



ISSUE 88, MARCH 2012

COPYRIGHT/COMPETITION LAW

Pub Landlords Found to Infringe the Premier League's Copyright: Pyrrhic Victory After All?

In *Football Association Premier League Ltd v QC Leisure* [2012] EWHC 108 (Ch) Lord Justice Kitchin has now accepted that the Defendant publicans communicated copyright works contained in foreign broadcasts of Premier League matches to the public, following the Court of Justice of the European Union (CJEU) ruling to that effect in October 2011. However, in relation to the lawfulness of the Football Association Premier League's licensing arrangements, Kitchin LJ was minded to grant a declaration to reflect the ruling of the CJEU that the agreements constituted a restriction on competition prohibited by Article 101 TFEU.

BACKGROUND

Two cases were referred to the CJEU, one of which was a civil action against a number of publicans and their suppliers of foreign decoder cards and set top boxes. The main issues before Kitchin LJ on resumption of the civil case were whether, in the light of the CJEU judgment, any of the Defendants had communicated any of the FAPL's copyright works to the public contrary to Section 20 of the Copyright Designs and Patents Act 1988 (the CDPA) and, if so, whether they had a defence under Section 72 of the CDPA.

DECISION

Kitchin LJ acknowledged that the CJEU had made it unequivocally clear that publicans are communicating to the public FAPL's copyright in its anthem and logo when they screen live Premier League matches broadcast on foreign channels in their pubs. Consequently, the Defendants were "transmitting" FAPL's relevant copyright works, including its artistic works, to a "new public" contrary to Section 20 CDPA.

As for Section 72, Kitchin LJ noted that Section 72(1)(c) states that the free playing in public of a broadcast does not infringe "any" copyright in the broadcast or any "film included in it".

He therefore concluded that since members of the public had not paid for admission, the publicans had a complete defence to the allegation of infringement of FAPL's copyright.

As to remedies, Kitchin LJ considered it "highly desirable" that he should declare the scope of copyright infringement limited to acts of infringement of specific works established against each Defendant. He noted, however, that some of the Defendants were no longer in business and that others, in respect of the playing of the anthem, had offered to undertake not to play it out loud and to take appropriate steps to ensure that was the case. In this respect Kitchin LJ was disposed to accept an undertaking in lieu of an injunction. He also considered that any injunction "must be formulated with precision and identify the works in respect of which infringement has been found".

Kitchin LJ also considered that justice would be achieved by the grant of a declaration that the relevant obligations in FAPL's licences with foreign broadcasters in this case constituted a restriction on competition prohibited by Article 101 TFEU. They are therefore void to the extent that such obligations prohibited the Greek broadcaster from supplying satellite decoder cards for use in the United Kingdom.

COMMENT

The result of this judgment is that the FAPL is nearer to its original goal, but one can question the cost at which it has been achieved. On a practical level, there is likely to be some discussion of the significance of Kitchin LJ making a declaration under Article 101 TFEU, although this simply reflects the ruling of the CJEU. How the FAPL intends to go about licensing rights in its live Premier League broadcasts in light of this is not yet apparent.

From the point of view of the publicans, the Section 72 defence, which would involve turning the sound down and switching off coverage during half time, presumably ensures that some of the copyright works (in particular the musical works) are not infringed. Unfortunately, Section 72 is by no means a defence to all infringement, and there is no obvious way to avoid infringement by showing the graphics and logos featured in the broadcasts.

COPYRIGHT

The Protection of Football Fixture Lists Under the EU Database Directive

On 1 March 2012, the Court of Justice of the European Union passed judgement on *Football Dataco Ltd v Yahoo! UK Ltd* [2012] CJEU C-604/10, concluding that the football fixture lists in question are not protected by copyright as there is insufficient intellectual creation on the part of the author.

