the Committee rejected the request to block some of the domain names; these had not been part of the official request to the Committee, but were included in the accompanying documents. Nevertheless, given the gravity of the infringement and its duration, the Committee ordered the blocking of the 38 websites (and some domain names) for three years.

The texts of the decisions can be found (in Greek) on the Hellenic Copyright Organisation website (1/2018, 2/2018, 3/2018).

Injunction - Liability of Intermediaries

Bundesgerichtshof (Federal Court of Justice, Germany, BGH), Case I ZR 64/17 *'Dead Island'* [26 July 2018]

This case concerns the scope of the liability exemption for internet access providers for copyright infringement by internet users according to the revised German Telemedia Act (see, 3. TMGÄndG; see Articles 8(1), 8(3) and 7(4) of the Telemedia Act).

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The plaintiff holds the exclusive rights to a computer game which was uploaded to a file sharing platform by users of the defendant's publicly accessible Wi-Fi connection. Previously, the plaintiff had sent several cease-and-desist letters to the defendant, in relation to copyright infringement in other works.

The Bundesgerichtshof holds that since the coming into force of the revised Telemedia Act, internet access providers are not indirectly liable for copyright infringement of their users as 'Störer'. Therefore, no injunctions can be granted against them, since the acts in question are no longer unlawful. However, blocking measures could be requested. This could also include an obligation to register users, to encrypt access with a password or, in extreme cases, to completely block access. According to the BGH, the German legal framework is compliant with EU law on intermediary liability (see Article 8(3) D 2001/29/EC; Article 11(3) D 2004/48/EC).

The text of the decision (in German) is available on the website of the Bundesgerichtshof.

Enforcement – Damage and compensation

FR – Damages and compensation

French Supreme Court, 22-23.266, M. [P], M. [U] [15 November 2023]

This case regards the limitation period for actions for damages in case of infringement of copyright. The French *Cour de Cassation* (Supreme Court) clarified that Article 2224 of the French Civil Code establishes a limitation period of 5 years to bring an action for damages, running from when the rights holder becomes aware or should have become aware of the infringement. Since the copyright infringement was found in court of appeal on 17 December 2008, the plaintiff had until 17 December 2013 to bring an action for damages.

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The plaintiff (M. [P]) is a sculptor who in 1985 executed, on commission of a museum, a statue, named *La Fontaine aux chevaux* (The Horses Fountain). Later, several illegal copies of his work were circulated and exhibited. One unauthorised copy was exposed in the garden of the company *Le Potager des Princes,* founded by the defendant M. [U]. On 17 December 2008, the Paris Court of Appeal held that the copy constituted infringement of the plaintiff's copyrights. In March 2021, more than 12 years after

the judgment was issued, the plaintiff sought a temporary injunction against the defendant. The first instance Court ruled that the exhibition of the artwork was an infringement of copyright and rejected the argument that the action was timed barred. However, the court of appeal and the *Cour de Cassation* both held that the plaintiff should have sought for **damages** in the **five-year limitation period** effective from the first decision of 2008.

The French Supreme Court found that, even if the infringement is continuous, the starting date of the five-year limitation period is not postponed. The limitation period starts running from the day when the **rights holder becomes aware,** or **should have become aware,** of the infringement. However, while the Court of Appeal was right to reject the action for damages, the plaintiff's demand to have the statue given back to him to be destroyed was legitimate and should have been accepted.

This decision rejects the argument that a continuous infringement is not subject to limitation as long as it is ongoing. Such reasoning can be transposed in a wide array of cases and might force rights holders to seek action for damages earlier.

The text of the judgment is available here.

Communication to the public – Damages and compensation

Audiencia Provincial de Madrid, María Mar Hernández vs "El Hormiguero" (7 y ACCIÓN S.L. and ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN S.A.) – (ES:APM:2022:1864) [11 February 2022].

This Spanish case concerns the **criteria for setting damages** in the context of copyright infringements. The Court especially dealt with the criterion of the **hypothetical royalty** laid down by Article 13(1)(b) Directive 2004/48/CE (implemented in the Spanish legal system by Article 140 of the Texto Refundido de la Ley de Propiedad Intelectual) and the criteria for setting **moral damages**.

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The painter María Mar Hernández (the claimant) took legal action for **copyright infringement** before the Commercial Court of Madrid against the TV producer ATRESMEDIA (the defendant), seeking **compensation** for material and moral damages.

The claimant alleged that her painting 'DIRECCION000' was used, without authorisation, as part of the set of a sketch broadcast four times on the TV program *El Hormiguero 3.0*. The program was also made available on social networks and digital platforms for a long time. According to the allegations, the use of this painting in the background of a scene showing a dirty and untidy apartment would result in moral and material damages to the right holder.

In the first instance, the Commercial Court of Madrid ruled in favour of the claimant and awarded her compensation of **EUR 1 448** for material damages and **EUR 7 000** for moral damages, although she had claimed EUR 20 000. Nevertheless, the court rejected her request to quantify the damages on the basis of a hypothetical royalty. She asked that the hypothetical royalty be determined on the basis of invoices paid by her clients for the creation of new works, whereas the painting concerned already

existed at the moment of the infringement. Therefore, in the absence of a licence stipulated for similar purposes, the claimant may have determined the hypothetical licence based on analogous licences concluded by other artists, but she did not do so. Therefore, the Court set the damages on the basis of the tariffs applied by the Spanish collecting society VEGAP.

Both María Mar and the producer filed appeals. María Mar argued that the compensation for moral damage should be EUR 20,000, since her work was used maliciously and with a wide public dissemination. On the other hand, the production company contested that there had been any moral damage, arguing that the broadcasting of the program was insignificant and that the amount awarded for moral damages should not exceed the material damages.

Therefore, the case was brought before the Madrid Provincial Court, which confirmed that a copyright infringement had occurred. It found as follows.

- The infringement caused moral damages due to the association of the painting with a dirty and untidy environment.
- For the calculation of damages, the hypothetical royalty must be determined on the basis of the **author's works**. The licence fees paid for other authors' works do not matter in this regard.
- To calculate the moral damages, it is necessary to take account of the **circumstances** of the infringement, the **seriousness of the injury**, and the **degree of unlawful dissemination** of the work.
- The **intentional character** of the infringement does **not necessarily increase** the moral damage.
- the measure of **publication of the judgment** may not be taken automatically, but only if there is a **need to remove the consequences** left by the infringement on the IPR market.

In light of the foregoing, the court found that the claimant's work had been infringed and ordered the defendants to cease the infringing conduct and to pay damages of **EUR 16 000**, including moral damages.

The text of the judgment is available here.

Copyright infringement - Making available to the public - Piracy – Streaming (IPTV packages) – Damages – Civil sanctions

The District Court of Zeeland-West-Brabant, IEF 20538; C/02/378025 / HA ZA 20-629, BREIN v the Defendant [19 January 2022]

Dutch anti-piracy group Stichting BREIN brought an action alleging that the individual behind the website ExpatsIPTV (www.expats-iptv.en), had infringed the copyright of BREIN's members by providing unauthorised access to IPTV packages. These packages included copyright-protected films, TV series and streams of (paid) TV channels. The District Court for Zeeland-West-Brabant ruled in BREIN's favour, finding that the defendant's conduct amounted to an act of 'making available to the public' in violation of the Netherlands Copyright Law. The Court restricted the defendant from offering the infringing IPTV packages and ordered him to provide further information on the sales and parties involved, and imposing penalties for non-compliance. (see summary above)

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The text of the judgment is available here.

Calculation of damages – Copyright Infringement

EWHC 932 (UK – Intellectual Property Enterprise Court), *FBT Productions LLC v Let Them Eat Vinyl Limited* [24 April 2021]

The case illustrates the approach of the UK High Court in the assessment of damages in IP cases. The general principle is that damages are compensatory and successful claimants are only entitled to the sum of money (here, calculated on the basis of a notional licence fee) which will restore them to the same position they would have been without the infringement.

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The Intellectual Property Enterprise Court ('IPEC') heard the trial of quantum in the claim between F.B.T. Productions, LLC ('FBT') and Let Them Eat Vinyl Distribution Limited ('LTEV') for copyright infringement following a judgment on liability in 2019. In 2019, FBT successfully claimed that LTEV infringed their copyright over recordings of Eminem's album 'Infinite' by creating vinyl copies of the album, but the judge concluded that the defendants were not liable for any of the secondary acts of infringement pleaded.

Following this verdict, FBT elected for an inquiry into damages before the High Court, claiming damages from loss of opportunity to license to a third party, loss of licence fees from the licence FBT would have offered LTEV, and a loss of a reasonable royalty for actual sales made by LTEV based on the notion of a willing licensee/willing licensor negotiation. The High Court rejected the first two claims. As for the third head of loss, the court found that damages should be calculated for a licence to make 2 981 copies of the album. The damages awarded were assessed on the basis of a notional licence fee of GBP 2.50 per disc to make 2 981 infringing copies, which came to GBP 7 452.50 plus interest.

The damages were a little more than LTEV's profits, and very far from what FBT sought (GBP 288 209) – signaling to potential litigants the importance of thinking carefully before going to the High Court to quantify the damages in a claim as the amount awarded may not justify the effort and cost involved in getting there.

The text of the judgment is available here.

Calculation of damages - Compensation – Streaming - Piracy

Högsta domstolen (The Swedish Supreme Court), Case No B 1540-18 [21 January 2019]

In this decision the Swedish Supreme Court shed light on the calculation of the amount of reasonable compensation for copyright infringement, and more particularly on the application of hypothetical licence fees. According to Article 54 of the Swedish Copyright Act 'anyone who exploits a work in violation of the Act shall pay a reasonable compensation for the exploitation'.

The Swedish film production and distribution company (SF, the rights holders) sued the illegal streaming site operators for copyright infringement. The rights holders limited the claim to only one of the accessible films. Since there is no licencing model in such a case the rights holders calculated the reasonable compensation based on a hypothetical licence of unlimited duration, number of views and geographical scope. The court ordered the defendants to pay compensation of SEK 1 000 000. The Court of Appeal found that the fee for a hypothetical licence between the rights holders and end-users would have exceeded that amount, and therefore estimated that SEK 4 000 000 would be a reasonable compensation.

The Supreme Court decided that the hypothetical licence was too broad and not based on the use the website operators had made of the film. There is no established compensation model for that kind of use of works, and the court must determine a reasonable compensation. The Supreme Court decided that the hypothetical licence for the film suggested by SF did not take into account other aspects such as the income for broadcasts after deductions, the infringers' business model, or when and under which forms the film was made available by SF and by others legally. The calculation of hypothetical licence fees was based on the film's production costs and SF's profit expectations, and could therefore not be used for determining the reasonable compensation. Taking into account the aspects mentioned above, the Supreme Court estimated that the reasonable compensation should amount to SEK 400 000.

The text of the judgment (in Swedish) is available on the website of the Swedish Supreme Court.

Enforcement – Jurisdiction and applicable law

CJEU – cumulative IP protection (design/copyright) – applicable law

Case C-227/23 – *Kwantum Nederland BV, Kwantum België BV v Vitra Collections AG*, EU:C:2024:914, [24 October 2024]

This case concerns the interpretation of EU law in relation to the Berne Convention for the Protection of Literary and Artistic Works, specifically Article 2(7) on the protection of works of applied art and industrial designs. The main issue was whether EU law, particularly Directive 2001/29/EC (the InfoSoc Directive), precludes Member States from applying the criterion of material reciprocity, as laid down in Article 2(7) of the Berne Convention, in respect of a work of applied art originating in a third country and whose author is a national of a third country.

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Vitra (a furniture manufacturer) brought legal action against Kwantum (operating a chain of shops with interior design articles) for marketing chairs in breach of the copyright on the shape of the 'Dining Sidechair Wood'. The District Court of The Hague ruled out the **infringement**. However, the Court of Appeal of The Hague overruled the first instance court decision and upheld Vitra's claims. The Supreme Court of the Netherlands referred to the CJEU for a preliminary ruling on the applicability of **Article 2(7) of the Berne Convention** (material reciprocity) to works of applied art originating in a third country and whose author is a national of a third country.

The CJEU held that Article 2(a) and Article 4(1) of the InfoSoc Directive, read in conjunction with Article 17(2) and Article 52(1) of the Charter of Fundamental Rights, preclude Member States from applying the criterion of material reciprocity laid down in Article 2(7) of the Berne Convention in respect of a work of applied art originating in a **third country** and whose author is a **national** of a **third country**. The application of the criterion of material reciprocity would be contrary to the wording and objective of the InfoSoc Directive, which seeks to harmonise copyright and related rights in the internal market. Furthermore, besides undermining the Directive's objective, its application may limit the enjoyment and exercise of rights in the internal market.

Lastly, the CJEU ruled that a Member State could not apply the criterion of material reciprocity by way of derogation to EU law under Article 351 on the Treaty of the Functioning of the European Union. Where an international agreement allows, but does not require, a Member State to adopt a measure which appears to be contrary to EU law, the Member State must refrain from adopting the measure. In this case, the EU legislature has exclusive competence to regulate copyright and related rights in the internal market, so the application of the criterion of material reciprocity would undermine the objective of the Directive.

The text of the decision is available here.

Infringement – License – Adaptation – Computer program

Case C-666/18 *IT Development SAS* v *Free Mobile SAS*, EU:C:2019:1099 [18 December 2019]

This preliminary ruling concerns whether a software licensee's non-compliance with the terms of the agreement may constitute a copyright infringement; or whether it may comply with the rules on contractual liability under ordinary law.

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The Enforcement Directive (D 2004/48/EC) concerns the measures, procedures and remedies necessary to ensure the enforcement of intellectual property (IP) rights. Article 2 establishes that the measures, procedures and remedies provided for by the directive apply to 'any infringement' of IP rights as provided for by EU or national legislation. Article 4 of the Computer Programs Directive (2009/24/EC) establishes, amongst other, an exclusive right of the author in authorising the adaptation, arrangement or any other alteration of a computer program.

In the national proceedings, IT Development argued, inter alia, that Free Mobile infringed its copyright in software by making modifications; this would be contrary to Article 6 of the licence agreement. The first instance court had declared the applicant's claims, based on tortious liability, inadmissible, upholding that the breach of contract would provide a basis for contractual liability. The appeal court found that, provided the applicability of the French principle of non-cumulation, one cannot hold another liable in contract and tort for the same acts, and that tortious liability is excluded in favour of contractual liability where a binding contract exists; the damage results from contractual breach. In addition, the appeal court had stated that even though under French law, copyright infringement is based on tortious liability, under the same law, 'there is no provision under which such an infringement cannot exist where there is a contract binding the parties'. In particular, it had pointed out that Article 2 D 2004/48 does not distinguish between whether or not an infringement results from the non-performance of a contract.

The CJEU underlined that the prohibition to modify the software falls under copyright protection provided by the Computer Programs Directive. That directive does not make the protection of the owner's right dependent on whether or not the alleged infringement is a breach of licence. The wording of Article 2(1) of the Enforcement Directive also refers to 'any' infringement of intellectual property rights (IPRs). Furthermore, it derives from Article 4 of the Enforcement Directive that the rights holder is entitled to request measures of protection with no limitation 'as to the origin, contractual or otherwise'. Nevertheless, that directive does not lay down the exact means of implementation of those guarantees or the application of a specific liability regime. Therefore, national legislature remains free to establish specific practical arrangements for protecting those rights, and to define the nature, whether contractual or tortious, of the action. In particular, national law must provide that enforcement measures are fair, equitable and not unnecessarily complicated or costly, or entailing unreasonable time limits or unwarranted delays. Furthermore, the application of a particular liability regime should in no way constitute an obstacle to the effective protection of the IPRs of the owner of the copyright in the software.

In the present case, national law did not expressly state that copyright infringement can only be invoked where the parties are not bound by a contract. In addition, copyright infringement is defined by French law in its broadest sense, as an IPR infringement, including an infringement of one of the copyrights of a computer program. It follows that the national court is required to interpret national law in conformity with EU law, and therefore to ensure full effectiveness of EU law, and in particular of the mentioned directives.

The breach of a clause in a software licence agreement which relates to the IPR of the copyright owner of that software falls within Directive 2004/48. The owner must be able to benefit from the guarantees provided for by that directive, regardless of the liability regime applicable under national law.

The text of the judgment can be found on the Curia website.

Enforcement – Criminal law

Copyright – Broadcasting – Communication to the public – Criminal law

Spain's Supreme Court – LaLiga v D. Epifanio [2 June 2022]

In a cassation case, the Spanish Supreme Court ruled that the broadcasting of football matches in bars or restaurants without paying the corresponding fee to La Liga is not an intellectual property (IP) crime (Article 270(1) of the Spanish Penal Code), but instead a market and consumer crime (Article 286(4) of the Spanish Penal Code). The judge ruled that under the criminal law principle of typicity, given that a football game as such cannot qualify as a 'literary, artistic or scientific work', it is particularly difficult to consider it as a 'performance' of such work. The ruling clarified that guidelines to delimit the scope of an IP crime under that provision (Article 270(1) of the Spanish Penal Code) must be extremely prudent so as not to go beyond the limits of what each word covers and therefore confirmed in this case the commission of a minor crime against the market and consumers.

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The defendant, D. Epifanio, was accused of repeatedly broadcasting within his three bars (Bar Azahar, Fenomeno and El Castillo de los Quintos) football matches for which he had not acquired the corresponding authorisation from the owner, the Spanish national professional soccer league 'LaLiga'. An inspector from LaLiga who visited Bar Azahar on 20 October 2018 confirmed that a match between Valencia and Leganés was being illegally broadcast on television. The same happened in Fenomeno, with the match between Villareal and Atletico of Madrid being broadcast illegally. Finally, on 23 October 2018, Castillo de los Quintos bar was inspected, and the same infringement of LaLiga's rights was found. Taking into account this evidence, LaLiga filed a lawsuit against D. Epifanio. In March 2021, the Provincial Criminal Court of Valencia ruled that LaLiga was the sole assignee of the marketing and audiovisual rights for the Spanish national league. Therefore, LaLiga was the only one permitted to produce and authorise the reproduction and distribution of its competitions. The defendant was consequently sentenced to a 2 months fine of EUR 12 per day for the minor infraction committed against the markets and consumers, and was ordered to compensate LaLiga for the damages caused.

The Public Prosecutor's Office, joined by LaLiga, appealed this decision. On 7 June 2021, the Provincial Court of Valencia (judgment no 347/21) dismissed their appeal. LaLiga filed to annul this decision, mainly claiming that the crime had been classified incorrectly, as it should have been classified as an IP crime under Article 270(1) of the Spanish Penal Code, instead of a market and consumption crime. Article 270(1) of the Spanish Penal Code reads: 'Anyone who, with the intention of obtaining a direct or indirect economic benefit and to the detriment of a third party, reproduces, plagiarises, distributes, publicly communicates or in any other way economically exploits, in whole or in part, a literary, artistic or scientific work or performance, or its transformation, interpretation or artistic execution fixed in any type of support or communicated through any means, without the authorisation of the holders of the corresponding intellectual property rights or their assignees.'

The Supreme Court confirmed that audiovisual recordings and transmissions by broadcasting entities fall under the scope of intellectual property (IP) protection, and that broadcasting these recordings to the public is only legitimate if duly authorised. However, given that a football game as such cannot qualify as a 'literary, artistic or scientific work', it is particularly difficult to consider it as a 'performance' of a literary, artistic or scientific work, under criminal law, in regard to the principle of typicity. The Court further clarified that 'it is not easy to set the limits of the type when it includes normative elements that evoke literature, art or science', and this is why 'guidelines to delimit this scope must be extremely prudent so as not to go beyond the limits of what each term can cover'. For the Court, 'Football, of course, is not literature. Nor is it science.' It means that the delimitation of the scope of this provision has to be strict, to avoid transgressing the limits of the criminal law principle of typicity. The judge concluded that a football game is a sporting spectacle, not an artistic one. Therefore, in this case it confirmed the commission of a minor crime against the market and consumers under Article 286(4) of the Spanish Penal Code.

The text of the judgment (in Spanish) is available here.

Copyright infringement – making available to the public (hyperlinks) – distribution – criminal sanction

Finnish District Court, LUKO (R21/453), [20 January 2022]

In this criminal case, a Finnish man was found guilty of copyright infringement for making **online radio stations** available to the public through embedded links, as well as for distributing the **lyrics of copyrighted songs**, both without authorisation. The Court referred to the CJEU case-law regarding hyperlinking activities, and also considered that the defendant, given his active role in the operation of the websites, could not rely on the liability exemptions available to providers of hosting services under Directive 2000/31/EC. He was sentenced to six months' suspended imprisonment. He was also ordered to pay a total of EUR 250 000 to the several adversely affected music companies.

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Between 2013 and 2020, the defendant was operating three websites. Two of these sites published the lyrics of copyrighted songs. The third site offered users links to 109 different local radio channels. Several music and media companies, including Universal Music Publishing, sought compensation from the defendant for allegedly infringing their lyrics and radio broadcasts. The defendant did not accede to the demands of the companies and the matter went before the Lansi-Uusimaa District Court in Finland.

First, the Court found him guilty of copyright infringement for the distribution of lyrics because the defendant had not received the permission from the rights holders to distribute them to the public. Due to his close involvement with the websites' activities, the Court also found that he was unable to avail of the limited liability defence available to online service providers under the Directive on electronic commerce. For the Court, the defendant had notably actively participated in the editing of the content and in moderating the activities of the websites.

Second, the Court looked at the third website through which the defendant was making available links to original radio channels. Despite not creating or expanding the works to a new audience, the court nevertheless held the defendant to be in violation of EU copyright law. The Court relied on CJEU case-law, inter alia, the 'VG Bild-kunst v Stiftung' case (9/03/2021, C-392/19, EU:C:2021:181). In this judgment, it was said that when a website embeds a work protected by copyright which had been made freely available to the public with the authorisation of the copyright holder on another website, where that embedding circumvents, measures adopted or imposed by that copyright holder to provide protection from framing, this constitutes a communication to the public. On this basis the defendant in the present case was found to have committed copyright infringement for hosting embedded links to online radio stations.

During the procedure, it was found that the man had received almost EUR 300 000 in advertising and salary income from his activities due to the apparently high number of visitors to the websites. The court handed him a suspended 6-month sentence, as well as a EUR 250 000 fine.

The judgment has not yet been released, but a press release from the court is available here.

Computer program – Technical Protection Measure – criminal law

Supreme Court of Lithuania (Lietuvos Aukščiausiasis Teismas - LAT), case 2K-137-222/2020, Prosecutors v A. Š. [15 October 2020]

In this decision, the Supreme Court of Lithuania (LAT) clarified the content of the subject-matter of the evidence that must be considered in order to prosecute a person under Article 194(1) CC (unlawful removal of technical protection measures for copyright or related rights). The court stated that, for that purpose, it was necessary to establish the facts revealing the substance of the activities of the aggrieved parties and the content of the statutory rights arising out of the respective lawful activities, while also taking into account the provisions of the ATGT.

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The judgment of the court of appeal, annulling the acquittal by the court of first instance, convicted A. Š. under Article 194(1) of the Criminal Code ('BK') for having used computer equipment with special software to illegally remove, for commercial purposes, the technical protection measures used by copyright holders and related rights holders to safeguard their rights. The LAT reversed the appellate court's judgement and referred the case back to be heard on appeal.

The LAT indicated that resolution of the issue of liability under Article 194(1) BK (unlawful removal of technical protection measures for copyright or related rights) required an examination and determination of the facts revealing the substance of the activities of the aggrieved parties and the content of the statutory rights arising out of the respective lawful activities, while also taking into account the provisions of the ATGT. The convicting court paid considerable attention to the examination of the facts, namely the unlawful removal of technical protection measures (it carried out an additional review of the evidence and analysed and assessed the evidence in the file concerning the respective facts), but did not comment on (or determine) the above-mentioned facts concerning the subject-matter of the evidence in this case regarding the holders of copyright or related rights (the court of first instance did not do that either, as mentioned above), which is necessary for a finding of (non-)existence of the criminal elements under Article 194(1) CC. Accordingly, the judgment does not comply with the statutory provisions requiring a statement of the established facts and evidence on which the court's findings and grounds are based, as well as the reasons and conclusions for the classification of the offence. The irregularities found are important as they prevented the court from conducting a full and impartial examination of the case and from issuing a fair judgment or ruling. In light of the above, the case was referred back for an appeal.

The text of the judgment (in Lithuanian) is available here.

Broadcasting – IPTV – criminal law

District Court of Helsingør (Retten i Helsingør), case 10-4816/2019, Anklagemyndigheden v. T [24 September 2020]

The judgment concerns the provision of IPTV packages with access to more than 475 TV channels, including a number of Danish free-to-air TV channels and pay-TV channels as well as a number of major international pay-TV channels.

The TV packages were offered for EUR 35 per month for a period of 1 year and 5 months to 440 paying customers residing worldwide.

T was punished for providing illegal IPTV packages to customers worldwide. It was sentenced to 6 months' imprisonment, made conditional on 120 hours of community service, and proceeds of EUR 25 000 were confiscated.

The text of the judgement (in Danish) is available here.

Copyright Infringement – Streaming – criminal Law

Højesteret (Danish Supreme Court), Case No 135/2019 [14 January 2020]

In this decision, the Danish Supreme Court sentenced the operator of a website for providing information and encouraging the use of the Popcorn Time program, which allows illegal streaming of films.

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The case under the Danish Supreme Court concerned Article 834(2)(4) of the Danish Administration of Justice Act.

The appellant operates a website www.popcorntime.dk, from where he guides visitors in the use of the programme, Popcorn Time, and provides links to websites from where the programme could be downloaded.

The appellant (defendant in the initial proceedings) was found guilty at the Danish High Court for contribution to copyright infringements under the Danish Criminal Code and the Danish Law on Copyright by encouraging and guiding the use of the Popcorn Time programme, from where it is possible to stream illegal films, etc. The appellant stated that the verdict of the Danish High Court must be annulled as the copyright infringements he had contributed to were not sufficiently specified in the indictment. Furthermore, the appellant restated that he should not be convicted for contributing to the copyright infringements of others under Article 23 of the Danish Criminal Code. In his view, his instructions for the copyright infringements of others do not constitute a criminal offence.

The Danish Supreme Court stated that the infringements the appellant has been accused of contributing to had been sufficiently specified according to Article 834(2)(4) of the Danish Administration of Justice Act. This was based on the appellant's specific guidance regarding the use of the Popcorn Time programme, thereby making the fact that there was no information on the specific users or providers inconsequential.

The Court ratified the decision of the Danish High Court in relation to Article 23 of the Danish Criminal Code, as the appellant's actions were deliberate and clearly intended to disseminate knowledge about the use of the programme, despite the fact that the appellant knew that use of the programme would constitute a copyright infringement.

The text of the judgment (in Danish) is available here.

Criminal Law – Collective rights management – Piracy – File Sharing

Cour de cassation (Supreme Court, France), Criminal Chamber, appeal No 16-86881, FR:CCASS:2018:CR00113 (27 February 2018)

This case relates to the appropriate method of calculating damages for copyright infringement. Rights holders and collective management organisations (CMO) had initiated criminal proceedings against the creator and administrator of a file-sharing website and others. They were each awarded damages calculated as a lump sum.

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In the view of the Cour de cassation, the award of damages in the form of a lump sum was not in line with Article 593 of the Code of Criminal Procedure and Article L. 331-1-3 Code de la propriété intellectuelle. According to the latter provision, the Court of Appeal should have assessed the following criteria: the negative economic consequences of the infringement, including loss of profits and loss suffered by the injured party; the moral damage; and the profits made by the infringer. The injured party had not requested lump sum compensation. In addition, the Court of Appeal should have examined the possible infringement of moral rights.

The text of the decision (in French) is available on Legifrance.gouv.fr.

TRADEMARK

Subject matter of trade mark protection

Domain name – company name – likelihood of confusion

Court of Appeal of Lithuania (Lietuvos apeliacinis teismas), case e2A-512-585/2020, „Paysera“ LTD v. UAB „Paystra“ [08 October 2020]

In this case, the Court of Appeal of Lithuania ruled that the use of a domain name (‘paystra.lt’) and corporate name (‘UAB Paystra’) were confusingly similar to – and therefore in violation of - the EU trademark (‘paysera’). The Court of Appeal prohibited the defendant from using the “paystra” sign in its business activities, including (but not limited to) in advertising, websites and domain names, and it ordered the defendant to change its company name.

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The applicant Paysera LTD is a company in the Paysera group. The group of companies includes UAB Paysera LT, the British company Paysera UK LTD, the Bulgarian company Paysera Bulgaria LTD, the Latvian company Paysera Latvia LTD and the Estonian company Paysera EE OÜ. These companies are payment and electronic money institutions and distributors for an electronic money institution, directly involved in the provision of payment services to customers. The company group uses the European Union trade mark ‘paysera’, Reg. No 011781457 and the international trade mark ‘paysera’,

Reg. No 1235501. The trade marks are registered in the following classes under the Nice international classification for goods and services: 9, 16, 25, 35, 36 and 42. The company group uses registered domain names that consist of the 'paysera' name and the country code.

The applicant argued in the application that: the 'paystra' mark used by the defendant was confusingly similar to the applicant's trade marks, and the signs under comparison were intended to designate identical and/or similar services, which resulted in a likelihood of confusion among the public; the domain name 'paystra.com' owned by the defendant was confusingly similar to the applicant's earlier signs; and the use by the defendant UAB Paystra of a confusingly similar mark in its name deprived the applicant of the distinctive function of its corporate name and the high degree of distinctiveness acquired by the registered trade marks.

The Court of Appeal of Lithuania annulled the decision of the court of first instance and upheld the application by: prohibiting the defendant UAB Paystra from using the 'paystra' sign in any way and form in its business activities relating to the provision of financial/payment services, including, but not limited to, the use of this sign in advertising, business documents, websites, domain names, and any other use in business activities related to the provision of financial/payment services; cancelling the registration of the domain name 'paystra.lt'; and ordering the defendant to change its name so that the 'paystra' mark is not used in any capacity or form.

The rights of a European Union trade mark proprietor have been safeguarded against the use of a confusingly similar domain name and corporate name.

The text of the judgment (in Lithuanian) is available here.

Likelihood of confusion – distinctive character – reputation

UK High Court, Case [2020] EWHC 2424 (Ch) Sazerac Brands, LLC & Ors v Liverpool Gin Distillery & Ors [10 September 2020]

This case highlights that, just because there is a finding of likelihood of confusion, distinctive character and reputation of a mark, it does not automatically follow that there is unfair advantage or detriment. The judgment also provides useful insight into the court's determination of the average consumer and the relevant market.

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In this case, the High Court of England ruled that Sazerac's UK and EU registered trade mark 'EAGLE RARE' was infringed by Liverpool Gin Distillery, who sold bourbon under the name 'AMERICAN EAGLE'.

Sazerac alleged trade mark infringement on two grounds. Firstly, AMERICAN EAGLE is a sign similar to EAGLE RARE and is used in relation to identical goods (bourbon whisky) so there is likelihood of confusion on the part of the UK and EU public (s. 10.2 Trade Marks Act (TMA) 1994, Article 9(2)(b) EUTMR). Secondly, the use of 'AMERICAN EAGLE' took unfair advantage of, and was 'detrimental to the distinctive character' of 'EAGLE RARE' (s. 10.3 TMA 1994, Article 9(2)(c) EUTMR).

On the issue of confusion, the Court held that to judge likelihood of confusion, one must evaluate all the circumstances of the use that are likely to operate in the mind of the average consumer in considering the sign, and the impression it is likely to make on them (Specsavers v Asda). The Court held that there was a 'likelihood of a significant proportion of the bourbon markets in the UK and EU being confused about whether ''Eagle Rare'' and ''American Eagle'' are connected brands because it was common for connected brands to have similar names'. Confusion is more likely when a trade mark is distinctive, and 'given the distinctive character of the ''Eagle Rare'' trade mark', it was clear 'that the average consumer who sees or hears the sign ''American Eagle'' would be likely to call ''Eagle Rare'' to their mind'.

When evaluating Sazerac's claim under Article 9(2)(c) EUTMR and s. 10(3) TMA, the Court addressed whether 'EAGLE RARE' had an established reputation in the UK and the EU. The market share was limited because 'EAGLE RARE' was a premium brand with relatively small releases. After considering the claimants' sales figures, and expert evidence, the judge concluded that EAGLE RARE was sufficiently known to have reputation in the UK and EU.

The Court proceeded to consider whether the defendants had taken unfair advantage of 'EAGLE RARE' and/or if there was a detriment to the distinctive character of 'EAGLE RARE'. The Court held that there was no unfair advantage or detriment. It was satisfied that the association with 'EAGLE RARE' would benefit the defendants and that this association was likely to affect the economic behaviour of the defendants' target market. However, the Court was not satisfied that this advantage was 'unfair' or cause a detriment to Sazerac's brand.

The Court concluded that there was infringement of Sazerac's UK and EU trade marks. As a result, the registration of defendant's trade mark was declared invalid.

The text of the judgment can be found here.

Trade mark infringement – Bad faith

Sky v SkyKick, British Court of Appeal [2021] EWCA Civ 1211, [26 July 2021]

The British Court of Appeal released a judgment in the long-running Sky v SkyKick case on 26 July 2021. The decision reached will strengthen the rights of trade mark holders to use broad specifications over a wide range of goods and services when filing trade marks. In particular, the Court of Appeal held that the practice of filing trade marks with broad specifications does not of itself result in a finding that the trade mark holder acted in bad faith.

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In a decision reached on 2 July 2020, the High Court (HC) held that Sky had filed certain marks in bad faith. The HC stated this was because Sky did not seek to use the marks at the time they made their applications, and because there was no prospect for their future use by Sky. Furthermore, it was claimed that the marks were applied for due to Sky's strategy of acquiring broad protection, a strategy unsupported by any commercial justification. For these reasons, the HC stated that certain marks applied for by Sky under the 'computer software' category were to be invalidated. However, due to the finding of 'partial bad faith' Sky was successful in applying for certain marks, which they could make

use of. Following this judgment, Sky appealed the HC's finding that Sky had no right to certain marks due to the applications being made in bad faith.

Addressing the appeal made by Sky, the Court of Appeal (CoA) overturned the HC decision to restrict some of Sky's trade mark applications on the grounds of Sky acting in bad faith. The CoA noted that a lack of intention to use the mark is indicative but not absolute evidence for a finding of bad faith. More specifically, the CoA held that bad faith could be found where a mark was registered for a specific category that the mark holder had no interest in at all, but bad faith could not be found just because the mark holder had no immediate intention of using the mark across the entire breadth of that category.

On the High Court's second reason, that there was no commercial justification for Sky's broad protection strategy, the CoA concluded that the absence of a commercial plan for the mark's full use under the category is irrelevant when assessing bad faith. The CoA noted that Sky did not need a specific plan of use for every subcategory of goods or services that fell under the general category of 'computer software'. Looking purely at the 'computer software' category as a whole, Sky had ample reason to apply for protection in this category, and this was sufficient for all of their mark applications under this category.

The decision reinforces the UK mark holders in the issuance of broad trade mark applications. Furthermore, given that much CJEU case-law was considered, and because a preliminary reference was made in this case over certain issues regarding bad faith, it is probable that this judgment could have an influence on future EU trade mark case-law.

The text of the judgment is available here.

Likelihood of confusion – trade mark infringement – injunction – bad faith

UK High Court, Case [2020] EWHC 1735 (Ch) Sky Ltd & Ors v Skykick UK Ltd & Anor [02 July 2020]

This judgment, the fourth in the long-running *Sky v SkyKick* case, illustrates that, despite using broad specifications including many goods and services to protect their interests, large companies may still be successful in trade mark infringement claims in relation to their 'good faith' goods/services.

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The case was originally brought by Sky against the cloud management software provider SkyKick for alleged trade mark infringement. Sky's very broad trade mark specifications were cut down for being partly filed in bad faith. However, SkyKick's 'cloud migration services' had infringed Sky's rights at least in respect of 'electronic mail services' and 'telecommunication services'. Following this, SkyKick sought to reposition its business to 'cloud backup services'.

The first issue for the Court to consider was infringement. The Court considered that SkyKick's new 'cloud backup services' infringed Sky's trade marks as they were identical (or very similar) to Sky's specification for 'computer services for accessing and retrieving audio, visual and/or audio-visual content and documents via a computer or computer network.' As such, there was a likelihood of confusion.

Next, Sky sought an injunction to restrain SkyKick from continuing to infringe the marks. SkyKick argued that the court should not grant the injunction, for two main reasons. The first was 'to sanction Sky's partial bad faith' in applying for the infringed trade marks and therefore to dissuade others from making similarly overbroad filings in future. The second was that the injunction 'would be disproportionate'.

In rejecting both of these arguments, the Court considered the TRIPS Agreement, the EUTMR and Directive, the IP Enforcement Directive, the Charter of Fundamental Rights, and English law principles on injunctive relief.

- In rejecting the first argument, the Court cited Article 130(1) of the EUTMR, which states that, where trade mark infringement is found, and unless there are 'special reasons' for not doing so, the Court must issue an order stopping the defendant from infringing the trade mark. Sky's partial bad faith did not amount to 'special reasons' to refuse injunctive relief: Sky had acted in good faith in respect of their other filings, and it was these good faith registrations which founded their injunction claim.

- On the proportionality ground, SkyKick contended that the injunction would unfairly and negatively affect its business. The Court commented that, in the context of trade marks, an injunction would generally just prevent the infringing use of a sign, rather than preventing the infringer carrying on its underlying business. As such, he considered that an injunction was likely to be proportionate. The Court also commented that SkyKick had been 'loss-making' since its incorporation, so an injunction would not endanger its existence. Therefore, the Court granted Sky the requested injunction. However, due to Sky's partial trade mark invalidity and broad claim, it ordered the parties to bear their own costs.

While this latest judgment was broadly in Sky's favour, the Court did grant leave to appeal to SkyKick in relation to Sky's infringement. On appeal, SkyKick will probably request again a more severe sanction for parties that are caught with broad trade mark filings done in bad faith.

The text of the judgment can be found here.

Likelihood of confusion – trade mark infringement – bad faith – validity

UK High Court, Case [2020] EWHC 990 (Ch) Sky v Skykick [29 April 2020]

In this judgment, the third in the long-running *Sky v SkyKick* case, it was ruled that a UK trade mark can be declared partly invalid on the grounds of bad faith. Additionally, the court introduced the possibility to cut down specifications of broadly registered trade marks.

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In 2018 Sky, a well-known satellite and digital broadcaster in the UK, initiated an infringement action against SkyKick, a start-up company which supplies cloud migration information technology services. SkyKick counterclaimed that Sky's trade marks were invalidly registered as the specification of goods and services lacked clarity and precision, as well as being filed in bad faith since Sky had no intention of using its marks for some of the goods and services applied for.

The dispute led to the UK High Court submitting to the CJEU five questions centred on: bad faith applications, insufficiently clarified goods and service specifications and whether grounds to invalidate part of a trade mark would invalidate the whole. The most important findings of the CJEU (29/01/2020, C-371/18, sky and Others, EU:C:2020:45) were that:

- it is possible for a trade mark to be invalidated on grounds of bad faith, but only where the proprietor had the intention of 'undermining, in a manner inconsistent with honest practices, the interests of third parties' or of 'obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark';

- where bad faith arises, the trade mark is only invalid in relation to those goods and services where bad faith is identified. Therefore, unless the entire specification is made in bad faith, the trade mark cannot be wholly invalidated.

In this decision, the High Court of England ruled that Sky's UK and EU trade marks should be declared 'partly invalid' on the grounds of bad faith. The Court stated that Sky 'did not intend to use the trade marks' for some goods and services for which the trade marks were registered. Despite partial invalidation of the trade marks, Sky retained a right to have its trade mark registered for telecommunication services and electronic mail services as SkyKick had not alleged bad faith in those two categories. Due to this omission, the Court found that SkyKick had infringed Sky's trade marks as the Skykick trade marks were also related to electronic mail services.

The text of the judgment can be found here.

Likelihood of confusion – unfair competition

Regional Court Banská Bystrica (Krajský súd Banská Bystrica), case 41CoPv/9/2019, News and Media Holding, a. s., v. VersaMedia, s. r. o. [25 February 2020]

The claimant, as the owner of national trade marks No 187927 and No 18792 ('zdravie') for printed material and advertising activities, turned to the Regional Court Banská Bystrica to seek protection of these trade mark rights and protection against acts of unfair competition by the defendant, the publisher of the periodical MOJE ZDRAVIE. The defendant was the owner of two later combined trade marks - No 230279 MOJE ZDRAVIE and No 239476 MOJE ZDRAVIE, registered for the same goods and services. The claimant argued that the distinctiveness of his trade marks had been weakened on account of the defendant's acts, resulting in reduced profits and damage to the market value of his trade marks. The decisive factor for the assessment of acts of unfair competition was whether the defendant had been engaged in acts of unfair competition or not at the time of the judgment of the District Court.

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The District Court partly halted and partly dismissed the action, pointing out, inter alia, that the claimant's and the defendant's trade marks share the common word element 'zdravie' (health), which, however, can be regarded as largely descriptive in relation to health and lifestyle magazines, i.e. as having a lower degree of distinctiveness. In its assessment, the Court stated that when comparing signs containing elements with a lower degree of distinctiveness, it is necessary to focus in particular on the

graphical reproduction and the structure of the marks and their overall composition or colours. In light of the foregoing, the Court concluded that the claimant's action was unfounded.

The claimant lodged an appeal against the decision. The Regional Court (of Appeal) upheld the decision of the District Court. It stated that, in the period from October 2017 to March 2018, the defendant used a graphic representation of the logo on the cover of its periodical 'MOJE ZDRAVIE' that was capable of being confused with the trade mark in such a way that the only visual distinctive element (MOJE) was reduced in size and placed in a vertical position before the word "ZDRAVIE". The District Court and subsequently the Regional Court both found that the acts of the defendant in the specified period constituted acts of unfair competition and ordered the defendant to refrain from using the sign displayed on the cover of the periodical 'MOJE ZDRAVIE', issued from 10/2017 to 1/2018, or any other sign identical to, or capable of being confused with, the claimant's registered trade mark, until a final decision on the substantive facts of the case. The Court also also ordered the defendant to fulfil other obligations. Following the interim measure, the defendant refrained from publishing the periodical with the logo in question and, based on this finding of the District Court, the Regional Court did not proceed to judgment because of the withdrawal of this part of the claim. Following the interim measure and the final decision on the interim measure, the defendant went back to using the original title of the periodical, identical with his trade mark No 239476. Subsequently, the Regional Court upheld the decision of the District Court stating that the situation in question was decisive as of the date of delivery of the judgment, so that it was no longer possible to grant the claimant's petition in view of the fact that the defendant had ceased acts of unfair competition.

The Regional Court considered that the defendant had engaged in acts of unfair competition in the period from October 2017 to March 2018, but the Court also had to acknowledge that the defendant had refrained from such acts in response to the interim measure issued, and since then has been using as the title of his periodical his own registered trade mark.

The text of the judgment (in Slovakian) is available here.

Domain name – likelihood of confusion – minimum degree of distinctiveness – descriptive sign

Court of Appeal of Lithuania (Lietuvos apeliacinis teismas), case e2A-118-407/2020, Wizz Air Hungary Kft. v MB „Skruzdėliuko kelionės" [18 February 2020]

This case concerned the use of a domain name (wizzairbilietai.lt) in violation of the rights of a trademark owner (Wizz Air Hungary). The Court of Appeal of Lithuania held that the domain name was confusingly similar to the applicant's trademark and dismissed the defendant's argument according to which the use of the sign was deemed necessary to inform the consumer about the nature of the service provided (i.e. the distribution of Wizz Air tickets).

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The applicant Wizz Air Hungary instituted court proceedings, seeking an injunction against the defendant's use of the domain name wizzairbilietai.lt, prohibition of any future use of the domain name, and an award of costs. The Vilnius Regional Court granted the claim by ordering the defendant to stop using the domain name wizzairbilietai.lt, prohibiting future use of the domain name wizzairbilietai.lt, and

awarding costs to the applicant. The Court relied on Article 38(1)(2) of the Law on Trade Marks, which holds that the proprietor of a registered mark has an exclusive right to prevent any third persons from using for business purposes, without its consent, any sign which is confusingly similar to a registered mark for identical goods and/or services if there a likelihood of confusion among the public exists, including through a misleading association with a registered mark. In its appeal, the defendant requested the annulment of the judgment of the Vilnius Regional Court and for a new judgment to be issued dismissing the action and ordering the applicant to cover the defendant's costs.

The Court of Appeal of Lithuania upheld the decision of the court of first instance.

The Court of Appeal of Lithuania has held that a domain name is a sign within the meaning of Article 38 of the Law on Trade Marks, with the effect that the rights of the proprietor of a registered trade mark may also be infringed by the use of a domain name where the conditions laid down in Article 38(1) of the Law on Trade Marks are met, namely where the use of a domain name identical or similar to the registered trade mark is likely to mislead the public, including through misleading association with the registered mark. The court of first instance found that the main element of the domain name used by the defendant consisted of the trade mark 'wizzair' registered in the applicant's name. The other part of the domain name, *bilietai* (Lithuanian for tickets), is a generic word that describes the service offered and has no distinctive character. Accordingly, the Court held that the domain name was confusingly similar to the applicant's trade mark. In the opinion of the Judicial Panel, the use of the trade mark owned by the applicant in the domain name of the website of the appellant distributing the applicant's tickets is not necessary for the appellant to inform consumers about the nature of the services provided. Such use, as mentioned above, creates a misleading impression of a commercial relationship between the applicant and the appellant. Therefore, the limitations on the rights of the applicant as the proprietor of the trade mark under Article 39 of the Law on Trade Marks do not apply in the present case and the applicant's right to request prohibition of the use of its trade mark in the domain name of the defendant's website should be recognised.

The case law of the Lithuanian courts and the CJEU relating to the likelihood of confusion and limitations on the proprietor of a trade mark was reviewed. In line with the case law of the Lithuanian Court of Appeal, a domain name is treated as a sign within the meaning of Article 38 of the Law on Trade Marks, with the effect that the rights of the proprietor of a registered trade mark may also be infringed by the use of a domain name where the conditions laid down in Article 38(1) of the Law on Trade Marks are met, namely where the use of a domain name identical or similar to the registered trade mark is likely to mislead the public, including through a misleading association with the registered mark.

The text of the judgment (in Lithuanian) is available here.

Trade mark infringement (metatags) – sign used in the course of trade – likelihood of confusion – Copyright infringement - Subject matter of copyright protection – originality (Chair) – civil sanctions

Markkinaoikeus (Finnish Market Court), Case No MAO:25/20, Aarnio Design Oy [17 January 2020]

This decision of the Finnish Market Court concerns copyright protection over the design of a chair, and trade mark infringement related to search engine optimisation.

See summary above.

Text of the judgment (in Finnish) is available here.

Well-known trade mark – reputation – infringement

Maritime and Commercial Court (Sø- og Handelsretten), case BS-43965/2018-SHR, Louis Vuitton v Rich-Ycled [06 January 2020]

The issue in this case concerns the possibility to use a well-known trade mark (here: Louis Vuitton) in the recycling, marketing and sale of garments, such as bags, shoes and T-shirts.

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Rich-Ycled produces garments from materials bearing the well-known trade marks of Louis Vuitton, which are not derived from original Louis Vuitton materials or products.

The Court found that this production, marketing and sale constituted an infringement of Louis Vuitton's trade mark rights and rights under the Marketing Practices Act, as the use resulted in an improper exploitation of the reputation of Louis Vuitton's brands, was contrary to good marketing practice. In the Court's view, the fact that Rich-Ycled's T-shirt bears the words 'I am Not' and the T-shirts to avoid immediate confusion with Louis Vuitton's products, did not justify Rich-Ycled's use of Louis Vuitton's trade marks. Rich-Ycled used materials that did not originally originate from an original Louis Vuitton manufacturer. The Court therefore did not rule on whether the use would have been justified if original Louis Vuitton products had been recycled or had fell under the scope of the principle of exhaustion.

Despite the fact that the Court did not rule on whether there would also have been an infringement in the case of recycling original goods from Louis Vuitton, the case is interesting, as the Court finds that the production of new goods using previously counterfeit products constitutes an infringement.

The text of the judgment (in Danish) is available here.

Likelihood of confusion – indicator of origin

Bundesgerichtshof (Federal Court of Justice, Germany, BGH), Case No I ZR 108/18 'MO' [11 April 2019]

This decision concerns the question of whether a model name can function as an indicator of commercial origin; and how the likelihood of confusion for the relevant public is assessed in trade mark (TM) infringement cases.

Section 14(5) of MarkenG (German Trade Mark Law) allows for the granting of injunctive relief in the event of risk of recurrent infringement against any person using a sign contrary to subsections (2) to (4). In particular, subsection (2) prohibits a third party from using a sign in trade, without consent, 'if the likelihood of confusion exists for the public because of the identity or similarity of the sign to the trade mark and the identity or similarity of the goods or services covered …, including the likelihood of association with the trade mark'.

The claimant in the initial proceedings is the proprietor of the word mark 'MO', entered into the German register in 1999, in respect of women's outerwear and trousers. The defendant sells trousers for women in Europe via the platform Amazon, using the description 'Bench Damen Hose MO'. In 2016, the claimant carried out a test purchase and the defendant issued an invoice containing the product description 'Bench Damen Hose MO Large walnut marl' and 'B005FPJ0AG' on the line below. The claimant sought injunctive relief, and the regional court upheld the action. The appellate court dismissed the appeal; and the defendant appealed on points of law before the Federal Court.

The Federal Court stressed that according to previous case-law, the 'use of a sign impairs the functions of a trade mark where said sign is used by third parties as a trade mark or as what corresponds to a trade mark' and 'this use impairs or is liable to impair … in particular its essential function of guaranteeing to consumers the origin of the goods or services" (see case *I ZR 214/11, Volks.Inspektion*). As a consequence, the Federal Court focused on assessing whether the relevant public had understood the overall designation 'Bench Damen Hose MO Large walnut marl' as an indication of origin, and whether it had perceived the specific use of the sign 'MO' as an indication of origin of the products. The Federal Court challenged the appellate court's assumption that the defendant's use of the sign 'MO' impaired the indication-of-origin function of the trade mark 'MO'.

According to the Federal Court, when assessing whether a model name used in sales offers in catalogues or on the Internet will be recognised as an indication of origin, these offers must be considered in their entirety.

In particular, the fact that a model name is well known, as is the case with the sign '501' for Levi's jeans, 'strongly supports' the argument that the public perceives it as a TM, even without the addition of the manufacturer's identification or an umbrella mark. Furthermore, if a model name is well known, the public will also perceive it as an indication of origin in a sales offer, 'even if it is not emphasised in any particular way'.

In the event that the model name could not be assumed to be well known, the examination of whether its use is understood as indicating origin 'must consider the design of the offer'. The idea that it is perceived by the public as a TM can be supported by the nature of its use and, particularly, by its use

in direct connection with the manufacturer's TM or umbrella mark, as opposed to its use 'at an unobtrusive point in the offer description'. Furthermore, if a little-known model name is used together with a manufacturer's TM or an umbrella mark, the circumstances of the individual case should be considered. In this respect, decisive importance should be attributed to the specific features of the 'sign's design that are present and the labelling practices that are customary in the relevant sector'.

The assessment of whether the sign used as part of the description on the invoice issued in 2016 will be perceived as an indication of origin is subject to similar criteria. Therefore, even if the appellate court were to conclude that the public perceives the use of the sign 'MO' in the defendant's internet offer as a trade mark, 'consideration must be given to the fact that the sequence of indications is longer on the defendant's invoice'. In the case of this kind of sequence of indications, which additionally contains letters and numbers, there is 'considerable evidence to suggest that the public only perceives the preceding name of the manufacturer as the indication of origin'.

In accordance to its reasoning, the Federal Court remitted the decision to the appellate court for re-examination in relation to the understanding of the relevant public.

The text of the judgment (in German) is available on the Bundesgerichtshof website.

Scope of exclusive rights

Acquiescence – Earlier right

Case C–112/21, X B.V. v Classic Coach Company vof, Y, Z, EU:C:2022:428 [2 June 2022]

In this preliminary ruling, the CJEU ruled on the interpretation of Article 6(2) of Directive 2008/95/EC regarding the coexistence of an unregistered local 'earlier right' (in this case, a trade name) with a later national registered trade mark. The Court first held that in order to establish the existence of an earlier right, there is no requirement that the proprietor of that right must be able to prohibit the use of the later mark by its proprietor. Secondly, the Court held that this earlier right can be countered with an even earlier right held by the proprietor of the later trade mark, if it is recognised by the domestic law and is still protected, which is for the referring court to determine.

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This case arose from a dispute between two coach companies in the Netherlands: X. BV and Classic Coach Company VOF that belong to an uncle and his two nephews respectively. The dispute concerned the latter's use of a trade mark corresponding to their common surname. At the premises, from 1968 till 1977, two brothers were partners in a general partnership engaged in coach transport services. In 1975, one of the brothers (Brother 1) created X using in part their surname as a trade name, and then left the company created in 1968. Brother 2 continued that company's activity, using the same company name. After the death of Brother 2, his activity

was continued by his two sons (Y and Z) who created Classic coach. X., proprietor of a Benelux word mark registered on 15 January 2008, which corresponds to the surname common to Brothers 1 and 2, sued Classic Coach company, Y and Z (the defendants), claiming that by using the sign corresponding to the name of Brother 2, they had infringed its trade mark rights and trade names. The defendants relied on Article 2.23(2) of the Benelux Convention transposing Article 6(2) of Directive 2008/95/EC to contest the infringement, claiming that the owner of a registered trade mark may not prohibit the use of an earlier similar sign of local significance recognised by the Member State.

The district court upheld X's claim, but it was overturned by the Court of Appeal. X appealed this decision to the Supreme Court, which referred two questions to the CJEU for a preliminary ruling.

1. First, for the purposes of establishing the existence of an 'earlier right', must the proprietor of that right be able to prohibit the use of the later trade mark?
2. Second, may an 'earlier right' be granted to a third party in a situation in which the proprietor of the later trade mark has an even earlier right and, if so, is it relevant whether the trade mark holder may, on the basis of that even earlier recognised right, prohibit the use by the third party of the alleged 'earlier right'?

For the **first question**, the Court held that in order to establish an earlier right, there is no requirement that the proprietor of that right must be able to prohibit the use of the later mark. First, the Court stated that a trade name is a right falling within the scope of 'intellectual property' and therefore can be an 'earlier right' (paragraph 37). Then, it held that Article 6(2) of the Directive does not in any way provide that, in order to be able to assert the same right against the proprietor of a later mark, the third party must be able to prohibit the use of that mark (paragraph 45). Such a limitation of scope would deprive that provision of all practical effect, since the conditions of applications would be the same as for further grounds for refusal or invalidity laid down in Article 4(4)(b) and (c) of that directive (paragraph 51). The Court concluded that to be enforceable against the proprietor of a subsequent trade mark, it is sufficient that the earlier right which only applies in a particular locality, such as a trade name, is recognised by the laws of the Member State in question and that it is used in the course of trade.

Regarding the **second question**, the Court noted that the relationship between 'earlier rights' is primarily governed by the domestic law of the Member States, because the Directive only regulates the relationship between registered trade marks, trade mark applications and 'earlier rights' (paragraphs 57-61). Therefore, for the Court, what matters is that the earlier right is recognised by the laws of the Member State and is still protected when it is invoked to counter the claims of the proprietor of the allegedly conflicting trade mark (paragraph 62). Consequently, the fact that the proprietor of the later trade mark has an even earlier right recognised by the laws of the Member State in question may have a bearing on the existence

of an 'earlier right', to the extent that by relying on that even earlier right, the proprietor of the trade mark is actually able to counter the claim of an earlier right or limit it, which is for the referring court to determine.

The text of the judgment is available here.

Trade mark infringement – Limitation in consequence of acquiescence – Damages

Case C-466/20, HEITEC AG v HEITECH Promotion Gmb and RW, EU:C:2022:400 [19 May 2022]

In this case, the Court interprets the regime of limitation in consequence of acquiescence under Article 9 of Directive 2008/95/EC. It rules that an act, such as a warning letter by which an earlier mark's proprietor opposes the use of a later mark, without taking the necessary steps to obtain a legally binding solution, does not stop acquiescence and consequently, does not interrupt the 5-year period of limitation. It further observes that bringing a court action to seek a declaration of invalidity or oppose the use of that mark, even before the date of expiry of the period of limitation, does not end the acquiescence, if it results from a lack of diligence on the part of the applicant and was rectified only after that date for reasons attributable to the applicant. The Court notes that when an earlier mark's proprietor is time-barred from seeking a declaration of invalidity of a later mark or from opposing its use, they are also time-barred from bringing ancillary or related claims, such as claims for damages, the provision of information or the destruction of goods.

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The request was made in proceedings between, on the one hand, HEITEC AG ('Heitec') and, on the other, HEITECH Promotion GmbH ('Heitech') and RW concerning the use, by the latter, of the trade name HEITECH Promotion GmbH and trade marks containing the verbal element 'heitech'.

Heitec is the proprietor of the EU word trade mark 'HEITEC', registered in 2005, with seniority from 1991. Heitech is the proprietor of a German figurative mark 'heitech promotion', registered in February 2003, and of an EU figurative mark containing the verbal element 'heitech', registered in 2008. In 2004, Heitech liaised with representatives of Heitec to seek a coexistence agreement. In April 2009, Heitec sent Heitech a warning letter to which Heitech replied by once again proposing to establish a coexistence agreement. On 31 December 2012, Heitec initiated legal proceedings against Heitech and was subsequently asked by the German regional court to pay the costs of the proceedings, which it did not. From March to December 2013, Heitec proposed to Heitech that they could enter into a licencing agreement. Heitech did not respond. Heitec issued a new application initiating legal proceedings and paid the associated costs. Due to missing documents on the part of Heitec, the procedure started only in May 2014 with Heitec asking Heitech, inter alia, to stop using the sign 'Heitech' for commercial purpose and to pay compensation for the destruction of goods and for the costs of sending the warning letter. The

Regional Court ordered Heitech to pay the costs of sending the warning letter and rejected the other claims. In appeal, the Nuremberg Higher Regional Court held that Heitec's action was unfounded as it was time-barred. It found that Heitech had used the signs for an uninterrupted period of at least 5 years and that Heitec had acquiesced in such use, since, although it was aware of that use, it had not taken sufficient measures to stop it. Heitec questioned those findings before the Federal Court of Justice (Germany), which referred the following questions to the Court of Justice for a preliminary ruling.

1. Can acquiescence be excluded not only by means of an administrative or court action but also through conduct not involving a court or administrative authority?
2. Does the sending of a warning letter – in which the earlier sign's proprietor, before initiating legal proceedings, requires the later sign's proprietor to agree to refrain from using the sign and to enter into an obligation to pay a contractual penalty in the event of an infringement – constitute conduct precluding acquiescence?
3. When seeking judicial redress, is the bringing of the action before the court or the receipt of the action by the defendant decisive for calculating the 5-year acquiescence period? Is it significant in this regard that receipt of the action by the defendant is delayed beyond the expiry of the 5-year period through the fault of the earlier trade mark's proprietor?
4. Does the limitation of rights encompass consequential claims under trade mark law, that is to say, claims for compensation, provision of information or destruction, as well as prohibitory injunctions?

Regarding **the first and second question**, the CJEU recalled that the regime of acquiescence with the 5-year period of limitation aims to safeguard legal certainty and ensure that the protection conferred by an earlier trade mark on its proprietor remains limited to cases where the proprietor shows itself to be sufficiently vigilant by opposing the use of signs by other operators likely to infringe its mark (paragraphs 47-48). For the Court, 'acquiescence' means that the proprietor of that earlier mark remains inactive even though it is aware of the use of a later mark which it would be in a position to oppose (paragraph 49). It confirmed that the bringing of an administrative or court action before the expiry of that period was ending acquiescence because, by doing so, the earlier mark's proprietor unequivocally expresses its wish to oppose the use of the later mark and remedy the alleged infringement of its rights (paragraphs 52-53). In the case at issue, the Court found that the sending of a warning letter, which remains unanswered, may interrupt the period of limitation in consequence of acquiescence, if the proprietor continues to express its opposition to the use of the later mark and takes the measures available to it to enforce its rights. However, in contrast, when the proprietor does not pursue its efforts within a reasonable period in order to remedy the situation, or in other words, when it does not take the necessary steps to obtain a legally binding solution, that warning letter does not stop acquiescence.

On the **third question**, the Court held that the lodging of the application initiating proceedings normally reflects the genuine and unambiguous wish of the applicant to assert its rights and

can therefore end acquiescence and interrupt the period of limitation. However, in certain circumstances, such as *in specie*, where the applicant lacks diligence when filing the legal proceedings and does not meet formal requirements for service on the defendant, the former cannot claim to have put an end to the acquiescence of the use of the latter. It is only by rectifying that application, in accordance with the requirements of the applicable national law, that the applicant is to be regarded as having unequivocally expressed a clear and serious intention to assert its rights (paragraph 64). In the case at issue, there was knowledge of the use of the later mark in May 2009, the legal action was lodged on 31 December 2012 and rectification took place between February and May 2014. For the Court, it is for the referring court to ascertain the date of the rectification. If it took place after the expiry of the period of limitation, it should assess whether it is due to a lack of diligence of the applicant, in which case it could consider it as time barred.

As regards the **fourth question**, the Court answered that where an earlier mark's proprietor is time-barred from seeking a declaration of invalidity of a later mark and from opposing the use of that mark, that proprietor is also time-barred from bringing ancillary or related claims, such as claims for damages, the provision of information or the destruction of goods. Stating otherwise would be contrary to the objectives of the regime for limitation in consequence of acquiescence, that is to say, safeguarding legal certainty.

The text of the judgment is available here.

Sign used in the course of trade – trade mark infringement

C-772/18 *A v B,* EU:C:2020:341 [30 April 2020]

This preliminary ruling concerns the interpretation of the notion of 'use in the course of trade' of a trade mark, pursuant to Article 5(1) of Directive 2008/95/EC (The Trade Mark Directive). According to the Court, Article 5(1) of Directive 2008/95/EC read in conjunction with Article 5(3)(b) and (c) of that Directive must be interpreted as meaning that a person who does not engage in trade as an occupation, who takes delivery of, releases for free circulation in a Member State and retains goods that are manifestly not intended for private use, where those goods were sent to their address from a third country and where a trade mark, without the consent of the proprietor of that trade mark, is affixed to those goods, must be regarded as using that trade mark in the course of trade, within the meaning of Article 5(1) of that Directive.

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A, the plaintiff in the main proceedings is the holder of an international registration for the word mark INA, designating Finland. The mark was registered for, inter alia, *bearings* in Class 7. The defendant B is a private individual resident in Finland. In 2011, B received a consignment of 150 bearings from China and collected the goods from a depot. The bearings were in B's possession for some weeks and were subsequently sent to a trader in Russia. B received as remuneration for his services a carton of cigarettes and a bottle of brandy.

In criminal proceedings for trade mark infringement brought against B before the Court of First Instance of Helsinki, to which proceedings A was joined with respect to his civil interest, B was acquitted on the ground that it could not be proved that he had deliberately committed an offence. However, the Court ordered B not to continue or repeat such conduct and ordered him to pay compensation and damages to A for the harm suffered. The Court of Appeal of Helsinki upheld the appeal filed by B. Relying on the judgment of 16/07/2015, C-379/14, BACARDI, EU:C:2015:497, it considered that, in essence, B's actions could be equated with storage and forwarding activities. Therefore, 'use in the course of trade' within the meaning of Article 5 Directive 2008/95 was not established. Consequently, it held that A's claim for compensation and damages was unfounded. A appealed against the judgment before Finland's Supreme Court. The Supreme Court asked the CJEU for a preliminary ruling on four questions.

In these questions the Supreme Court sought, in essence, to ascertain whether Article 5(1) Directive 2008/95, read in conjunction with its Article 5(3)(b) and (c), must be interpreted as meaning that a person who does not engage in trade as an occupation, who takes delivery of, releases for free circulation in a Member State and retains goods that are manifestly not intended for private use, where those goods were sent to that person's address from a third country and where a trade mark is affixed to those goods without the consent of the proprietor of the trade mark, must be regarded as using that trade mark in the course of trade, within the meaning of Article 5(1) of the Directive.

The question of whether the conditions laid down in Article 5(1) Directive 2008/95 are satisfied must be determined solely on the basis of objective factors (§ 22).

In that regard, the expression 'use in the course of trade' entails that the exclusive rights conferred by a trade mark may, as a rule, 'be relied on [by the proprietor of that trade mark] only as against economic operators' and, consequently, only in the context of a trading business (12/07/2011, C-324/09, L'Oréal and Others, EU:C:2011:474, § 54). Further, if the transactions carried out, by reason of their volume, their frequency or other characteristics, go beyond the scope of a private activity, whoever carries out those transactions will be acting in the course of trade (12/07/2011, C-324/09, L'Oréal and Others, EU:C:2011:474 § 55).

The goods in the main proceedings are ball bearings weighing 710 kg, generally used in heavy industry (§ 24). Since those goods, bearing in mind their nature and their volume, are manifestly not intended for private use, the relevant transactions must be considered to fall within the scope of a trading business, though that is a matter to be determined by the referring court (§ 25).

Furthermore, a person who makes known their address as the place to which the goods concerned are to be shipped, who completes, or has completed by an agent, the customs clearance of those goods and who releases them for free circulation is importing those goods within the meaning of Article 5(3)(c) Directive 2008/95 (§ 26).

In order to identify use in the course of trade, ownership of the goods on which the trade mark is affixed is of no relevance. The fact that an economic operator uses a sign corresponding to a trade mark in relation to goods that are not their own – in the sense that they do not have title to them – does not in

itself prevent that use from falling within the scope of Article 5(1) Directive 2008/95 (12/07/2011, C-324/09, L'Oréal-eBay, EU:C:2011:474, § 91) (§ 27).

The fact that a person has imported and released for free circulation such goods justifies in itself a finding that that person has acted in the course of trade; there is no need to examine subsequent dealings with those goods, for example, whether they have been stored by the importer or put on the market within the European Union or exported to non-Member States (§ 28).

Finally, the significance of the remuneration that the importer received is also irrelevant (§ 29).

In view of the foregoing, the Court answered that: Article 5(1) Directive 2008/95/EC, read in conjunction with its Article 5(3)(b) and (c), must be interpreted as meaning that a person who does not engage in trade as an occupation, who takes delivery of, releases for free circulation in a Member State and retains goods that are manifestly not intended for private use, where those goods were sent to their address from a third country and where a trade mark is affixed to those goods without the consent of the proprietor of that trade mark, must be regarded as using that trade mark in the course of trade.

The text of the judgment is available here.

Scope of exclusive rights – test label – reputation- speciality principle

Case C-690/17 ÖKO-Test Verlag GmbH v Dr. Rudolf Liebe Nachf. GmbH & Co. KG [11 April 2019]

The preliminary ruling relates to the scope of rights afforded by a trade mark consisting of a quality label.

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Article 9(1) CTMR (R 207/2009/EC, now the EUTMR, R 2017/1001/EU) and Article 5(1) and (2) Trade Mark Directive (D 2008/95/EC, now Article 10 D 2015/2436/EU) describe the exclusive rights conferred by a trade mark. According to Article 9(1)(c) of the regulation and 5(2) of the directive, protection for trade marks with a reputation also covers goods or services not similar to the ones for which the trade mark is registered.

A German publisher which organises product testing holds an EU trade mark in a sign representing a quality label. It grants licences allowing companies to place quality labels showing the test results on their products' packaging. The licence remains valid until the magazine publishes another review of the product. In 2005, the publisher gave a toothpaste manufacturer a 'very good' rating. After expiration of the licence agreement, the toothpaste manufacturer continued to use the mark on a toothpaste product, packaged also in a different way. The publisher initiated infringement proceedings claiming that the licence agreement permitting the use of its label for marketing purposes had expired, and that the manufacturer had no right to use the sign on its products. The Düsseldorf Regional Court asked the CJEU to clarify whether the trade mark holder was entitled to oppose the use of its mark in relation to goods and services for which it is not protected, or alternatively the use of the mark when 'the individual mark enjoys a reputation only as a test label', and a third party derives an undue advantage from this reputation.

The CJEU stressed that based on the so-called specialty principle the holder of an individual mark consisting of a test label cannot prohibit third party use on dissimilar products.

However, the holder of an individual trade mark that consists of a quality label with a reputation could benefit from the extended protection under the following conditions: it is established that, by affixing the mark on dissimilar products, the third party takes unfair advantage of the distinctive character or the reputation of the mark concerned or causes detriment to that distinctive character or reputation; the third party has not established the existence of a 'due cause'.

The judgment is available on the Curia website.

Scope of exclusive rights – exhaustion of rights - rebranding

Case C-129/17 Mitsubishi Shoji Kaisha Ltd, Mitsubishi Caterpillar Forklift Europe BV v Duma Forklifts NV, G.S. International BVBA, EU:C:2018:594, [25 July 2018]

This preliminary ruling concerns the so-called debranding and rebranding of goods before their import to the European Economic Area (EEA). Article 9 CTMR (R 207/2009/EC, now the EUTMR, R 2017/1001) and Article 5 Trade Mark Directive (D 2008/95/EC) grant trade mark holders, among others, the right to prohibit that the sign is affixed to certain goods or their packaging, or that such goods are offered, marketed, stocked, imported or exported under the sign. These rights are usually exhausted in relation to goods which have been put on the market lawfully in the EEA (Article 7(1) Trade Mark Directive, 15(1) EUTMR).

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Two importers placed goods (forklift trucks), which they had acquired from a company outside the EEA and affiliated to the trade mark holder, under a customs warehousing procedure. They made some technical modifications to the goods, replaced the trade mark with their own signs, and imported and marketed the goods.

In the view of the Court of Justice (CJEU), 'debranding' and 'rebranding' under such circumstances can infringe trade mark rights. It prevents the trade mark holder from controlling how the goods bearing the trade mark are first placed on the market in the EEA, and thereby adversely affects the trade mark's origin, investment and advertising functions.

The decision is available on the Curia website.

Trade mark infringement – reputation - unfair and parasitic competition

Cour d'appel de Paris, Pôle 5 – chambre 1, nr 20/12598 (Citroën v Polestar) [14 December 2021]

In this logo dispute, the Paris Court of Appeal upheld the judgment of the court of first instance, holding that the use of the Polestar logo infringes the exceptional reputation of Citroën's two French trade marks (Article L. 713-3 du Code de la Propriété intellectuelle, Article 10(2)(c) D(EU) 2015/2436). Building on

a rich set of EU Court of justice's case-law, the French Court applied all the conditions specific to the protection of a registered trade mark with reputation, while bearing in mind the peculiarities of the automotive industry.

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The car manufacturer Citroën, part of the PSA Group, the leading French automotive group, holds two French figurative trade marks consisting of the 'two chevrons' logo (2006, 2011) to identify all of its vehicle models. Polestar Performance recently became a full-fledged car manufacturer of the Swedish Volvo Group (and the Chinese Zhejiang Geely Holding) and develops electric cars. Polestar Holding has registered two figurative EU trade marks referring to the symbol 'North Star'. In 2017, the PSA Group (claimant) requested Volvo Car Corporation (respondent) to cease using the disputed trade marks, but the respondent refused claiming a lack of similarity between the Polestar and the Citroën trade marks. In 2018, PSA Group filed invalidity actions against the two aforementioned trade marks before the European Union Intellectual Property Office (EUIPO), invoking its own earlier trade marks. The EUIPO's Cancellation Division and Board of Appeal rejected these invalidity requests. Citroën appealed these decisions and the cases are now pending before the Court of Justice of the European Union.

Nevertheless, in 2019 Citroën summoned Polestar Performance and Polestar Holding for trade mark infringement and unfair and parasitic competition. Its claims were based on the exceptional reputation of Citroën's trade marks and their strong degree of distinctiveness acquired through intensive use supported by substantial advertising investments.

During the proceedings, Citroën argued that by registering two European trade marks, Polestar had made use of them in the course of trade in France. But the Court confirmed that the mere application for registration of a sign as a trade mark does not constitute an act of infringement, and therefore cannot be characterised as an infringement of a reputed trade mark either. However, the Court also ruled that there were elements leading to a conclusion that Polestar had made use of the contested signs in the course of trade that were likely to constitute a serious risk of the alleged infringement of Citroën's reputed trade marks.

Polestar then claimed that there was no link between the contested signs and the alleged reputed trade marks. They argued that the degree of similarity between the signs was not sufficient – the signs being visually and conceptually different – for the public to establish such a link between the signs. To support the lack of a link in this case, they also relied on the relevant public's high level of attention arising from the high price of the products, the infrequency of the purchases, the particular interest of buyers, and the distribution channels (exclusive dealerships).

However, the Paris Court of Appeal sided with the first instance's judge and held that the reputation of Citroën trade mark was infringed despite a weak degree of similarity, on the ground of the exceptional reputation of the 'chevron' trade marks among the French public and its strong degree of distinctiveness

acquired through use. The Court ordered Polestar to pay Citroën EUR 150 000 in damages. The Court also prohibited Polestar from using the litigious signs in France during 6 months, under penalty of a fine of EUR 1 000 per day.

The text of the judgment (in French) is available here

Extent of use – trade mark Infringement (search engine)

Maritime and Commercial Court (Sø- og Handelsretten), case BS-58160/2019-SHR, Interflora Danmark A/S v. Abella Blomster by Jeanette Rasmussen [25 June 2020]

The issue in this case concerns the use of a trade mark in online search tools. The Court analysed whether Abella Blomster had infringed Interflora's rights under the Trademarks Act and the Marketing Practices Act by the fact that Abella Blomster's advertisement appeared on Google as a result of searching for 'interflora' in combination with other words, e.g. 'send flowers interflora'.

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Abella Blomster had not registered 'interflora' as a keyword in Google Ads, and Abella Blomster's advertisement therefore did not appear when searching for 'interflora' alone. Abella Blomster's advertisement appeared in searches that consist of a combination of 'interflora' and a generic keyword registered by Abella Blomster, such as 'send flowers'.

The Court therefore found that Abella Blomster had not used 'interflora' as a keyword on Google Ads, and that Abella Blomster was therefore not using 'interflora' as a trade mark. The Court also found that Abella Blomster had not violated Interflora's rights under the Trademarks Act or the Marketing Practices Act.

The fact that it would be possible for Abella Blomster to prevent Abella Blomster's advertisement from appearing by entering 'interflora' as a negative keyword cannot lead to a different result. The case is interesting as it helps to define and determine how far a company must and needs to go to comply with the rules of good marketing practice.

The text of the judgment (in Danish) is available here.

Extent of use – trade mark infringement

Maritime and Commercial Court (Sø- og Handelsretten), case BS-50854/2018-SHR, Quick Fire ApS v. Burner International A/S [15 April 2020]

The case concerns whether Burner International A/S's use of the trade mark 'QUICKFIRE' constitutes an infringement of Quick Fire ApS's rights under the Trademarks Act and the Marketing Practices Act.

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Quick Fire ApS had not registered 'QUICKFIRE' as a trade mark, and the Court found that, based on the evidence and Decision V-78-16 of the Maritime and Commercial Court, 'QUICKFIRE' as a name and logo possessed the necessary distinctive character under the Trademarks Act. The Court found that Quick Fire ApS had proved that, in the period up to and including the end of 2015, they had acquired

exclusive right through use under trade mark law, but then found that the trade mark in use had since lapsed, as Quick Fire ApS had not proved that its trade mark had been in use continuously on the Danish market after 2015. The Court therefore ruled that Burner International had not violated either the provisions of the Trademarks Act or the Marketing Practices Act.

The ruling is interesting as it shows the limitations of an exclusive right under trade mark law established through use and the importance of being able to proof the use of trade mark right if it is to be enforceable.

The text of the judgment (in Danish) is available here.

Labelling – parallel imports (medicine)

Maritime and Commercial Court (Sø- og Handelsretten), case BS-37578/2019-SHR, Essential Pharma Limited v. Orifarm A/S [18 February 2020]

The case concerns whether, in parallel imports into Denmark of a medicine that is sold in the exporting country by the trade mark owner Essential Pharma under the trade mark 'Zarontin', Orifarm A/S is entitled to re-label the medicinal product 'Zarondan', which is the registered trade mark under which Essential Pharma markets the medicine in Denmark.

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Orifarm A/S imports Essential Pharma's medicinal product ethosuximide from EU countries, where Essential Pharma markets it under the brand name 'Zarontin'. In Denmark, the medicinal product is marketed under the brand name 'Zarondan'.

Orifarm A/S applied for a marketing authorisation for the medicinal product under the trade mark 'Zarontin' but it was refused due to the risk of confusion with another medicinal product. Orifarm A/S subsequently received a marketing authorisation under the trade mark 'Zarondan', and Orifarm A/S repackaged and re-labelled the medicinal products under the name 'Zarondan'. According to the Court, it had been established that in Denmark the product could not be marketed under the original trade mark due to the risk of confusion, and a switch to the importing Member State's trade mark 'Zarondan' was therefore objectively necessary.

The Court took an approach based on the EU's 'Upjohn' judgment, Case C-379/97, according to which such a switch of trade mark must be objectively necessary. If the rules or practices of the importing Member State have the effect that the importer is unable to market its products with the trade mark affixed to them in the exporting State, the trade mark holder will not be able to use its trade mark right to prevent the importer from using the trade mark used by the holder itself for the same goods in the importing State. The case is interesting, as the Court decided on when it may be objectively necessary to re-label parallel imported goods in Denmark.

The text of the judgment (in Danish) is available here.

Scope of exclusive rights – 'AdWord'

Bundesgerichtshof (Federal Court of Justice, Germany, BGH), Case No. I ZR 29/18, 'ORTLIEB' [25 July 2019]

This decision concerns whether and under what conditions the use of a trade mark in an 'AdWord' for marketing goods amounts to trade mark infringement.

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Section 14(2) sentence 1 MarkenG (German Trade Mark Act) lays down the trade mark holder's exclusive right over the use of a sign identical to the one registered in relation to identical goods in the course of trade. Section 24(1) MarkenG provides that rights are exhausted when the goods are put on the market in Germany or in any state part of the European Economic Area.

The applicant in the initial proceedings manufactures and sells bike bags under the German and EU trade mark 'ORTLIEB'. The defendants, companies part of the Amazon group, advertised offers by means of AdWords containing the word 'ORTLIEB'. The applicant does not sell via the defendants' platform. When a Google user types 'ORTLIEB' in the search engine, an advertisement as well as an URL appear. When the advertisement is selected, an overview of offers of the applicant's products, as well as offers of products manufactured by other companies appear. The applicant initiated proceedings against Amazon for trade mark infringement, which was upheld in the first instance decision and on appeal.

The German Federal Court of Justice first assessed whether the exclusive rights granted to a trade mark holder extend to the use of keywords. It notes that section 14(2) sentence 1 MarkenG implements Article 5(1)(a) Trade mark Directive (D 2008/95/EC, now Article 10 D 2015/2436/EU), and must be interpreted in line with EU law. The court found that there was an actual use in the course of trade. The selected keyword triggers the display of advertisements offering goods for sale, without the trade mark owner's consent, in relation to identical goods offered for sale on the defendant's website, using an identical sign as a keyword.

In addition, the court analysed whether that use adversely affected the trade mark's origin function. It referred to case-law of the CJEU which considers the origin function to be adversely affected if the advertisement does not enable normally informed and reasonably attentive internet users to ascertain the origin of the good, or enables them to do so only with difficulty. In this case, the court concluded that the specific presentation of the advertisement combined with the mixed list of results had an adverse effect; the mixed result list displayed both original products and third-party products, whereas the public targeted by the rights holder expected to see only ORTLIEB products.

The court also assessed whether the use of the trade mark could be lawful because the rights were exhausted. The principle of exhaustion extends to all acts that may constitute an infringement. Using a trade mark to advertise goods would be lawful if the trade mark holder had placed the goods on the market in the European Economic Area. However, the exhaustion principle applies only for original products. According to CJEU case-law (08/07/2010, C-558/08, Portakabin, EU:C:2010:416), a reseller offering competitors' products as well as its own products may use the trade mark in advertising, unless

there are legitimate reasons to oppose that use. A legitimate reason would be the damage caused to the origin or quality function of the sign.

On the basis of these findings, the German Federal Court of Justice concludes that the misleading use of the trade mark in advertisements which follow a Google search, directing internet users to the offers of third-party products, constitutes trade mark infringement, even though these products are listed alongside the goods of the trade mark holder.

The text of the decision (in German) is available on the website of the Bundesgerichtshof.

Sign used in the course of trade

Bundesgerichtshof (German Federal Court of Justice), Case No I ZR 195/17 'SAM' [7 March 2019]

This decision concerns the conditions under which a model name used in online trade is perceived by the public as a mere article designation, rather than as a trade mark.

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Point 1 of Section 14(2) of the MarkenG (German Trademark Act) lays down the trade mark holder's exclusive rights over the use of a sign identical to the one registered in relation to identical goods in the course of trade.

The claimant in the initial proceedings is the owner of the German word mark 'SAM' for clothing. The defendant is one of Germany's leading suppliers of mens clothing in online stores. It used the sign 'SAM' in the written explanation of an offer for a pair of men's trousers; the offer was titled 'EUREX BY BRAX', which is the designation used by the manufacturer for the pair of trousers in question. The claimant successfully sought an injunction at the Amtsgericht München (Munich Regional Court), prohibiting the defendant from using the designation 'MODEL SAM'. The defendant's appeal was rejected by the Higher Regional Court of Frankfurt (Oberlandesgericht Frankfurt); the defendant brought an appeal before the Bundesgerichtshof (Federal Court of Justice).

The German Federal Court of Justice first assessed the conditions for trade mark infringement laid down in Section 14(2) of the German Trademark Act. The court confirmed that there was use in the course of trade in relation to identical goods. As to the identity of the signs, the Federal Court of Justice confirmed the findings of the appellate court; the fact that the jeans were sold under the trade mark 'EUREX BY BRAX' did not prevent an assumption of identity, and the term 'Model' used as a prefix was a secondary descriptive addition which had no impact on the overall impression of the use of the term 'SAM'. Therefore, the defendant used a sign identical to the trade mark sign 'SAM'.

The court analysed whether the origin function of the trade mark was actually impaired. If the use of the mark is found not to impair the trade mark functions, the trade mark holder could not object to it. This has to be assessed based on the perception of the relevant public of the sign 'SAM' in online advertising. A relevant indication can be the customary labelling in the relevant sector. The Federal Court of Justice rejected the appellate court's view that it is sufficient to find the sign distinctive in itself, and not purely descriptive.

For these reasons, the Federal Court of Justice annulled the contested judgment and ordered the appellate court to re-examine whether the relevant public perceives the sign 'SAM' as an indication of origin, taking all the specific circumstances of the case into account. The Federal Court of Justice gave the following indications: firstly, the appellate court has to consider customary labels in the sector; for instance, printed model names on sales labels, or sewing the sign on the clothes might be an indication of origin. Secondly, if a model name is well-known (such as the '501' jeans), it might be an indication that the relevant public perceives it as an origin indicator. If the mark is not well known, the design of the offer in question must be examined to assess whether the nature of its use makes the public perceive it as a trade mark. This would for example be the case where the sign is used in relation to the manufacturer's name or to an umbrella trade mark. Finally, if the model name used is identical to a well-known trade mark, this might indicate that the relevant public might consider it in an offer as a trade mark, irrespective of its use.

The decision can be found on the German Federal Supreme Court website.

Evidence - reputation

Cour de cassation (Supreme Court, France), commercial chamber, No 16-23.694 [10 July 2018]

In this decision, the Cour de cassation clarifies how possible justifications for alleged unlawful use of trade marks with a reputation are to be assessed.

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Article 5(2) of the Trade Mark Directive (2008/95/EC) gives holders of reputed trade marks the right to prevent certain uses of the sign that would **without due cause** take unfair advantage of, or be detrimental to, the distinctive character or the repute of the trade mark. In France, the protection of reputed trade marks falls under the civil liability regime. Article L 713-5 of the French IP Code (Code de la propriété intellectuelle) refers, inter alia, to unjustified exploitation of the reputed trade mark.

The defendant in the initial proceedings is the member of a family whose family name is also the reputed name of their company. After leaving the company, the defendant registered her surname as a trade mark and domain name, and carried out activities in the same sector. The owners of the reputed mark initiated proceedings for, inter alia, trade mark infringement, unfair competition and parasitism. The Court of Appeal found that the defendant/appellant was not taking undue advantage of the mark's reputation or causing any harm to its distinctive character by recalling her family origin. Her name simply identified her professional background or past experience.

The Cour de cassation criticised this reasoning. First, the court should assess whether any undue advantage was taken of a reputed mark. Then, in a separate step, it should assess whether there is any due cause for use of the sign. This last element cannot be taken into consideration when assessing infringement.

The text of the decision (in French) can be found on the website of the Cour de cassation.

Domain name arbitration – bad faith (common surname)

WIPO Arbitration and Mediation Center, Case No D2018-0568 Olsen Holding GmbH v Domain Admin, Whois Privacy Group/Domain Admin, Mighty Products, Inc. (15 May 2018)

This administrative panel decision relates to the proof of registration and use of a common surname a as a domain name in bad faith. The complainant, the holder of the OLSEN trade mark since 1995, requested the transfer of the olsen.com domain name. The respondent offered that domain name for sale. According to paragraph 4(a) of the Uniform Domain-Name Dispute-Resolution Policy (UDRP), a complainant must prove, among others, that a 'domain name has been registered and is being used in bad faith'.

The panel pointed out that 'Olsen' was a common surname in certain parts of Europe, and that the domain name had been registered since 1996. The complainant had not demonstrated 'that it was targeted by the registration and that this was not just a registration of a common surname for sale to anyone with an interest in that surname'. Under those circumstances, 'not using [the domain name] and offering it for sale for a sum substantially above the out-of-pocket costs of registration' would not contravene the Policy and would not be bad faith.

The text of the decision is available on the WIPO website.

Exceptions to infringement

Likelihood of confusion – spare parts limitation

Bundesgerichtshof (Federal Court of Justice, Germany, BGH), Case No I ZR 61/18 'Kühlergrill' ('radiator grille') [7 March 2019]

In this decision, the German Federal Court of Justice clarified the conditions for the application of the so-called spare parts limitation in trade mark (TM) law.

Limitations of the effect of EU trade marks are provided for by Article 14 EUTMR (R 2017/1001/EU), which amended Article 12 of the previous Regulation on Community trade marks (R 207/2009/EC). Article 14(1)(c) forbids an EUTM proprietor to prohibit third-party use of the EUTM for the 'purpose of identifying or referring to goods or services as those of the proprietor …, in particular, where the use is necessary to indicate the intended purpose of a product …, in particular as accessories or spare parts'.

The claimant in the initial proceedings is the proprietor of the word marks 'AUDI' and 'A6', and of a figurative mark depicting four horizontal, adjacent, overlapping rings, registered in respect of land vehicles and parts thereof. The defendant sells spare parts for vehicles, also via an online platform. It had placed an offer for a radiator grille 'Kühlergrill Audi A6 C6 4f Limo Kombi 04-08' for sale, accompanied by a photo of the radiator grille showing the same rings. A purchaser had received a radiator grille clearly not manufactured by the claimant, featuring four horizontal, adjacent rings each with an opening on one side, with only the two inner rings overlapping on the sides facing one another. The claimant brought an action against the defendant, claiming information about the purchase (for the calculation of damages), the recall of the product, its destruction, damages and reimbursement of pre-

trial legal costs. The Regional Court upheld the claim. The defendant's appeal was rejected by the appellate court. Following this decision, the defendant appealed on a point of law before the Federal Court.

First, the Federal Court clarified which provisions were applicable with regard to the claims for the provision of information, damages, recall, destruction and reimbursement. It then underlined that, with regard to those matters, there are no sanctions recognised by Article 102 (previous version) or Article 130 (new version) of the EUTMR, and that, therefore, national law had to be applied. Furthermore, it outlined the applicability of the German substantive law, in accordance to the Rome II Regulation.

The Federal Court subsequently clarified that all the abovementioned claims require an EUTM infringement to be upheld, with no limitation being applicable. The right at issue was in fact infringed; there was a likelihood of confusion between it and the sign used in the advertisement, and the one on the radiator grill.

As to the applicability of the limitation, according to CJEU case-law, the use of a trade mark must be the only way to provide the public with complete information as to the intended purpose of the product. The Federal Court underlined that the use of a sign does not represent the only means of informing the relevant public that the product is a spare part. As it was not necessary to use the TM at issue to indicate the intended purpose, the limitation cannot apply. The sign similar to the TM directly affixed to the product gave the impression of originality, therefore being a matter of imitation and of taking unfair advantage of the trade mark's reputation.

The limitation seeks in fact to reconcile the interests of a TM owner with the free movement of goods in the EU. The Federal Court highlighted the difference between the case at issue and the earlier BMW-Emblem case (see Case No I ZR 153/14, BMW-Emblem), where the BMW badge amounted to nothing more than a physical embodiment reproducing a well-known mark. In the view of the Senate, the rights holder has a monopoly to produce such badges to identify its business and the vehicles it manufactures; that monopoly is not limited by the limitation. However, in the current case, the radiator grille contained a mounting fixture for a physical embodiment of the TM. Generally, there is an expectation from the public that spare parts should have the same appearance as the original; however, in this case, the defendant has not claimed that the mounting fixture was necessary to allow the radiator grille to look the same as the original one, once the applicant's original badge was affixed.

The Federal Court rejected the appeal on a point of law brought by the defendant at his cost.

The text of the judgment (in German) is available on the Bundesgerichtshof website.

Exhaustion of rights

Exhaustion of rights – labelling

The Supreme Court of Finland, Case S2019/620, Soda-Club (CO2) SA and SodaStream International B.V. v MySoda Oy (9 March 2021)

In this case, the Finnish Supreme Court requested a preliminary ruling from the CJEU in a case involving carbon dioxide cylinders that had been refilled and relabelled, but on which the original engraved signs of the trade mark proprietor remained visible.

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The claimants, SodaStream International B.V. and Soda-Club, are the owners of the national and EU trade marks 'SODASTREAM' and 'SODA-CLUB' for carbonating machines and bottles. The defendant, MySoda Oy, removed the claimants' labels from the carbonating bottles, added its own labels, refilled the bottles and then resold them. However, the trade marks 'SODASTREAM' and 'SODA-CLUB' engraved on the aluminium bottles remained visible. MySoda sold and marketed these bottles in two variations, 'pink' and 'white'. At first instance, the Finnish Market Court held in 2019 that the use of the white label did not infringe SodaStream's trade mark rights but the use of the pink label did, as the latter created an impression that there was some sort of economic connection between the two companies. Both parties appealed successfully to the Supreme Court.

The legal question at issue was whether a refiller and retailer of carbon dioxide bottles can remove a label bearing the trade mark of the trade mark proprietor from such bottles and replace it with its own label, while the trade mark proprietor's engraved trade mark is still visible on the goods.

There were four questions referred to the CJEU.

- Firstly, the court wants to know if the *Bristol-Myers Squibb* criteria, particularly the necessity requirement, would also apply to the re-packaging of goods marketed within a Member State.
- Secondly, the court asks if the above *necessity condition* would apply where a third party refills the bottle, removes the original label and replaces it with a label bearing its own sign while the trade mark of the original bottle issuer is still visible on the bottle.
- Thirdly, the court wishes to clarify if these actions could jeopardise the function of the trade mark as an indicator of origin under certain circumstances.
- Finally, the court enquires if the accidental breakage or detachment of the labels or their removal/replacement by a previous bottle refiller would be considered as a necessary reason to relabel the goods for replacement on the Finnish market.

While relabelling related to bottle refilling can be lawful under certain conditions, an act jeopardising the origin function of the earlier trade mark should be considered infringing.

The text of the judgment (in Finnish) is available on the Supreme Court's website.

Higher Regional Court of Düsseldorf, No 20 U 278/20 – Coty v. ALDI SÜD

This case concerns **selective distribution systems** in the context of the exceptions to the principle of **trade mark exhaustion**. The German Court analysed in depth the **standard of presentation of products** required for resellers to preserve the reputation of the brand and benefit of exhaustion. The Court balanced the interest of the right holder in preserve the mark's reputation and the reseller's

interest in reselling the goods, finding that the reseller may not advertise the goods in a way that affects the value of the trade mark by damaging its allure, prestigious image or aura of luxury.

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Coty (the 'claimant') was the licensee of 'JOOP!' and 'Calvin Klein' trade marks for perfumes. This company marketed perfumes through a **selective distribution system**. Nevertheless, ALDI SÜD (the 'defendant'), a company not belonging to the selective distribution system, sold these perfumes in its outlets, presenting them to the public in **drawer containers** and **glass cabinets** next to multimedia goods and **near bargain bins**. Moreover, ALDI SÜD advertised the perfumes in their **weekly promotional brochure** for Valentine's Day.

In light of the above, Coty took legal action before the **Regional Court of Düsseldorf**, claiming that the presentation and advertising of the JOOP! and Calvin Klein perfumes **tarnished** the licensed **trade marks' reputation**.

The Court found that the perfumes **were not luxury products**, the reputation of which could have been harmed by the presentation and advertising carried out by ALDI SÜD.

The claimant **appealed the case** to the **Higher Regional Court of Düsseldorf**, which ruled in its favour, finding the following.

- The specific presentation of the perfumes in the ALDI SÜD stores **infringed** the plaintiff's **trade marks**. Such conduct could harm the trade marks' reputation and therefore constituted a **legitimate reason to oppose** the **further sale** and **advertising** of the perfumes, in derogation to the principle of **exhaustion** under Article 15(2) EUTMR.
- On the other hand, the advertising of the perfumes in the weekly promotional brochure did not infringe the trade marks. The perfumes were indicated as gifts for Valentine's Day **and kept separate** from the other goods displayed in the brochure. Moreover, the brochure advertised cosmetic mirrors and hair trimmer sets, which could not tarnish the trade marks' reputation as they also concern body care.
- It is necessary to **balance** the interests of the **right holder** in **preserving the mark's reputation** and the **reseller's interest in reselling the goods**. In the case of prestigious and luxury goods, the reseller **may not advertise** the products in a way that **affects the value of the trade mark** by damaging its allure, prestigious image or aura of luxury.
- The factors to assess in balancing the rights are:
    1. the **nature of the luxury goods** bearing the **trade mark**;
    2. the volumes sold, and whether the licensee sells the goods to discount shops that are not part of the selective distribution network **regularly** or only **occasionally**;
    3. the **nature of the goods** normally marketed in the **discount shops**;
    4. the **marketing methods** normally used in the discount shop's sector of activity;
    5. the **level of prestige** enjoyed by the trade mark – for example, a **high level** of prestige may allow the owner to prevent the marketing of the goods in discount shops, while at a **lower level** of prestige the marketing in discounts may not be forbidden per se, but attention needs to be paid to the **selling modalities**.

- The fact that the perfumes were also sold in **pharmacies** was **not relevant**, as they were sold in separate perfumery sections with other branded perfumes, and the presentation was considerably different from that of ALDI SÜD.
- Even the fact that Coty perfumes were **expensive** was not decisive. **Medium-priced perfumes** can also have an **aura of luxury**.
- Coty products had been advertised only once in ALDI SÜD's weekly promotional brochure, for Valentine's Day 2018. This created the impression that the perfumes were **part of the normal assortment** of ALDI SÜD stores, and that Coty agreed on these selling modalities.
- It was **detrimental** to the trade marks' **reputation** that the perfumes were not offered in a separate department but were mixed in with the **normal assortment**.
- The perfumes were **not highlighted** in any way compared to the other goods in the drawer containers and glass cabinets. Furthermore, the presentation in glass cabinets may have been perceived by ALDI SÜD's customers as a **protection against theft**. The glass cabinets matched the functional furnishing of the stores.
- Coty's **interest in preserving the luxury image** of its perfumes **outweighed** ALDI SÜD's **interest in reselling the perfumes**.

The text of the judgment is available on the German judicial databases.

Limitation of the effects of a trade mark – prior use defense – exhaustion

Supreme Court of the Czech Republic, case 23 Cdo 3944/2019, Mahony Pharma a.s. v K. [21 July 2020]

This ruling complements the case-law of the Supreme Court of the Czech Republic on the limitation of the effects of a trade mark in the Czech Republic. The Court found that, as the limitation of the effects of a trade mark under Section 10(2) of the Trade Marks Act is determined (in accordance with Article 14(3) of Directive 2015/2436) solely by national law and not by international or EU law, which lays down no specific provisions in this area, the existence of a trade mark application in a foreign State cannot lead to any conclusions for determining the scope of the limitation of the effect of the trade mark under domestic law in the Trade Marks Act.

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In its action in proceedings before the courts of the first and the second instance, the applicant sought an injunction against the defendant preventing him from infringing the alleged applicant's rights over the trade mark 'YX' with priority as of 15 September 2015 (it also demanded that the consequences of this conduct be remedied by the withdrawal of the defective goods from the market and the payment of reasonable redress).

In its defence, the defendant claimed that it had used the sign 'K.' since its inception on 1 July 2015 on the products it manufactured and distributed, and in the offering thereof, as an unregistered sign, and that its sole partner and managing director, Mr F. D., had been doing so since 2013. The defendant

argued that, with respect to the limitation of the effects of a trade mark within the meaning of Section 10(2) of the Trade Marks Act, the relevant factor was not since when the applicant had been using the sign, but when the applicant filed the application for the trade mark 'YX'. This application was filed on 15 September 2015. The defendant, however, had been making routine use of the sign since 1 July 2015, which is reflected in the fact that this sign was the name of the defendant's company.

The Court of final appeal addressed the third party use of an earlier right (unregistered sign) within the meaning of Section 10(2) of the Trade Marks Act. Under that provision, a trade mark owner is not entitled to prohibit third parties from using the trade mark in the course of trade, if the use thereof is consistent with commercial practices. It also considered the possibility of a change in the functional and personal scope of limiting the effects of a trade mark. In addition, it made observations on the handling of products labelled in accordance with the limitation of the effects of a trade mark (i.e. labelled with an unregistered sign).

With regard to the rights of a previous user of an unregistered sign within the meaning of Section 10(2) of the Trade Marks Act, the Court noted that, the point in time relevant for assessing the extent of limiting the effects of a trade mark under that provision was the moment when the trade mark application was filed. The Court reasoned that limiting the effects of a trade mark under Section 10(2) of the Trade Marks Act is determined (in accordance with Article 14(3) of Directive 2015/2436) solely by national law and not by international or EU law, which lays down no specific provisions in this area. Therefore, the existence of a trade mark application in a foreign State (even in a State which is not a member of the European Union or does not form part of the European Economic Area) from which a right of priority is derived, cannot itself automatically (unless intentionally provided otherwise by law) lead to any conclusions for determining the scope of limiting the effects of the trade mark under domestic provisions in the Trade Marks Act.

With regard to the change in the personal scope of the limitation on the use of a trade mark, the Court observed that an earlier unregistered sign could be used in the manner laid down in Section 10(2) of the Trade Marks Act only to the extent derived from the original authorised entity and, in principle, only in connection with the transfer or passage of the business establishment (or the relevant part thereof) of the original authorised entity (if business owner) or on the basis of a similar legal deed resulting in another person assuming the market status of the original authorised entity in the market in the given type of products or services (or thereby replacing the original authorised entity on the respective market). The independent transfer (or other assignment) or transition of a limitation of the effect of a trade mark (i.e. an unregistered sign) pursuant to Section 10(2) of the Trade Marks Act, or of a licence thereto (or other consent of the authorised person for its use), is not possible.

With regard to the handling of products labelled in accordance with a limitation of the effect of a trade mark, the Court of final appeal observed that the effect of the exhaustion of the rights conferred by a trade mark pursuant to Section 11 of the Trade Marks Act (which provides that the proprietor of a trade mark is not, in principle, entitled to prohibit its use in relation to goods which have been put on the market in the Union under that trade mark by that proprietor or with its consent unless it has a legitimate reason to do so) must be applied, by analogy, to products labelled by a previous user of an unregistered

sign, provided that the conditions under Section 10(2) of the Trade Marks Act are met. It follows that a trade mark proprietor cannot prohibit the use of an earlier unregistered sign on products which have been placed on the market by the user of the earlier unregistered sign in accordance with the limitation of the effects of a trade mark pursuant to Section 10(2) of the Trade Marks Act, unless it has a legitimate reason to do so.

The text of the judgment (in Czech) is available here.

Exhaustion – infringement – unauthorised sale

Court of Appeal of Lithuania (Lietuvos apeliacinis teismas), case e2A-240-881/2020, Landoll Srl v. UAB „Rubela“ [10 March 2020]

This case concerns sales of goods in Lithuania through the website of a non-authorized distributor (beauty sector). The Court of appeal clarified the scope of the principle of exhaustion of a trade mark right. It held that the placing on the EU/EEA market of goods bearing the trade mark without the consent of the rights holder should not be understood as exhausting the trade mark rights. Rights expired (were exhausted) only in respect of individual items placed on the market with the consent of the proprietor of the trademark. And that had first of all to be demonstrated by the defendant.

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The applicant owns the European Union trade marks NASHI (fig.), Reg. No 013640099; NASHI (w.), Reg. No 014713895; NASHI ARGAN (fig.), Reg. No 016768335; LANDOLL (w.), Reg. No 0918295, and international trade marks LANDOLL (w.), Reg. No 918295; ARGAN (fig.), Reg. No 1242146; NASHI (w.), Reg. No 1143100. The applicant brought an action before the court seeking an injunction prohibiting the defendant from selling (i.e. offering, placing on the market, or storing, renting, lending or otherwise disposing of) in Lithuanian territory goods bearing the trade marks owned by the applicant, placed on the market of the European Economic Area by persons other than the applicant or without the applicant’s consent. According to the applicant, it controls and determines, on the basis of a selective distribution system, which persons sell the goods at wholesale and retail level.

UAB Meistro Pasaulis has the right to sell the goods in Lithuania. The purpose of the selective distribution system is to ensure that the trade marked goods are sold only by authorised distributors active in the beauty sector and able to ensure that the reputation and quality of the trade marks are maintained in accordance with the requirements set in the distribution contract, thus protecting the reputation of the trade marks and the quality of the goods marked with them. Infringing the applicant's rights, the defendant is selling the trade marked goods via the website www.mini-maxi.lt.

The Court of Appeal of Lithuania issued a ruling prohibiting the defendant UAB Rubela from selling (i.e. offering, placing on the market, or storing, renting, lending or otherwise disposing of) in Lithuanian territory goods bearing the trade marks owned by the applicant Landoll S. r. l., placed on the market of the European Economic Area by persons other than the applicant or without the applicant’s consent. The Court of Appeal remitted the remaining claims (requiring the defendant to destroy, at its own expense, the goods marked by the applicant’s trade marks and at the disposal of the defendant, and to make public the operative part of the court ruling satisfying the claim in the *Lietuvos rytas* newspaper and on the website www.mini-maxi.lt at its own expense; and requesting an award of EUR 3 610.24 in

damages for the defendant's illegal use of the applicant's trade marks in its business activities) to the court of first instance.

The Court of Appeal has clarified that, where the applicant brings an action for the protection of its rights as the proprietor of the trade mark and the defendant's defence is based on the expiry of the applicant's rights over the trade marks, the defendant must, in particular, be required to prove that the applicant's ownership of the trade marks appearing on the goods sold by the defendant has indeed expired. It should be noted that the placing on the EU/EEA market of goods marked with the trade mark in question must not be understood as terminating (exhausting) the rights of the applicant to the trade mark registered and protected in his name. Rights expire (are exhausted) only in respect of individual items placed on the market with the consent of the proprietor of the trade mark. And that must first of all be demonstrated by the defendant.

The text of the judgment (in Lithuanian) is available here.

Exhaustion of rights – labelling

Markkinaoikeus (Finnish Market Court), Case No. MAO:388/19 [5 September 2019]

This decision of the Finnish Market Court concerns, inter alia, legitimate reasons to oppose further commercialisation of goods despite the so-called exhaustion principle.

According to Article 9(1) EUTMR (R 2017/1001/EU), the proprietor of a trade mark has the exclusive right to use a mark in business activity. According to the so-called exhaustion principle (Article 15(1) Trade Mark Directive, D 2015/2436/EU, Article 15(1) EUTMR), the proprietor cannot prohibit the use of a trade mark for those goods which have been released to the market in the European Economic Area by the proprietor or with his consent. Under Article 15(2) EUTMR, the proprietor can oppose further commercialisation of goods if there is a legitimate reason, especially when the condition of the goods has been changed or impaired after being placed on the market.

The claimants, SodaStream International B.V. and Soda-Club (CO2), are the owners of the national and EU trade marks 'SODASTREAM' and 'SODA-CLUB' for carbonating machines and bottles. The defendant, MySoda, removed the claimants' labels from the carbonating bottles, added its own labels, refilled the bottles and then resold them. However, the trade marks 'SODASTREAM' and 'SODA-CLUB' engraved in the aluminium bottles remained visible. The defendant affixed two distinct labels; a white label that stated, in a dominant way, carbon dioxide in five languages without a specific company name or logo, and 'defendant is not connected to the original company or the visible trade mark'; and a pink label with a MySODA logo in large letters, next to the logo 'Finnish carbon dioxide for carbonating machines', which also stated 'This bottle is filled by Brand Handlers Helsinki' (former name of MySoda).

The Finnish Market Court confirmed that the claimants' exclusive use rights were exhausted when they put the bottles bearing their mark on the market. In the court's view, refilling of bottles does not constitute a change nor an impairment; the bottle filling business is regulated by public authorities.

According to the previous CJEU case-law, C-46/10 *Viking Gas* (EU:C:2011:485), a legitimate reason to oppose further commercialisation is when the same or a similar trade mark is used and creates the impression of a commercial connection between the proprietor and the third party. In this case, the

white label did not create the impression of a commercial connection. However, average consumers could perceive a connection between the pink label and the claimants' engraved trade marks which remained visible; consumers can purchase any refilled bottle from supermarkets, and there was no specific exclusion of a connection on the pink label [see *Viking Gas* paras 39-40]. Therefore, with regard to the pink label, there is a legitimate reason for the proprietor to prohibit further commercialisation. The court ordered MySoda to stop continuing or repeating the sale of the bottles bearing the claimants' engraved trade marks with the pink label, on penalty of a fine of EUR 100 000. The remaining claims were dismissed by the court, leaving the parties to bear their own legal costs.

The decision is not final. It has been appealed before the Supreme Court (the documents have been forwarded to the Supreme Court on 8 November 2019).

The text of the judgment (in Finnish) is available on the website of the Finnish Market Court.

Exhaustion of rights – online platforms

England and Wales Intellectual Property Enterprise Court (IPEC), Nomination di Antonio e Paolo Gensini SNC and Anor v Sebastian Brealey and Victoria Brealey (t/a JSC Jewellery) EWHC 599 (IPEC) [29 January 2019]

This decision concerns the question whether and under what conditions a purchaser who disassembles a product and sells the individual components via an online platform can be found liable for trademark infringement.

According to the so-called exhaustion principle, a trade mark owner may not prohibit use of a mark in relation to goods which have been put on the EU market under that trade mark by themselves or with their consent. The principle does not apply where rights holders have legitimate reasons to oppose further commercialisation of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market (Article 7 of the Trade Mark Directive, D 2008/95/EC, now Article 15 D 2015/2436)

The claimant, a high-end Italian jeweller, manufactures a 'composable bracelet' consisting of individual links which can be detached and re-linked with other bracelet links, allowing the wearer to create their own style of bracelet. The claimant also sells 'base links' bearing its mark and a wide variety of decorated links and links with charms attached, as well as a 'basic bracelet' composed of 13 or 18 links. The defendants, two individuals trading jewellery online, started to buy the claimant's 'basic bracelets'. After disassembling these base bracelets the defendants sold individual links alongside their own links in bundles. The packaging had a label showing both marks, explaining who the manufacturer of the product was, and who was responsible for the repackaging.

The claimants brought an infringement action for the use of the trademark in relation to selling genuine, individual 'base links' bearing the claimant's mark, and the use of the trademark in relation to the defendants' own products.

The England and Wales Intellectual Property Enterprise Court first examined whether the trademark was exhausted, given that the official retailers had already launched the link in form of a whole bracelet. The claimant was unable to demonstrate to the court that the individual links were placed on the market

in the EU without its consent. However, the jewellery manufacturer had legitimate reason to object to these particular further dealings with its goods. Their bracelets are normally sold in high quality packaging whereas the defendants' packaging had a distinctly budget feel.

Next, the court held that the mix and match advertising and sale of links bearing the claimant's trademark together with the defendant's own links would have led the typical reader to have 'received a blurred message about the manufacturing source of the two bundled links.' As some non-authentic charms could be perceived as genuine ones coming from the claimant, the judge held that there was a trade mark infringement based on Article 10(1) of the Trademark Act. The use also amounted to passing off.

The text of the decision can be found on bailii.org.

Labelling – parallel imports (medical devices) - exhaustion

Case C 642/16 *Junek Europ-Vertrieb GmbH* v *Lohmann & Rauscher* International *GmbH & Co. KG*, EU:C:2018:322, [17 May 2018]

This preliminary ruling clarifies whether the holder of a European Union trade mark (EUTM) can oppose the parallel import of medical devices (in this case dressings) when a new label has been affixed to the packaging of the devices.

According to the principle of exhaustion, as set out in Article 13(1) CTMR (Regulation (EC) No 207/2009), now Article 15(1) EUTMR (Regulation (EU) 2017/1001), an EUTM holder cannot prohibit the use of its mark in relation to goods that have been put on the EU market lawfully. Article 13(2) CTMR (Article 15(2) EUTMR) imposes some limitations on that principle. The CJEU has previously given guidance on those limitations with regard to pharmaceutical products (11/07/1996, C-427/93, C-429/93 & C-436/93, Bristol-Myers Squibb and Others v Paranova, EU:C:1996:282; 26/04/2007, C-348/04, Boehringer, EU:C:2007:249).

In the Court's view, the circumstances of this case are different: the parallel importer had merely affixed an additional label to the unprinted part of the original packaging of the medical device; the original packaging had not been opened. The label was physically small and included only the name, address and telephone number of the parallel importer, a barcode and a central pharmacological number. This did not amount to repackaging, and did not affect the trade mark's origin function. The rights in the EUTM were exhausted.

The decision is available on the Curia website.

Exhaustion of rights – reputation - luxury goods

Oberlandesgericht (Higher Regional Court) Düsseldorf, Germany, Case I-20 U 113/17, DE:OLGD:2018:0306.I20U113.17.00 [6 March 2018]

The case concerns the exhaustion of rights in EU trade marks (EUTMs) where luxury goods are sold in discounters. According to Article 15(1) EUTMR (R 2017/1001), EUTM rights are exhausted for goods that have been put on the EU market lawfully. The principle of exhaustion does not apply when the

trade mark owner has legitimate reasons to oppose further commercialisation of the goods (Article 15(2) EUTMR).

The holder of an EU trade mark in luxury goods (cosmetics) had requested a preliminary injunction against a discounter, ordering the latter to stop selling the luxury goods in selected discounter stores and in online shops. The lower court had rejected the request on the grounds that the EUTM holder had not proven how its luxury image would be harmed.

The Düsseldorf Higher Regional Court disagreed and referred to the CJEU's case-law on trade marks for luxury goods (see, Case C-59/08 *Copad SA* v *Christian Dior couture SA, Vincent Gladel and Société industrielle lingerie (SIL)* EU:C:2009:260; C-230/16 *Coty Germany GmbH* v *Parfümerie Akzente GmbH* EU:C:2017:941). It found the threat of damage to the reputation of the luxury image sufficient to establish that there were legitimate reasons for the rights holder to oppose further commercialisation of the goods.

The text of the decision (in German) is available on justiz-online NRWE.

Trade mark infringement – revocation grounds

Revocation grounds – proof of use

Cour de cassation (Supreme Court, France) judgment No 681 – *AR v Cooper International Spirits* [4 November 2020]

This ruling is a follow up to the CJEU *Cooper International Spirits and Others* judgment (26/032020, C-622/18, AR v Cooper International Spirits LLC and Others, EU:C:2020:241), concerning infringement claims relating to the first five years after registration of a trade mark which was later revoked for non-use. On the basis of this judgment, the French Supreme Court (*Cour de cassation*) ruled that the revocation of a trade mark does not produce legal effects until the expiry of an uninterrupted five-year 'grace period'. The proprietor of a revoked (EU) trade mark is entitled to invoke violation of his rights in the trade mark, for infringing activities that occurred during the grace period, regardless of the revocation of his trade mark.

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In that case, the CJEU court clarified if the (former) proprietor of a trade mark that had been revoked for non-use could claim that the trade mark's essential function had been affected, and hence seek compensation for alleged use by a third party of an identical or similar sign during the five-year period.

The CJEU ruled that Article 5(1)(b), Article 10(1), first subparagraph, and Article 12(1), first subparagraph, of the Trade Mark Directive (Directive 2008/95/EC, replaced by Directive 2015/2436/EU) should be interpreted as leaving Member States the option to allow, under the referred conditions, 'to retain the right to claim compensation for the injury sustained as a result of the use by a third party, before the date on which the revocation took effect, of a similar sign in connection

with identical or similar goods or services that is liable to be confused with his or her trade mark'. The text of the CJEU's judgment can be found on the Curia website.

The French Supreme Court clarified that, according to Article L. 714-5 of the French Code of Intellectual Property – in its version prior to the amendment by Decree No 2019-1169 of 12 November 2019 – such as interpreted in the light of the relevant provision of Directive 2008/95/EC, the revocation of a trade mark does not produce legal effects until the expiry of a five-year uninterrupted 'grace period'. During that period, the proprietor of a (EU) trade mark can begin to make genuine use of it and is entitled to invoke violation of their rights caused by acts of counterfeiting that occurred before the revocation of the trade mark. Consequently, the Supreme Court stated that, by dismissing the claims of the proprietor of the revoked trade mark 'SAINT GERMAIN' on the grounds of insufficient proof of use during the period in question, the Court of Appeal of Paris had violated the above-mentioned provisions. The text of the judgment (in French) is available here.

Revocation grounds – proof of use – trade mark infringement

Case C-622/18 AR v Cooper International Spirits LLC and others, EU:C:2020:241 [26 March 2020]

This preliminary ruling concerns infringement claims relating to the first five years after registration of a trade mark which was later revoked for non-use. The CJEU had to clarify whether the (former) proprietor of a trade mark that had been revoked for non-use could claim that the trade mark's essential function had been affected, and seek compensation for alleged use by a third party of an identical or similar sign during the five-year period.

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Article 5(1)(b) Directive 2008/95/EC, replaced by Directive 2015/2436/EU (the Trade Mark Directives), confers the proprietor of a registered trade mark exclusive rights therein, including the right to prevent third parties from using in the course of trade identical or similar signs or for identical or similar goods or services, where this generates a likelihood of confusion on the part of the public. Article 10(1) Directive 2008/95/EC establishes a 'grace period' of five years from registration, for the proprietor to begin genuine use of their mark. Article 12 Directive 2008/95/EC establishes the grounds for revocation of a trade mark. In particular, a trade mark that has not been put to genuine use (in connection with the goods and services for which it was registered) during the 'grace' period, where no proper reasons for non-use exist, has to be revoked. Recital 6 of Directive 2008/95/EC underlines that Member States remain free to establish when revocation takes effect.

AR markets alcohol and spirits. He had filed an application for the registration of the trade mark 'SAINT GERMAIN' with the French Industrial Property Office. In 2012, after learning that Cooper International Spirits was distributing a liqueur manufactured by St Dalfour and Établissements Gabriel Boudier under the name 'St-Germain', AR brought an action for trade mark infringement against those companies before the regional court of Paris. In parallel, the regional court of Nanterre revoked the trade mark with effect from May 2011. That judgment was confirmed by the Court of Appeal of Versailles and became irrevocable. Before the regional court of Paris, AR therefore decided to maintain his claims only with regard to the period between June 2009 and May 2011. The regional court of Paris dismissed his claims, on the grounds of non-use of the trade mark since the filing. This judgment was upheld by the

Court of Appeal of Paris, inter alia, on the grounds of insufficient proof of use. AR appealed in cassation claiming that the Court of Appeal of Paris had not applied the French Intellectual Property Code correctly, in particular, the provisions on likelihood of confusion and the grace period. The Court of Cassation decided to refer to the CJEU for a preliminary ruling on the interpretation of Article 5(1)(b) and Articles 10 and 12 Directive 2008/95/EC. It asked whether those provisions should be interpreted as meaning that a proprietor who had never used his trade mark, and whose rights in it were revoked on expiry of the grace period, 'can obtain compensation for injury caused by infringement, […], caused by use by a third party, before the date on which the revocation took effect, of a sign similar to that trade mark to designate goods or services identical or similar […]'.

Throughout its reasoning, the CJEU mainly referred to its previous *Länsförsäkringar* judgment (21/12/2016, C-654/15, EU:C:2016:998). According to that case-law, Article 15(1) and Article 51(1)(a) Regulation 207/2009/EC (Community Trade Mark Regulation, CMTR), now Regulation 2017/1001/EU (European Union Trade Mark Regulation, EUTMR), confer on the proprietor of an EU trade mark a grace period to begin to make genuine use of it, during which he may rely on the exclusive rights, pursuant to Article 9(1) Regulation 207/2009/EC, 'without having to demonstrate such use'. In determining, under Article 9(1)(b), whether the goods or services of the alleged infringer are identical or similar to the goods or services covered by the EU trade mark, 'the extent of the exclusive rights […] should be assessed, during the five-year period […], by having regard to the goods and services as covered by the mark's registration, and not in relation to the use that the proprietor has been able to make of the mark during that period'. Following such indications, the CJEU underlined that the case-law regarding those provisions is entirely applicable by analogy to the respective provisions in the Directive (harmonising national laws).

The CJEU also added that, from the expiry of the grace period, the extent of those exclusive rights might be affected by the fact that the proprietor had not yet begun to make genuine use of his mark.

The Court also observed, similarly to the referring court, that the main proceedings differed from the case-law mentioned. Therefore, it deemed it necessary to examine whether, under the Directive, revocation of the rights 'may have an effect on whether it is possible for the proprietor to rely, after expiry of the grace period, on infringements of the exclusive rights conferred by that mark which occurred within that period'. It recalled that the Directive leaves Member States free to determine the date on which revocation takes effect (Recital 6 of Directive 2008/95/EC). They are also free to decide whether to provide that, in the event of a counterclaim for revocation, a 'trade mark may not be successfully invoked in infringement proceedings if it is established as a result of a plea' that it could be revoked pursuant to Article 12(1) Directive 2008/95/EC. As to the case at issue, French law provides that revocation for non-use takes effect on expiry of the grace period. Therefore, it was clear to the CJEU that French law maintains the possibility for the proprietor to rely, after the expiration of the grace period, on infringement that occurred within that period, 'even if the proprietor has had his or her rights in the mark revoked' subsequently.

As to the award of damages, the Court underlined that not using a trade mark 'does not, in itself, preclude compensation […]'. It also stressed that the infringing act remains 'an important factor to be taken into account in determining the existence and, as the case may be, the extent of the injury […] and, accordingly, the amount of damages […]'.

The Court concluded that the referred provisions, read in conjunction with Recital 6 of Directive 2008/95/EC, should be interpreted as leaving Member States the option to allow, under the referred conditions, 'to retain the right to claim compensation for the injury sustained as a result of the use by a third party, before the date on which the revocation took effect, of a similar sign in connection with identical or similar goods or services that is liable to be confused with his or her trade mark'.

The text of the judgment is available here.

Trade mark infringement – passing off

CH- Trade marks - Unfair competition (misleading) – Injunction

Handelsgericht des Kantons Zürich – Fédération Internationale de Football Association (FIFA) v Puma SE, Case HG220065-0 [6 April 2022)

This ruling marks the end of a judicial saga between the Federation Internationale de Football Association (FIFA) and Puma. FIFA, entrusted notably with organising the 2022 World Cup in Qatar, brought legal proceedings against the registration and use of the two trade marks 'PUMA WORLD CUP QATAR 2022' and 'PUMA WORLD CUP 2022'. In March 2022, the Swiss Supreme Court ruled that PUMA's trade marks were misleading. However, addressing Puma's counterclaim, it also ruled that FIFA's trade marks 'QATAR 2022' and 'WORLD CUP 2022' lacked inherent distinctiveness, and ordered the two trade marks to be removed from the register. Back at the commercial court to address the question of the injunction relief, the Court, considering that there was a risk of infringement from Puma, ordered Puma to stop using the trade marks for certain sports goods, clothing and accessories, based on unfair competition and misleading consumers.

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FIFA, the plaintiff, is an international governing body of association football, entrusted notably with organising the 2022 World Cup in Qatar. Puma, the defendant, is a German sportswear manufacturer. Puma registered two Swiss trade marks, namely 'PUMA WORLD CUP QATAR 2022' and 'PUMA WORLD CUP 2022'. FIFA filed an application for a declaration of invalidity and cancellation and opposed the use of these trade marks. As a counterclaim, Puma asked for a declaration of invalidity of two of FIFA's registered Swiss trade marks, 'QATAR 2022' and 'WORLD CUP 2022'.

The Zurich commercial court (Handelsgericht des Kantons Zürich) dismissed all the claims. Both parties appealed to the Bunsesgericht (Federal Supreme Court), which by decision of 6 March 2022 found that the marks registered by Puma were misleading. For the reasonably observant Swiss consumer, they conveyed the impression that Puma is the title sponsor of the 2022 World Cup in Qatar. The Court therefore partially upheld FIFA's claim and ordered the

two PUMA trade marks to be removed from the register. Ruling on the counterclaim from Puma, the Court ordered FIFA's two trade marks to be removed from the register because they are too descriptive of the World Cup event and therefore lack inherent distinctiveness. The Bundesgericht referred the case back to the Handelsgericht des Kantons Zürich to decide on the question on the injunctive relief.

Following the reasoning of the Supreme Court, the commercial court observed that the marks 'PUMA WORLD CUP QATAR 2022' and 'PUMA WORLD CUP 2022' were misleading, which according to Article 3(1)(b) of the Swiss Unfair Competition Act (UWG) can constitute an act of unfair competition. Regarding the injunction relief, it also referred to Article 9(1) (UWG) stipulating that anyone who, through an act of unfair competition, suffers or is likely to suffer prejudice to their clientele, their credit rating or their professional reputation may request the courts to prohibit a threatened or ongoing infringement. The Court noted that as organiser of the 2022 World Cup in Qatar, the FIFA's economic interests were undoubtedly affected by the defendant's trade marks. In addition, given that Puma had expressly stated before the Court that they intended to use their trade mark for their goods in relation to the 2022 World Cup, the prerequisite of a risk of infringement was also fulfilled. Thus, as there was no valid objection against the request for injunctive relief and all conditions were met, the Court prohibited Puma from using the trade marks for certain sports goods, clothing and accessories.

This case shows that even though FIFA failed to register the two trade marks 'QATAR 2022' and 'WORLD CUP 2022'; because of its role in organising the World Cup, it can still prevent third parties from using misleading signs conveying the impression that they are associated with this event.

The text of the judgment is available here.

Passing off – trade mark infringement – 'bait and switch' selling

UK High Court, Case [2020] EWHC 2564 (IPEC) Pliteq Inc & Pliteq (UK) Ltd v iKoustic Ltd & Ricky Lee Parsons (2 October 2020)

This case concerns trade mark infringement and passing off, whereby the claimants complained that the defendant's use of the claimant's trade mark amounted to 'bait and switch selling'.

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The claimant, Pliteq Inc, a manufacturer of acoustic damping and sound control products, sued iKoustic Ltd, their former UK distributor, for using Pliteq's marks to sell off Pliteq stock while, at the same time, selling their own range of competing products.

The companies' relationship began in 2012 but broke down in 2018, after which the defendant began to sell their alternative 'MuteMat' and 'MuteClip' products to their customers. The claimant complained that the defendant was using the claimant's GENIEMAT and GENIECLIP trade marks in various ways to sell their own alternative products, including in sponsored adverts on Google and on their website,

and that this amounted to trade mark infringement and passing off. While the claimant accepted that the defendant's customers were not confused about the origin of the defendant's goods, they argued that the defendant's use of the claimant's trade marks amounted to 'bait and switch' selling. This was defined in Och-Ziff Management Europe Ltd v Och Capital LLP as a situation where 'the defendant deliberately uses the claimant's trade mark as a bait to attract the consumer's attention, and then exploits the opportunity thus created to switch the consumer's purchasing intention to his own product or service'.

The Court rejected the claim for trade mark infringement, as the defendants could rely on the exhaustion defence set out in s. 12(1) of the Trade Marks Act 1994 and Article 15(1) EUTMR, as their use of Pliteq's trade marks was to simply advertise Pliteq's goods for sale. There was one exception. One page on the defendant's website represented that the claimant's product was out of stock and offered its own product as an alternative. This use of the claimant's trade mark was not in relation to the claimant's goods and was held to be an infringement, as it effectively advertised MuteClip products through the claimant's mark, therefore damaging the investment function of the GENIECLIP mark. Pliteq's claim for passing off was rejected as the Court did not identify any operative misrepresentation. The decision provides guidance on the circumstances in which distributors can carry on using a competitor's mark when marketing competing products and illustrates the court's reluctance to intervene in fair competition practices.

The text judgment is available here.

Passing off – trade mark and design infringement – evidence

UK High Court, Case [2020] EWHC 2094 (Pat) Bayerische Motoren Werke AG v Premier Alloy Wheels (UK) Ltd & Ors [30 July 2020]

This case provides helpful guidance in the area of joint liability in IP infringement, and highlights the need for claimants to fully justify the request for additional injunctive relief.

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This is an action by BMW for trade mark and Registered Community Design (RCD) infringement, passing off and, in the case of one of the defendants, Mr Devon Thomson (director and sole shareholder of Premier Alloy Wheels), breach of contract. The Court also had to decide whether two relatives of Thompson, Mr Jerome and Mr David Layzell, were jointly liable for any such infringing activities.

In 2012, BMW first complained about the activities of DGT, the main trading company of Premier Alloy Wheels, to Mr Thomson. Instead of initiating legal proceedings, Mr Thomson and DGT signed contractual undertakings, agreeing not to infringe a range of BMW's IP rights. In June 2018, the Court granted an interim injunction and search order, allowing BMW to uncover evidence of a 'badging station' and over 1 600 infringing wheel centre caps and other badges in DGT's warehouse.

In July 2020, the High Court of England and Wales heard BMW's case against DGT and Premier Alloy Wheels for trade mark infringement, RCD infringement and passing off. The Court found in BMW's favour in its trade mark infringement, passing off, and breach of contract claims. It also found in its favour in respect of its RCD claims, dismissing an invalidity counterclaim that had been brought by the

defendants and finding infringement of six of BMW's RCDs. The Court held that the alloy wheels of the defendant were similar to those of BMW, particularly the 'shape of the spokes, the shape of the central structure'. It was therefore held that DGT's alloy wheels did not create a different overall impression and that they infringed BMW's rights.

The Court then moved on to the matter of liability, holding Mr Jerome and Mr David Layzell to be jointly liable with DGT because of the extent of their involvement in the business. Both defendants had performed office tasks necessary for the infringing activities to take place and must have been aware of the infringing activities.

Finally, the Court denied BMW any further injunctive relief beyond the six infringed RCDs. BMW had argued that injunctive relief should be granted in respect of a further four designs, given their popularity, the extent of the defendants' offering, and therefore the likelihood that wheels made to these designs were displayed or sold by the defendants. However, the Court disagreed, pointing out that, if these designs were so popular, it would have expected BMW to have found actual evidence of infringement.

The text of the judgment is available here.

Enforcement - Intermediaries and Injunctions

Intermediaries (online marketplace operators) – trade mark infringement – injunction – sign used in the course of trade

Case C-567/18 Coty Germany GmbH v Amazon Services Europe Sàrl and others, EU:C:2020:267 [2 April 2020]

This preliminary ruling concerns the question as to whether an e-commerce platform operating a marketplace can be deemed liable for storing goods infringing an EU trade mark, when these goods are offered or put on the market by third-party sellers.

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Article 9(2)(b) Regulation 2009/207/EC (Community Trade Mark Regulation, CTMR), now Article 9(3)(b) Regulation 2017/1001/EU (European Trade Mark Regulation, EUTMR), establishes a prohibition of 'offering the goods, putting them on the market or stocking them for those purposes under that sign, or offering or supplying services' under the sign. Article 14 Directive 2000/31/EC, (the e-Commerce Directive) states, inter alia, that a hosting provider should not be liable for information stored if it does not have actual knowledge of illegal information, or if, 'upon obtaining such knowledge, [it] acts expeditiously to remove or to disable access to the information'. Article 11 Directive 2004/48/EC (the Enforcement Directive) requires Member States to ensure that the 'judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement'.

Coty Germany, a distributor of perfumes, holds a licence for the registered EU trade mark 'DAVIDOFF'. Amazon Services Europe enables third-party sellers to place offers for sale on the 'Amazon-Marketplace'. Those sellers may also benefit from the 'Fulfilment by Amazon' scheme, which allows

them to have their goods stored by Amazon group companies, including Amazon FC Graben, operating a warehouse. Following a test purchase that revealed the infringement of rights in the DAVIDOFF trade mark, Coty Germany requested Amazon Services Europe to return all the infringing products stocked on behalf of the seller. After being informed by another company of the Amazon group that part of the products returned had originated from another seller's stock, the rights holder requested Amazon Services Europe to provide the name and address of that other seller. Upon refusal, Coty Germany brought an action before the regional court, asking that Amazon Services Europe and Amazon FC Graben be ordered to desist from stocking or dispatching the contested perfumes in Germany. The regional court dismissed the action. The rights holder's appeal was also dismissed on the grounds that Amazon Services Europe neither stocked nor dispatched the contested perfumes, and that Amazon FC Graben had been acting on the seller's behalf. The rights holder brought an appeal on a point of law before the Federal Court of Justice. The Federal Court referred to the CJEU for a preliminary ruling, emphasising that the success of the appeal against Amazon FC Graben depended on the interpretation of Article 9(2)(b) CMTR and Article 9(3)(b) EUTMR. It asked the CJEU to clarify whether those provisions applied to someone 'who, on behalf of a third party, stores goods which infringe trade mark rights, without having knowledge of that infringement, stocks those goods in order to offer them or put them on the market for the purposes of those provisions, even if it is only the third party who intends to offer those goods or put them on the market'.

The CJEU first highlighted that the respondents in the main proceedings 'merely stored the goods […] without themselves offering them for sale or putting them on the market', and that they did not 'intend to offer [them] for sale or put them on the market'. It then discussed whether the act of storing could fall within the definition of 'using' an EU trade mark without consent and, in particular, under the act of 'stocking'. The CJEU reminded the Federal Court that the expression 'using' requires an active behaviour and 'direct or indirect control of the act constituting the use'. According to previous CJEU case-law, 'only a third party who has direct or indirect control of the act constituting the use is effectively able to stop that use and therefore comply with that prohibition' (see 03/03/2016, C-179/15, Daimler, EU:C:2016:134). With specific regard to e-commerce platforms, the CJEU had previously held that 'the use of signs identical with or similar to trade marks in offers for sale displayed in an online marketplace is made by the sellers […] and not by that operator itself' (see 12/07/2011, C-324/09, L'Oréal, EU:C:2011:474). Furthermore, the Court emphasised that a warehouse-keeper who provides a storage service in relation to goods bearing another person's trade mark should not necessarily be regarded as 'using' that mark in accordance with the provisions at issue (see 16/07/2015, C-379/14, TOP Logistics and Others, EU:C:2015:497) and that the fact of creating technical conditions for the use of a sign and being paid for it does not correspond to 'using' the sign (see 23/03/2010, C-236/08 to C-238/08, Google France and Google, EU:C:2010:159). In addition to the requirements of offering, putting on the market or stocking goods or supplying services under the sign concerned, the CJEU deemed it also necessary for the storage provider 'to pursue the aim referred to by those provisions'. According to the referring court, those providers had not 'themselves' offered such goods for sale or put them on the market, but it was the third-party seller alone who had intended to do so. Therefore, the respondents in the main proceedings had not 'themselves' used the trade mark 'in their own commercial communication'.

Finally, the CJEU clarified that it was not necessary to examine questions submitted 'other than those that were the subject of the national court's order for reference'. It deemed it not necessary to ascertain

the role of Amazon companies in enabling another operator to make use of the trade mark, and if such conduct would fall within the scope of Article 14 of the e-Commerce Directive or of Article 11 of the Enforcement Directive, as the referring court had not raised this point.

The CJEU concluded that the storing of infringing goods on behalf of a third party by a subject unaware of the infringement does not infringe trade mark rights. Indeed, the act of 'storing' must not be regarded as an act of 'stocking' in order to offer them or put them on the market for the purposes of Article 9, if that subject 'does not itself pursue those aims'.

The text of the judgment is available here.

Liability of intermediaries – IP address providers

Case C-521/17 *Coöperatieve Vereniging SNB-REACT U.A.* v *Deepak Mehta*, EU:C:2018:639, [7 August 2018]

This preliminary ruling clarifies two questions: whether a body for the collective representation of trade mark owners has the legal standing to bring infringement proceedings in its own name (see Article 4(c) of the Enforcement Directive, D 2004/48/EC); and whether the provider of an IP address rental and registration service allowing domain names to be used anonymously is exempted from liability for trade mark infringement by its customers (see Articles 12 to 14 of the e-Commerce Directive, D 2000/31/EC).

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The defendant in the national proceedings, an Estonian resident, owned a large number of IP addresses which he rented to third parties. A Dutch body for the collective representation of trade mark holders' interests claimed that the defendant infringed its members' rights since, via those IP addresses, trade marks were unlawfully used in the domain names of websites through which infringing goods were sold.

According to the CJEU, a body collectively representing trade mark owners must be recognised as a person entitled to apply, in its own name, for remedies when it defends the IP rights of its members, provided the following conditions are fulfilled: national law regards that body as having a direct interest in the defence of such rights; and national law allows the body to bring legal proceedings to that end.

The liability exemptions of the e-Commerce Directive may apply to a provider of an IP address rental and registration service which allows its customers the anonymous use of internet domain names. For the exemptions to apply, the service must meet all the corresponding conditions, and its activity must be of a merely technical, automatic and passive nature. This implies that the service provider has no knowledge of and no control over the information transmitted or cached by its customers, and does not play an active role in allowing those customers to optimise their online sales activity.

The text of the decision is available on the Curia-website.

NL – Liability of intermediaries (online platform) – injunctions

Court of The Hague, ANTI-COUNTERFEIT FOUNDATION REACT v SHLC TECHNOLOGY CO., LIMITED and ZC (FR) LIMITED [17 January 2024]

This case concerns the **indirect liability** of online marketplace operators for trade mark infringements carried out by third-party vendors. The operator (defendant) was found liable for **failing** to adopt **effective take-down measures**, despite the claimant's notification. The Court of The Hague granted the injunctions requested but gave the defendants a **margin of flexibility** in determining which **concrete measures** to implement to prevent further unlawful conduct. The Court thus ensured that the measures taken were **proportionate** and **reasonably enforceable**.

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The dispute involves the anti-counterfeiting non-profit organisation REACT (the 'claimant'), representing rights holders, and SHLC and ZC, operators of the online marketplace VOVA (the 'defendants').
REACT brought legal action before the Court of The Hague against SHLC and ZC for **failing to remove** the offers for the products infringing the claimant's trade marks from their platform. This latter also argued that the defendants' online marketplace failed to implement systems or measures to prevent the infringement of trade marks and to provide information on the infringers.

The Court of The Hague ruled in favour of the claimant, granting an injunction for the following reasons.

- The defendants acted unlawfully by refusing to comply with the claimant's request to provide identifying and sales data.
- The defendants **failed to act promptly** after trade mark infringements were reported by third parties on the VOVA platform. They should have issued effective takedown measures. The inaction facilitated the continued infringement of trade marks on the online marketplace.

The content of the injunction was determined based on the following principles.

- According to established CJEU case-law, the measures to be imposed on an intermediary must not only be effective and dissuasive, but also fair and proportionate. They should not result in a general obligation to monitor or create barriers to legitimate trade. It is therefore up to national courts to strike a fair balance between the various rights and interests of the parties.
- Due to the lack of information, the court was unable to assess to what extent the requested measures were reasonably enforceable in practice and proportionate. Therefore, the court granted the injunctions in a slightly modified form, allowing the defendants to determine which concrete measures to implement to prevent further unlawful conduct (i.e. facilitating trade mark infringement via the VOVA platform).

The text of the judgment is available in Dutch and in English.

Intermediaries and injunctions

District Court of the Hague, Audi aktiengesellschaft – Volkswagen aktiengesellschaft v Fruugo.com limited [30 August 2023]

This case regards the **liability of online marketplaces** for **trade mark infringements** by third-party vendors through its services. The District Court of the Hague examines whether the intermediary service

is **directly liable** for unlawfully **using** the trade marks within the meaning of Article 9(2) EUTMR, or **indirectly liable** for facilitating the infringements committed by its users. This decision follows the judgment of the CJEU in the 'Louboutin case' (22/12/2022, C-148/21 and C-184/21, Louboutin v Amazon', EU:C:2022:1016), that allowed for online marketplaces' possible liability for trade mark infringements by its users when the platform uses a hybrid model, acting not only as an **intermediary** but also as a **retailer**.

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The case arose from a dispute between **Audi** and **Volkswagen** (the claimants) on the one hand and the online marketplace **Fruugo** (the defendant) on the other. The claimants brought a legal action before the **District Court of the Hague**, claiming that third-party retailers were selling products infringing their trade marks on the defendant's marketplace. According to the claims, Fruugo was therefore liable for offering assistance to retailers and advertising their offers on external websites (such as Google and Marktplaats).

The Court ruled out the defendant's liability, based on the following arguments.

- According to the CJEU in the 'Coty v Amazon' case (2/4/2020, C-567/18, Coty v Amazon, EU:C:2020:267), the concept of **use of a trade mark** within the meaning of Article 9(2) EUTMR requires an **active role,** implying a **direct** or **indirect control** over the use of the sign.
- Fruugo **did not use the trade marks** within the meaning of Article 9(2) EUTMR, as they had no hand in the wording of the offers. These offers were uploaded on the marketplace in a **uniform format** by way of an **automated process**.
- The defendant had **no influence** on the design of the **advertisements** (wording and pictures) or on the modalities and timing of its display. The ads were generated, upon users' request, by an external provider (Google Merchant Center) through an automated process.
- The CJEU jurisprudence on the 'Louboutin v Amazon' case was not applicable, as Fruugo, unlike Amazon, did not use the infringed signs in its **own commercial communication**. In other words, it did not place its **own offers** on the marketplace alongside third parties' offers, in such a way that it would confuse the well-informed and reasonably observant user as to the commercial origin of the products.
- According to the 'Louboutin v Amazon' rationale, the **users' perception,** when qualifying use of a trade mark, **is relevant only** in the specific **hybrid context** where the operator of the marketplace is also acting as a retailer.

Furthermore, there was **no ground for indirect liability** and the **exemption from liability** set forth by Article 14(1) of Directive 2000/31/EC ('E-commerce Directive') was deemed **applicable** for the following reasons.

- The defendant was a **neutral intermediary**, **without an active role** in controlling the content of the offers.
- An **effective notice-and-takedown procedure** was in place.

- The defendant was **unaware** of the infringing conducts and, following the claimants' notice, **acted expeditiously** to remove the illicit content.

The text of the judgement is available here

Reputation – Scope of protection – Injunctions

Hanseatisches Oberlandesgericht Hamburg, HUGO BOSS Trade Mark Management GmbH & Co. KG [22 February 2023]

This decision concerns the possibility of granting EU-wide injunctions to protect a trade mark with a reputation when the infringement occurred in only a part of the EU. The German court found that an injunction based on an EU trade mark with a reputation may only be granted for the entire EU or not at all.

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Hugo Boss, the luxury fashion house (the claimant), owns the EU trade mark 'BOSS' for clothing in Class 25. The defendant, a discount clothing store, offered clothing items containing the phrases 'THE REAL BOSS' and 'I AM THE BOSS'. Hugo Boss sought injunctive relief claiming infringement under Article 9(2)(c) of the EU Trade Mark Regulation (EUTMR). The Hamburg District Court at first instance granted an EU-wide preliminary injunction, finding that the use of the word 'BOSS' on the defendant's products intended to focus the consumers' attention on that word, harming the earlier trade mark's advertising and communication functions.

The decision was subsequently appealed to the Higher Regional Court of Hamburg (Higher Court).

In dismissing the appeal, the Court accepted the claimant's argument that Hugo Boss enjoyed a reputation in Germany, and this was considered to constitute a **reputation for a substantial part of the EU** as per the terms of Article 9(2)(c) EUTMR. It further found that the signs were sufficiently similar for consumers to establish a link between the two, with the Court accepting that the appellant's use took unfair advantage of Hugo Boss' reputation in the sale of its products. Having found liability in this case, the Court **confirmed** the granting of an **EU-wide preliminary injunction** on the basis of Article 126(1) EUTMR. Although this was disputed by the appellants, the Court concluded that an injunction based on an EU trade mark with a reputation **may only be granted for the entire EU or not at all**. According to the CJEU in the 'combit Software' judgment, an injunction (on the basis of a likelihood of confusion) must be granted for the entire EU, unless the defendant can establish that there is no likelihood of confusion in a part of the EU.

This decision raises interesting questions as regards the geographical scope of an injunction, specifically whether an injunction for an EU trade mark with a reputation must always be granted for the entire EU.

The text of the decision is available here.

Counterfeiting, injunctions (order to de-reference), consumer protection law

French Constitutional Council, Decision No 2022-1016 QPC, Société ContextLogic (WISH) Inc and Google v DGCCRF [21 October 2022]

The French Constitutional Council ruled that the legal basis (Article L. 521-3-1 of the French Consumer Code) on which the DGCCRF[3] relied to order the de-referencing of the WISH website and application, complied with the French Constitution. This decision was issued in response to a priority question of constitutionality raised by WISH and Google.

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Under French Law No 2020-1508 of 3 December 2020 ('DADUE'), the DGCCRF received the legal power to stop certain fraudulent commercial practices committed from an online platform. These measures include, in certain cases, issuing injunctions ordering the de-referencing or restriction of access to a website or mobile application serving illegal content, or the blocking of a domain name (Article L. 521-3-1 of the Consumer Code).

WISH, a giant in the e-commerce industry with an average of 1.7 million products sold per day worldwide and 90 million active monthly users, came under investigation by the French government. The investigation found numerous counterfeit and fraudulent products on the platform, including defective electronics, pet toys that presented a choking hazard, and jewellery containing harmful chemicals such as lead and cadmium. Furthermore, the investigation revealed that 95 % of the toys and electronics purchased did not meet European Union consumer and product safety requirements, while 90 % of electronic devices and 62 % of jewellery were considered dangerous in some way[4]. Therefore, the DGCCRF ordered WISH to comply with its legal obligations within a 2-month period from mid-July 2021. However, as the platform did not follow this injunction, a de-referencing order was issued on 23 November 2021. As a result, the site and app were removed from major search engines and app stores until compliance was achieved. This decision was said to be the first of its kind in Europe[5].

ContextLogic Inc., the US company operating the WISH platform, contested the order. It first filed a precautionary action before the Administrative Court of Paris, but its claim was dismissed[6]. In May 2022, ContextLogic appealed the decision before the Council of State and raised a priority question of constitutionality regarding the DGCCRF's power to order the de-referencing of an online marketplace, in view of the principles of freedom of expression and freedom of enterprise. Google then intervened in the procedure. ContextLogic specifically questioned the public authority's power to order the removal

[3] The DGCCRF, or Directorate General for Competition, Consumer Affairs and Fraud Control, is a French regulatory body responsible for protecting consumers and ensuring fair competition in the marketplace.

[4] https://www.economie.gouv.fr/protection-consommateurs-sanction-place-marche-ligne-wish.

[5] 'C'est une sanction unique en Europe, rendue possible grâce aux nouveaux pouvoirs de protection des consommateurs en ligne prévus par le droit européen et transposés en France dans le code de la consommation' [available at: https://www.economie.gouv.fr/protection-consommateurs-sanction-place-marche-ligne-wish].

[6] TA Paris ord., 17 December 2021, No 2125366/2.

of a website without judicial authorisation and without limiting the decision to illicit content or to a specified period. They claimed, in essence, that this violated freedom of expression, freedom of communication and freedom of enterprise, as well as the right to an effective judicial protection, the right to defence, the principle of legal certainty, and the right to good administration.

The Constitutional Council held that the legal basis on which the DGCCRF relied to issue the de-referencing injunctions complied with the French Constitution. The Council observed that the contested measures limited the freedom of expression and communication. However, in assessing whether this interference was necessary, appropriate, and proportionate to the objective pursued, it ruled that:

- the measures were justified insofar as they ensured consumer protection and fair online commercial transactions;
- they applied only to commercial websites, the content of which was manifestly illegal, and only where the infringer could not be identified or had not complied with a prior order issued after an adversarial procedure;
- the de-referencing injunction took effect only after 48 hours following its notification, which allowed the platforms concerned to challenge the decision before a judicial authority (via interim measures);
- the measures therefore allowed, under a judicial proportionality check, the de-referencing of all or part of the online service.

In the same vein, the Constitutional Council found that the limitation on the freedom of enterprise was justified by the general interest and was proportionate to the objectives pursued.

This decision confirms the validity of the powers conferred by law on the DGCCRF to combat illicit commercial practices on the internet more effectively, even when their authors operate from abroad. A year and a half after the French Government ordered the removal of the WISH website and app from search engines results and app stores, the platform was announced to be available again in France, upon the government's request, on 13 March 2023 [7].

The text of the decision (in English, French, German and Spanish) is available here.

Liability of intermediaries – Online platform

High Court of England and Wales — Montres Breguet S.A. and others v Samsung Electronics Co. Ltd. and Samsung Electronics (UK) Limited – [2022] EWHC 1127 (Ch) [20 May 2022]

The High Court of justice found that Samsung was primarily liable under Article 9 EUTMR for making infringing **watch face apps** available on Samsung's app store (SGA store). The Court relied on previous CJEU case-law and justified this conclusion through Samsung's active role and its control of the act that constituted the use of the Swatch's trade marks. The Court particularly considered Samsung's

[7] https://www.24matins.fr/dereference-par-les-autorites-en-2021-le-site-de-vente-en-ligne-wish-est-de-retour-1354706.

involvement in the production of apps and making them available in its store. It also found that Samsung could not rely on liability exemptions under Article 14 of Directive 2000/31/EC.

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Swatch, a group of Swiss and German watchmakers, brought an action against Samsung in the High Court of England and Wales. In its claim, Swatch alleged that 30 apps made available on the SGA store infringed 23 of its trade marks, and that Samsung itself was involved in and therefore primarily responsible for making these infringing apps available to the public.

Samsung admitted that these apps had been downloaded from the SGA store 160 000 times. Swatch claimed that Samsung was 'using' its trade marks within the meaning of Article 9 EUTMR. Samsung rejected this allegation of 'use', contending that it was simply a passive vehicle for developers to provide their apps. Samsung also invoked Article 14 ('hosting') of the e-Commerce Directive, which exempts online intermediaries from liability where the service provided amounts to storage of information.

Samsung's 'use' of the Swatch trade marks under the EUTMR.

In Google France and L'Oreal v eBay, the CJEU limited the concept of 'use' of a trade mark to circumstances in which a legal person itself uses a sign as part of its own commercial communications. In Coty Germany v Amazon Services Europe, for a finding of use, the CJEU required active behaviour and direct or indirect control of the act constituting the use. In this case, the Court found that both requirements were fulfilled. In reaching this conclusion, the Court considered several aspects of Samsung's involvement in the production and making available of the apps, including the following.

- Samsung provided tools to assist with app creation.
- Samsung hosted developer conferences to inspire and showcase apps created using Samsung services.
- Samsung entered licencing agreements with developers before they used Samsung services or uploaded apps to its store.
- The apps were developed specifically to decorate Samsung smartwatches.
- Customers would likely perceive the apps as having been validated or contributed to by Samsung, which they would not do with apps clearly provided by a third party (e.g. Uber).

Exemption from liability under the e-Commerce Directive.

The Court also rejected Samsung's Article 14 defence. The Court found that Samsung's content review of the apps, as well as its promotion and facilitation of them, precluded it from this exemption. The Court found that the content review would have given Samsung actual knowledge of the app names and appearances, which should have been sufficient to make Samsung aware of the infringement. This meant that Samsung's involvement was active and not simply limited to acts of a 'mere technical, automatic and passive nature', the level needed for the Article 14 liability exemption to apply according to CJEU case-law.

This UK decision is likely to bring about a higher burden on online intermediaries to moderate apps that are made available on their service.

The decision is available here.

Trade mark infringement (trade mark reproduced in links and video games) – Liability of intermediaries (file hosting platforms) – Permanent injunction – Damages and compensation

Judicial Court of Paris – *Nintendo v. DSTORAGE SAS ('1fichier')* [25 May 2021]

By decision of 25 May 2021, the judicial court of Paris found DSTORAGE SAS, operator of the French file-hosting platform '1fichier', liable in its capacity of hosting provider (Article 14 of the E-Commerce Directive (Directive 2000/31)) after the platform failed to remove trade mark infringing copies of Nintendo games from its servers following takedown demands. This decision highlights that file hosting platforms such as 1fichier cannot insist anymore that a court order is required before content can be removed. DSTORAGE was also ordered to remove and block access to the infringing content and to pay a total of EUR 935 500 in damages to Nintendo.

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Nintendo, filed a lawsuit in France against DSTORAGE SAS, operating company of 1fichier. The defendant offers an online data storage service through the website https://l fichier.com. The plaintiff identified illicit copies of their video games hosted on the defendant's servers and notified them of the existence of hyperlinks reproducing its trade marks and allowing the unauthorised downloading of games such as 'Pokémon Sun', 'Pokémon Moon', 'The legend of Zelda', 'Super Mario', etc. Given that the defendant did not remove the notified content, the plaintiff asked the Court to hold the defendant liable in its capacity of hosting provider (Article 14 E-Commerce Directive) of trade mark and copyright infringing content (video games). The aim was to compel 1fichier to remove or block access to this infringing content (a permanent injunction) while obtaining damages. The defendant argued that according to the French implementation of Article 14 of the Ecommerce Directive (Article 6-1-5 of LCEN), a notification for content infringing IPRs cannot be considered 'manifestly illicit' and can therefore not force a hosting provider to remove them. It also argued that the notification was not complete nor conformed to French law, and that the plaintiff should have followed their own notification scheme and should have first brought a lawsuit to assess the IPRs infringement at stake.

The Judicial Court of Paris ruled that the plaintiff' notifications made by registered mail were well substantiated, at least for the trade mark infringements. For copyright, the Court held that ownership was not satisfactorily proved. The Court further ruled that DSTORAGE SAS could be held liable under Article 6-1-2 LCEN for committing a fault consisting in not promptly removing illegal copies of Nintendo games hosted on its platform, that it knew to be manifestly illegal, after receiving a notification reporting that content. It held that the knowledge of manifest illegality is presumed once a notification complying with FR legal requirements is made, and that such a notification (with regard to compulsory mentions – description of the infringing content and legal ground) cannot be interpreted as requiring a prior court decision.

The Court ordered DSTORAGE to remove or block access to the infringing content within 48 hours with a penalty fine of EUR 1000 per day and to pay EUR 935 500 in damages, i.e. EUR 885 000 in

compensation for its commercial damage and EUR 50 000 for trade mark infringement. The Court also ordered the publication of an extract of the ruling for 60 days.

The text of the judgment is available here (in French).

Blocking injunction – liability of intermediaries (online platform) – civil sanctions

Tribunale di Milano – Sezione XIX Civile, Procedimento NRG 10182/2020, Case *(Redacted) v Amazon Europe Core SARL, Amazon EU SARL, Amazon Services Europe SARL* [19 October 2020]

On 19 October 2020, the Court of Milan (Tribunale di Milano) issued a blocking injunction against Amazon, obliging its Italian platform to block access to any marketing, shipping and promotion activity related to several luxury goods distributed under selective distribution agreements. The Court also qualified the famous e-commerce marketplace as an 'active hosting provider' and held that its conduct was not eligible for the liability exemption provided for by Article 16 of D.Lgs. 70/2003 implementing Article 14 of the e-Commerce Directive.

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A famous brand of perfumes, whose products were subject to selective distribution agreements, filed an urgent interim measure (*ante causam* measure) in a proceeding against Amazon Europe Core SARL, Amazon EU SARL, Amazon Services Europe SARL ('Amazon') – companies that were the owner, manager and operator respectively of the website www.amazon.it – for the undue promotion and offer for sale of perfumes bearing the plaintiff's trade marks. The plaintiff alleged that Amazon, not part of the trade mark owner's selective distribution network, would not guarantee the requirements for the protection of the prestige of its luxury goods, and would damage the brand reputation. Amazon, regarding the *fumus boni iuris,* objected on all points. They alleged that the marketplace only offered a hosting service, that it conveyed the prestige of the mentioned products offered for sale through its customer service, and denied any damage to the plaintiff's brands' image. They then contested the luxury status of the goods (perfumes) and the related selective distribution system's effectiveness. Furthermore, they denied the *periculum in mora* since the disputed conduct had continued for over five years.

The Court, pursuant to Article 131 of the Italian Code of Industrial Property implementing Directive 2004/48/EC (the Enforcement Directive) and Article 669*bis* et seq. of the Italian Code of Civil Procedure concerning proceedings for interim relief measures, decided in favour of the plaintiff and issued the injunction against Amazon. Moreover, the Court, pursuant to Regulation EU 330/2010 and quoting CJEU case C-230/16 (06/12/2017, C-230/16, Coty Germany GmbH v Parfümerie Akzente GmbH, EU:C:2017:941), explained that selective distribution applies to specific categories of goods (e.g. luxury goods, such as in this case), and also defined all the criteria required to declare a specific product 'luxury good'. Furthermore, with regard to Amazon's liability, the Court excluded the liability exemption in Article 14 of the e-Commerce Directive, stating Amazon's active role for the following reasons: (i) Amazon occasionally sells and ships the goods without the support of other intermediaries; (ii) Amazon, as an information society service, is aware of all the data of the third sellers on the marketplace; (iii) Amazon manages directly the stocking and shipment of the goods and also place the 'Amazon Prime'

mark on the shipped goods; (iv) Amazon provides the only service in which clients can deal with the seller; (v) Amazon promotes the products on third parties' websites; (vi) Amazon allows clients to infer the existence of a link between Amazon and the companies producing the goods sold on the platform. Finally, the Court ordered Amazon to pay to the plaintiff a penalty of EUR 1 000.00 for each day of delay in complying with the injunction (after the thirtieth day from the communication of the order) and to pay half of the total litigation costs and EUR 7 000.00 (plus tax and other charges) as legal fees to the plaintiff.

The text of the judgement (in Italian) is available here.

Liability of intermediaries (online platform)

Tribunal de Grande Instance de Paris (Paris Tribunal), Third Chamber [28 June 2019]

This decision concerns intermediary service providers' liability for trademark infringement. More specifically, the Paris Tribunal analyses the circumstances under which platforms can be considered 'hosts' that benefit from the limited liability regime. According to Article 6.2 LCEN (Loi n° 2004-575 du 21 juin 2004 pour la confiance dans l'économie numérique), intermediaries which do not have knowledge of the unlawful character of the activities or information they host or, once they became aware of it, acted promptly to remove or block access to that content can benefit from this exemption.

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The claimant, owner of the French and EU trademark 'Eastpack' for backpacks, initiated infringement proceedings against the online platform Cdiscount. It claimed that the platform operators were actively involved in the commercialisation of allegedly counterfeiting products offered by third-party sellers, and that the platform was therefore not a 'hosting provider'. The platform operators would provide the possibility to use *adwords* on its search engine, make a personal space available for sellers to advertise their own goods, select certain sellers as *'professional seller selected by Cdiscount*', suggest alternative products to users, make available a grading system of sellers, and receive a commission for each sale. It would also not have blocked access to the litigious links promptly. The defendant claims that these services are solely technical, automatic and neutral and do not deal with the content which is only managed by the sellers.

The Tribunal found that Cdiscount was not active in the content published on its marketplace. The role of Cdiscount as a hosting platform and not as an editor is underlined in the 'general conditions' available on the platform. In practice, Cdiscount does not intervene in the sale between buyers and sellers. For instance, the endorsement of *'professional seller selected by Cdiscount'* exclusively concerns sellers who approved the general conditions, and not the products they sell. The other management and advertisement tools offered by the website are automatic tools independent of the content. Therefore, they do not make Cdiscount aware of the unlawful character of the products sold or make it a content editor. Instead, these tools are considered to be technical operations which are essential to the functioning of a hosting platform. They facilitate the organisation of the service provided as well as users' access.

For that reason, and as the hosting platform had promptly removed the unlawful content following letters of formal notice, the Tribunal held that Cdiscount benefits from the limited liability regime of Article 6.2 LCEN.

The text of the decision can be found Legalis.net.

Liability of intermediaries – social media – online advertisement

Rechtbank Amsterdam (Amsterdam District Court), case No C-13-656859, NL:RBAMS:2018:9362 [21 December 2018]

This decision concerns the circumstances under which a social media platform can be liable for third party online advertisements for infringing goods.

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PVH Europe is a large clothing company and operates various brands, including Tommy Hilfiger. Facebook is an internet platform where advertisers can, inter alia, place advertisements in exchange for payment. Facebook reviews the advertisements in compliance with their advertising policy before they are placed. This policy also states that advertisements must not include content that infringes the rights of third parties.

During the proceedings, PVH produced images of a number of advertisements for clothing which were not issued by the rights holder and which referred to the websites where the items could be purchased. The advertisements appeared routinely, but PVH had been provided with 'identifiers' (Ad Account ID, Page ID and UID of Admin) and infringing advertisements had always been removed. In a letter from August 2018, PVH requested that Facebook provide them with the advertiser's details (including names, addresses and payment details) but Facebook did not comply with this order.

PVH applied to the courts to grant a blocking injunction to prevent future trade mark infringement and, inter alia, to deny access to the advertisers in future and to terminate their agreements with the advertisers. PVH claimed that Facebook had not been sufficiently effective as the contested advertisements always resurfaced.

The Court found that Facebook cannot rely on the 'exemption provision' of Article 14(1) of the E-Commerce Directive (D 31/2000/EC). By reviewing the advertisements, Facebook is partly determining their content and is thereby playing an active role. Therefore, they were ordered to cease and desist specific advertisements that, inter alia, use the words Tommy Hilfiger, as well as to terminate the agreements with the advertisements' providers and to deny these advertisers access to the platform in the future.

Regarding the provision of names and addresses, the Court held that in light of Article 6(1) of the General Data Protection Regulation (R 2016/679/EU) the details of purchasers may be granted. Facebook has to pay a fine of EUR 10 000 for every day it fails to comply with the order and must pay the costs of the proceedings.

The text of the decision (in Dutch) is available at uitspraken.rechtspraak.nl

Blocking injunction – liability of intermediaries – internet service providers

United Kingdom Supreme Court, Cartier International AG and others (Respondents) v British Telecommunications Plc and another (Appellants), UK UKSC 28, (13 June 2018)

This case departs from UK case-law regarding compliance costs for injunctions against internet service providers (ISP). The costs relate to the initial implementation of the order, updating costs, and potential costs and liabilities (i.e. consequences of over-blocking or malicious attacks). The dispute is also the first time a website-blocking injunction has been granted to protect a trade mark, despite lacking the legislative equivalent of s97A of the *Copyright, Designs and Patents Act 1988*.

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Previously, *Twentieth Century Fox Film Corp v British Telecommunications plc (No 2)* was authority that ISP should bear the costs of implementing injunctions. That decision, inter alia, referred to the Information Society and Enforcement Directives (D 2001/29/EC, D 2004/48/EC), and to an implicit obligation of the Member States to make website-blocking injunctions available.

Cartier likens website-blocking injunctions to so-called *Norwich Pharmacal* orders, that is, equitable remedies for the disclosure of documents or information. As these orders require the applicant to indemnify the costs of the respondent if they suffer a loss as result of compliance, there is legal scope in equity for the ISP to also be indemnified. Further, *Cartier* states that none of the EU Directives specifically cover compliance costs between rights holders and ISP, resulting in it becoming a matter of national law.

The text of the decision can be found on the website of the UK Supreme Court.

Enforcement – Damage and compensation

Trade mark Infringement – Licence agreement – Damage and compensation (Licence Analogy)

Bundesgerichtshof – Case I ZR 201/20 – Öko-Test III [16 December 2021]

The Bundesgerichtshof (Federal Court of Justice), following up on the judgment issued by the Court of Justice of the European Union (CJEU) in case 11/04/2019, C-690/17, ÖKO-TEST, EU:C:2019:317, held that the proprietor of an individual trade mark could not calculate its damages for infringement by licence analogy if this proprietor had granted free licences to the manufacturer (defendant). However, for the German judge, damages could be calculated according to the infringer's gain resulting from the infringement.

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ÖKO-Test Verlag (the plaintiff) is an undertaking that evaluates products through performance and compliance tests and then informs the public of the results of those evaluations. It is the owner of the

figurative German trade mark and EUTM 'ÖKO-TEST' which represents a label intended to present the results of tests to which products have been subjected ('the quality label'). In some circumstances, ÖKO-Test Verlag invites the manufacturer of a tested product to conclude a licensing agreement with it. Under the terms of such an agreement, the manufacturer is authorised to affix the quality label with the result to its products. In 2005, a product of a toothpaste manufacturer (the defendant) was evaluated by the plaintiff, and the defendant concluded a licensing agreement with the plaintiff in the same year, enabling them to affix the quality label to the product. In 2007, the plaintiff redesigned the trade mark and published a new test for toothpastes based on new parameters, that led to different results. And although the defendant's toothpaste was not included in this second test the plaintiff became aware that the defendant was still marketing one of its products by using the quality label (ÖKO-TEST trade mark) on the package of the product.

The plaintiff filed a lawsuit in 2014, claiming that the defendant had infringed its rights, and asking for damages. The Düsseldorf Regional Court upheld the claim, but the Düsseldorf Higher Regional Court dismissed the ruling. The latter court also referred a request for a preliminary ruling to the CJEU, which held that the proprietor of the trade mark consisting of a quality label is not entitled to oppose the affixing, by a third party of a sign identical with, or similar to, that trade mark to products that are neither identical with, nor similar to, the goods or services for which that trade mark is registered. However, the proprietor of a trade mark is entitled to oppose when the trade mark has a reputation and the third party takes unfair advantage of the distinctive character or the reputation of the trade mark or causes detriment to that distinctive character or reputation and provided that the third party has not established the existence of a 'due cause', within the meaning of those provisions, in support of such affixing (11/04/2019, C-690/17; ÖKO-Test, EU:C:2019:317, § 31-33, 54)

Following up this ruling, the Bundesgerichtshof overturned the decision of the Düsseldorf Higher Regional Court and ruled that the plaintiff was entitled to damages due to the distribution of toothpaste products bearing the ÖKO-TEST trade mark without the owner's permission under Article 101(2) CTMR, Article 125b No 2 and Article 14(6) of the German law on trade marks (MarkenG). The Court decided that since the licence agreements of the plaintiff are free of charge, the damages cannot be calculated via the licence analogy, but on the basis of the profit that the defendant had achieved as a result of the infringement. For this purpose, the defendant was obliged to provide information on its sales and profits.

The text of the judgment (in German) is available here.

Trade mark infringement – Damages and compensation

District Court of The Hague – C/09/540129 / HA ZA 17-1009 [7 July 2021]

In a dispute involving the German manufacturer Kärcher and a competitor, Varo, the District Court of The Hague ruled that Kärcher's yellow colour trade mark is valid and that, by offering high-pressure cleaners in a highly similar yellow colour, Varo infringed this mark. The Court concluded that this use could cause a likelihood of confusion as the colour was being used for identical products, that the colour mark had a significant reputation and that it had acquired a distinctive character. This decision clarifies the requirements for the validity of colour marks and also their scope of protection in infringement cases.

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For many years, Kärcher has been using a bright yellow colour on its products, such as high-pressure cleaners and other materials. Kärcher is the holder of two Benelux colour marks in this colour, registered in 1990 and 2012, respectively. Kärcher found that Varo was using a very similar yellow when offering high-pressure cleaners, and initiated legal action.

On validity ground, the Court stated that Kärcher's colour mark registered in 1990 was invalid, as a colour sample and the description 'yellow' were not sufficient to obtain a colour mark. Regarding the 2012 colour mark, registered with an international colour code (RAL 1018), the Court stated that, even if it had no distinctive character in itself from the beginning, this mark had acquired distinctiveness as a trade mark in Benelux and, therefore, was valid.

On the infringement, the Court held that, as Varo had used the yellow colour on identical goods and the colour mark had a significant reputation and distinctive character, the offering of the high-pressure cleaners by Varo contributed towards a *likelihood of confusion*. Varo was ordered to cease any infringing use of the 2012 colour mark in the Benelux in relation to high-pressure cleaners and associated accessories. Varo was also ordered to pay damages suffered by Kärcher as a result of this trade mark infringement.

The text of the judgment can be found here.

Trade mark infringement - Damages – Injunctions

Irish High Court, Aviareto Ltd v Global Closing Room Ltd [2021] IEHC 377, [26 May 2021]

The Irish High Court has granted an interlocutory injunction restraining the infringement of the plaintiff's trade mark in the recent case of *Aviareto Ltd* v *Global Closing Room Ltd* [2021] IEHC 377. Applying the principles set out in *Merck Sharp and Dohme Corporation* v *Clonmel Healthcare Ltd* [2019] IESC 65, Ms Justice Butler held that damages would not be an adequate remedy for the plaintiff in the circumstances and granted injunctive reliefs.

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The plaintiff, **Aviareto Limited**, a state-owned airline company, developed a digital platform for the registration of interest in aircraft and mobile assets. The plaintiff registered '**Closing Room**', the name of this digital platform, as a trade mark in a number of jurisdictions (including the EU) in six classes. The defendant, **Global Closing Room Limited** is closely related to **AIC Title Agency LLC**, an American company that uses the trade mark **Aircraft Closing Room.** The plaintiff objected to the defendant's attempt to register Global Closing Room as an EUTM under the same six classes as its Closing Room mark. The plaintiff sought an interlocutory injunction to restrain the defendant's use of Global Closing Room.

Ms Justice Butler granted the injunction against the defendant. In considering where the balance of convenience lay, the Court held that serious weight had to be attached to the fact that the plaintiff was seeking to protect its registered rights in the EU. The Court held that damages were not an adequate remedy for the plaintiff, as they could not adequately compensate it for an infringement of its intellectual property rights. Ms Justice Butler did however consider that damages would be an adequate remedy

for the defendant if the plaintiff's proceedings did not succeed. The Court accepted that it was difficult to quantify the potential damage to the defendant's brand if the injunction was granted, but held that the defendant had taken a deliberate commercial risk when it established the business, and should have anticipated that the plaintiff would regard Global Closing Room as an infringement of its trade mark.

Finally, the Court considered the submission made by the defendant which stated that the injunction should be refused owing to the delay by the plaintiff in bringing proceedings. In the absence of evidence of financial expense incurred by the defendant due to the delay, the court held that the delay was not such to disentitle the plaintiff to the reliefs sought and was largely set off by the defendant's deliberate decision to use a similar mark to the plaintiffs.

The judgment suggests that in the event of IP dispute, damages will often be an inadequate remedy for a plaintiff. The judgment will be welcomed by rights holders seeking to protect trade marks and other intellectual property rights in Ireland.

The text of the judgment is available here. A summary can be found here.

Enforcement – Jurisdiction and applicable law

Enforcement – Jurisdiction and applicable law – International jurisdiction of the EUTM judge

Case C-832/21 Beverage City & Lifestyle GmbH, MJ, Beverage City Polska Sp. z o.o., FE v Advance Magazine Publishers Inc. [7 September 2023]

This decision concerns the interpretation of **Article 8(1) of Regulation (EU) No 1215/2012** ('Brussels I') **on jurisdiction and recognition and enforcement of judgments** in civil and commercial matters. The Court considered whether several defendants domiciled in different Member States may be sued in the courts of the place where one of them is domiciled when they are all accused of infringing a materially identical trade mark and are bound by an exclusive distribution agreement.

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This trade mark infringement case involves a dispute between Advance Magazine Publishers (the claimant), and two companies, Beverage City Polska and Beverage City & Lifestyle (the defendants). The claimant, headquartered in New York (United States), owns several EU trademarks that contain the word 'Vogue'. Beverage City Polska, a company based in Krakow (Poland), deals in the production, promotion, and distribution of an energy drink called 'Diamant Vogue'. Beverage City Polska marketed Diamant Vogue in Germany through an exclusive distribution agreement with Beverage City & Lifestyle, a company located in Schorfheide, Brandenburg (Germany), covering the territory of Germany.

The claimant took legal action for infringement against these two companies and their managing directors before Landgericht Düsseldorf (Regional Court of Düsseldorf, Germany), requesting the

cessation of the infringement, the provision of information, the submission of accounting records and compensation for damages.

The German court affirmed its international jurisdiction over the case under Article 8(1) of Brussels I Regulation, citing the CJEU in the 'Nintendo' case (C-24/16 and C-25/16, EU:C:2017:724). Beverage City Polska appealed the judgment before Oberlandesgericht Düsseldorf (the higher regional court in Düsseldorf), claiming that the German court lacked jurisdiction as the company operated and delivered goods exclusively in Poland, and that the 'Nintendo' jurisprudence was not applicable due to the absence of significant connections between itself and Beverage City & Lifestyle.

Under Article 8(1) of Brussels I, a person domiciled in a Member State may also be sued, where they are one of a number of defendants, in the courts for the place where any one of them is domiciled, provided the claims are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings.

The Oberlandesgericht Düsseldorf suspended the proceedings and referred to the CJEU for preliminary questions about the interpretation of Article 8(1) of Brussels I.

The Court asked whether claims may be deemed so closely connected that it is expedient to hear and determine them together to prevent irreconcilable judgments, where, in infringement proceedings concerning an EU trade mark, the connection consists in the fact that the defendant domiciled in a Member State supplied the infringing goods to a defendant domiciled in another Member State, in the absence of any other legal or factual connection.

The German judges basically asked whether multiple defendants, domiciled in different Member States, may be sued before the court in the place where one of them has their domicile if they committed a materially identical infringement of that trade mark, where those defendants are connected by an exclusive distribution agreement.

The CJEU found the following.

- In order for judgments to be regarded **as irreconcilable** under Article 8(1), it is not sufficient that there is a divergence in the outcome of the disputes: that divergence must also arise in the context of the **same situation of fact and law**.
- The requirement of the same situation of law is met, as the right enforced is the same, namely the EU trade mark.
- The existence of an **exclusive distribution agreement** is sufficient to establish the existence of the **same situation of fact** for the purpose of applying Article 8(1) of Regulation No 1215/2012.
- That **exclusive contractual relationship** between the defendants made it predictable that the acts of infringement may be regarded as concerning the **same situation of fact**, capable of giving a single court jurisdiction over them. This circumstance might reinforce the presumption of a **connection** between the infringement claims brought by the claimant.
- In light of the above, **a number of defendants**, domiciled in different Member States, may be **sued** in the courts in the place where **one of them is domiciled** if they are all accused of having committed a materially identical trade mark infringement and they are **connected by an exclusive distribution agreement**.

The text of the judgment is available here.

Social media - jurisdiction

Case C-172/18 AMS Neve Ltd, Barnett Waddingham Trustees, Mark Crabtree v Heritage Audio SL, Pedro Rodríguez Arribas, EU:C:2019:674 [5 September 2019]

This preliminary ruling concerns the question of which Member State's courts are competent when allegedly that infringing goods are advertised and offered for sale on social media platforms and on websites.

More specifically, the Court of Appeal of England & Wales asked the CJEU to clarify how to determine jurisdiction when an undertaking established in one Member State has taken steps to offer for sale and advertise infringing goods, via a website that targets consumers and traders in another Member State. Under Article 97(1) CTMR (R 207/2009/EC, now Article 125(1) EUTMR R 2017/1001), the claimant must sue in the Member State where the defendant is domiciled or established. According to Article 97(5), an action 'may also be brought in the courts of the Member State in which the act of infringement has been committed or threatened'.

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The UK-based claimants brought trade mark infringement actions against a Spain-based company, and its director, before the UK courts. They claimed that the defendant had offered for sale and advertised counterfeit audio supplies on a website, on Facebook and on Twitter.

The CJEU emphasised that when proceedings are brought in the defendant's Member State, they can cover infringements throughout the EU; under Article 97(5), they are limited to infringements committed or threatened in the Member State where the national court is based. That article provides for an *alternative* forum, not for the possibility of simultaneous actions in addition to actions based on Article 97(1).

According to the previous case-law C-487/07 *L'Oreal v. Bellure,* ECLI:EU:C:2009:378, the acts of 'advertising' and 'offering for sale' are covered by the trademark holder's exclusive rights (Article 9 R 207/2009/EC); they are committed in the Member State where the targeted consumers are located, independently of the fact that the defendant's server is established in another Member State. This interpretation ensures that the enforcement of exclusive rights is effective. Rights holders could not resort to an alternative forum if the advertisement were placed online outside the EU, or if the defendants made sure that the ads and offers were posted in their Member State of residence; in addition, identifying the place where the ads and offers were put online can be difficult or impossible in practice.

The 'acts of infringement' consisting of advertising or offering for sale are committed in the Member State where their commercial content has in fact been made accessible to the consumers and traders to whom it was directed. There is no need for an actual sale to occur. When deciding on a particular case, the national court should consider, inter alia, information on a website and on social media platforms on the geographical areas where the products were to be delivered.

The question of jurisdiction is distinct from the question of applicable law.

The text of the judgment is available on the Curia website.

ECtHR – Jurisdiction and applicable law – Evidence – Detention of goods – Trade mark infringement

European Court of Human Rights, Case 1631/16 Łysak v Poland [ECLI:CE:ECHR:2021:1007JUD000163116] [7 October 2021]

The case concerns the protracted impoundment of merchandise for the purpose of criminal proceedings concerning allegations of trading counterfeit clothes without the applicant being charged. The European Court of Human Rights (ECtHR) ruled that storage of counterfeit goods for too long after the end of criminal proceedings violates the protection of property under Article 1 of Protocol No 1 to the European Convention on Human Rights (ECHR).

***

The complainant was a Polish entrepreneur running a branded-clothing store. In 2013, the police confiscated 582 items of clothing, within the framework of an investigation regarding the trading of allegedly counterfeit goods. Later, the confiscated clothing was considered as evidence in the case. The entrepreneur tried to challenge this decision, as well as the actions of the prosecutor in charge of the case, but these complaints were dismissed as unfounded. The experts argued that the confiscated clothes may have been counterfeit, which was further confirmed by subsequent expert opinions. Actually, further investigation showed that the complainant's supplier had not been authorised by the affected clothing brands. In December 2013, the prosecutor decided not to accuse the complainant because they had been unaware that they had been trading in counterfeit clothing. After a year, the complainant demanded that the clothes be returned, arguing that they were no longer needed as evidence in the case in question.

While examining the case, the ECtHR recalled that, in order for an interference with the right of property protected by the ECHR to be permissible, it must meet three conditions. It must firstly be lawful, secondly, be justified by the common good, and thirdly, be proportional. While the first two conditions were deemed by the ECtHR to be met, the condition of proportionality was not. The ECtHR stated that, although securing the clothes as evidence had been justified at the beginning of the proceedings, after dropping the charges, it was unjustified to keep them for more than 6 years.

The text of the judgment is available here.

Trade mark infringement – jurisdiction

Higher Regional Court of Frankfurt, 6 U 273/19 [11 March 2021]

The case concerns a manufacturer and distributor of clothing and accessories (plaintiff) and a clothing boutique holder in Northern Ireland (defendant) and illustrates the strength of national trade marks in brand enforcement and the effects of cross-border shipping under German trade mark law.

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The plaintiff owned the German trade mark 'MO', registered for clothing, and the defendant offered products for sale through its online shop. While the online shop was hosted on a UK domain extension '.co.uk' in English and with prices listed in UK sterling, worldwide international shipping was also

available. Following a 'test purchase' of a product bearing the mark 'MO' in the name of one of its models (a Tommy Hilfiger 'MO' Logo Scarf) and an unsuccessful warning letter, the plaintiff successfully sued the online shop owner for trade mark infringement before the Frankfurt District Court.

In its appeal, the defendant argued that the German courts lacked international and local jurisdiction in the case, as the offer had not targeted the German public. It also claimed that the test purchase carried out by the plaintiff was an abuse of rights and thus inadmissible. The Frankfurt courts dismissed the appeal.

The Higher Regional Court of Frankfurt confirmed that an offer of worldwide shipping – even from an online shop operating in English and located in Northern Ireland – can give rise to international and local jurisdiction among German courts if a test purchase results in the delivery of products to Germany. This is because the offer already establishes a commercial effect and thus trade mark infringement in Germany.

The Court held that the defendant's offer in English was sufficient in the context of the internet age and the growing ease of cross-border shipping. Moreover, the Court confirmed that utilising the worldwide shipping option for a test purchase made via a mystery shopper does not constitute an abuse of rights under German law. The Court then confirmed that where a model name is part of the highlighted headline of a clothing offer in connection to a well-known manufacturer's name, the public would perceive such a name as an indication of origin in the sense of a secondary trade mark.

The text of the judgment is available here (in German).

Jurisdiction in a third country – domain name

England and Wales High Court (EWHC), *EasyGroup Ltd* v *Easy Fly Express Ltd & Anor* 3155 (21 November 2018)

This decision relates to jurisdiction in online trade mark infringement cases where the alleged infringer is established in a third country. It clarifies, among other things, the criteria for assessing whether a trade mark's use targets the relevant public in the EU.

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A British airline company claimed that a local airline company based in Bangladesh infringed its trade mark rights by using the disputed sign in a domain name and on its website. The defendants applied for an order that the UK court has no jurisdiction to hear the claim, and alternatively, that it should not exercise any jurisdiction it may have.

According to previous case-law (e.g. *AK Investment CJSC v Kyrgyz Mobil Tel Ltd* [2011] UKPC 7), one of the criteria for service outside the jurisdiction is that there is a real prospect of success for the claim. The court stressed that in order to infringe a UK or EU trade mark, use of the mark must be targeted at the UK or elsewhere in the EU. In order to assess whether UK customers were targeted by the service, the court referred to national and CJEU case-law. Relevant criteria include, for example, the use of a language or a currency other than the language generally used in the country; the use of telephone numbers with an international code; or an international clientele (see *Peter Pammer v Reederei Karl Schlüter GmbH & Co.KG*, 7 December 2010, EU:C:2010:740).

According to the England and Wales High Court, none of these elements could be found in the present case. The defendant's customers are mainly Bangladeshi companies. The use of English on the website of the company is not sufficient to prove that UK customers were targeted. English is a commonly-spoken language, and widely spoken in Bangladesh, notably in business. Therefore, a main condition of service out of jurisdiction was not fulfilled.

The text of the decision can be found on bailii.org.

Enforcement – Criminal law

Criminal law- Fundamental rights and freedoms (legality and proportionality of penalties)

Case C-655/21 – G. ST. T. v Rayonna prokuratura Burgas, TO Nesebar, EU:C:2023:791 [19 October 2023]

In this ruling, the CJEU examined the compatibility of key provisions of Bulgarian criminal law with the **principles of legality** and **proportionality** of criminal offences and penalties, as set out in Article 49 of the EU Charter of Fundamental Rights. It found that the minimum penalty of 5 years, set forth by Bulgarian law, for trade mark infringement, was not compatible with the principle of proportionality of penalties.

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This case arose out of a criminal investigation conducted in 2016 by the Burgas District Public Prosecutor's Office on G. ST.T. (the 'defendant'), a sole-trader business accused of trade mark infringement by selling counterfeit clothing.

The case was brought before the District Court of Nesebar, that referred the CJEU for a preliminary ruling, asking if Bulgarian provisions qualifying trade mark infringements both as **criminal** and **administrative offence** were consistent with EU law.

Article 172b (1) of the Bulgarian Criminal Code criminalises the use of a trade mark in the course of trade without the consent of the proprietor. The penalty provided for this crime is up to **5 years** of imprisonment. Under Article 172b (2), if the conduct has been repeated or has caused significant harmful effects, the penalty is increased to between **5 and 8 years** of imprisonment.

Bulgarian trade mark and geographical indications law also qualifies trade mark infringement as an administrative offence.

As regards the first two questions on the compliance with Directive 2004/48 ('IPRED') of the aggravated offence provided for by Article 172b(2), the CJEU found the following:

- The questions were inadmissible, as IPRED does not govern criminal procedures and penalties.
- Recital 28 of IPRED allows Member States to set criminal penalties for IP rights infringements but does not impose an obligation in this regard.

As regards the third question, on the consistency of national provisions with the principle of legality provided for under **Article 49** of the **EU Charter of Fundamental Rights**, the Court held that:

- The EU has competence on IP criminal matters given that the **TRIPS agreement** was entered into by the EU as a whole and is an integral part of EU law.
- Article 61 the TRIPS agreement binds WTO Member States to provide for criminal procedures and penalties for wilful trade mark counterfeiting or copyright piracy committed on a commercial scale.
- The principle of legality states that criminal provisions must comply with certain requirements of accessibility and predictability as regards both the definition of the offence and the sentencing.
- According to the general principles of EU law, Member States may impose a **combination** of **administrative** and **criminal penalties** targeting the same conduct. The lack of differentiating criteria between the criminal and the administrative offence does not run against the **principle of the legality** of criminal offences.

As regards the fourth question on the proportionality of penalties, the Court found that a national legal provision that provides for a custodial sentence of a minimum of 5 years where a trade mark is used, repeatedly or with significant harmful effects, in the course of trade without the consent of the holder of the exclusive right, is not compliant with EU law. In particular:

- Article 172b (2) of the Criminal Code describes a very broad criminal offence, encompassing all cases of trade mark infringement committed **repeatedly** or triggering **significant harmful effects**.
- The minimum penalty provided (5 years of imprisonment) is very severe and the judicial power to reduce the penalty under this threshold is limited to cases where the **mitigating circumstances** are either **exceptional** or **numerous**.
- The suspension of a **custodial sentence** may only be granted if the sentence does not exceed three years.
- In some cases, the **severity** of the penalty **might exceed** the **gravity** of the offence, in breach of Article 49(3) of the Charter of Fundamental Rights of the European Union.

The text of the judgement is available here.

Criminal Law – Counterfeiting – Trade mark infringement – Copyright infringement – Unfair competition

Amsterdam Criminal Court – Case No 13/845011-18 [26 November 2021]

A suspicion of trade in counterfeit clothing and money laundering gave rise to a criminal investigation, which ended with the prosecution of two natural persons in the Netherlands. The Amsterdam Criminal Court found them guilty of selling counterfeit goods and money laundering. In this criminal case, the defendants managed to launder over EUR 400 000 introducing illegally gained proceeds into the legal payment system.

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After a criminal investigation by the Dutch Fiscal Fraud Police (DFFP), the public prosecutor initiated legal action against the suspect and his counsel, JTA van Schaik and Mrs M. Ketting. The main suspect was accused of professionally commercialising counterfeit goods and of being a co-perpetrator of money laundering.

On 11 September 2017, the DFFP received an official report informing them that one of the largest dealers in counterfeit goods was in the Netherlands. After some investigation, several persons were arrested and goods were seized: a stamp machine, several stamps including the brand Canada Goose and Stone Island, six sewing machines and a total of 10 070 counterfeited labels were all found in the house of one of the joint offenders. Furthermore, money was found in a safe, and counterfeit banknotes were confiscated. The defendant stated that he had been active since 2016, sewing badges and affixing labels to unbranded jackets from Italy in exchange for payment.

The evidence presented to the court established that a joint venture existed, and it was proved that they were involved in the trade of counterfeit goods. Evidence demonstrated that the suspect had been complicit in the commercial trade in counterfeit goods for about a year and a half, infringing the trade mark rights or copyright of several rights holders. Secondly, this joint venture had been found to engage in unfair competition against the 'bona fide' operation of companies that did respect the interests of the rights holders. Moreover, the court also found that the suspect, along with his partner, were guilty of habitual money laundering. The DFFP found evidence of money laundering of up to EUR 436 501.67. This money was used to pay for a new house, renovate it, and add a new bathroom and kitchen. By introducing criminal money into the legal payment system, the suspects cooperated in concealing their criminal activities and illegally gained proceeds.

The court sentenced the accused to 10 months imprisonment, 4 months of which would be spent on probation, within an operational period of 2 years. The money and accounts of the two suspects were also seized. The money seized from the bank vault was confiscated, and the confiscated counterfeit money was withdrawn from circulation.

The text of the judgment is available on this web page. A commentary on the judgment is also available on this web page.

Trade mark infringement (consumer error theory) – Criminal law

ATS 12486/2021 – ECLI:ES:TS:2021:12486A [16 September 2021]

On 16 September 2021, the Spanish Supreme Court conclusively rejected the 'consumer error theory' in a trade mark case concerning the sale of fake Adidas garments. The consumer error theory was a school of IP jurisprudence that held that, for a crime to be committed in the field of IP infringement, the illicit goods must have been sufficiently similar to the authentic goods such that potential customers would be misled. This rejection of the consumer error theory by the Spanish Supreme Court will assist trade mark holders in future litigations against counterfeit businesses.

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The defendant was facing criminal proceedings for the sale of products that infringed EU trade marks and designs in an establishment that was open to the public. After a cessation of trade was ordered, the defendant was caught continuing to sell the infringing product. The defendant failed to prove their case before the provincial Court or the Superior Court of Madrid and, following this, made an appeal to the Spanish Supreme Court. The appeal rested on their claim that the lower courts had misapplied Articles 273 and 274 of the Criminal Code for crimes against intellectual property (IP) for the infringement of registered marks and designs.

The defendant's argument was that their actions did not result in an IP crime as the products in question were not at risk of creating confusion among the relevant average consumers. In other words, the defendants were relying on the consumer error theory to make their defence. The consumer error theory originated from Spanish Supreme Courts applying the law from the old Spanish Criminal Code of 1995, which required some confusion over the goods. However, the introduction of the new Criminal Code 1995 brought a shift in focus towards the protection of trademarked goods rather than the protection of consumers, and the importance of whether consumers were misled or not with respect to the goods in question diminished significantly.

It is based on these legislative changes that the Supreme Court has opted, in this case, to reject the consumer error theory. The Spanish Supreme Court discarded the proposition that some form of consumer error is necessary for IP crimes to be committed. Instead, it concluded that the confusion relevant for cases of IP infringement is confusion over the registered trade mark and the counterfeit sign, and not confusion over the products.

The text of the judgment is available here.

ES – Criminal law – counterfeiting – trade mark infringement

Madrid Court of Appeal [2 February 2021]

The Madrid Court of Appeal annulled a decision acquitting a number of businessmen who illegally sold counterfeit garments at an outlet fair held in the Casa de Campo park. The Court concluded that the evidence collected in the case was sufficient to prove that the defendants infringed third-parties' trade mark rights by selling the products, and that the first-instance court erred when deciding the category of the crime committed.

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The defendants were in charge of a stall at an outlet fair in the Glass Pavilion of Casa de Campo park, when the authorities seized from them a number of counterfeit products, labelled with illegally reproduced, well-known trade marks. One of the defendants also managed a company dealing with the storage, distribution and sale of such goods.

The first instance court acquitted the defendants on the grounds that the statutory limitation of the alleged misdemeanour had lapsed. However, it declared that the defendants' actions infringed third-parties' trade marks with the aim of seeking profit. Despite the acquittal, the defendants appealed against the sentence, and claimed to be unaware of the illegal nature of the products on sale. They further argued that the goods could not be confused with the originals. The sentence was also challenged by the trade mark owners, who disagreed with the application of a mitigated subtype of criminal offences against intellectual property, and the crime being treated only as a misdemeanour.

The Madrid Court of Appeal held that the evidence collected in the case supported that the garments sold by the defendants were fake and therefore illegal. The price of the goods was suspiciously low, and they all came in the same packaging, regardless of the trade mark on the products themselves. The court stressed that it is the similarity of the trade marks that should be addressed, and not the comparison between the original and infringing products.

Regarding the trade mark owners' appeal, the court found that the defendants did not commit a misdemeanour but rather a criminal offence. The defendants were businessmen managing a company operating at an international level, which offered counterfeit products for sale in an establishment open to the public. Based on these findings, the court annulled the first instance's acquittal decision and sent the case back to the trial court.

Information about this decision can be found here.

Trade mark and design protection – evidence – infringement – criminal law (non-applicable)

Supreme Court of Lithuania (Lietuvos Aukščiausiasis Teismas), case 2K-135-489/2020, Prosecutors of the Vilnius Regional Prosecutor's Office v. D. S. & UAB „P. G.“ [18 November 2020]

In this case concerning the unauthorised sale and circulation of a quantity of goods (wheel rims, etc.) in violation of trade mark and design rights, the Supreme Court of Lithuania argued about the application of criminal law in the case at stake. The Court notably found that criminal law should not be applied to resolve this essentially civil dispute because the objectives of criminal liability for infringement of the rights of design proprietors are not of a compensatory nature. It also ruled that the data in the file, as a whole, was not sufficient to establish all the objective elements of the crime.

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D.S. and the company he/she represents, UAB P.G., were accused of selling and circulating a large quantity of goods (wheel rims, accessories therefor and stickers) bearing a trade mark belonging to another, without the permission of the German company B.A., the legal owner of the trade mark and registered design, and using their design without the permission of the legal owner, thus causing significant material damage to the legal owner of the trade mark and registered design in the amount of EUR 191 839.65. In addition, D.S. and UAB P.G. were accused of selling and circulating, without the permission of the legal owner of the registered design, the German company B.A., a significant quantity of wheel rims infringing the designs owned by the German company, as registered in the Register of Community Designs, Nos 000825609-0002, 000660618-0002, 001658154-0002, 002591453-0001, 001621541-0001, 002156554-0004, 002251314-0005, 002156554-0006 and 002205740-0005.

The Supreme Court of Lithuania did not find any errors in the appellate court's assessment of the facts of the case, refused to remit the case for re-trial under appeal and dismissed the cassation appeal filed by the prosecutors. The court argued that criminal law should not be applied to resolve this essentially civil dispute because the objectives of criminal liability for infringement of the rights of design proprietors under Article 195 of the Criminal Code are not of a compensatory nature. They are primarily intended not to compensate for material and non-material damage caused by an infringement of intellectual

property rights, but rather to apply a criminal law sanction for such a dangerous act. In this case, the criminal prosecution of the legal person and its manager took place in the absence of any large-scale infringement of the design proprietor's rights – only 4 000 product components, wheel rims, were sold and another 184 were put on the market. The appellate court determined that BMW or M marks were not found on all of the 188 wheel rims owned by UAB P.G., and therefore, after evaluating the data in the file, the Appellate Court concluded that the data in the file, as a whole, was not sufficient to establish all the objective elements of the crime, as specified in Article 204(1) of the Criminal Code. It has not been established that a significant amount of wheel rims owned by UAB P.G. and bearing the 'B.A.' proprietary trade marks/logos were offered for sale or placed on the market and that D.S. and UAB P.G. sold or circulated a large quantity of goods bearing a trade mark belonging to another, without the permission of the legal proprietor of the trade mark.

The repair derogation provided for in Article 110(1) of Council Regulation (EC) No 6/2002 on Community Designs was applied in the decision. In rejecting the arguments of the cassation appeal and interpreting the application of the provisions of Article 195 of the Criminal Code, the Judicial Panel finds it necessary to note that both the purpose of criminal law and the general principles of law enshrined in the jurisprudence of democratic States under the rule of law presuppose inadmissibility of a legal practice whereby criminal law is applied in the resolution of civil disputes, and the behaviour of a person in purely civil legal relations is treated as the respective criminal offence. This is also in line with constitutional jurisprudence, which states that, in order to decide whether an act should be treated as a criminal offence or another kind of violation of law, it is very important to consider what results could be achieved by other, non-punitive measures (administrative, disciplinary, civil or public sanctions, etc.).

The text of the judgment (in Lithuanian) is available here.

Sign used in the course of trade – counterfeiting – criminal law

The Supreme Court of Finland, Case KKO:2020:72, A v B [28 September 2020]

This landmark ruling of the Supreme Court of Finland clarifies that a private individual acting as a middleman can be held liable for trade mark infringement in relation to the importation of counterfeit goods.

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The plaintiff (B, a company) was the holder of an international registration for the word mark 'INA', designating Finland. The mark was registered for, inter alia, bearings in Class 7. In April 2011, the defendant (A, a private individual) received a consignment from China of 150 ball bearings, weighing in total 710 kg, intended for industrial use. A sign corresponding to the international trade mark INA was affixed to the bearings. B had not authorised the importation of the bearings. A had given his name and address to be used as the recipient for the shipment and, once customs clearance was completed, he took the bearings to his home from where they were exported to Russia. As remuneration for his services, A received a carton of cigarettes and a bottle of brandy.

In national criminal proceedings the first instance court found that A had infringed B's trade mark rights and ordered A to pay damages. The Court of Appeal, however, found that A had not infringed the rights

because A had not used the trade mark in the course of trade. The case was appealed before the Supreme Court, which referred the case to the CJEU to clarify the concept of 'use in the course of trade'. This was the first trade mark dispute concerning counterfeit goods in Finland that was granted leave to appeal to the Supreme Court, and also referred to the CJEU. The CJEU confirmed in its judgment of 30 April 2020, C-772/18, A v B, EU:C:2020:341 (summary available on eSearch Case Law) that a private individual who takes delivery of, releases for free circulation in a Member State, and stores goods that are manifestly not intended for private use, must be regarded as using the trade mark in the course of trade.

The Supreme Court followed the CJEU's guidance and overturned the Court of Appeal's judgment. It found that, since the goods in question – which are commonly used in heavy industry – are, due to their nature and quantity, clearly not intended for private use, and since A had not even claimed that the goods were intended only for private use, the importation of the goods bearing B's trade mark, INA, must be regarded as falling within the scope of commercial activity. The ruling makes it more difficult for counterfeiters to circumvent liability by using private individuals as intermediaries.

The text of the judgment (in Finnish) is available here.

Labelling – infringement – threat of infringement – seizure of goods or property

Court of Appeal of Lithuania (Lietuvos apeliacinis teismas), case e2A-492-585/2020, FERRARI S.P.A v. UAB „Profisa" [09 July 2020]

This case concerned a seizure by Vilnius custom office of high quantity of chewing gum, allegedly produced in violation of the EU Ferrari trademarks (labelling bearing the "Ferrari" and "prancing horse" element) and the consecutive request of the brand owner to confiscate and destroy the counterfeiting goods. The Court of Appeal notably clarified that the labelling of the packaging of the goods meant that the mark was affixed to the goods themselves, and such use was prohibited by the case-law. The Court argued that the goods imported by the defendant and seized by the customs authorities were chewing gum, not packaging and chewing gum separately.

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The Vilnius Customs Office seized 206 000 pieces of two kinds of chewing gum bearing the 'Ferrari' and 'S F' signs and the 'prancing horse' element, which are considered to have been produced in violation of the registered European Union trade marks 'Ferrari' (Registration No 003502382) and 'S F' (Registration No 003503182) and the figurative mark with the prancing horse element (Registration No 003503323), owned by the applicant, the Italian company FERRARI S.P.A. Some of the goods seized, namely the chewing gum, bear a photograph of a car manufactured by the applicant, LaFerrari.

The applicant brought an action before the court requesting: that the goods seized by the Customs Office be confiscated and destroyed at the expense of the defendant, UAB Profisa; that the defendant be ordered to cease the use of the 'FERRARI' and 'SF' signs and the prancing horse element in relation to goods in Class 30, and prohibited from selling, placing on the market, importing, exporting, stockpiling and using such goods in future without the applicant's consent; that the defendant be ordered to cease any use of the LaFerrari photograph owned by the applicant, and prohibited from using the photograph in the future without the applicant's consent.

The Court of Appeal of Lithuania upheld the judgment of the court of first instance, which stated that the comparison between the applicant's trade marks and the images of the goods seized, which bear not only the prancing horse image, but also the names 'Ferrari' and 'S F', in addition to the image of the car, led to an obvious conclusion, even without special knowledge, that the labelling of the defendant's goods was identical or confusingly similar to the applicant's trade marks, thus creating a likelihood of confusion among the public. The Appellate Court upheld the statement of the court of first instance that the labelling of the packaging of the goods meant that the mark was affixed to the goods themselves, and such use was prohibited by the case-law. The goods imported by the defendant and seized by the customs authorities were chewing gum, not packaging and chewing gum separately.

The argument frequently used by the parties that the trade mark was not used to label the goods, but only the packaging, was refuted in this case, and therefore the destruction of the packaging of the goods should be considered as a sufficient and proportionate remedy for the applicant. The Court held that, in the present case, the goods seized were chewing gum, not packaging and chewing gum separately. Accordingly, the labelling on the packaging of the goods means that the mark is affixed to the goods themselves, and such use is prohibited by the case law.

The text of the judgment (in Lithuanian) is available here.

Criminal law – counterfeiting – storing (warehouse)

District Court of Viborg (Retten i Viborg), case 2770/2019 (and 2448/2020), Anklagemyndigheden v. T1 and T2 (and T3) [10 February 2020]

The judgments concerned possession of a total of approximately 30 000 counterfeit products stored in two warehouses, each holding 15 000 products, with a view to resale.

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The investigation showed that clothes were sent from the warehouses to other accomplices who sold the goods, inter alia on Facebook, to end users. T1 was convicted for warehouse 1, T3 for warehouse 2 and T2 for both. The sentence was set for T1 at 1 year's imprisonment, of which 6 months were made conditional, for T2 at 9 months' imprisonment, which was an additional sentence on top of a sentence of 4 years' imprisonment, and for T3 at 7 months' imprisonment, which was made conditional because he had no previous convictions, had a minor role in the case, was elderly and in poor health.

The penalty for possession of large quantities of counterfeit products with a view to resale. Filed under the rule on tougher sentencing in Section 299(b) of the Penal Code.

The text of the judgment (in Danish) is available here.

Well-known trade mark - counterfeiting

Audiencia Provincial Sección 6 de Barcelona (Barcelona Provincial Court, section 6) Case No 16/2018 [14 December 2018]

This decision sheds some light on the question of the financial damage that may be caused by the street sale of counterfeit goods bearing well-known marks.

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The claimants (the rights holders), large companies in the fashion industry, initiated criminal proceedings against seven individuals who, without the claimants' consent, stored and offered counterfeit goods for sale on the streets of Barcelona. The claimants asked the Barcelona Provincial Court to order the imprisonment of the defendants for 18 months to 3 years, as well as fines. They claimed losses of EUR 415 236.84 and also took the view that the street sellers were a criminal organisation with large-scale sales of counterfeits under Article 274 of the Código Penal (Spanish Criminal Act). The claim was based on police reports stating that the defendants had entered and exited the place where they lived with large bags they had brought from a warehouse; they also had irons to affix logos to the counterfeit goods.

The court did not find that the inventory of seized goods provided sufficient evidence of large-scale production and sales; it contained goods for approximately ten days-worth of sales and EUR 1 070 in cash. Furthermore, the court ruled that the rights holders were not affected by the acts of the street sellers; the public reached by this type of distribution channel is dissimilar from the public that purchases the original products in the luxury sector. The court also dismissed the claim that the street sellers were part of a criminal organisation due to a lack of evidence and the fact that the sellers acquired and sold the counterfeit products individually.

Likelihood of confusion - counterfeiting

Audiencia Provincial de Zaragoza (Provincial Court, Zaragoza), Case No SAP Z 964/2018, ES:APZ:2018:964 [6 April 2018]

This judgment recalls that there does not necessarily have to be likelihood of confusion if the signs are identical or sufficiently similar. The fact that consumers might not err about the origin of the goods because of other circumstances such as price or quality is irrelevant.

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The appeal was directed against a lower court judgment sentencing the two appellants for the import of a large number of counterfeit T-shirts from China. Those goods had been seized at Madrid-Barajas Airport (see the Customs Regulation, R 1383/2003/EC, now R 608/2013/EU).

According to the Provincial Court, since the goods were seized at the airport, they were not introduced to the market. Therefore, a decrease in sales of genuine goods cannot be assumed. The difference in sales before and after the infringement had to be shown probabilistically, and in a solid and scientific manner, based on a study reflecting the reality of the relevant market.

The two importers were sentenced to six months imprisonment, damages of EUR 2 160 each plus costs (Articles 109 and 274 of the Spanish Criminal Code). The goods must be destroyed.

The text of the decision is available on the Poder Judicial España website.

Consequently, the court established a minor sanction of fines ranging from EUR 120 to 240 for street selling under Article 274(3) of the Spanish Criminal Act, and acquitted two of the defendants on all counts.

The text of the judgment (in Spanish) is available on: poderjudicial.es.

DESIGN

Subject matter of design protection

CJEU - Subject Matter of Design Protection (partial designs)

C-123/20 Ferrari SpAn v Mansory Design & Holding GmbH [28 October 2021]

In this case, in which Ferrari opposes Mansory Design, the CJEU was invited for the first time to rule on the conditions under which the appearance of part of a product or 'partial design', may be protected as an unregistered Community design. The CJEU confirmed that, for this protection to arise, the appearance of part of the product must be clearly identifiable when the design is made available and it must satisfy the condition of individual character. It must also constitute a 'clearly visible' section of the product, clearly defined by particular lines, contours, colours, shapes or texture.

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The facts concern the model FXX K that Ferrari, the Italian racing car manufacturer, first presented to the public in a press release of 2 December 2014, with two photographs showing a side and front view of the vehicle.

Photos displayed in the CJEU decision (extract of press release from Ferrari 2 December 2014)

Mansory Design started selling a number of tuning kits designed to transform the appearance of the 'cheaper' Ferrari 488 GTB, to make it look like the more expensive Ferrari FXX K. In 2016, the defendant displayed a vehicle featuring that conversion in a motor show in Geneva. Ferrari claimed that the marketing of those tuning kits by the defendant constituted an infringement of one or more of its unregistered Community designs (UCDs), covering notably the appearance of parts of its model FXX K.

Both the Regional Court of Düsseldorf and the Highest Regional Court of Düsseldorf rejected Ferrari's claims. The first instance court ruled that providing partial protection for a UCD would go against the principle of legal certainty. The Highest Regional Court confirmed the decision, alleging that Ferrari's claims did not satisfy the minimum protectability requirements. They stated that the claims lacked 'certain autonomy' and 'certain consistency of form'.

Ferrari appealed to the Bundesgerichtshof, which decided to stay the proceeding and to refer the following questions to the CJEU for a preliminary ruling, regarding the interpretation of Article 11(1) and (2), Article 4(2)(b), and Article 6(1)(a) of Regulation No 6/2002.

(1) Can an unregistered Community design in individual parts of a product arise as a result of disclosure of an overall image of that product?

(2) If so, what legal criterion is to be applied for the purpose of assessing individual character when determining the overall impression of a component part (such as the vehicle's bodywork) of a complex product? Can the criteria referred to by the referring Court in terms of 'certain autonomy' and 'certain consistency of form' apply?

In July 2021, the Advocate General opined that individual parts of a product can be protected as UCDs, even when only the whole product was made available to the public. He pointed out the absence of any indication of an intention to the contrary on the part of the EU legislature. Moreover, he stated that unregistered Community designs are, by essence, not subject to registration, which entails a certain degree of legal uncertainty for third parties. Therefore, the product should first be 'clearly identifiable' at the time when the design is made available and should also be 'visible' through the publication of photographs. However, the AG clarified that the use of a UCD by a third party without the rights holder's consent is not to be deemed to result from the 'copying' of the design in question 'if it results from an independent work of creation by a designer who may be reasonably thought not to be familiar with [that] design'.

The CJEU agreed with the AG's opinion and confirmed that, under Regulation No 6/2002, a partial design may be protected as an unregistered design under certain conditions. The Court clarified that the analysis applicable to parts and component parts must be autonomous in relation to the product in its entirety in order to examine whether that appearance has individual character, within the meaning of Article 6(1) of that Regulation.

The Court added that the only 'formal condition for giving rise to a UCD is that of making available to the public in accordance with […] Article 11(2) of [Regulation No 6/2002] (§ 36)'. This provision must be interpreted as meaning that 'it does not require designers to make available separately each of the parts of their products in respect of which they wish to benefit from unregistered Community design protection' (§ 43). However, the design of the part or component of the product must be **clearly identifiable** when the design is made available (§ 44). Otherwise, 'the specialised circles cannot reasonably acquire the knowledge required' (§ 38). The Court clarified the '**clearly visible**' criteria, as meaning that the part or component part 'is capable, in itself, of producing an overall impression and cannot be completely lost in the product as a whole'. This visibility requirement is necessary for examining whether the condition of individual character is satisfied.

The text of the judgment is available here and the Advocate General's opinion is available here.

Design – Subject Matter of Design Protection (partial designs)

German Federal Supreme Court – Ferrari SpAn v Mansory Design & Holding GmbH [10 March 2022]

In a case which involves Ferrari v Mansory Design, C-123/20 (EU:C:2021:889), CJEU was invited for the first time to rule on the conditions under which the appearance of part of a product or 'partial design' could be protected as an unregistered Community design. Confirming and clarifying the criteria set by the CJEU, the German Federal Supreme Court issued its decision in this case. The decision confirmed the legal standards set by the CJEU, considering that design protection of a part of the product is possible even when only the entire product was disclosed, and clarified that no 'certain autonomy and consistency of form' is required for a part of the product to meet the CJEU's standards. It will now be for the court of appeal to apply those criteria *in concreto*.

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In this case, Ferrari, the Italian racing car manufacturer, claimed that the defendant, Mansory Design, was infringing unregistered designs while selling tuning kits (including front-end kits) to modify cars in order to make them look like Ferrari models.

The facts concern the model FXX-K that Ferrari first presented to the public in a press release dated 2 December 2014, with two photographs showing a side and front view of the vehicle.

Photographs displayed in the CJEU decision (extract of press release from Ferrari 2 December 2014.)

Mansory Design started selling a number of tuning kits designed to transform the appearance of the 'cheaper' Ferrari 488 GTB, to make it look like the more expensive Ferrari FXX-K. In 2016, the defendant displayed a vehicle featuring that conversion at a motor show in Geneva. Ferrari claimed that the marketing of those tuning kits by the defendant constituted an infringement of one or more of its unregistered Community designs (UCDs), covering notably the appearance of parts of its model FXX-K.

Both the Regional Court of Düsseldorf and the Higher Regional Court of Düsseldorf, rejected Ferrari's claims. Ferrari appealed to the Federal Supreme Court, which decided to stay the proceedings and to refer the following questions to the CJEU for a preliminary ruling, regarding the interpretation of Articles 11(1) and (2), Article 4(2)(b), and Article 6(1)(a) of the Regulation 6/2002:

(3) can unregistered Community designs in individual parts of a product arise as a result of disclosure of an overall image of that product; and

(4) if that is the case, what legal criterion is to be applied for the purpose of assessing individual character when determining the overall impression of a component part (such as the vehicle's bodywork) of a complex product? Can the criteria referred to by the referring Court in terms of 'certain autonomy' and 'certain consistency of form' apply?

The CJEU confirmed that under the Regulation 6/2002, a partial design may be protected as unregistered designs under certain conditions. The Court sided with the AG's opinion, confirming that for such protection to arise, the appearance of part of the product must be clearly identifiable when the design is made available. It added that to satisfy the condition of individual character, it must also constitute a 'clearly visible' section of the product, clearly defined by particular lines, contours, colours, shapes or texture.

The German Federal Supreme Court confirmed the CJEU's criteria, and specified that for a part of the product to meet the CJEU's standards, a 'certain autonomy and consistency of form' is not required. Furthermore, the Court ruled that it is enough when the appearance of the part of the product is 'clearly identifiable' and 'capable, in itself, of producing an overall impression and cannot be completely lost in the product as a whole'. After this ruling, the lower court which previously rejected Ferrari's claims, will have to reconsider the case.

The text of the German Federal Supreme Court is available here.

The text of the CJEU judgement is available here.

Opinion of Advocate General is available here.

Subject-matter of design protection (spare parts) – criminal law

Italian Supreme Court – Corte Suprema di Cassazione, Sez. V Penale, Sentenza n. 29965/2020 *Manzo Ricambi s.a.s. v Vorwerk,* [29 October 2020]

In this ruling, the Italian Supreme Court (Corte Suprema di Cassazione) clarifies the criteria for 'spare-parts' included in a complex design product to be eligible for design protection.

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In 2012, the company Manzo Ricambi s.a.s. was convicted in criminal proceeding for the sale of counterfeit products, namely 'spare parts' for a vacuum cleaner called 'Folletto', infringing patents and designs of the Vorwerk company. The Court of First Instance of Naples based its decision on Articles 473 and 517 of the Italian Criminal Code (*Codice Penale*).

In July 2019, the Court of Appeal of Naples upheld the judgment of the first instance court.

Manzo lodged an appeal to the Supreme Court claiming that the 'visibility' requirement, according to which only 'visible' spare parts included in a complex design product are protected, was not fulfilled (Article 4 of Regulation (EC) No 6/2002 on Community designs and Article 3 of Directive 98/71/EC on the legal protection of designs). It also relied on the freedom to conduct a business and principle of exhaustion of rights, supporting competition in the 'second-hand markets' (Article 241 of the Italian Industrial Property Code). Pursuant to this provision, an IP rights holder cannot invoke their exclusive right on the spare parts of a complex product to prevent the manufacture and sale of components for the repair of the complex product to restore its original appearance.

The Italian Supreme Court annulled the criminal effects of the proceedings due to the prescription of the crime and reassigned the judgment on the merits (for the civil effects only) to a competent court. At the same time, the Supreme Court ruled that the design protection of a 'complex product' can be extended to its 'spare parts' only if: (i) they do not constitute mere characteristics dictated solely by technical functions; (ii) they remain visible during the use of the complex product and once mounted on it; (iii) they are in turn components of spare parts of a complex product; (iv) they do not constitute a component of a complex product intended to allow repair and restore its original appearance.

The text of the judgment (in Italian) is available here.

Subject-matter of design protection – notion of informed user

Cour de cassation (Supreme Court, France), commercial chamber, No 17-18517 [13 March 2019]

In this decision, the French Supreme Court clarified the notion of informed user in design law.

When assessing whether a design is new and has individual character, it is necessary to consider whether the design produces a different overall impression on the 'informed user' as compared to existing designs (Articles 4 and 6 of The Community Design Regulation, R 6/2002/EC). French design law refers to the 'informed observer' (*observateur averti*) (see Article L.511-4 of the Code de la Propriété Intellectuelle).

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A French shoe manufacturer, holder of three Community designs, and its exclusive licensee brought an action against a French shoe retailer for design infringement. In a counterclaim, the shoe retailer and its supplier argued that the Community designs should be cancelled due to lack of novelty and individual character. At first instance, the Paris Tribunal de Grande Instance considered that the informed user would be someone who is a 'professional in the sector concerned'. The Paris Court of Appeal widened the scope of the notion of informed user, stating that it covered 'any person likely to habitually purchase shoes, paying attention to their soles, and therefore having a good knowledge of the soles of shoes'. The particular combination of the patterns visible on the soles in question, as set out in the Community design filings, would produce a different overall impression on the informed user as compared to other previously disclosed designs.

The French Supreme Court rejected the Paris Court of Appeal's increased scope of informed user due to a lack of justification. The Court of Appeal had reversed the first instance court judgment without sufficiently explaining and justifying its different approach to the legal question. In this regard, given the obligation of every court to motivate its decisions, the Supreme Court sent the case back to the Paris Court of Appeal, which will be composed of different judges.

The text of the decision (in French) can be found on the website of legifrance.

Subject-matter of design protection – comparison – freedom of the designer

The English Court of Appeal, Case No A3/2018/0396 [13 February 2019]

This decision of the English Court of Appeal, among others, sheds light on the test for infringement in design cases and the role of the freedom of the designer.

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The company PulseOn (appellant) holds two registered Community designs for wrist heart rate monitors. It alleges that the company Garmin (respondent) infringes its design rights by importing and selling smart watches in which designs which do not produce a different overall impression are incorporated.

In the first instance decision, the judge made findings about the 'design corpus', which refers to a body of designs in a given field, and dealt with the validity of the design according to Article 8 of the Community Design Regulation (R 6/2002/EC). Eventually, the judge compared the RCD with the allegedly infringing design by listing differences and similarities. It concluded that the RCD was valid, and that it did not produce an identical impression on the informed user, notably considering the degree of freedom of the designer in this case.

On appeal, PulseOn, among others, argued that the differences and similarities were not correctly assessed; the judge would have only considered whether the products produced an identical impression, whereas the correct test for infringement would be whether the design produces a different overall impression on the informed user.

The Appeal Court rejected these grounds stating that the way the test for infringement was conducted in this case does not change the principle, declaring the overall conclusion that there was limited design freedom in highly functional environments valid. Finally, the Appeal Court insisted that the comparison of designs was carried out correctly, considering the technical aspects and the size of the products, and acknowledged that the overall impression was different for the informed user.

The Appeal Court rejected each individual complaint and dismissed the appeal. The judge found both RCDs to be valid and that neither of them infringed.

The text of the judgment is available on BAILII.

Subject-matter of design protection – overall impression

Bundesgerichtshof (German Federal Court of Justice), Case No I ZR 164/17 'Meda Gate' [24 January 2019]

This decision concerns the correct way of assessing whether a design infringes a prior design. In particular, the Bundesgerichtshof (German Federal Supreme Court) ruled on whether the mosaic-like overall view of individual elements of a design is relevant, or whether the overall impression of the design is exclusively decisive.

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According to Article 10(1) of the Community Design Regulation (R 6/2002/EC), the scope of protection of a Community design extends to any design that does not produce a different overall impression on the informed user.

The claimant is a group of undertakings which develop, manufacture and sell designer furniture. Its modular waiting area system 'Meda Gate' is protected by a series of Community designs. The defendant, who is active in the interior furnishing sector, sells a modular waiting area system under the designation '9000 DÉPART'. The claimant considers that '9000 DÉPART' infringes its Community design rights and obtained an injunction to prohibit the defendant from manufacturing and selling the contested waiting area system. On appeal, the Oberlandesgericht Düsseldorf (Regional court of Dusseldorf) rejected the claims. The claimant seeks to have the first instance judgment restored.

The German Federal Court of Justice recalls that the scope of protection of a design depends on the extent to which it differs from the previously known design corpus. A great difference will entail a broader scope of protection.

The degree of difference between the design at issue and the previously known design must relate to their respective overall impression, and not to their individual features. The appellate court, on the contrary, had adopted a piecemeal/mosaic-like overall approach by comparing the individual features. Based on the scope of protection which is determined this way, the appellate court should have examined whether the overall impression of the contested design gives the same overall impression as the design at issue. Similarities and differences between the individual features must be weighted, to determine whether these individual features are primarily important, and thus contribute to the overall impression, or whether they are accessory.

The appellate court's reasoning was correct in finding that, in assessing the overall impression, the informed user focuses on the intended use of the design. However, it did not sufficiently assess the similarities between the contested design and the design at issue; it only stated that there were fewer similarities than differences. The appellate court thus failed to consider important facts.

The Bundesgerichtshof annulled the appellate court's judgment and referred it back to be judged in light of these considerations.

The text of the decision is available in German on the German Federal Supreme Court website.

Scope of exclusive rights

Passing off – trade mark and design infringement – evidence

UK High Court, Case [2020] EWHC 2094 (Pat) Bayerische Motoren Werke AG v Premier Alloy Wheels (UK) Ltd & Ors [30 July 2020]

This case provides helpful guidance in the area of joint liability in IP infringement, and highlights the need for claimants to fully justify the request for additional injunctive relief.

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This is an action by BMW for trade mark and Registered Community Design (RCD) infringement, passing off and, in the case of one of the defendants, Mr Devon Thomson (director and sole shareholder of Premier Alloy Wheels), breach of contract. The Court also had to decide whether two relatives of Thompson, Mr Jerome and Mr David Layzell, were jointly liable for any such infringing activities.

In 2012, BMW first complained about the activities of DGT, the main trading company of Premier Alloy Wheels, to Mr Thomson. Instead of initiating legal proceedings, Mr Thomson and DGT signed contractual undertakings, agreeing not to infringe a range of BMW's IP rights. In June 2018, the Court granted an interim injunction and search order, allowing BMW to uncover evidence of a 'badging station' and over 1 600 infringing wheel centre caps and other badges in DGT's warehouse.

In July 2020, the High Court of England and Wales heard BMW's case against DGT and Premier Alloy Wheels for trade mark infringement, RCD infringement and passing off. The Court found in BMW's favour in its trade mark infringement, passing off, and breach of contract claims. It also found in its favour in respect of its RCD claims, dismissing an invalidity counterclaim that had been brought by the defendants and finding infringement of six of BMW's RCDs. The Court held that the alloy wheels of the defendant were similar to those of BMW, particularly the 'shape of the spokes, the shape of the central structure'. It was therefore held that DGT's alloy wheels did not create a different overall impression and that they infringed BMW's rights.

The Court then moved on to the matter of liability, holding Mr Jerome and Mr David Layzell to be jointly liable with DGT because of the extent of their involvement in the business. Both defendants had performed office tasks necessary for the infringing activities to take place and must have been aware of the infringing activities.

Finally, the Court denied BMW any further injunctive relief beyond the six infringed RCDs. BMW had argued that injunctive relief should be granted in respect of a further four designs, given their popularity, the extent of the defendants' offering, and therefore the likelihood that wheels made to these designs were displayed or sold by the defendants. However, the Court disagreed, pointing out that, if these designs were so popular, it would have expected BMW to have found actual evidence of infringement.The text of the judgment is available here.

Unregistered community design – infringement

Maritime and Commercial Court (Sø- og Handelsretten), case BS-10241/2017-SHR, Thats Mine by Mette Neerup Mariager v Kidkii by Anne-Lise Jensen and Misioo by Mateusz Skiba [15 January 2020]

The case analyses the extent of the protection obtained through an unregistered design. It concerns "Thats Mine's" unregistered designs on the 'Piece of Heaven' and 'Softshell' play mattresses, namely whether they are protected as EU-wide unregistered Community designs and whether the 'Flower' play mattress from Kidkii and Misioo constitutes an infringement under the EC Council Regulation on Community designs (EC Design Regulation) and the Marketing Practices Act.

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The Court concluded that the 'Piece of Heaven' and 'Softshell' play mattresses enjoyed protection as unregistered community design, and that these enjoy protection from copying for 3 years from publication. However, the Court found that the 'Flower' play mattress did not constitute an infringement of Thats Mine's design rights nor under the Marketing Practices Act, as according to the Court, regardless of the essential product similarities present, in comparison with 'Piece of Heaven' and 'Softshell', 'Flower' did not create in the informed user a different overall impression. In comparing the mattresses, the Court emphasised that 'Piece of Heaven' consisted of six curves and appeared oval in its design, while 'Flower' consisted of 10 curves and its basic shape appeared round. In addition, the Court held that there were different materials for the mattress covers, and the number of seams and number of folds, as well as the basic quality and overall design expression, were also different. It ruled that 'Piece of Heaven' and 'Softshell' were based on well-known shapes (a cloud and a clamshell), which can be found in many existing designs in interiors for children, and the protection under the EC Design Regulation and the Marketing Practices Act had therefore to be considered narrow. The Court also assumed that Thats Mine enjoyed copyrights on two images of Mette Neerup Mariager's niece and her daughter respectively, but there was no violation of copyright law, as Thats Mine had not documented that the images were used in Kidkii's marketing. The fact that Kidkii was 'tagged' in a picture in which Thats Mine's 'Piece of Heaven' mattress was depicted could not lead to a different result.

The case is interesting as it shows the extent of the protection obtained through an unregistered design.

The text of the judgment (in Danish) is available here.

Other

Other – secondary infringement

England and Wales High Court Patents Court, EWHC 345 (Pat), *Cantel Medical (UK) Ltd, Cantel (UK) Ltd* v *Arc Medical Design Ltd* (23 January 2018)

This case concerns inter alia the secondary infringement of UK unregistered design rights (UDRs) (Section 227 of the Copyright, Designs and Patents Act (CDPA) 1988). Secondary infringement relates to acts such as importing, possessing or selling an infringing Article for commercial purposes, where the infringer knows or has reason to believe that the Article is infringing.

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The defendant owned several IPRs relating to a colonoscope cuff, a fitting that improves visibility during colonoscopies, and to an improved version thereof. The claimant, the defendant's distributor, initiated proceedings to clear the way for the marketing of its own colonoscope cuff, seeking inter alia declarations of non-infringement of the defendant's patent rights, registered Community design rights (RCDs) and UDRs. The defendant proved infringement in relation to the patents and the RCD of the improved version of the product.

As regards secondary infringement of the UDRs, the Patents Court found that the claimant had clearly copied the defendant's designs when creating its own product. However, the defendant's design team was not familiar with the existence of UDRs. Until the date of the judgment, they therefore did not have the requisite knowledge that the Articles were infringing.

In addition, the case comments on how infringers can demonstrate that the prior art contains implied disclosures that invalidate a patent's novelty. It also provides guidance on relying on secondary evidence, such as commercial success, when evaluating the inventiveness of a patent.

The text of the decision is available at bailii.org.

Enforcement – Jurisdiction and applicable law

Jurisdiction - domestic courts – provisional and protective measures

Case C-678/18 *Spin Master Ltd v High5 Products BV*, EU:C:2019:998 [21 November 2019]

This preliminary ruling concerns the question of jurisdiction of domestic courts to order provisional and protective measures with respect to Community designs.

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According to Article 80 Community designs regulation (R 6/2002/EC), entitled 'Community design courts', Member States 'shall designate … national courts and tribunals of first and second instance …' to perform functions assigned by the Regulation. Article 81 establishes 'exclusive jurisdiction' of those courts over actions on the infringement and validity of Community designs.

According to Article 90(1), with regard to provisional measures, including protective measures, 'application may be made to the courts of a Member State, including Community design courts …'.

According to Dutch law, the rechtbank Den Haag (District Court, The Hague) 'shall have exclusive jurisdiction … in interim proceedings …' regarding Community designs.

The Hoge Raad der Nederlanden (Supreme Court of the Netherlands) asked the CJEU to clarify in particular whether Member States may grant jurisdiction to order provisional or protective measures regarding Community designs exclusively to courts designated as Community design courts, or if all courts and tribunals (including those with jurisdiction on provisional and protective measures regarding national designs) have such competence.

A Canada-based company held a registered Community design for a toy. It initiated actions against a company established in the Netherlands before the District Court of Amsterdam, seeking an order prohibiting them from marketing an allegedly infringing toy. The District Court of Amsterdam considered that it had jurisdiction. The Procurator General appealed in cassation in the interest of the law before the Supreme Court of the Netherlands, arguing that the District Court of The Hague has exclusive jurisdiction on provisional and protective measures regarding Community designs.

First, the CJEU excluded that the use of the word 'may' in Article 90(1) should mean that Member States are given discretionary power as to attributing jurisdiction concerning provisional measures for Community designs. Second, although the EU regulation 'intended to establish specialisation … to assist the development of uniform interpretation', recital 29 points out that 'the exercise of the rights conferred by a design must be enforced in an efficient manner …'. Therefore, in a request for provisional measures, including protective measures, concerning infringement or invalidity, the 'requirements of proximity and efficiency should prevail'. Consequently, conferring jurisdiction to any court of a Member State already having jurisdiction to adopt measures of the same kind for national designs is justified by efficiency and rapidity in stopping the infringement.

The CJEU therefore stated that Article 90(1) R 6/2002/EC must be interpreted as meaning that the courts and tribunals of a Member State with jurisdiction to order provisional measures, including protective ones, for national designs, also have jurisdiction to order such measures for a Community design.

The text of the judgment can be found on the Curia website.

Enforcement – Criminal law

Trade mark and design protection – evidence – infringement – criminal law (non-applicable)

Supreme Court of Lithuania (Lietuvos Aukščiausiasis Teismas), case 2K-135-489/2020, Prosecutors of the Vilnius Regional Prosecutor's Office v. D. S. & UAB „P. G.“ [18 November 2020]

In this case concerning the unauthorised sale and circulation of a quantity of goods (wheel rims, etc.) in violation of trade mark and design rights, the Supreme Court of Lithuania argued about the application of criminal law in the case at stake. The Court notably found that criminal law should not be applied to resolve this essentially civil dispute because the objectives of criminal liability for infringement of the rights of design proprietors are not of a compensatory nature. It also ruled that the data in the file, as a whole, was not sufficient to establish all the objective elements of the crime.

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D.S. and the company he/she represents, UAB P.G., were accused of selling and circulating a large quantity of goods (wheel rims, accessories therefor and stickers) bearing a trade mark belonging to another, without the permission of the German company B.A., the legal owner of the trade mark and registered design, and using their design without the permission of the legal owner, thus causing significant material damage to the legal owner of the trade mark and registered design in the amount of EUR 191 839.65. In addition, D.S. and UAB P.G. were accused of selling and circulating, without the permission of the legal owner of the registered design, the German company B.A., a significant quantity of wheel rims infringing the designs owned by the German company, as registered in the Register of

Community Designs, Nos 000825609-0002, 000660618-0002, 001658154-0002, 002591453-0001, 001621541-0001, 002156554-0004, 002251314-0005, 002156554-0006 and 002205740-0005.

The Supreme Court of Lithuania did not find any errors in the appellate court's assessment of the facts of the case, refused to remit the case for re-trial under appeal and dismissed the cassation appeal filed by the prosecutors. The court argued that criminal law should not be applied to resolve this essentially civil dispute because the objectives of criminal liability for infringement of the rights of design proprietors under Article 195 of the Criminal Code are not of a compensatory nature. They are primarily intended not to compensate for material and non-material damage caused by an infringement of intellectual property rights, but rather to apply a criminal law sanction for such a dangerous act. In this case, the criminal prosecution of the legal person and its manager took place in the absence of any large-scale infringement of the design proprietor's rights – only 4 000 product components, wheel rims, were sold and another 184 were put on the market. The appellate court determined that BMW or M marks were not found on all of the 188 wheel rims owned by UAB P.G., and therefore, after evaluating the data in the file, the Appellate Court concluded that the data in the file, as a whole, was not sufficient to establish all the objective elements of the crime, as specified in Article 204(1) of the Criminal Code. It has not been established that a significant amount of wheel rims owned by UAB P.G. and bearing the 'B.A.' proprietary trade marks/logos were offered for sale or placed on the market and that D.S. and UAB P.G. sold or circulated a large quantity of goods bearing a trade mark belonging to another, without the permission of the legal proprietor of the trade mark.

The repair derogation provided for in Article 110(1) of Council Regulation (EC) No 6/2002 on Community Designs was applied in the decision. In rejecting the arguments of the cassation appeal and interpreting the application of the provisions of Article 195 of the Criminal Code, the Judicial Panel finds it necessary to note that both the purpose of criminal law and the general principles of law enshrined in the jurisprudence of democratic States under the rule of law presuppose inadmissibility of a legal practice whereby criminal law is applied in the resolution of civil disputes, and the behaviour of a person in purely civil legal relations is treated as the respective criminal offence. This is also in line with constitutional jurisprudence, which states that, in order to decide whether an act should be treated as a criminal offence or another kind of violation of law, it is very important to consider what results could be achieved by other, non-punitive measures (administrative, disciplinary, civil or public sanctions, etc.).

The text of the judgment (in Lithuanian) is available here

PATENT AND SUPPLEMENTARY PROTECTION CERTIFICATES (SPC)

Subject matter of patent and SPC protection

CJEU – Supplementary protection certificate

CJEU, C-181/24, Genmab v Szellemi Tulajdon Nemzeti Hivatala, VD [16 July 2024]

This case concerns a question for a preliminary ruling of the Fővárosi Törvényszék (Budapest High Court) after the national intellectual property office refused to grant Genmab a **supplementary protection certificate** (SPC) for their first marketing authorisation (MA). Since the active ingredient 'ofatumumab' was already used in a previous medicinal product, for which a first MA was granted, the decision of the office was justified. The fact that the previous MA was withdrawn didn't make any difference, since the purpose of Article 3 of Regulation No 469/2009 is to only protect research leading to the first MA of an active ingredient as a medicinal product.

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Genmab is the holder of European patent No EP 328 4753, designating the Republic of Hungary, which covers the active ingredient 'ofatumumab'. This ingredient was also used in their first medicinal product, Arzerra. They were granted an MA for this medicinal product. However, they later withdrew the MA. An MA was granted for the medicinal product Kesimpta, of which ofatumumab is also the active ingredient, 2 years later. Genmab applied to the national intellectual property office for a supplementary protection certificate (SPC). The office rejected this application since the subsequent MA was not the first MA, as required by Article 3 Regulation (EC) No 469/2009. Genmab therefore appealed before the Budapest High Court, who referred to the CJEU for a preliminary ruling on whether Article 3(b) and (d) of Regulation No 469/2009 should be interpreted as meaning that an MA predating the MA that appears in the application for a SPC (and which refers to the same product) must be regarded as the first MA for the purposes of the regulation, even though that prior MA was withdrawn before the submission of the application for the SPC.

The CJEU pointed out that to assess the context of the provision, the objectives pursued and the legislative history are crucial. Taking this into account, the CJEU concluded that the first MA refers to the earliest MA that was granted for that product in the Member State concerned, regardless of whether or not it is still in force. A contrary interpretation would amount to confusing the two conditions in Article 3(b) and (d) by merging the concept of MA with the concept of a valid MA. The EU legislature decided that an SPC could only be granted for a product covered by the MA that was first used to market it. The purpose of this rule is to protect the research that led to the first MA of an active ingredient as a medicinal product. The fact that the previous MA was withdrawn is therefore irrelevant.

The text of the judgment is available here.

Subject matter of protection – Supplementary Protection Certificate

Cour d'appel de Paris, Case No 19/19410 [9 February 2021]

Paris Court of Appeal had to decide whether an active ingredient *Osimertinib* can be granted a supplementary protection certificate (SPC). The Court refused to grant such a certificate because the basic patent to which the applicants referred did not specifically cover this ingredient and, furthermore, the applicants failed to prove that it was specifically identifiable, in the light of all the elements disclosed

by that patent, by a person skilled in the art, on the basis of his or her general knowledge in the field in question and the state of the art at the date of filing.

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The applicants are Y and GHC. Y, is an American company in the pharmaceutical sector, a subsidiary of PFIZER. GHC is the General Hospital Corporation, a non-profit organisation in charge of management of an American teaching hospital, specialised in research, particularly cancer treatment.

On 26 July 2016, the GHC and Company Y jointly filed a request for a supplementary protection certificate (SPC) No 16C1004 relating to the product *osimertinib* on the basis of the EC Regulation No 469/2009. Supplementary protection certificate is an industrial property certificate that gives the protection conferred by a patent to an active ingredient in a pharmaceutical/phytosanitary product after the patent has expired. This request was made on the basis of the European patent EP 1 848 414 entitled 'Treatment method for cancer resistant to *gefitinib*' issued in 2011. The SPC application also referred to a marketing authorisation with effect in France, granted to the company ASTRAZENECA in 2016 for the pharmaceutical product *'Tagrisso'*, whose active ingredient is *osimertinib.*

By decision of 1st August 2018, the National Institute of Industrial Property (INPI) refused to grant an SPC for the product *osimertinib*, on the basis of Article 3 of EC Regulation No 469/2009, considering that this product was not the subject of the basic patent EP 1 848 414. The applicants lodged an appeal against this decision.

The Court of Appeal noted that 'a product subject to an SPC or an application for an SPC which has been developed, after the filing or priority date of the basic patent, as a result of inventive step, cannot be considered as falling within the protection granted to that patent' (Recitals 45 and 47), and as a consequence, rejected the appeal on the grounds that *osimertinib* was not protected by the basic patent EP 1 848 414.

The applicants basically claimed that the active ingredient *osimertinib* was the result of an autonomous inventive step and therefore fell within the protection this basic patent. To address that argument, the Court interestingly referred to the CJEU judgment in *Royalty Pharma* (C-650/17) which states that it is for the court to 'ascertain whether the subject-matter of the relevant SPC is within the limits of what the person skilled in the art is objectively able, at the date of filing or priority of the basic patent, to deduce directly and unequivocally from the patent specification as filed, on the basis of his general knowledge in the field in question at the date of filing or priority in the light of the prior art the state of the art at the filing or priority date priority'. Applying it *in specie*, and provided that the active ingredient *osimertinib* was only patented in 2012 by the company Astrazeneca, the Court found that at the time of the filing of the application for the basic patent in 2006, the *osimertinib* product was unknown to a person skilled in the art. Therefore, the applicants' claim had no standing. The text of the judgement (in French) is available here.

Subject matter of protection – Supplementary Protection Certificate

Cour d'appel de Paris, Case No 18/10540 [19 January 2021]

In this case, the Cour d'appel de Paris, refused to grant a supplementary protection certificate (SPC) to a company that had previously obtained an SPC for the same product on the basis of a different patent,

being a co-owner of both patents. Such a request was not acceptable under the relevant EU law which only permits several SPC to be granted for the same product when they are issued to different owners.

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ONO Pharmaceutical, a company incorporated under Japanese law, and Mr H, a professor and researcher in medicine and winner of the Nobel Prize for Medicine (2018), jointly filed an application for a supplementary protection certificate (SPC) for nivolumab, which is a medication used to treat a number of types of cancer, on 15 December 2015 under Regulation (EC) No 469/2009 of 6 May 2009 concerning the supplementary protection certificate for medicinal products.

This application was based on the European Patent No. EP 1 537 878 (hereinafter EP 878) granted in 2010, under the title 'Immunostimulating compositions' and co-owned by ONO and Professor H. The SPC application also referred to a Community marketing authorisation granted in 2015 to PHARMA EEIG, for a pharmaceutical product called Opdivo-Nivolumab, which has nivolumab as its active ingredient.

By decision of 2 March 2018, the Institut National de la Propriété Intellectuelle (INPI) rejected the application for the SPC No. 15C0088, on the grounds that the product, had already been the subject of an SPC for the benefit of the company ONO, and that the product was not protected by the basic patent No. EP 878. ONO Pharmaceutical and Mr H appealed against this decision.

In the contested decision, the court assessed that the company ONO had already obtained a supplementary protection certificate CCP No 15C0087 for nivolumab, on January 6, 2017, based on a patent EP 2 161 336 (hereinafter, EP 336) of which it is a co-holder with ER SQUIBB & SONS company. The court refused to grant another SPC on the basis of the Regulation No 469/2009 on SPC for medicinal products and Regulation (EC) No 1610/96 on SPCs for plant protection products. These regulations state that if several SPCs are obtained for the same product on the basis of different basic patents, they must be granted to separate holders. As the applicant had already obtained a SPC for nivolumab, the Court ruled that it could not apply for a second SPC for the same product on the basis of another patent jointly owned by it and a co-owner who does not yet have a SPC for nivolumab. For this reason, the court has dismissed the appeal filed by ONO Pharmaceutical and Mr H.

The text of the judgement (in French) is available here and a summary here.

Scope of exclusive rights

Scope of exclusive rights (Kitchen Machine Thermomix) – Patent infringement

Spain - Juzgado de lo Mercantil de Barcelona – Vorwerk &amp - Co. Interholding Gmbh v Lidl supermercados S.A. [19 January 2021]

On 19 January 2021, the Court of Barcelona ruled against LIDL España for violation of the European patent on the kitchen machine 'Thermomix'. This European patent from 2002, validated in Spain in 2008, covers the innovative technical features of this well-known kitchen machine. The court found the

defendant liable for the illegal distribution and sale of a kitchen machine, known commercially as 'Monsieur Cuisine Connect', through Lidl supermarkets in Spain.

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In June 2019, Vorwerk (the plaintiff) sued LIDL (the defendant) which since June 2018 has been selling and distributing a kitchen machine called 'Monsieur Cuisine Connect', which allegedly the has same technological features as the plaintiff's invention, 'Thermomix'. The Thermomix (national patent ES '589) is a much-publicised kitchen machine protected by a European patent of 27 June 2002 (European patent – EP 1 269 898). The European Patent Office (EPO) carried out a corresponding examination of the patentability requirements at European level and validated the patent right in Spain on 9 May 2008. The patent will expire on 27 June 2022.

The defendant argued on three grounds: (i) alleged invalidity of the main claim of 'Thermomix' (la revindicación primera - R1.1) for exceeding the original scope of protection under Article 102(1)(c) of the Spanish Patent Law (Ley 24/2015, de 24 de Julio, de Patentes), (ii) lack of novelty under Article 6 of the Spanish Patent Law and Article 54(1) of the EPO Examination Guidelines, and (iii) lack of inventive step of the plaintiff's patent under Article 8 of the Spanish Patent Law. Therefore, the court appointed an expert to examine the plaintiff's application and claims, including the comparison with all technical features of the machine marketed by the defendant.

Following the expert report, the court found that the device manufactured and distributed by the defendant replicated all the technical features of the 'Thermomix' and therefore infringed the plaintiff's patent. Furthermore, on the scope of protection by reference to the interpretation of patent claims, the court referred to Article 69 and Article 84 European Patent Convention and ruled in favour of an interpretation of claims not strictly literal. In support of this, the Court referred to the case law of the EPO Boards of Appeal (decisions T-23/86 (OJ 1987, 316), T-16/87 (OJ 1992, 212), T-89/89, T-121/89, T-476/89, T-544/89, T-565/89, T-952/90, T-439/92, T-458/96, T-717/98, T-500/01, T-1321/04 and T-1433/05) and national case law (Sentencia de la AP de Barcelona, sección 15ª, de 24 de noviembre de 2016 | Roj: SAP B 9303/2016).

The court ordered the defendant to cease and desist from selling, distributing and importing the kitchen machine at issue 'Monsieur Cuisine Connect', as well as to withdraw the unsold machines from the market and to stop further unlawful acts related to the counterfeit machine. In a further step, the court will decide on damages and legal costs to be paid by the defendant. LIDL has appealed against the judgement.

The original text of the judgment (in Spanish) is available here.

Scope of exclusive rights – patent claims (doctrine of equivalence)

The Hague Court of Appeal, Eli Lily and Company v Fresenius Kabi Nederland B.V. [27 October 2020]

This case is related to the assessment of a patent's scope of protection (patent infringement). Its main finding was that the use of a different form of pemetrexed salt (when creating a new product) constituted an infringement of the patent. In this case, The Hague Court of Appeal (CoA) ruled that the generic

pemetrexed product marketed by the defendant constituted infringement of the applicant's patent under the doctrine of equivalence, reversing the decision of the District Court of The Hague of 19 June 2019.

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The case was brought by Eli Lily and Company against Fresenius Kabi Nederland for patent infringement. The applicant's patent protects the product Alimta®. Fresenius developed a generic version of that product albeit with a different pemetrexed salt form (tromethamine salt) to escape patent infringement.

Firstly, the CoA took into consideration an infringement of the patent. The judge highlighted that the use of a pemetrexed salt form other than pemetrexed disodium is covered by the scope of the patent's protection and its usage in this situation infringes the patent. Next, the CoA considered that the defendant's version of the product performs the same function as the applicant's product, and that there is also an equivalence at the level of the biological effect in the patient after administration and also at the level of the pharmaceutical preparation.

Secondly, the CoA considered that a skilled person would understand that the applicant's product can also be made using a different salt form of pemetrexed. According to the CoA, the skilled person would even be encouraged by the patent description to search for alternative salt forms of pemetrexed for use in the invention. Therefore, the requirement of fair protection for the patentee does not preclude Eli Lily from relying on the doctrine of equivalence.

Thirdly, the CoA considered that a skilled person would appreciate that the scope of the patent is broader than the literal wording of the claims. It also considered that there is no good reason to assume that the scope of protection is limited to the use of pemetrexed disodium.

The Hague Court of Appeal concluded that the generic pemetrexed product marketed by Fresenius constitutes patent infringement under the doctrine of equivalence, reversing the decision of the District Court of The Hague of 19 June 2019. The CoA issued a permanent injunction which means that Fresenius is prohibited from marketing its generic pemetrexed product in the Netherlands.

The text of the judgement is available here.

Standard Essential Patent (SEP) – Patent infringement

District Court of Mannheim, case ID: 4c O 34/19, Nokia v Daimler [18 August 2020]

Nokia, (the claimant) brought a patent infringement action against Daimler, an automotive corporation which owns the 'Mercedes-Benz' brand (the defendant). After failing to reach a licencing agreement with Daimler regarding the patent in question, Nokia sued Daimler for patent infringement. In this decision, the court handed down the first permanent injunction against a major German car manufacturer based on a standard-essential patent (SEP).

The patent-in-suit concerns a synchronisation system of a network base station and a mobile communication module, which is essential to the 4G (LTE) mobile telecommunication standard. Daimler used it as communication module built into cars it produced.

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The Finnish multinational telecommunications, information technology, and consumer electronics company Nokia had given a FRAND declaration (Fair, Reasonable and Non-Discriminatory licensing terms) for the patent and informed Daimler of the patent in mid-2016, offering a license. Daimler noted in reply that the suppliers of the communication modules embodying the patented technology would be the suitable addressees to contact and negotiate a license with. After several attempts to reach an agreement regarding the patent license fee with Daimler, Nokia filed a complaint for patent infringement. The defendant made a license counteroffer in May 2019. This offer was based on the purchase price for the communication module that Daimler paid to its suppliers ('component approach').

In the course of proceedings, some of Daimler's suppliers filed a request with the German Federal Cartel Office to initiate an investigation against Nokia, arguing that Nokia would abuse its market power by refusing to license the willing suppliers despite Nokia's FRAND declaration. The German Federal Cartel Office formally called upon the Mannheim Court to refer questions to CJEU for clarification whether this situation (namely where a holder of a SEP for which a FRAND declaration has been given, refuses to license a willing supplier, and enforces its claim for injunction against the final product manufacturer) amounts to an abuse of a dominant position under Article 102 TFEU. Eventually, the option of referring the question to the CJEU was rejected by the Mannheim Court.

On 18 August 2020, the District Court of Mannheim granted Nokia's claims for injunction, recall, destruction and rendering of account. Modules built into Daimler's cars were found to infringe the patent in question. The court considered Daimler 'unwilling to take license on FRAND terms'. According to the court, Daimler's pointing to the suppliers, and its rather fundamental objection to the 'inventive benefits approach' as suggested by Nokia are 'indicative' for Daimler's unwillingness to take a FRAND license. The court also rejected Daimler's competition law argument that Nokia would need to sue the suppliers first, before asserting the patent against Daimler. The court held that a patent owner is free to enforce its patent against any infringer in the supply chain unless special circumstances apply. The court decided not to stay the case in view of the nullity complaint pending against the patent-in-suit at the German Federal Patent Court (FPC, docket 5 Ni 25/19).

The text of the judgment (in German) is available here.

Scope of exclusive rights – Supplementary Protection Certificates

C-443/17 Abraxis Bioscience LLC v Comptroller General of Patents [21 March 2019]

In this decision, the Court of Justice of the EU (CJEU) clarifies the conditions for obtaining a supplementary protection certificate (SPC). According to Article 3(d) of the regulation concerning the supplementary protection certificate for medicinal products (R 469/2009/EC), an SPC should be granted if, in the Member State where the application is submitted and at the date of that application, the valid authorisation to place the product on the market as a medicinal product is the *first authorisation to place the product on the market as a medicinal product*.

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Abraxis is a pharmaceutical company which markets 'Abraxane', a medicinal product for the treatment of certain cancers. Abraxane contains a substance called 'nab-paclitaxel', a combination of nanopArticles of paclitaxel coated with albumin and protected by European Patent EP 0 961 612 (the basic patent). In 2008, the European Medicines Agency granted Abraxane a marketing authorisation (MA). Prior to that date, paclitaxel had been marketed in another form by other companies under previous MAs. Abraxis applied for an SPC on the basis of the basic patent. In 2016, the Comptroller General of Patents rejected the application stating that Article 3(d) of R 469/2009/EC does not extend to a new and inventive formulation of an old active ingredient. Abraxis appealed against that decision to the High Court of Justice (England & Wales), Chancery Division (Patents Court), referring to the solution of *Neurim Pharmaceuticals (1991)* (C-130/11, 19 July 2012, EU:C:2012:489). The High Court considered that the scope of that judgment was not clear, and asked the CJEU to clarify whether an SPC may be granted where the MA is the first one within the scope of the basic patent to place the product on the market as a medicinal product, and where the product is a new formulation of an old active ingredient.

The CJEU clarifies that, based on prior case-law (*Glaxosmithkline Biologicals and Glaxosmithkline Biologicals, Niederlassung der Smithkline Beecham Pharma* (2013), C-210/13, EU:C:2013:762), a new formulation of an old active ingredient with a carrier which has no therapeutic effect on its own linked together in the form of nanoparticles, cannot be regarded as being a product distinct from the one containing solely that active ingredient. In this respect, the CJEU considers the increased efficiency of this new formulation as irrelevant.

The Court explains that an MA granted for a new formulation of an old active ingredient cannot be regarded as being the first MA for that product as a medicinal product, when that active ingredient has already been the subject of an MA.

The judgment is available on the Curia website.

Scope of exclusive rights – Supplementary Protection Certificates

Court of Justice, Case C-527/17 Boston Scientific Ltd v Deutsches Patent –und Markenamt [25 October 2018]

This preliminary ruling relates to the conditions for granting supplementary protection certificates (SPCs) for medicinal products. According to Article 2 of Regulation (EC) No 469/2009, an SPC may be granted to, inter alia, a medicinal product protected by a patent in a Member State. One condition is that the product has previously been subject to an administrative authorisation procedure as a medicinal product (see Directive 2001/83/EC on the Community code relating to medicinal products for human use). The German Federal Patents Court (Bundespatentgericht) had asked the Court of Justice to clarify whether a prior authorisation procedure for a medicinal device that incorporates a substance as an integral part (see Article 1(4) of Council Directive 93/42/EEC on medical devices) could be considered as valid. In this case, the quality, safety and usefulness of the medicinal product component had been verified by a competent national authority.

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The applicant in the national proceedings held a European patent related to the use of medicinal substances designed to reduce restenosis following angioplasty. The patent also disclosed Paclitaxel, the principal active ingredient known for treating certain human diseases. In addition, the patent holder obtained a certificate of conformity for a medical device that contained Paclitaxel as an adjuvant product. During the certification procedure, Paclitaxel was also assessed. The German Patent Office rejected the rights holder's application for an SPC for Paclitaxel, noting that the latter did not have a valid marketing authorisation.

The Court of Justice explained that the national authorities should focus on the principal mode of action of a product to assess whether it is a 'medicinal product' or a 'medical device'. A substance cannot be classified as a medicinal product if it forms an integral part of a medical device and performs on the body an action ancillary to that of the device into which it is incorporated. This is true even if the substance could be classified as a medicinal product if it were used separately. Such a substance has not been subject to the authorisation procedure necessary to obtain an SPC, even if its quality, safety and usefulness has been verified.

The decision is available on the Curia website.

Scope of exclusive rights – patent claims (doctrine of equivalence) - priority

UK Court of Appeal (Civil Division): EWCA Civ 2219 *Icescape Limited and Ice v World International BV & Ors* [10 October 2018]

This case deals with the issues of priority and further develops the principle of equivalence, enshrined in the Protocol on the Interpretation of Article 69 of the European Patent Convention (EPC) and the Protocol on the Interpretation of Article 6, as set down in *Actavis v Eli Lilly* [12 July 2017]. It provides clarification on the enforcement of potential patent infringement where the inventive concepts share an obvious similarity to persons skilled in the area.

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Icescape had developed a mechanism for a mobile ice rink with moveable elements making the cooling system capable of being folded and moved with ease. However, Ice-World was the proprietor of an earlier EPO patent protecting a similar portable ice rink system. Ice-World sent threatening letters to Icescape. At first instance, the High Court found against Ice-World in all aspects of the case. Ice-World did not enjoy priority in the patent as the priority document did not disclose the entirety of the elements set down in their claim. The patent was therefore invalid due to a prior use by Ice-World during the priority year. Ice-World appealed the finding that their EPO patent was invalid.

The Court of Appeal, while again finding that the patent was invalid for lack of priority, did, however, find that, had the patent been valid, there would have been an infringement. This was achieved by applying *Actavis* where the Court had taken a literal approach to the reading of the patent. Lord Kitchin developed this by applying a purposive interpretation to the principle of equivalence. Hence, the variant substantially achieved the same result as the inventive concept revealed by the patent. In addition, it was deemed that for a person skilled in the area, it was obvious that the Icescape system was substantially the same. Nor would a skilled person have believed that strict compliance to the patent was necessary for the function of the invention. In addition, had the patent been valid, Ice-World would

also have had recourse under Section 70(2) of the Patent Act 1977 (section 70(2)) against Icescape's claim that the letters to cease received from Ice-World were unwarranted. However, as the patent was invalid, there was no recourse for infringement.

The text of this judgment is available on the BAILI website.

Scope of exclusive rights – Supplementary Protection Certificates

Court of Justice, Case C-121/17 *Teva UK Ltd and Others* v *Gilead Sciences Inc.* EU:C:2018:585, [25 July 2018]

Supplementary Protection Certificates (SPCs) extend the period of patent protection, accounting for regulatory delays in commercial exploitation. According to Article 3(a) R 469/2009/EC, an SPC will be granted if the product is protected by a basic patent in force at the date of the application.

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The defendant in the national proceedings held an SPC relating to a pharmaceutical product that treated the human immunodeficiency virus (HIV). The SPC relied on the patent's claim that the compound could be associated with 'optionally other therapeutic ingredients' to cover the active ingredient emtricitabine. The applicants in the national proceedings wanted to market the generic version in the UK, and challenged the SPC's validity, claiming that it was not protected by a basic patent in force. They submitted that the ingredient was not known to the person skilled in the art for the treatment of HIV in humans, citing C-322/10 *Medeva* (EU:C:2011:773) and C-493/12 *Eli Lilly and Company* (EU:C:2013:835). The defendant argued that 'optionally other therapeutic ingredients' relates implicitly, but necessarily to emtricitabine, meaning that the SPC is protected by a basic patent.

The CJEU explained that while active ingredients do not need to be expressly claimed, they must necessarily, considering the patent's description and drawings, be covered by the patent. They must also be specifically identifiable considering all of the information the patent discloses. It is for the patent office or national court to determine on the basis of the prior art at the filing date or priority date from the point of view of a person skilled in the article.

The full text of the decision is available on the Curia website.

Validity and Infringement

CJEU – Jurisdiction – infringement – invalidity - preliminary injunction, damages patent

Case C-339/22 - *BSH Hausgeräte GmbH v Electrolux AB*, EU:C:2025:108 [25 February 2025]

This CJEU decision concerns whether the Svea hovrätt Patent- och marknadsöverdomstolen (Swedish Patent and Commercial Court of Appeal) has the jurisdiction to hear a case on infringement and invalidity, where the patent is registered extra-territorially.

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BSH held a European Patent (EP 434 512), which protected an invention regarding vacuum cleaners. The EP was validated in 10 countries including Germany, Turkey and Sweden, granting it national patents in those states. On 3 February 2020, BSH brought an action before the Patent-och marknadsdomstolen (Swedish Patent and Commercial Court), alleging that Electrolux had infringed the national elements of all patents. BSH asked the court for an injunction order that would prevent Electrolux from using the patented invention in states where the EP had been validated. Additionally, Electrolux would be required to pay renumerations and damages for the alleged unlawful use.

Electrolux sought to have the claims dismissed, arguing that the claims relating to infringement on the non-Swedish or 'foreign' part of the patent should be found inadmissible. Additionally, the Swedish court lacked jurisdiction to decide on infringement. Further, based on paragraph 61(2) of the Law of Patents, validity must be examined in separate proceedings from that of infringement. The Swedish Patent and Commercial Court decided, pursuant to Article 24(4) and Article 27 of the Brussels I *bis* Regulation, that it did not have jurisdiction to hear the action of alleged infringement of a 'foreign' patent. Specifically, regarding Turkey, the court could not decide on a patent that had been validated in a third country.
BSH appealed this decision to the referring court, the Swedish Patent and Commercial Court of Appeal. BSH argued that Article 24(4) did not apply to 'pure' infringement of a foreign patent. Further, based on Article 4(1) of the Brussels I *bis* Regulation, the Swedish court had jurisdiction to hear this proceeding. The Swedish court referred three questions to the CJEU, regarding its jurisdiction to hear the present case.

In answering the questions, the CJEU found that:

- Article 24(4) requires that the jurisdiction to hear proceedings on registration or validity belongs to the state in which the patent has been registered. The court of the country where the patent has been granted has an exclusive jurisdiction when deciding the validity of the patent. However, the court in the domicile state of the defendant, with jurisdiction under Article 4(1), does not lose its competency to consider a claim of infringement merely because the defendant raises a question of invalidity.
- Article 24(4) must be interpreted as not applying to the court of the third state. Under Article 4(1) the court where the defendant resides shall have jurisdiction to hear a claim of infringement, even where the validity of the patent has been questioned. The decision however cannot affect the existence of the patent in the third country.

The text of the decision is available here

Patent infringement - Legal costs and other expenses

Case C-531/20, NovaText GmbH v Ruprecht-Karls-Universität Heidelberg, EU:C:2022:316 (28 April 2022)

This preliminary ruling concerned the interpretation of Articles 3(1) and 14 of Directive 2004/48/EC (IPRED), specifically the concept of 'reasonable and proportionate legal costs' in relation to patent lawyers' costs. The Court ruled that, in proceedings under this directive, the courts must be able to take due account of the specific characteristics of each case brought before them for the purposes of assessing whether the legal costs incurred by the successful party are reasonable and proportionate. A national legislation or an interpretation thereof which precludes this is not compliant with EU law.

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The University of Heidelberg brought an action for a cease-and-desist order against German company NovaText on the grounds of infringement of the university's EU trade marks. The proceedings concluded when the parties reached a judicial settlement. The Landgericht Mannheim (Regional Court, Mannheim, Germany) ordered NovaText to pay the costs, which included the cost of a patent lawyer (Patentanwalt), who assisted the University of Heidelberg in the judicial proceeding. According to German case-law, those costs are unconditionally and automatically borne by the unsuccessful party of the proceedings. NovaText's appeal was dismissed by the Oberlandesgericht Karlsruhe (Higher Regional Court, Karlsruhe, Germany), which, following this case-law, held that there was no need to consider whether the involvement of the patent lawyer was necessary, or whether it amounted to 'added value'. Therefore, the costs had to be borne by NovaText. The case went to the Bundesgerichtshof, which initiated the preliminary ruling procedure, asking the following question:

> Are Articles 3(1) and 14 of Directive 2004/48 to be interpreted as precluding national legislation imposing an obligation on the unsuccessful party to reimburse the costs incurred by the successful party for assistance by a patent lawyer in proceedings brought under trade mark law, whether or not the patent lawyer's assistance was necessary for the purpose of appropriate legal action?

Article 14 IPRED regulates the reimbursement of 'the reasonable and proportionate legal costs and other expenses' incurred by the winning party, to be paid, as a general rule, by the losing party (§ 25).

The Court held that the costs of a representative can fall within the concept of 'legal costs' where, for instance, the IP counsel participates in the drafting of the submission to an oral hearing, or in the negotiation of an amicable settlement. However, costs relating to evidence research are not 'legal costs', as such, but an element to be taken into account for the determination of the damages (§ 41, 42, 44).

Interpreting the requirement of 'reasonableness', the Court ruled that excessive costs due to unusually high fees, or services that are not considered necessary to ensure the enforcement of the rights, were not reasonable. The Court went on to clarify that under the requirement of proportionality, the successful party should have the right to reimbursement of, at the very least, a significant and appropriate part of the reasonable costs actually incurred by that party, but not necessarily the entirety of the costs (28/07/2016, C-57/15, United Video Properties, EU:C:2016:611, § 25, 29). Furthermore, whether the

costs are proportionate cannot be assessed independently of the costs that the successful party actually incurred in respect of legal assistance, provided they are 'reasonable' (§ 45, 48).

Furthermore, in assessing German case-law, the Court underlined that a court that has jurisdiction must be able to review, in every case, the reasonableness and proportionality of the legal costs incurred by the successful party. This can be deduced from recital 17 IPRED, which says that due account should be taken of the specific characteristics of each case (§ 49). As a result, the inclusion of IP counsel (patent lawyers in this case) fees within the recoverable costs can never be automatic, as a national judge could not assess whether they are reasonable and proportionate, and would be deprived of discretionary power (§ 29, 49-52). This means that Member States may not go so far as to subtract a category of court costs or other expenses from any judicial review of their reasonableness and proportionality (§ 51).

In light of the above, the Court answered that Articles 3 and 14 IPRED must be interpreted as precluding national legislation or an interpretation thereof which does not allow the court before which an action is brought under that directive to take due account, of the specific characteristics of each case brought before it for the purposes of assessing whether the legal costs incurred by the successful party are reasonable and proportionate.

The text of the judgment is available here.

Patent – validity – term of protection

Bundesgerichtshof (BGH, German Federal Court of Justice), Case X ZR 96/18, *Datenpaketumwandlung* [11 August 2020]

In this judgment, the German Federal Court of Justice (Bundesgerichtshof, BGH) had to decide whether a party can sue for invalidity of a patent after the term of protection has already expired.

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The defendant (Koninklijke KPN N.V.) is the registered proprietor of European Patent 1 280 279, granted with effect in the Federal Republic of Germany, resulting from an application for the division of international application WO 95/20285 filed on 29 December 1994, claiming the priorities of two Dutch patent applications of 21 January 1994 and 25 November 1994. The patent in dispute concerns methods and devices for converting and transmitting a sequence of data packages by means of data compression.

The applicant, who was being countersued by the defendant for infringement of the patent in dispute on the basis of the patent claim, applied for the patent in question to be declared invalid. The applicant claimed that the subject matter of the patent in dispute went beyond the content of the original application and was not patentable. The defendant requested the action to be dismissed and, in the alternative, defended the contested patent by three alternative submissions. European Patent 1 280 279 expired during the proceedings before the Federal Patent Court who stated that the applicant must show a 'special interest worthy of protection' in order to invalidate the patent. The Patent Court declared the patent in dispute invalid as to claim no. 21 on the ground of lack of novelty, but refused to rule on the merits of the lawsuit for the other patent claims on the ground of absence of legal

interest in the declaration of invalidity. In its appeal, the defendant continued to seek the complete dismissal of the action.

The BGH amended the judgment and rejected the further appeal. It emphasised that the threshold of legal interest in the case of patent invalidity should not be set high and, once the term of protection of a patent has expired, an infringement action, even if it is based only on the main claim, normally creates a legal interest for the infringer in an invalidity action also with regard to all sub-claims of the patent which are related to the main claim. As a result, the BGH declared that the action for invalidity should have been examined on the merits for all the patent claims, invalidated claims 1-20 in their entirety, and ruled claim 21 as valid.

The text of the judgment (in German) is available here.

Infringement – disclosure of invention

High Court of Justice: Business and Property Courts of England and Wales Patent Court, Claim No: HP-2017-000050 EWCA 991 (Pat) E*. Mishan & Sons, Inc T/A EMSON v. Hozelock Limited, Blue Gentian LLC and Telebrands Corp.* [17 April 2019]

This case concerns the alleged infringement and invalidity of a UK and European patent for an extendable garden hose (the 'Xhose'). It amongst others discusses the criteria for public disclosure.

The claimant developed the Xhose in his garden in Florida (USA), which is visible from the road. On 04/11/2011, he applied for a US patent. In early 2013, the Xhose was marketed in the UK. Prior to this no extendable garden hose was marketed in the UK (or Europe). The defendants allegedly manufactured their own extendable hose — the Superhoze, a similar extendable garden hose. The defendants argued that the claimant had disclosed his invention to the public before application for a patent, and that the latter should be declared invalid.

Under *Windsurfing International Inc v Tabur Marine (*Great Britain) Ltd ([1985]) the principle is that if a member of the public could view someone developing an invention prior to patent application, then the object would be deemed to have been disclosed to the public, invalidating the patent.

Justice Nugee resolved the *Windsurfer* principle due to the location of the claimant's activities (the claimant's own garden). It would be unreasonable to say that ordinary people should be so vigilant as not to use their own property but rather to take every measure to protect their invention.

In addition, Justice Nugee noted that it would be unlikely for a skilled person to take note of or make an effort to view the claimant´s activities in his garden as it would merely appear to be a man using a hose; furthermore, the claimants took measures to protect their work.

These accumulative circumstances enabled Justice Nugee to find that the obviousness attack based on prior use by the defendant failed due to a lack of disclosure to the public.

Several prior cases in the US and the UK have dealt with the novelty and skilled person test of the Xhose. In the US it was argued that two patents from 2003, one relating to extendable hoses in oxygen masks (McDonald) and the second entitled 'pressure-actuated Linearly Retractable and Extendable Hose' (Ragner) removed the novelty of the Xhose meaning that there was no infringement. Justice

Nugee found the patent invalid due to lack of an inventive step in view of a cited prior art document (McDonald).

Had the patent been valid there would have been an infringement resulting from the doctrine of equivalents as the Superhoze was produced in such a similar fashion.

The judgment is available on Bailli.

Limitations

Limitations – retroactive effect

Corte di Cassazione, Prima Sezione Civile (Italian Supreme Court of Cassation, First Civil Section), Case No. 17325/15 [14 August 2019]

In this decision, the Italian Supreme Court clarifies from which moment post-grant patent limitations are effective.

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Article 69(2) Convention on the Grant of European Patents (EPC) states that when the scope of protection is amended in limitation proceedings, that (narrower) scope applies retroactively. Article 56(1) Italian Industrial Property Code (CPI) is one of the provisions that implement at a national level the limitation procedure taking place before the European Patent Office (EPO, see Article 105b(3) EPC). According to that provision, the scope of protection of a patent subjected to limitation is effective as of the publication of the decision on the limitation.

The case involved two producers of healthcare products and devices. Artsana S.p.a sought a declaration of invalidity for lack of novelty of the Italian validation of a European Patent owned by Tecnimed s.r.l. In 2010 the Court of First Instance of Milan upheld Artsana's claims, based on the existence of a US registered patent constituting relevant prior art. Tecnimed appealed before the Court of Appeal of Milan. In order to avoid a declaration of invalidity, it requested a post-grant limitation of the scope of the patent at the EPO. The EPO limited the scope by removing the claim in conflict with the US patent. Following this new fact, the Court of Appeal amended the Court of First Instance's decision. Nevertheless, it stated that Tecnimed's invention could only receive protection from the date of the EPO's decision onwards.

The Italian Supreme Court rejected the Court of Appeal's solution. In particular, it stressed the clarity of Article 69(2) EPC in attributing protection to the patent owner from the moment of the grant and as if the patent 'was born with that limitation'. The Supreme Court considered the interest of the patent owner, especially with regard to the possibility of finding documents demonstrating the existence of relevant prior art that can reduce the scope of the patent. It also considered the interests of third parties in having legal certainty, especially on the invalidity of conflicting patents. According to the Supreme Court, the letter of the provision and the interest of the patent owner do not hinder legal certainty of third

parties, which is also safeguarded by the impossibility to extend the scope of a patent beyond the original claims.

Therefore, the Supreme Court stated that, where a European Patent granted with for Italy is limited by a decision of the EPO, protection according to the limited scope lasts from the grant. The possible invalidity of the original claims, which were later amended in limitation proceedings is irrelevant.

The text of the judgment (in Italian) is available on cortedicassazione.it

Exhaustion of rights

Exhaustion - importation

Case C-681/16 *Pfizer Ireland Pharmaceuticals, Operations Support Group* v *Orifarm GmbH*, EU:C:2018:484, [21 June 2018]

The preliminary ruling clarifies when the holder of a supplementary protection certificate (SPC) for a pharmaceutical product issued in one of the first EU Member States (in this case Germany) can prevent the parallel import of that product from the newer Member States (i.e. the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovenia, Slovakia, Bulgaria, Romania and Croatia).

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The principle of exhaustion of rights, which derives from the right of free movement of goods, restricts a patentee from opposing the importation of a product which has already been lawfully marketed in another Member State; that is, by the patentee or with its consent. However, the Acts of Accession (Chapter 2 of Annex IV, Chapter 1 of Annex V and Chapter 1 of Annex IV of the Acts of Accession of 2003, 2005 and 2012, respectively) introduced the so-called Specific Mechanism derogation from that principle: the holder of a patent or SPC for a pharmaceutical product can prevent the parallel import of that product from the newer Member States if no equivalent protection was available in those States; and if the product is still protected in the Member State into which the product is being imported.

Pfizer claimed infringement of its German SPC which was based on a German patent filed at a time when patent protection was not available in the relevant new Member States. *Orifarm*, however, argued that SPCs could be obtained at the date of filing the German SPC. The Court considered that possibility hypothetical, since SPCs could not be sought as there was no underlying patent in those countries. According to the Court, the Specific Mechanisms apply when there was no equivalent protection in the importing and the exporting Member States at the time at which the application for a basic patent was filed.

The decision is available on the Curia website.

Enforcement – Intermediaries and Injunctions

Patent infringement- Interlocutory injunction

Case C-44/21, Phoenix Contact GmbH & Co. KG v HARTING Deutschland GmbH & Co. KG & Harting Electric GmbH & Co. KG, (28 April 2022)

This preliminary ruling concerns the interpretation of Article 9(1) of Directive 2004/48/EC (IPRED) in a patent dispute. The CJEU ruled that competent judicial authorities can grant an interlocutory injunction in infringement proceedings, even if the validity of the patent has not been confirmed, that is to say, if it is yet to be proven in opposition or invalidity proceedings. That ruling challenges an established German case-law that stresses the importance of securing validity of a patent prior to the granting of a preliminary injunction.

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The dispute arose between Phoenix Contact and its competitor Harting, in the plug connector market. Phoenix Contact owns a European patent, designating inter alia, Germany. Shortly after the patent was granted, it applied for an interlocutory injunction against Harting at the Oberlandesgericht München (Higher Regional Court, Munich, Germany), which filed an opposition against the patent. The referring court reached the preliminary conclusion that the patent at issue was valid and had been infringed. However, it considered that it was prevented from issuing an injunction given the binding case-law under which the patent concerned may only enjoy interim judicial protection where the validity of that patent has been confirmed by a decision given at first instance in patent validity proceedings.

The referring court stayed the procedure and asked the CJEU if Article 9(1) IPRED was to be interpreted as precluding national case-law under which provisional measures for infringement of patents are in principle refused where the patent in question has not survived at least an opposition or revocation proceeding in the first instance.

The Court first underlined that Article 9(1)(a) IPRED requires Member States to provide, in their national law, for the capacity of competent national judicial authorities to adopt an interlocutory injunction following an examination of the specific features of each individual case, in compliance with the conditions laid down in Article 9 (§ 31). These interlocutory injunctions against the alleged infringers must be made available at the request of the applicant in order to prevent any imminent infringement of an intellectual property right (IPR), without awaiting a decision on the merits (§ 32).

However, the Court found that German case-law, by the requirement it imposes, deprives Article 9(1)(a) IPRED of any practical effect. Indeed, it does not allow a national court to adopt an interlocutory injunction to terminate immediately the infringement of a patent, even though that patent, according to the national court, is valid and is being infringed (§ 34). Furthermore, this requirement is likely to give rise to a situation in which the patent owner's competitors, as potential infringers, knowingly decide to abandon a challenge to the validity of that patent in order to prevent it from enjoying effective judicial protection (§ 35).

The Court went on to recall that European patents enjoy a presumption of validity from the date of publication of their grant, and that by imposing those requirements, the immediate termination of the infringement of IPRs would be ineffective and would disregard the objective of a high level of protection for intellectual property (§ 40, 41). Moreover, the Court highlighted the legal tools and safeguards that

exist to mitigate the risk of harm that the defendant can suffer as a result of the adoption of interim measures (e.g. for the applicant to lodge adequate security to ensure compensation for any prejudice suffered by the defendant) (§ 44-47). Therefore, the Court ruled that a positive decision on the validity

of a patent or a surviving opposition are not prerequisites for issuing an interlocutory injunction.

Finally, the Court stated that the requirement to interpret national law in conformity with EU law entails the obligation for national courts to change their established case-law where necessary, if it is based on an interpretation of national law that is incompatible with the objectives of a directive (§ 52).

It concluded that Article 9(1) IPRED must be interpreted as precluding national case-law under which applications for interim relief for patent infringement must, in principle, be dismissed where the validity of the patent in question has not been confirmed, at the very least, by a decision given in the first instance in opposition or invalidity proceedings.

The text of the judgment is available here.

UPC – Patents – Intermediaries and injunctions

Munich Division, UPC_CFI_2/2023 – NanoString Technologies Inc. v 10x Genomics, Inc [19 September 2023]

The case concerns a dispute between companies in the biotech segment over a patent. This is the first time that the Unified Patent Court (UPC) has issued a preliminary injunction, whereby it outlined and weighed up requirements and trends in the sector as well as balancing the interests of the parties involved. A **preliminary injunction** is an effective remedy to **enforce patent claims** and **balance the interests** of the parties involved, as well as being an effective means of assessing the potential for damages.

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The dispute involved NanoString (the 'defendant'), a company that offers a platform for the mapping of genes, proteins and DNA sequences in biological material. 10x Genomics, Inc. (the 'claimant') is the holder of the patent enforced. On June 2023 the claimants filed a request for **precautionary measures** with the **UPC – Munich Division**, alleging that the defendants had infringed patent EP4108782 (international application PCT/US2012/071398) covering a machine that is capable of quantifying and visualising RNA and protein. After studying the parties' arguments, the UPC issued a **preliminary injunction** against the defendants.

According to the Court, patentees must satisfy the following requirements to qualify for the provisional injunction relief: (i) the likelihood of infringement of a valid patent, (ii) urgency, and (iii) threatened harm.

Such requirements were found to be satisfied as the defendant's **harm** was proved to be **significant** and particularly **long-lasting** and the claim was filed at the **earliest possible time**.

The Court also found that:

- Under Article 62(2) of the Agreement on a Unified Patent Court ('UPCA'), the Court may discretionally balance the **interests** of the parties and the **potential harms** before granting an injunction.
- The defendant failed to prove that the injunction would also affect elements of their product not covered by the claimant's patent.
- The defendant also failed to prove the lack of non-infringing alternatives available.
- Competition law did not justify the use of the invention by the defendant, given alternative technologies existed and the patent did not cover an essential technological standard.

To assess the irreparable harm, the Court considered:

- The relative novelty of the patented technology.
- The patent holder's chances to make a profit despite the infringer's conduct.
- The long-life cycle of the product.

The text of the judgement is available here.

Standard Essential Patent (SEP) – Injunction – FRAND licences

High Court of Justice – Patents Court – Optis Cellular Technology, LLC, et al. v Apple Retail UK Limited, et al., [2021] EWHC 2564 (Pat) Case No. HP-2019-000006 – 27 September 2021

This is the UK High Court's latest decision in a long-standing dispute initiated by Optis, claiming that Apple's 3G and 4G devices are infringing eight of its standard essential patents (SEPs). After the Court confirmed that one of the Optis patents was valid, essential and infringed by Apple (June 2021), and pending the decision to determine the terms of the global FRAND licence, Optis sought an interim injunction because Apple had announced its unwillingness to commit to the resulting FRAND licence. The Court ruled that Apple had to commit to enter into the not-yet determined FRAND licence or face an injunction to restrain the infringement of the Optis patents in the UK, until the resolution of the FRAND trial and acceptance of the terms. This decision could have major consequences for Apple regarding the sale of iPhones 3G/4G in the UK market.

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In 2019, Optis, a software company, filed several lawsuits against Apple, claiming that Apple's 3G and 4G devices infringed eight standard essential patents (SEP), from its wider patent portfolio. Consequently, further technical trials were initiated to decide whether each of the eight patents in the portfolio were valid, essential and infringed. During the first trial, the judge found that patent EP 12 30 818 was valid, essential and infringed. This patent refers to a method that improves the delivery between mobile communication systems. Both arguments given by Apple (patent not essential and invalid) were rejected by the court. In the second trial, European patent EP 22 29 744 B1 was also found valid, essential and infringed. As Apple was found to infringe these two Optis essential patents, the court was asked to determine a fair, reasonable and non-discriminatory licensing rate, or FRAND.

In the meantime, Optis sought an injunction against Apple who had announced its unwillingness to accept FRAND terms. The Court gave Apple two choices, either to commit to enter into the FRAND licence or to face an injunction. Indeed, the Court clarified that, to avoid an injunction, Apple had to make a 'binding commitment' to the FRAND terms to be found in Trial E (§ 346), adding that 'Optis is substantially correct about the meaning of clause 6.1 and that Apple should be injuncted unless it commits to taking a FRAND licence' (§ 348). Following this decision, if Apple does not commit to the court-determined FRAND licence, it could face a sales ban in the UK. The following trials will decide whether Apple is infringing the remaining valid Optis portfolio patents.

The text of the judgment is available here.

Injunction – Patent infringement

Germany - Munich I Regional Court, Case no. 21 O 16782/20 [19 January 2021]

The 21st Civil Chamber of the Munich I District Court has referred a question on the availability of preliminary injunctions against patent infringements to the Court of Justice of the European Union (CJEU). The question relates to whether the current standard for granting a preliminary injunction in patent litigation should be lowered, as the Munich judges indicated that the current standard in German law imposes an undue burden on patentees.

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The referral arises from a patent dispute between patent holder, 'Phoenix Contact' and Harting over EP 28 23 536. EP 536 protects a plug connector comprising a protective conductor bridge. Phoenix Contact applied to the Munich Regional Court for a preliminary injunction to restrain Harting from distributing its connectors, as the patent holder claims that Harting is infringing EP 536. The Court did not doubt the validity of the patent. However, the judges did not regard themselves as being in a position to grant a preliminary injunction because of precedent arising from the Higher Regional Court in Munich.

Granting a preliminary injunction requires a sufficient likelihood that the asserted patent is valid. Under current German case-law (Case 7 O 6409/19), however, it is usually not sufficient to meet that standard by simply showing that the asserted patent has been granted by a patent office. Rather, with certain exceptions, it is required that validity has been confirmed in *inter partes* invalidity proceedings (i.e. in opposition proceedings before the European Patent Office or in nullity proceedings before the Federal Patent Court). In the opinion of the Munich I District Court, this standard may impose an undue burden on patentees in view of the European Directive 2004/48/EC (hereafter 'The Directive'). For the Court, requiring patent validity to be confirmed in inter partes invalidity proceedings might also be incompatible with the fact that a patent becomes legally effective and thus, enforceable by a court, upon grant. Therefore, the Regional Court Munich has now referred the following question to the CJEU: 'Is it compatible with Article 9(1) of the Directive that the Higher Regional Court, in principle, extends an injunction for patent infringement, if the patent in dispute has not yet survived opposition or nullity proceedings at first instance?'

The decision of the CJEU is likely to have far-reaching implications. The Munich referral may lead to new enforcement opportunities and strategies for patentees. At the same time, the Munich referral is in

tension with current reform of German patent law which, if enacted, will emphasise a hurdle for injunctions, namely that injunctions must not be disproportionate.

A press release can be found here and a translation of the case can be found here.

Injunction - Standard Essential Patent (SEP) – FRAND licences

Bundesgerichtshof (BGH, German Federal Court of Justice), Case KZR 36/17, *Sisvel v. Haier* [5 May 2020]

This landmark ruling of the German Federal Court of Justice implements the Huawei v ZTE judgment (16/07/2015, C-170/13, Hauweii Technologies Co. Ltd v ZTE Corp. and ZTE Deutschland GmbH, EU:C:2015, 477) and clarifies that a standard-essential patents (SEP) holder is not automatically precluded from enforcing its patent against an implementer.

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In its ruling the BGH had to decide whether injunctive relief was available to a holder of standard-essential patents (SEPs), despite its obligation to offer licences under fair, reasonable and non-discriminatory ('FRAND') conditions.

The applicant (Sisvel) is the owner of the German part of European Patent 852 885, which expired during the appeal proceedings, that is essential for GPRS (General Packet Radio Service) wireless communication. The defendants (Haier) offered mobile phones and tablets, supporting the GPRS service, at the International Electronics Fair in Berlin in September 2014. On 10 April 2013, the applicant gave a FRAND licensing declaration to ETSI (European Telecommunications Standards Institute**)**, according to which the applicant was prepared to license the patent to the plaintiff. The contested mobile phones and tablets were considered an infringement of the applicant's rights under the patent in suit. Sisvel requested injunctive relief for infringement of two of its SEPs.

The regional court sentenced the defendants as requested. On appeal, the Higher Regional Court in Düsseldorf overturned the first instance decision, stating that the licence offered by Sisvel was not FRAND, since Haier was treated differently from other licensees, and that Sisvel had abused its dominant market position. Subsequently, the case was brought before the BGH.

Although the BGH confirmed Sisvel's dominant position, it also reversed the decision and granted the applicant injunctive relief, explaining that Haier did not act as a willing licensee under the Huawei v ZTE framework, which confirms that a SEP holder is not automatically precluded from enforcing its patent against an implementer. BGH emphasised that an offer at a higher rate compared to the rate paid by another licensee was not necessarily discriminatory and that a willing licensee is willing to accept a licence on the exact FRAND terms.

The text of the judgment (in German) is available here.

Injunction – Patent infringement – evidence – novelty

The Hague District Court, C/09/580883/KG ZA 19-941 Tomra Sorting v Kiremko [17 January 2020]

This judgment concerned patent infringement injunctions claimed in proceedings for interim relief.

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Tomra is an Irish producer of sorting, peeling and processing machines. Kiremko is a manufacturer of machinery for the potato processing industry. One of the machines Kiremko produces and markets is fitted with a steam outlet valve. Tomra is the proprietor of a European patent granted in 2011, allegedly encompassing that type of valve.

Tomra claimed that Kiremko infringed its patent with respect to the steam outlet valve (technically indicated as 'pressure release apparatus') and brought an action before the Hague District Court to obtain either an injunction for infringement of the European parts of the mentioned European patent, or an injunction against unlawful conduct and a fine, including compensation of the costs of the proceedings. Kiremko contested the infringement and brought a counterclaim for the invalidity of the patent on the grounds of lack of novelty of some claims. Kiremko argued that US patent No 279 represented relevant prior art, and presented a number of combinations from prior art documents to show lack of inventiveness.

According to the Hague District Court, Tomra failed to prove that the previously registered US patent No 279 had not already disclosed the invention. In particular, Tomra did not prove the novelty of its invention with regard to some of the main claims. It also failed to refute Kiremko's allegations, according to which US patent No 279 had already disclosed characteristics described by some of the dependent clams.

Therefore, the court stated that it was not sufficiently plausible that Kiremko was infringing the patent at issue, as there was a serious, not insignificant chance that the patent would be declared invalid in proceedings on the merit.

The text of the judgment (in Dutch) is available here.

Injunction – immediate effect

England and Wales High Court, Case No [2019] EWHC 745 (Pat) [18 March 2019]

This decision clarifies the conditions under which an injunction with immediate effect may be granted upon refusal from the defending party to agree to a RAND (Reasonable and Non-Discriminatory) licence agreement.

The claimant, a US company with a primary focus on DSL technology, is the owner of the SEP (Standard Essential Patent) '268 ([8]), a multicarrier communication with a variable overhead rate. The

([8]) Abbreviation for EP 1 453 268, see the European Patent

defendant, a multinational company offering wireless services, had used and benefitted from SEP '268 since 2013, without agreeing on a RAND licence with the claimant. During earlier proceedings, the defendant refused to commit to any court-determined RAND licence and, on three occasions, it refused to negotiate with the SEP owner. In the present case, the defendant stated that they were not seeking to settle for a court RAND licence. The SEP was going to expire less than two months later, which would not be sufficient time to abide by any agreement.

The England and Wales High Court took the view that the defendant was 'holding out', which occurs when an implementer delays paying an SEP owner 'whilst infringing [SEPs], because it wants to hang on to its money and exhaust the resources and will of the opposite party'. The question was therefore whether the defendant could avoid an injunction, whilst continuously infringing the patent. Since the defendant had refused to submit to the outcome of an appropriate [RAND] determination, whilst using and infringing the SEP, the court concluded that the defendant owed injunctive relief to the patent holder.

The defendant also submitted an application for a stay for one month, to allow certain pending orders to be fulfilled. The court rejected the request as no convincing evidence to support the application was submitted.

The text of the judgment is available on BAILII.

Infringement – interim relief

Rechtbank Den Haag (The Hague District Court), Case No C/09/557229/KGZA18-771 [1 February 2019]

This decision of the District Court of The Hague concerns the application of the measure of exhibition in proceedings for interim relief in patent infringement cases (Article 843a of the Dutch Code of Civil Procedure in conjunction with Article 1019a of the Dutch Code of Civil Procedure).

Anheuser-Busch InBev ('ABI') brought an infringement action against Heineken, claiming infringement of a patent related to beer bag-in-containers (Patent EP 486). ABI requested the seizure of evidence, taking of samples and preparation of a detailed description. In the application for interim relief, ABI now seeks the rendering of the seized documents, samples and prepared description to be able to demonstrate in an infringement action that Heineken is infringing EP 486.

The District Court of The Hague inter alia points out that the claimant must show and have a legitimate interest in exhibition, and that the claim must relate to certain documents or other evidence which the defendant actually has or may obtain. As in any proceedings for interim relief, the case concerns a weighing up of interests, namely gathering the necessary evidence to prove patent infringement against the interest of the alleged infringer to protect its trade secret.

The court took into account that there was a serious chance that ABI's patent could be invalid (which will be assessed in the proceedings on the merits), and that Heineken's trade secrets which are at stake are of considerable value. ABI was held to have not act diligently, due to its long period of inactivity while the alleged infringement was allowed to continue. The court therefore held that in this case interim proceedings are not suitable for granting access. Access to the seized material was refused, except in

respect of seized samples of bag-in-containers. ABI must claim access in the proceedings on the merits, where the judge can first assess whether the patent is valid, examine the reasoning on infringement and then decide whether access is necessary.

The text of the judgment (in Dutch) is available on uitspraken.rechtspraak.nl.

Preliminary injunction - periculum in mora (urgency)

Provicial Court of Barcelona (Audiencia Provincial de Barcelona), section 15, No 181/2018 — [18 December 2018]

In this decision the Provincial Court of Barcelona clarified the meaning of *periculum in mora* (urgency) as a condition for the granting of preliminary injunctions (see Article 728 of the Ley de Enjuiciamiento Civil, Spanish Code of Civil Procedure, 'Peligro por la mora procesal'). It reversed the decision of the Commercial Tribunal of Barcelona, Patent Section.

A telecommunications company (the patent owner) and a smartphone manufacturer began negotiations for a licence on patented antenna technology. The manufacturer was producing and offering mobile phones incorporating the patent for sale without the consent of the patent owner. The companies did not reach an agreement within the negotiating period and the alleged infringer was about to participate in a mobile phone fair. The patent owner therefore sought a preliminary injunction against the manufacturer. The Commercial Tribunal of Barcelona granted the preliminary injunction.

The Court of Appeal rejected the first instance order and withdrew the preliminary injunction. It held that, in this case, there was no *periculum in mora*. According to Article 728 of the Ley de Enjuiciamiento Civil, the claimant must prove that there is a real risk of ineffectiveness of the ordinary judgment order should the provisional measure not be granted. Neither the termination of licence negotiations nor a forthcoming trade fair called for increased caution, and could not, therefore, justify the granting of a preliminary injunction, especially when the latter is of a pre-emptive nature (Article 726(2) of the Ley de Enjuiciamiento Civil).

The decision (in Spanish) is available here.

Injunction – lawfulness - Standard Essential Patent

Court of Appeal of England and Wales (Civil Division), Case No A3/2017/1784 *Unwired Planet* International v *Huawei Technologies* (23 October 2018)

In this decision the Court of Appeal of England and Wales (Civil Division) confirmed the lawfulness of an injunction obtained by the holder of a Standard Essential Patent (SEP) in a dominant market position. A competitor in the telecommunication field had used the SEP without a proper licence. The injunction order had been issued by order of the England and Wales High Court, Chancery Division (Patent Court) of 7 June 2017.

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The Court of Appeal held that in this case launching injunction proceedings does not amount to an abuse of dominant position. According to CJEU case-law (C-170/13, Huawei v. ZTE,

ECLI:EU:C:2015:477) SEP owners have an obligation to notify the alleged infringer before commencing proceedings. The nature and the content of that notice, however, depend on the circumstances of the given case.

Moreover, referring to the Commission's communication Setting out the EU approach to Standard Essential Patents, (COM(2017) 712 final of 29 November 2017), the Court of Appeal held that a licence on FRAND (fair, reasonable and non-discriminatory) terms may be global. FRAND negotiations imply good faith. Therefore, a country-by-country licensing approach may not be considered efficient. Charging a rate lower than is considered fair and reasonable (i.e. what the licence is worth) can be compatible with the requirement of non-discrimination.

The text of the judgment is available on the website of the British and Irish Legal Information Institute.

Infringement – preliminary injunction – scope of assessment

Audiencia Provincial de Barcelona (Provincial Court, Barcelona), Case No 130/2018 [16 October 2018]

In this decision the Provincial Court of Barcelona inter alia clarified the scope of assessment needed during interim proceedings for preliminary injunctions in patent infringement cases.

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A pharmaceutical company had obtained a preliminary injunction against a competitor allegedly infringing its patent rights, without the other party being heard. The preliminary blocking injunction was opposed by the alleged infringer, which filed counterclaims seeking the invalidity of the patent. In the main proceedings, the first instance court found that the patent was valid, and upheld the injunction (Juzgado de lo Mercantil de Barcelona n.º1 (Barcelona Commercial Court No 1), 28 July 2017).

The Provincial Court inter alia held that the in-depth analysis of the validity of the patent during interim proceedings seeking a preliminary injunction had been excessive. Such analysis should be conducted at the stage of the main proceedings and not in proceedings seeking preliminary injunctions. It confirmed both the injunction and the validity of the patent.

The text of the judgment (in Spanish) is available on poderejudicial.es.

Enforcement – Damage and compensation

CJEU – Supplementary protection certificate – Damages and compensation

Case C-473/22 – Mylan AB v Gilead, EU:C:2024:8 [11 January 2024]

This case concerns the interpretation of Article 9(7) of Directive 2004/48/EC ('IPRED'). The CJEU clarifies that this provision is compatible with a national norm establishing a **strict liability regime** that grants compensation for damages caused by **provisional injunctions,** originally issued and later **revoked** because they are found **invalid *ab initio***.

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On 3 December 2009, Finland's Patent and Registration Office granted the company Gilead a **complementary certificate** on a **patent** for an antiretroviral medicine indicated for the treatment of people with HIV (Patent No. EP 0 915 894).
In spring 2017, the company Mylan AB won two calls for tenders, adjudicating public procurements for the supply of its generic medicine based on Gilead's patent.

Although the patent expired in July 2017, in September 2017 Gilead (the 'claimant') brought an action against Mylan AB (the 'defendant') before the Market Court of Finland for patent infringement. In December 2017, the court granted a provisional injunction prohibiting the defendant to use, manufacture and place its generic medicine on the market.

The provisional injunction was eventually revoked by the Supreme Court of Finland in April 2019 on the grounds that the supplementary protection certificate (SPC) was invalid. Therefore, the claimant brought a claim against the defendant **seeking damages** for the injury caused by the **invalid provisional injunction**.

The Market Court referred the following questions to the CJEU for a preliminary ruling.

1. If the Finnish compensation regime, based on **strict liability,** was compatible with Article 9(7) of IPRED, which provides appropriate compensation for damages caused by provisional injunctions that are subsequently revoked

In the event of a negative answer:

2. If liability under Article 9(7) requires the fault of the applicant, its abuse of rights or some other grounds.
3. What circumstances must be taken into account when assessing the existence of such a liability?
4. If the assessment must be based only on circumstances known at the time when the provisional measure was granted, or also on the fact that the measure was subsequently found invalid *ab initio*.

The CJEU found that the Finnish compensation regime, based on strict liability, was compatible with Article 9(7) of IPRED for the following reasons.

- A mechanism of strict liability appears to be **proportionate** to the objectives of ensuring the enforcement of IP rights while, at the same time, mitigating the risk that the defendant suffers losses as a result of an invalid provisional measure.
- The strict liability mechanism strikes a **balance** between the rights of the opposing parties. The fact that the defendant doesn't need to prove the fault of the applicant counterbalances the fact that the latter may obtain provisional measures without definitive evidence of infringement, in accordance with Article 9(3) of IPRED.
- If the IP right the provisional measure was based on is found **invalid retroactively**, the acts of the defendant prevented by those measures were part of legitimate trade and should not have been hindered.
- It follows that a strict liability regime does not create a barrier to legitimate trade and doesn't compromise the dissuasive nature of the system of provisional measures.

- The right to compensation is strictly limited to the injury suffered by the defendant caused by the unjustified provisional measure. On the contrary, the compensation doesn't cover the damages resulting from the defendant's conduct that aggravated the injury.

The text of the judgement is available here

Compensation – preliminary measures

Case C-688/17 Bayer Pharma AG v Richter Gedeon Vegyészeti Gyár Nyrt., Exeltis Magyarország Gyógyszerkereskedelmi Kft. EU:C:2019:722 [12 September 2019]

This preliminary ruling concerns compensation claims for preliminary measures.

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According to Article 9(7) Enforcement Directive (D 2004/48/EC), 'appropriate compensation' may be granted by judicial authorities for injuries caused by preliminary measures which were later revoked, or where infringement or threat of infringement was not subsequently found. The question referred to the Court concerns the notion of 'appropriate compensation', and whether it should be interpreted as merely granting a right of compensation, or whether the content and scope of this right is defined.

Bayer, a pharmaceutical company, obtained a patent for a pharmaceutical product containing a contraceptive ingredient from the Hungarian IP office. Richter and Exeltis marketed generic contraceptive pharmaceutical products in Hungary, including before Bayer's patent was granted. The patent holder obtained a preliminary injunction against the marketers of the generics; the order was later set aside while invalidity proceedings were pending. The patent was then invalidated entirely and infringement proceedings terminated. Richter and Exeltis thus requested a court order against Bayer, asking for compensation for the claimed loss resulting from the preliminary injunction.

The CJEU stresses that 'appropriate compensation' is an autonomous concept of EU law which must be given an independent and uniform meaning. National courts must decide, on a case-by-case basis, whether compensation is appropriate, that is to say 'justified in light of the circumstances'.

Article 9(7) establishes as a pre-condition that the preliminary injunction is repealed or that infringement or threat of infringement is not found. However, that does not mean that compensation for losses will be automatically ordered. The Court also referred to Recital 22 of the Enforcement Directive which considers compensation to be 'appropriate' to the extent that it repairs the cost and injury suffered because of 'unjustified' provisional measures. Provisional measures would be unjustified when there is no risk of delays causing irreparable harm to the rights holder. When a generic product is marketed although a patent has been granted, there may, in principle, be such a risk. The fact that the provisional measures have already been repealed is not a decisive factor to prove that the measures were unjustified. Otherwise rights holders could be discouraged from applying for these types of measures.

National courts must check that an applicant has not abused provisional measures.

The full text of the judgment can be found on the Curia website.

Provisional measures – Damages – Revoked provisional measures

Kúria – Case Pfv.IV.20.236/2021/6, [23 February 2022]

In this case the Kúria of Hungary looked at the compensation for the damages caused to a third party by an interlocutory injunction which had subsequently been revoked. It said that **compensations for revoked provisional measures** under Article 9(7) of Directive 2004/48/EC (IPRED) could only be claimed by those who were part of the proceedings.

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Plaintiff A is a Hungarian-based company, whose principal activity is the wholesale distribution of pharmaceutical and medical products. It entered into a 'License and supply agreement' with a Spanish manufacturer and was selling its products in Hungary. Defendant B is a German company, the owner of a Hungarian pharmaceutical patent.

In a previous non-adversarial proceeding, an interlocutory injunction was ordered against plaintiff A for the infringement of the patent of defendant B. Among others the court ordered plaintiff A to cease stocking, offering for sale and distributing the products.

Although the contractual partner of plaintiff A, the Spanish manufacturer, was not party to the proceeding, plaintiff A nonetheless suspended the marketing of the concerned products in Hungary. Plaintiff A appealed the order, and the interlocutory injunction was revoked. The patent of defendant B was later annulled in its entirety.

Plaintiff A claimed compensation for the damages caused by the interlocutory injunction, both for the Spanish manufacturer's damages under an assignment agreement, and for its own damages. Defendant B argued that it had not engaged in any unlawful conduct, nor was there any causal link, since the provisional measures did not contain any injunction against the Spanish manufacturer. It also claimed that the manufacturer was not party to the non-adversarial proceeding. In the case of the applicant (plaintiff A), the fact that it had not yet marketed the product during the period of the interlocutory injunctions precludes the existence of injury.

Both the first and second instances found that the claim for compensation was unfounded, and after the appeal of the plaintiff, the Kúria of Hungary upheld the decision.

The Court held that the national law does not contain special provisions regarding compensation for damage caused by an interlocutory injunction which subsequently became unfounded. However, such possibility exists under the TRIPs Agreement and Article 9 (7) of IPRED.

The Court first ruled on the compensation for the Spanish manufacturer. It referred to recital 18 IPRED that covers situations when provisional measures – which later become unfounded – cause damages. However, it found that this recital could not be interpreted as meaning that compensation can also be claimed by a person who was not a party to the interim proceedings. The non-contractual damages were not awarded by the court either, because the manufacturer suspended the marketing of its products voluntarily when the interim measures were ordered. Since those measures did not contain any obligations for the manufacturer, for the Court, the manufacturer had caused their own damages.

Regarding the damages of plaintiff A, the Court agreed that although it was the defendant in the previous non-adversarial proceedings, it had not submitted evidence that it had been marketing the contested products. That means that the measures ordered did not in fact constitute a sanction, because when plaintiff A had started to market the product, the provisional measures were no longer in force.

The text of the judgment (in Hungarian) is available here.

Costs – assessment of costs

The Danish Eastern High Court, case BS-16813/2018-OLR and BS-1570/2019-OLR [29 August 2019]

This decision concerns the assessment of costs in IP cases, including legal costs and costs incurred by the use of experts in patent cases.

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To cover the winning party Sandoz' legal costs, including attorney's and court fee, the Danish Maritime and Commercial Court held that the losing party of the patent case, Gilead, should pay Sandoz a sum of DKK 60 300. The legal costs were assessed according to previous Danish case-law and did not include expenses for expert statements.

Sandoz appealed the judgment on the recovery of costs to the Danish Eastern High Court, and claimed recovery of all legal costs incurred in both instances, a total of DKK 2 768 826.46, including attorney's fees and expert statements expenses, such as the costs of patent agent assistance.

The Danish Eastern High Court held that the Danish Administration of Justice Act section 316, in light of the Enforcement Directive (D 2004/48/EC) and the CJEU's decision 28/07/2016, C-57/15, United Video Properties Inc. EU:C:2016:611, implied a right for Sandoz to claim recovery of legal costs, including attorney's fee, to the extent that these costs were essential, reasonable and proportionate and reflected the attorney's fees usually charged in IP cases. Furthermore, the Court held that Sandoz was entitled to claim recovery of all expenses for expert statements, including patent agent assistance.

In total, Sandoz was awarded costs of DKK 1 494 652 excluding VAT by the Danish Eastern High Court. This is 49.5 % of Sandoz' legal costs and 100 % of Sandoz' expenses for experts statements.

The decision is available in Danish at:

http://www.domstol.dk/oestrelandsret/nyheder/Documents/Kendelse%2016813%20og%201570.pdf

Damages – scope of claim – time period

Bundesgerichtshof (German Federal Supreme Court), Case No X ZR 109/16, 'Spannungsversorgungsvorrichtung' ('power supply device') [26 March 2019]

This judgment clarifies the scope of the claims against a patent infringer, including with regard to the time period for which damage claims have become subject to the statute of limitations.

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According to Article 139(2) of the Patentgesetz (German Patent Act), damages can be calculated on the basis of lost profits, profits made by the infringer, or compensation based on an appropriate licence fee. When these claims arising from patent infringement have expired, civil law rules will apply when the infringer has obtained something at the expense of the rights holder (Article 141 of the Patent Act, Article 852 of the Bürgerliches Gesetzbuch, the German Civil Code).

The claimant holds a European patent relating to a power supply device (which has in the meantime expired). The defendant is a supplier of power supply devices, in particular for national seat manufacturers supplying aircraft manufacturers. The district court admitted the claims for injunctive relief, information and rendering of accounts, product recall and payment of damages. The Court of Appeal limited the liability for damages for acts committed before 1 January 2007 to the surrender of what was obtained by unjustified enrichment.

The German Federal Supreme Court confirms the appeal court's reasoning. Even after the period of limitation of damage claims, the patent infringer has to surrender the profits gained from the patent infringement. Such profits have been obtained at the expense of the injured party according to the provisions on unjust enrichment.

The infringer has to provide information on the profits made, on production costs and on advertising used for the infringing object.

The text of the judgment is available on the Bundesgerichtshof website.

Reimbursement – patent litigation

Rechtbank Den Haag (The Hague District Court, the Netherlands), *Vita Zahnfabrik H. Rauter Gmbh & Co.KG* v *Ivoclar Vivadent AG*, NL:RBDHA:2018:3857, (4 April 2018), and *Acteon Germany Gmbh* v *Dürr Dental AG*, NL:RBDHA:2018:4591, [11 April 2018]

These cases concern cost reimbursement in patent litigation. In the Netherlands, Article 14 of the Enforcement Directive (D 2004/48/EC) is implemented in the form of an exception to the general civil procedure rules on legal costs; these are usually based on a fixed remuneration fee system. Under Section 1019h of the Dutch Code of Civil Procedure all 'reasonable and proportionate' legal costs incurred by the successful party should be borne by the unsuccessful party. This applies to cases on the enforcement of IP rights in the Netherlands.

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In accordance with established case-law, Section 1019h of the Code of Civil Procedure does not apply to patent nullity proceedings, unless the proceedings can be regarded as a defence against an infringement action or against an imminent infringement action. The plaintiffs claimed nullity of the Dutch parts of the defendants' European patents, respectively. The defendants decided not to respond to these nullity claims. The District Court of The Hague nevertheless considered the defendants' actions undertaken in Germany, namely a warning letter and an infringement action, as a sufficiently concrete threat of enforcement in the Netherlands. It therefore awarded the plaintiffs full cost reimbursement instead of the low standard fee.

The texts of the decisions (in Dutch) are available on Rechtspraak.nl (NL:RBDHA:2018:3857; NL:RBDHA:2018:4591).

Enforcement - Jurisdiction and applicable law

Jurisdiction – Standard Essential Patents

English and Welsh Court of Appeal (Civil Division), No A3/2018/1274 *Huawei Technologies Co., Ltd and* others v *Conversant Wireless Licensing S.A.R.L.* [30 January 2019]

This appeal concerns the question of jurisdiction under the Brussels IV Regulation (R 650/2012/EU) and the validity of Standard Essential Patents ('SEPs') registered in the UK. Notably, it discusses the English court's jurisdiction to grant a global fair, reasonable and non-discriminatory ('FRAND') licence, and the opening of foreign law in the English courts on the basis of quelling perceived judicial bias affecting the validity of an IPR.

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Conversant Wireless Licensing S.A.R.L. ('Conversant') accused Huawei (China), Huawei (UK), ZTE (China), and ZTE (UK), of infringing on their SEPs held in the UK, when the companies manufactured goods for world-wide production. Conversant sought injunctive relief and damages, and a declaration that it had made FRAND offers or a determination of the FRAND terms.

Lord Justice Floyd rejected the question of jurisdiction based on the judgment given by the High Court (Unwired Planet International Limited and another v Huawei Technologies Co. Ltd and another [2018] EWCA Civ 2344). However, as Huawei had not argued the issue of *forum non conveniens* (a common law doctrine that allows a court to refuse jurisdiction over proceedings) previously, the issue was still justiciable. The Court of Appeal relied on Article 4(1) of the Brussels I Recast Regulation (R 1215/2012/EU) and the decision of the CJEU in C-281/02 Owusu v Jackson, 01/03/2005, ECLI:EU:C:2005:120 to determine that the English court could not apply *forum non conveniens* to decline jurisdiction.

It still remained that the Chinese companies were out of service of the English court. Their counsel opened before the Court of Appeal sections of relevant Chinese law pertaining to the scope of the SEPs. The Guangdong court Guidelines stated that where the territorial scope of the SEPs exceeded the jurisdiction of a court (generalised terms) and the other party did not object, the Shenzhen People's Court in China would determine the royalty. While Conversant refused, and the English court determined this was reasonable, the Court of Appeal did note the necessity to look at the situation as a whole. Thus, the judgments in China and elsewhere involving the portfolio of SEPs at issue between the appellant and the respondent would be appraised within further decisions of the English courts relating to the SEPs at issue. The issue is not settled and more judgments will be set down. The Court of Appeal found that the Chinese law proposed had no jurisdiction in the English courts.

Lord Justice Floyd also rejected the notion of applying a stay to the proceedings due to the age of the SEPs portfolio. In addition, the stay was rejected as none of the parallel proceedings in other jurisdictions directly adjudicated the matter of the FRAND licence proposed by Conversant.

As such, the appeal was dismissed and the previous decision to provide injunctive relief was upheld.

The judgment is available on Bailli.

Enforcement - Other

Patent infringement – admissibility (*non bis in idem*)

German Federal Court of Justice, Case X ZR 85/19 [3 November 2020]

The German Federal Court of Justice (BGH) handed down its decision in Case X ZR 85/19 on 3 November 2020. The Court addressed the scope of the 'principle of concentration', pursuant to Section 145 of the German Patent Act (Pat G). If the patentee has filed an action, a second action based on a different patent against the same defendant is inadmissible in relation to the same or similar embodiments. The BGH has now clarified that this does not apply to a second action based on the same patent.

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The applicant owned the patent in suit, EP 1 373 672, which relates to a casement for a window or door. Earlier litigation between the parties had resulted in a judgment by the Court of Appeal on 16 February 2017, which prohibited the defendant from offering profile frames for use in sashes for windows or doors in Germany without making it clear that the profile frames can't be used without the plaintiff's consent when the 'adhesive layer extends to the limiting ridge'.

In the present action before the BGH, the plaintiff claimed that the defendant should be held liable for indirectly infringing the patent in suit, as it had offered window profile frames suitable to be used in the claimed window sashes. The question arose whether the second action might be inadmissible due to the legal force of the first judgment.

The BGH ruled that, first, Section 145 PatG, which codifies the 'concentration maxim', did not preclude the second action because the second action was based on a similar infringing act and the same patent as the first action. If the second action between the parties had been based on a similar infringing act but a different patent, it would have been inadmissible. Also, the Court ruled that, for the same reason, the *'non bis in idem'* rule did not render the second action inadmissible. Thus, the action was found admissible in spite of being based on the same patent and being between the same parties as the first action. It was, however, dismissed on its merits as no contributory or indirect infringement was found by the court.

It is interesting to note that, in spite of finding the action admissible, the BGH prefaced the judgment by explicitly stating that the admissibility of a second patent infringement suit 'may be precluded' by the *lis pendens* of a first infringement suit based on the same patent or the legal force of a judgment based on

the infringement of the same patent issued in a previous infringement dispute between the parties (confirming X ZR 111/09).

The text of the judgment (in German) is available here.

PROTECTED GEOGRAPHICAL INDICATIONS & DESIGNATIONS OF ORIGIN

Scope of exclusive rights

CJEU - Protected designations of origin (PDO) – Regulations of use – Trade mark

Court of Justice 5th Chamber – Case C-159/20 European Commission v Kingdom of Denmark EU:C:2022:561 [14/07/2022]

In this case Denmark was found liable for not preventing the use by companies operating in their territory of the designation 'FETA' intended for export to countries outside the EU. The Court of Justice explicitly confirmed that the prohibition on using protected designations of origin (PDOs) under Regulation (EU) No 1151/2012 (hereafter, 'the Regulation') applies to products using these designations regardless of whether they are to be sold in the EU or to countries outside the EU. As a result, the production alone in the Member State's territory is sufficient for that Member State to take action. Regarding the second claim, the Court ruled that Denmark, through this inaction, had not infringed its obligation under the principle of sincere cooperation referred to in Article 4(3) TEU.

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Since 2002 'FETA' is registered as a PDO for cheese.

The case arose when Greek authorities notified the European Commission that certain Danish companies were selling goods produced in Denmark under the designation 'FETA', which did not comply with the product specifications of the PDO. As these goods were being sold outside the EU, Denmark argued they were under no obligation to request that these companies stop this practice. Following refusals by the Danish government to intervene, the Commission, supported by Greece and Cyprus, brought the matter before the Court of Justice. As a second claim, the Commission also argued that by allowing this practice to be undertaken by the Danish companies, Denmark had infringed its obligation under the principle of sincere cooperation referred to in Article 4(3) TEU and weakened the position of the EU in international negotiations.

During proceedings, the Commission argued that Article 13(1) of the Regulation would be infringed even where the product using the PDO is intended for export to countries outside the EU. It also put forward that the Regulation's overall purpose would be undone by allowing this practice. Denmark

argued the contrary, claiming that a reading of the Regulation did not make it clear if this practice was prohibited, and that in the face of legal uncertainty, the practice could not be considered prohibited.

Addressing the first claim, the Court found in favour of the Commission. The Court first noted that under Article 13(3) of The Regulation, Member States must take action to stop any use of goods produced or marketed on their territory contrary to the Regulation. The Court held that the subsequent type of commerce engaged in with the product is irrelevant, as production alone in the Member State's territory is sufficient for the Member State to take action. Secondly, the Court underlined that both the overall context as well as specific objectives pursued by the Regulation, lie in the protection of PDOs and PGIs (protected geographical indications) as intellectual property rights (IP rights), and that the practices undertaken by the Danish companies served to undermine the value and purpose of these IP rights. Therefore, in light of the Regulation's wording, its context and the objectives pursued by it, the Court found that those practices were prohibited by the Regulation and as such the Danish state had a duty to prevent or stop them from occurring.

On the Commission's second claim, the Court referred to previous case C-316/19 Commission v Slovenia and stated that for a breach of Article 4.3 TEU to occur, it must be distinct from that constituting the breach of specific obligations of which the Member State is accused. Given that Denmark did not undertake any different action or made any statement which could constitute a conduct distinct from that which is the subject of the first claim, the Court said that the second claim could not succeed.

The text of the judgment is available here.

CJEU - Preliminary ruling – Trade mark – Protected Designations of Origin (PDO)

Case C-783/19, Comité Interprofessionnel du Vin de Champagne (CIVC) v GB, EU:C:2021:713 [9 September 2021]

In this case, the Court specifies the conditions for the protection of products covered by a protected designation of origin (PDO). In assessing whether there is an 'evocation' within the meaning of Article 103(2)(b) of Regulation No°1308/2013, the Court concludes that first, this concept does not require that the product protected by a PDO and the product or service covered by the disputed sign be identical or similar. Secondly, there is 'evocation' where the use of the sign creates, in the mind of an average European consumer, a sufficiently clear and direct link between that sign and the PDO. In the case in question, it will be for the Audiencia Provincial de Barcelona, to assess whether the use of the name 'Champanillo' to promote tapas bars in Spain is an 'evocation' of the French DPO 'Champagne'.

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GB, a Spanish entrepreneur, uses the sign 'Champanillo' as a trade name to designate and promote the tapas bars they own in Spain. In their communication, they use an image of two champagne coupes filled with a sparkling beverage. The French *Comité Interprofessionnel du Vin de Champagne* (CIVC), a semi-public organisation safeguarding the interests of champagne producers, brought an action before the Spanish court seeking an order requiring GB to cease any use in trade of this sign in breach of the DPO 'Champagne'. The Commercial Court of Barcelona rejected the CIVC's claims on the grounds that 'Champanillo' did not constitute an evocation of the DPO 'Champagne', explaining that 'Champanillo' is used in reference to services (catering services), not to a product. The CIVC appealed

to the Audiencia Provincial de Barcelona (Provincial Court of Barcelona, Spain), which requested the Court of Justice to interpret EU law on the protection of products covered by a PDO where the disputed sign is used in relation not to products but to services.

The CJEU ruled that a PDO is evoked whenever a disputed sign triggers directly in the mind of consumers the product for which the designation of origin is protected. Therefore, the scope of protection for the PDO applies to both products and services. Moreover, it is not necessary for the product whose name is protected and the goods or the service covered by the contested designation to be identical or similar. The evocation may also result from a 'conceptual proximity' between the protected designation and the sign at issue.

The text of the judgment (in French) is available here and the related press release here.

FR – Protected designation of origin (PDO) – CJUE preliminary ruling – Scope of protection

French Supreme Court, Case 17-25.822, 'Morbier' cheese case [14 April 2021]

This decision concerns an infringement of the French protected designation of origin (PDO) for the cheese 'Morbier' and comes in the aftermath of the CJEU ruling in Case C-490/19, issued on 17 December 2020. The CJEU ruled on the reproduction of the shape of this PDO by the Société Fromagère du Livradois SAS, considering that the relevant EU legislation (Articles 13(1) of Council Regulation (EC) No 510/2006 of 20 March 2006 and Regulation (EU) No 1152/2012 of the European Parliament and of the Council of 21 November 2012) does not limit the scope of protection of a PDO to its name but can also, in certain circumstances, cover the shape and the appearance of the product. The French judge applied this decision in the case at hand.

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In Case C-490/19, the CJEU ruled on the protection of the shape of the 'Morbier' cheese covered by PDO. The European judge concluded that the relevant EU law prohibits not only the use by a third party of the registered name, but also the reproduction of the shape or appearance of a product protected by a registered name where that reproduction is likely to make the consumer believe the product to be covered by that registered name. The Court therefore needs to assess whether the reproduction may mislead the reasonably well informed and observant European consumer, taking into account all the relevant facts of the case.

The French Supreme Court subsequently issued its decision taking the CJEU ruling into account. First, the judge stated that the fact that one of the concerned entities had renewed, in the United States, a mark which consisted of the name of the cheese and therefore of the PDO, was irrelevant since an action in the United States could not create a risk of evocation among European consumers. Second, the Court confirmed that the protection afforded by a PDO extends to the reproduction of the appearance or the shape of the product when such reproduction may create confusion among consumers and lead them to think that the other product is also covered by the PDO. The Court considered that the Court of Appeal had erred by not assessing whether the blue stripe of the Morbier cheese was characteristic and particularly distinctive of that type of cheese, and by not considering whether the reproduction of the shape of the cheese, combined with all the relevant factors of the case,

could mislead consumers as to the origin of the product. The Court of Appeal's decision was quashed taking into consideration the decision handed down by the CJEU, thus confirming the first-instance judgment, which became final.

The text of the judgment is available here (in French).

Scope of exclusive rights – compound - component

Case C-432/18 *Consorzio Tutela Aceto Balsamico di Modena* v *Balema GmbH*, EU:C:2019:1045 [4 December 2019]

This preliminary ruling concerns whether the protection of the compound name 'Aceto Balsamico di Modena' extends to the use of the individual non-geographical components of that term.

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Article 1 R 583/2009/EC allows for the names contained in its Annex 1 to be entered in the register of protected designations of origin and PGIs; the annex contains the name 'Aceto Balsamico di Modena'. Articles 13(1) and (2) R 1151/2012 essentially reproduce what is stated in Articles 13(1) and (2) R 510/2006 and Article 13(1) and (3) R 2081/92, and define the scope of protection of a registered name.

The German company Balema GmbH produces and markets vinegar-based products whose labels bear the terms 'Balsamico' and 'Deutscher balsamico'. The Consorzio Tutela Aceto Balsamico di Modena (Consorzio), a consortium of producers of products designated by the name 'Aceto Balsamico di Modena (PGI)', claimed that the use of the term 'Balsamico' infringed the PGI. The German Federal Court of Justice asked the CJEU to clarify whether PGI protection covers only the entire name, or extends to the use of the individual non-geographical terms thereof.

The CJEU first specified that, under the system of protection of geographical indications, questions concerning protection granted to constituent parts of registered names are matters to be decided by national courts on the basis of a detailed analysis of the facts. Second, the Court of Justice highlighted that according to Article 13 R 2081/92 and previous related case-law, the protection covers not only a 'compound' name as whole, but also each of its constituent parts, provided they are not generic or common terms; this interpretation remains relevant under the current regulatory system.

Nevertheless, the operative part of an act (Annex 1 to R 583/2009/EC) has to be interpreted according the statement of reason for it. It clearly appears from recitals 8, 10 and 11 R 583/2009/EC that the name as a whole enjoys undeniable specific reputation, and that 'individual non-geographical components ...may be used …' provided the EU principles, rules and legal order are respected. Therefore, the non-geographical terms 'aceto' and 'balsamico' and their use in combination or translated do not benefit from the protection granted to the PGI. The term 'aceto' is a common term; 'balsamico' has no geographical connotation and is 'commonly used to refer to a vinegar with a bitter-sweet flavour'. In conclusion, use of these terms cannot be considered as infringing the registered PGI.

The CJEU therefore stated that Article 1 R 583/2009/EC must be interpreted as meaning that the protection of the name 'Aceto Balsamico di Modena' does not extend to the use of individual non-geographical terms of that name.

The text of the judgment can be found on the Curia website.

The text of the decision is available on the website of the Bundesgerichtshof.

Scope of exclusive rights – reputation – unfair advantage

Bundesgerichtshof (German Federal Supreme Court), No I ZR 268/14 '*Champagner Sorbet II*' [19 July 2018]

This decision concerns the scope of protection conferred by a protected designation of origin (PDO). Article 103(2)(a)(ii), (b) and (c) Regulation (EU) 1308/2013 (repealing Regulation (EC) 1234/2007) protect PDOs against, inter alia, any direct or indirect commercial use that exploits the reputation of a PDO, any misuse, imitation or evocation, or any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product.

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A German food discounter sold a frozen product manufactured by a Belgian company, marketed under the name 'Champagner Sorbet'. The product contained, among other ingredients, 12 % champagne. The French Comité Interprofessionnel du vin de Champagne (CIVC), an association of champagne producers, brought an action for infringement of the PDO 'Champagne' before the Munich District Court, which found in favour of CIVC (18 March 2014). The defendants appealed before the Munich Court of Appeal, which dismissed the decision of the Munich District Court. CIVC appealed before the German Federal Supreme court, which asked the CJEU to clarify whether the protection conferred by a PDO covers a case in which a PDO is used as part of the name of a foodstuff.

In a preliminary ruling on 20 December 2017, the CJEU established principles for the use of a PDO as part of the name of a foodstuff containing an ingredient for which a designation of origin is protected. The Court considered that the use of 'Champagner Sorbet' is lawful if the sorbet has, as one of its characteristics, a taste attributable primarily to the presence of that ingredient in the sorbet. The CJEU found it necessary to examine whether the use of 'Champagner Sorbet' amounts to taking unfair advantage of the reputation enjoyed by a PDO. It is for the national court to decide whether this is the case or not (C-393/16, EU:C:2017:991).

On 19 July 2018, the German Federal Supreme Court followed the judgment of the CJEU and ruled that the claimant had to prove that the champagne ingredient does not determine the taste of 'Champagner Sorbet'. This reasoning was published on 17 December 2018.

The case has now been sent back to the Munich Appeal Court for further proceedings.

Scope of exclusive rights – indirect commercial use - evocation

Case C-44/17 *Scotch Whisky Association* v *Michael Klotz*, EU:C:2018:415 [7 June 2018]

The decision clarifies the scope of protection of geographical indications (GI) under R 110/2008/EC on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks. Article 16(a) to (c) protects GI against certain commercial uses that exploit the reputation of the

GI; against misuse, imitation or evocation (even if the true origin of the product is indicated); and against other indications that are false or misleading as to the origin of the product.

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The Landgericht Hamburg (Regional Court, Hamburg) requested a preliminary ruling during a dispute between the Scotch Whisky Association and an online distributor. The former had asked the latter to stop marketing a whisky produced in Germany under the designation 'Glen Buchenbach'. Next to that designation, the label included other information, which also specified the actual origin of the whisky.

In the Court's view, there is 'indirect commercial use' in the sense of Article 16(a) when the disputed element is used in a form that is either identical or phonetically and/or visually similar to the GI. Evocation in the relevant public of some kind of association with the indication or the geographical area in question is not sufficient.

In order to determine whether there is 'evocation' in the sense of Article 16(b), the national court has to decide whether an average consumer, when confronted with a comparable product that bears the disputed designation, directly thinks of the PGI. In the event that the PGI and the designation differ phonetically and visually, the court must take into account their conceptual proximity. The context surrounding the disputed designation, or, in particular, the fact that it is accompanied by an indication of the true origin of the product, are *not* relevant for this assessment. Additional (correct) information on the label is also irrelevant to determine whether the indication is 'false or misleading' in the sense of Article 16(c).

The decision is available on the Curia website.

NL – Infringement

Rechtbank Den Haag, LLC C.09.669968 KG ZA 24-692, Comité interprofressionnel Du Vin De Champagne v Ferminadaza [10 September 2024]

This case concerns the use of the protected designation of origin (PDO) 'Champagne' on the label and stickers of clothing garments as a colour descriptor. The Court of the Hague considered whether '**champagne'** as a **colour** descriptor implied use, directly or indirectly, which **unlawfully exploited** the protected designation of origin ("PDO") reputation. In the case at issue, the court found that it did not imply use that exploited champagne's reputation in a manner that would amount to unlawfulness.

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Ferminadaza is a European subsidiary of Cult Gaia LLC, a US fashion company that creates clothing under the brand name Cult Gaia. On 30 May 2024, Dutch customs held a shipment of around 10 Cult Gaia dresses belonging to Ferminadaza. They did so on the basis that the dresses contained labels and stickers with the term 'champagne'. Champagne has been a PDO since 18 September 1973 for sparkling wine produced in the Champagne region. The Comité Interprofessionnel du Vin de Champagne (CIVC) is mandated under French law (*Loi du 12 avril 1941 portant création d'un comité interprofessionnel du vin de Champagne*) to protect the legal and economic interests of champagne

producers. Ferminadaza agreed to remove the labels and stickers featuring the word champagne but did not agree to stop the importation, trading or distribution of garments with that labelling.

Therefore, the CIVC petitioned the District Court of the Hague (Rechtbank Den Haag) seeking an interlocutory injunction that would require Ferminadaza to stop importing, distributing and trading this clothing. The CIVC claimed that under Article 26(1)(a) of Regulation (EU) 2024/11433 Ferminadaza's unauthorised use constituted **exploitation**, **dilution** or **damage** to the **reputation** of the **champagne** PDO by profiting off the protected name without due cause.

The court ruled in favour of Ferminadaza. According to the court's reasoning, the fact that the colour champagne is connected to the PDO Champagne does not immediately conclude that infringement has occurred. The interim relief judge held that the relevant public expect the colour of a clothing item to be indicated on the label. In addition, the relevant public is familiar with **champagne as an indicator of colours** on the cream and beige scale. As the labels are attached to dresses and other garments, which are **dissimilar to sparkling wine**, it is unlikely that consumers would view the label as a guarantee of quality. The court did not find that Ferminadaza benefitted from the reputation of the mark.

The court confirmed that the applicable regulation is there to ensure that products which are indicated by a certain PDO originate from that geographical location and have specific characteristics from the region.

The reputation of a PDO is contingent on the image it creates for consumers, based on the products' quality and other special characteristics. This means that the products' reputation rests on its quality.

The CIVC failed to substantiate how customers may perceive a quality guarantee from Ferminadaza's use of the word 'champagne' on a garment label.

In light of the above, the Dutch court ruled that Ferminadaza's use of the term 'champagne' as a colour descriptor on clothing labels and stickers did not infringe on the PDO for champagne, and that the CIVC's claims were therefore unfounded.

You can find the text of the decision (in Dutch) here.

Protected Designations of Origin (PDO) – evocation

Barcelona Appeal Court – Judgment nº 512/2022 – SAP B 2691/2022 – ECLI:ES:APB:2022:2691 : COMITE INTERPROFESSIONAL DU VIN DE CHAMPAGNE vs. GB, Champanillo, [18/03/2022]

The Barcelona Appeal Court confirms that the use of the sign *champanillo* infringes the protected designation of origin (PDO) 'Champagne'. Following the interpretation provided for by the CJEU in this Case (9/09/2021, C-783/19, *champanillo,* EU:C:2021:713), the Court concludes that the use of the term *champanillo* took unfair advantage of the PDO 'Champagne', and constituted an evocation of the PDO, thereby infringing the French Comité Interprofessionnel du Vin de Champagne's (CIVC) rights under

Article 103.2.b Regulation 1308/2013. This case is interesting to understand how the Spanish court interprets the concept of 'evocation' in view of the circumstances of the case.

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Pedro Enrique, Spanish entrepreneur of the company GB (the defendant), uses the sign *champanillo* (which in Spanish means 'little champagne') as a trade name to designate and promote tapas bars he owns in Spain. In his advertising, he uses an image of two 'Champagne' coupes filled with a red sparkling beverage. The CIVC, a semi-public organisation safeguarding the interests of 'Champagne' producers, brought an action before the Spanish court to order the company GB, to cease any use in trade of this sign in breach of the DPO 'Champagne'.

In first instance, the Judge dismissed the action from CIVC. First, it relied, inter alia, on the Judgment of 1 March 2016 of the Spanish Supreme Court, 'Champín case' (STS 771/2016, ECLI:ES:TS:2016:771) where the Court had held that the sign 'Champín' did not infringe the PDO 'Champagne', as the evocation of that PDO was 'tenuous and irrelevant'. Secondly, the Judge commented that *champanillo* was used in reference to services (catering services), not to a product. The judgment was appealed before the 'Audiencia Provincial de Barcelona' (Provincial Court of Barcelona, Spain), which decided to stay the procedure and requested the CJEU to interpret EU law on the protection of products covered by a PDO where the term *champanillo* is used in the course of trade to designate not products but services.

The CJEU ruled that a PDO is evoked whenever a disputed designation triggers directly in the mind of consumers, the product for which the geographical indication is protected. For the Court, what is essential in assessing whether there is an evocation is that consumers establish a link between the term used to designate the product at issue and the PDO. Therefore, the scope of protection for the registered designations of origin applies to both products and services, and what is more, it is not necessary for the product whose name is protected and the goods or services covered by the contested designation to be identical or similar; the evocation may also result from a 'conceptual proximity' between the protected name and the sign at issue.

On that basis, the Audiencia Provincial de Barcelona looked at whether the use made by the defendant of the term *champanillo* was an evocation of the PDO and was prohibited by letter b) of Article 103.2 Regulation 1308/2013. The Court followed three main steps. First, it ruled that both designations presented great phonetical, visual and conceptual similarities. Visually, they share the first seven letters, differing only by the suffix 'illo'. Phonetically, both denominations coincide in the pronunciation of 'champagne'. Then, regarding the conceptual similarity, both terms are very similar. For the Court the union of the suffix 'illo' to the term 'Champagne' only slightly modified the meaning of 'Champagne', the suffix adding the notion of it being 'smaller' in size or giving it an affective notion. Secondly, it analysed the services offered under the sign *champanillo* and confirmed that there was a link between the marketing and consumption of beverages and the products covered by the PDO 'Champagne'. And thirdly, the Court held that the defendant had taken unfair advantage of the reputation of PDO 'Champagne', as when the consumer is confronted with the sign *champanillo*, the image triggered directly in his or her mind is that of the products covered by the PDO.

The text of the judgment is available here.

PLANT VARIETY RIGHTS

Scope of exclusive rights

Harvested material – provisional protection

Supreme Court (Tribunal Supremo), case 282/2020, *Club de Variedades Vegetales Protegidas v. Federico* [11 June 2020]

This decision from the Spanish Supreme Court was adopted following the CJUE judgement in case C-176/18 about the scope of protection of plant variety rights regarding planting and harvesting fruits of a protected variety, and about uses carried out during the period of provisional protection.

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Club de Variedades Vegetales Protegidas claimed that the acts of planting and harvesting of the 'Nadorcott' variety by the defendant, were infringing its rights, both during the provisional protection period and after the granting of the right by the Community Plant Variety Office.

The Court filed a request for a preliminary ruling on the interpretation of Articles 13.2 and 13.3 of the EC Regulation 2100/1994. Following the ruling of the CJEU (C-176/18) the Court dismissed the actions and ordered the plaintiff to bear the costs of the procedure.

The Judgement of the CJEU in case C-176/18 states that 'the activity of planting a protected variety and harvesting the fruit thereof, which is not liable to be used as propagating material, requires the authorisation of the holder of the Community plant variety right relating to that plant variety where the conditions laid down in Article 13(3) of that regulation are fulfilled'. Based on the statements of the CJEU, the Supreme Court concluded that the defendant had not infringed Art. 13.2 Regulation 2100/94 as planting and harvesting the fruits cannot be considered as production of variety constituents.

The Supreme Court also concluded that the defendant had not infringed Art. 13.3 Regulation 2100/94. This conclusion was based on the interpretation made by the CJEU according to which the fruit of a plant variety may not be considered as obtained by unauthorised use of the variety constituents when the farmer purchased the constituents from a nursery during the period of provisional protections.

The text of the judgment (in Spanish) is available here.

Plant variety right infringement – unfair competition

Tribunal of Rome, case 31438/2016, Agroservice S.p.A., Societé Cooperative D'Interet Collectif Agricole par Actions Simplifié a Capital Variable (SICASOV) v. ASI S.r.l Unipersonale [05 March 2020]

This case concerns the violation of the plant variety right under Article 107 of the Italian Code of Industrial Property alongside acts of unfair competition under Article 2958 Civil Code. The case deals in particular with the protection of plant breeders' rights in relation to the reproductive or propagating material of the protected variety.

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The plaintiffs argued that ASI S.r.l. was producing and commercialising the protected variety 'San Carlo', in violation of their rights. The plaintiffs asked the Court to: i) confirm the measures ordered in the precautionary phase; ii) issue an inhibitory injunction; iii) declare the acts perpetrated by ASI S.r.l as constituting unfair competition conduct and iv) to condemn the defendant to the compensation of damages in the form of recovery of profits.

The Court found Asi S.r.l had commercialised the 'San Carlo' variety without the authorisation of the right holder, in breach of article 107 of the Italian Industrial Code. The illicit conduct of the defendant was qualified as an act of unfair competition under Article 2958 Civil Code. The Court did not grant the inhibitory injunction, as the right on the 'San Carlo' variety had expired during the proceedings.

The Court found that Asi S.r.l. was in direct competition with Agroservice S.p.A and that it earned an unfair advantage by commercialising counterfeit seeds without investing in the research and development of the variety and without obtaining a licence from the breeder.

The text of the judgment (in Italian) is available here.

Harvested material – provisional protection

Tribunal of Bari, case 11678/2019, International Fruit Genetics LLC v. Top Fruit di Angela Colucci e C. S.a.s., Agricola La Fitta S.r.l. [31 January 2020]

These two judgments comes in the wake of the decision of the CJEU in case C-176/18 (Club de Variedades Vegetales Protegidas). When potentially infringing acts are effected during the provisional protection period, the only remedy available to the right holder is an equitable remuneration provided by Art. 95 R 2100/1994/EC.

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The plaintiff, alleging the counterfeiting of several of its protected varieties of table grape by the defendants, requested that the Court provide a description of the infringing goods and impose inhibitory measures.

The Court issued an 'inaudita altera parte' order of description of the suspected infringing goods and authorised the DNA test. The Court, however, rejected the inhibitory request of the plaintiff. The harvested material obtained by the cultivation of variety constituents during the provisional protection

period (between publication of the application and grant thereof), cannot be considered as obtained through unauthorised use.

Tribunal of Bari, case 2356/2020, International Fruit Genetics LLC v. Top Fruit di Angela Colucci e C. S.a.s. [20 July 2020]

Against the order of the Tribunal of Bari in proceeding 11678/2019 (above mentioned), International Fruits Genetics reiterated the request for an inhibitory injunction against Top Fruit, for the ceasing of the production, commercialisation, export and distribution of counterfeit grapes.

The Court upheld the first instance decision and dismissed the appeal by confirming that, according to the Court of Justice's ruling (C-176/2018), the harvested material obtained by the cultivation of variety constituents during the provisional protection period cannot be considered as obtained through unauthorised use.

The text of the judgment (in Italian) is available here.

Compensation – other remedies

Case C-176/18 Club de Variedades Vegetales Protegidas v Adolfo Juan Martínez Sanchís [19 December 2019]

This preliminary ruling concerns the concept of provisional protection under the CPVR Regulation (R 2100/94/EC). It sheds light on whether remedies are available to the rights holder for acts conducted during the period of provisional protection beyond the reasonable compensation foreseen in Article 95 of the CPVR Regulation. According to that provision, a rights holder may claim reasonable compensation for acts effected during the time between the publication of the application for a CPVR and the grant thereof.

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A variety is a plant grouping that consists of 'variety constituents', that is, of entire plants or parts of plants, when such parts are capable of producing entire plants (Article 5(3) CPVR Regulation). The CJEU clarified whether propagation and sales of variety constituents of a protected variety during the period of provisional protection constitute 'unauthorised use' for the purpose of exercising the right on the fruits harvested from the plants after the grant of CPVR. In connection to this question, the CJEU also analysed the scope of protection of a CPVR with respect to propagating material on the one hand, which is the primary subject of protection, and harvested material on the other hand, which enjoys a type of secondary-level protection since it can only be evoked if certain conditions are fulfilled.

The Club de Variedades Vegetales Protegidas (CVVP) is a Spanish entity entitled to bring infringement proceedings concerning the protected mandarin tree variety *Nadorcott.* In respect of this variety, an application for a CPVR was launched in 1995, and protection was granted on 4 October 2004. Later, an appeal with suspensive effect was launched, which resulted in a decision dismissing the appeal published on 15 February 2006. Between the date of application and the actual grant of the CPVR title, Mr Martínez Sanchís purchased plants of the Nadorcott variety from a nursery open to the public. Based on the granted right, the CVVP brought an action against Mr Martínez Sanchís for the planting of the

protected variety and for the subsequent harvesting and commercialisation of its fruits in the absence of the authorisation of the rights holder.

First, the CJEU clarified that the protection granted by Article 13(2) of the CPVR Regulation applies primarily to acts in respect of propagating material of a variety which implies (according to Article 5(3)) that such material is capable of producing entire plants. Article 13(3) then clarifies that the protection only extends to harvested material (not capable of producing entire plants) under the conditions that this harvested material was obtained through the 'unauthorised use' of the propagating material, and unless the rights holder had reasonable opportunity to exercise his rights on the propagating material. The Court qualified this protection on harvested material as a sort of 'secondary protection'. The CJEU then concluded that acts such as those carried out by Mr Martínez Sanchís, that is the planting of the protected mandarin tree and the harvesting of fruits from the plants, may not be regarded as production or reproduction of propagating material of the protected variety. It should instead be considered as the production of harvested material, which is not covered by the scope of the right.

Since the fruit harvested from the mandarin tree is to be considered harvested material, the Court also looked into the question whether the propagation and sales of plants of the protected variety during the period between the application and the granting of the right, without the authorisation of the rights holder can be regarded as 'unauthorised use' for the purpose of exercising the right on the harvested material. The Court concluded that according to Article 95 of the CPVR Regulation, the rights holder may require reasonable compensation for acts that would require his authorisation after the granting of the right; however, the same Article did not confer a right on the rights holder to authorise or prohibit the use of propagating material of the variety before the actual grant. Thus, the Court concluded that the propagation and sales by the nursery of plants of the Nadorcott variety cannot be regarded as 'unauthorised use'; therefore, the fruit that Mr Martínez Sanchís harvested from the plants cannot be considered as obtained through the 'unauthorised use' of the propagating material.

Lastly, the CJEU stated that the fruits obtained by Mr Martínez Sanchís from plants that were propagated and sold by the nursery to him after the granting of the CPVR title, may be regarded as obtained through the unauthorised use of the propagating material. Both the multiplication and the sales of the variety by the nursery are acts that would require the authorisation of the rights holder. Nevertheless, to be able to exercise his right on the harvested material, the fruits *in casu*, the rights holder would also need to prove that he did not have a reasonable opportunity to exercise his right in respect of the propagating material.

The text of the decision is available on the Curia website.

Right to obtain information

Case C-239/18 Saatgut-Treuhandverwaltungs GmbH v Freitstaat Thüringen, EU:C:2019:869 [17 October 2019]

This preliminary ruling concerns the scope and conditions of the possibility for plant variety rights holders to obtain information from official bodies.

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The Court of Appeal of Thuringia had asked the CJEU to clarify, in particular, if a right to be informed by official administrative bodies exists with regard to information related only to plant species, where the request is not aimed at obtaining information related to a plant variety. According to Article 11(1) R 1768/95/EC, an information request on 'the actual use of material, by planting, of specific species or varieties …' made by a holder to official bodies, needs to specify, inter alia, 'the variety or varieties …' and the rights holder has to provide evidence of his ownership of those rights. Furthermore, according to Article 14(3) R 2100/94/EC, small farmers will not be 'required to pay any remuneration to the holder'.

Saatgut-Treuhandverwaltungs GmbH (STV) is a company established in Germany that represents several farmers, who are owners of Community plant variety rights. It requested data regarding the farmers and the extension of their respective farmed lands from the State of Thuringia, contained in a database managed by that State. The State of Thuringia rejected the request, and STV brought proceedings before the regional courts.

In the view of the CJEU, a rights holder cannot request information related to the use of a particular species from an official body if the request does not specify the protected variety in relation to which the information is requested.

The rights holder, in order to uphold his request, needs to provide evidence regarding the variety itself and not just the species. The CJEU referred to previous case-law (see C-305/00, Schulin, EU:C:2003:218, 10/03/2003) and explained that interpreting EU law in a way that would allow any rights holder to request information about never used plantings protected under Article 14(1) R 2100/94 would be contrary to the legitimate interests of the plant breeder.

According to the Court, it is only up to the small farmer to prove they hold the necessary requisites to exploit the exception set forth within Article 14, meaning that rights holder cannot obtain information regarding the width of the land on which the farmer is cultivating plant species for their own purposes, since this does not constitute a measure necessary for protecting rights holders.

Moreover, a request addressing the official body has to be treated the same way as a request to a farmer (see Article 8 R 1768/95; Schulin case) or to a processor (see Article 9 R 1768/95; C-336/02, Brangewitz, EU:C:2004:622, 14/10/2004). Since both of these requests require the specification of the protected plant variety, the same specification is necessary when a rights holder addresses official bodies.

The text of the judgment can be found on the Curia website (not yet available in English).

Enforcement

Enforcement – PVRs infringement – Damage

Tribunale di Genova Sentenza no. 179/2021, Florisem s.r.l., SICANOV v (Redacted) Causa R.G. no. 4252/2015 [7 January 2021]

On 7 January 2021, the Court of Genoa ruled against a seed distributor for violation of plant variety rights in relation to the illegal production and sale of a seed variety protected at European level pursuant to Article 107 of the Italian Code of Industrial Property, and Article 13(2) of Regulation EC 2100/94. In compensation for loss suffered, the judge doubled the amount of damages, relying on the 'royalty criterion' pursuant to Article 125(2) of the Italian Code of Industrial Property. As a rule, the royalty rate calculated in the individual case is doubled in order not to reward the counterfeiter. The decision is one of the first judgments to extend the aforementioned criterion to the violation of plant variety rights.

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In 2009, Florisem (now known as RAGT Italia, the plaintiff) sued, under Article 13(2) of Regulation EC 2100/94 ('Community Plant Variety rights') and Articles 107, 129(2) and 130 of the Italian Code of Industrial Property, a seed distributor (the defendant) for the unlawful marketing and placing on the market of the common wheat variety 'Bandera', which has been protected at European level since 19 October 2009 by the company, 'Florisem' and managed by the French company, 'SICASOV' (as rights management agent).

The defendant claimed to have purchased the seed labelled 'Bandera B' from a third-party vendor and to have been unaware of the existence of plant variety protection. The defendant certified that after cleaning the seeds with a special machine, he did not re-sow, but only used them for 'zootechnical purposes'. The plaintiff, on the other hand, contended that the selling price of the seed was far higher than the selling price for zootechnical purposes and moreover that the technique used by defendant to clean the seeds could actually only be justified for the production and sale of seeds for sowing purposes.

The court appointed an expert to render an opinion on the technology used by the defendant. The expert's report indicated that the defendant's technology was designed to refine the seeds in order to produce and sell them for sowing purposes, as a purification treatment, and was not necessary for zootechnical purposes. Following the report, the court found the defendant liable and ordered the immediate cessation of the sale and marketing the protected seed.

When assessing the damages, the Court reminded that since the defendant was not a farmer, the criteria for calculating damages under Article 18 of Regulation EC 1768/95, did not apply. However, applying Article 125 of the Italian Code of Industrial Property, the Court doubled the regular license price, resulting in a total amount of EUR 2 526.36 in damages. Relying on Article 131 of Italian Code of Industrial Property, the Court also issued a penalty of EUR 78.80 per ton for each future illegal dissemination of the protected variety, ordered the publication of the judgment in several national journals and charged EUR 8 172 as legal costs at the expense of the defendant.

The original text of the judgment (in Italian) is available here.

UNFAIR COMPETITION

Unfair competition and parasitism (outfits) – Moral damage

Tribunal Judiciaire de Paris I, N° RG 19/07796 N [15 January 2021]

In this case, the Tribunal Judiciaire de Paris I assessed the alleged infringing use of three outfits by the singer Aya Nakamura during a video clip. The court rejected the stylist's claims, finding that the signer did not appropriate the economic value of his work. The court also ordered the stylist to pay moral compensation to the singer, as the claims, multiplied by social media and press, had caused tremendous damage to her reputation.

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The applicant was Kyo Jino, a 23-year-old stylist who regularly takes part in the preparation of photo shoots for press establishments such as Vogue Magazine, and for singers and influencers in vogue with a young public. The defendant was Aya Coco Danioco, known as Aya Nakamura, a 24-year-old singer and composer in the fields of pop, R'n'B and African music, who is very famous in France.

The applicant claimed to have contacted the defendant through social networks and showed her a 'moodboard' with five kinds of aesthetic inspirations and trends Soon after that, they conducted a photo shoot with the aesthetic and clothing environment he proposed. Later, the defendant published a clip titled 'Pookie' on her YouTube channel. The applicant informed Warner Music France, producer of the clip, that he was giving the defendant formal notice to pay the sum of EUR 50 000, on the grounds that 'three outfits of the artist in the clip of her latest song "Pookie" are directly inspired by [his] work (...) namely a moodboard that was sent to her on December 13, 2018, as well as the outfits proposed during a photo shoot organized on December 26, 2018'. The defendant claimed that the outfits worn in the clip had been proposed by her collaborators who were unaware of the existence of the 'moodboard'.

The applicant claimed that three outfits used in the clip prove that the defendant had used his work and that this use constituted unfair use of the economic value of his moodboard. The court rejected applicant's claims and observed that 'the mere fact that the defendant adopted outfits of the same style as those suggested by the applicant is not sufficient to establish a use constituting a fault'. The court noted that free-riding (parasitisme), based on the general principle of responsibility laid down in Article 1240 of the French Civil Code, consists of acts aimed at appropriating, in an unjustified manner and without compensation, an economic value resulting from know-how, work or investments. Moreover, it presupposes the characterisation of a fault generating a prejudice.

The Court ordered the applicant to pay the defendant moral compensation of EUR 5 000 because of the significant damage caused to her image and reputation by the substantial media coverage of the allegations, not only on social media but also in the press, along with the letter sent to Warner Music France, the defendant's producer.

Unfair commercial practices (e-commerce)

Cour d'appel de Versailles (Versailles Court of Appeal), 14th Chamber [7 November 2019]

This decision of the Versailles Court of Appeal concerns misleading and unfair commercial practices in e-commerce.

More specifically, it concerns the question of whether referencing market competitors on a website search tool constitutes an unlawful commercial practice forbidden by Art. L 121-1. Code de la Consommation (French Consumer Code). According to this provision, a practice is considered unlawful when it is contrary to professional diligence, and when it alters or is likely to substantially alter the economic behaviour of a consumer who is reasonably well informed and reasonably observant and circumspect with regard to a product or a service.

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The appellant (defendant in the initial proceedings) operates a website which also contains a directory of pharmacies; customers can order products directly from the appellant's partner pharmacies. The respondent (claimant in the initial proceedings) is a network of independent pharmacies which are also referenced in the directory, but without their consent. They consider that this practice can confuse consumers, who might believe that all pharmacies referenced in the directory belong to the appellant's network. The first instance court had ordered the appellant to remove from the directory any direct or indirect mention of the pharmacies which belong to the respondent's network.

The Versailles Court of Appeal states that the appellant and respondent are competitors; both entities operate a network of pharmacies for economic gain. The commercial practice of referencing pharmacies which are not part of the appellant's network misleads consumers. The directory is displayed under the appellant's brand, which leads consumers to believe that all pharmacies listed in the directory are part of that network. Moreover, when typing the name of a specific pharmacy which is part of the respondent's network on Google, the first result displayed is the appellant's website. The appellant thus directs internet users' searches to its own website where they can only buy products from its own partner pharmacies.

When going through the directory, consumers are informed at a later stage that some pharmacies are not part of the network via alerts. Nonetheless, the page encourages consumers to continue their purchase on the appellant's website from a partner pharmacy. The Versailles Court of Appeal finds this kind of practice unlawful and confirms the judgment of the first instance court.

The text of the decision (in French) can be found on Legalis.net.