BACKGROUND

Since 2001, Football Dataco Ltd (FDL) has organised the English and Scottish football leagues. Yahoo! UK Ltd (Yahoo!) and others have used the fixture schedules produced by FDL to provide news and to organise betting activities. FDL sought payment from Yahoo! for the use of the football fixture lists, claiming protection under the Database Directive (96/9/EC) (the Directive) on the basis of both copyright and the *sui generis* database right. Following European case law, the UK courts rejected the possibility of protection based on the *sui generis* right, but the question of whether such fixture lists might be protected by copyright was referred to the CJEU.

DECISION

The CJEU followed the opinion of Advocate General Mengozzi from 15 December 2011 and found that copyright protection under the Directive concerned the structure of the database and not the data itself. The concepts of “selection” and “arrangement” in the Directive refer to the selection and arrangement of data in order to give the database structure. These concepts do not extend to the creation of the data contained in that database.

In the case of a football fixture list, the determination of all the elements relating to each match, such as date and venue of play, is a data-creation activity. The intellectual effort and skill of creating this data is not relevant to the assessment of copyright protection of the database. Outside the context of football fixtures, the author choosing to enter those particular pre-existing data in a database may constitute an arrangement of contents that can be taken into consideration for the purposes of copyright protection.

The CJEU observed that the concept of “intellectual creation”, a necessary condition for copyright protection, referred solely to the notion of originality. The fact that the setting up of the database required significant skill and labour does not justify protection. In relation to setting up a database, the notion of originality is satisfied when, through the selection or arrangement of the data, the author expresses his creative ability in an original manner by making free and creative

choices. The notion is not satisfied when, as here, the setting up of the database is “dictated by technical considerations, rules or constraints, which leave no room for creative freedom”. For the lists to qualify for copyright protection, procedures for creating the lists must be supplemented by elements reflecting originality in the selection or arrangement of the data contained therein.

The CJEU pointed out that the Directive harmonises database copyright law. For this reason, national legislation granting copyright protection on terms different to those found in the Directive would be incompatible with European law.

COMMENT

Although copyright protection is not available in this case, the Advocate General commented in his opinion that there is the possibility that a football fixture list could be eligible for copyright protection under the Directive. A fixture list that utilises colours, or other graphic elements of the author’s “intellectual creation” to represent the matches, could qualify for copyright protection. It is also worth bearing in mind that infringement depends on the appropriation of elements that constitute the intellectual creation of the author. As such, the copyright protection available would extend only to the means of the representation, and not the data represented, meaning protection may not extend to the elements for which protection is primarily sought.

COPYRIGHT

The “Innocent” Copying Defence: Only Applicable to Works Out of Copyright

In *David Hoffman v Drug Abuse Resistance Education (UK) Ltd* [2012] EWPC 2, the Patents County Court of England and Wales assessed the use of the “innocent copying” defence under Section 97 of the Copyright Designs and Patents Act 1988. The defendant mistakenly believed that certain photographic works were Crown copyright and therefore it had permission to use them.

BACKGROUND

David Hoffman, a photographer, brought a copyright infringement action against Drug Abuse Resistance Education (DARE), a charity that helped young people understand the dangers of substance abuse. According to Mr Hoffman, DARE’s websites used 19 photographs of various drugs, which were copies of his original copyright photographs, without permission.

LIABILITY

DARE did not dispute that Mr Hoffman's photographs were used on its websites. DARE also did not dispute Mr Hoffman's claim to ownership of the copyright subsisting in the photographs. However, DARE explained that at the time of the alleged infringement it had employed a firm to produce a website for the charity. The firm had taken the photographs, which DARE believed to be covered by Crown copyright, from a Government-sponsored website, "Talk to Frank".

The Court noted that Mr Hoffman was indeed the owner of the copyright in the photographs, which were clearly artistic works under Section 4 CDPA. It also noted that the copyright in fact belonged to Mr Hoffman, not the Crown, and that Mr Hoffman had not granted permission to DARE to use the photographs.

The Court held that DARE thinking that it had permission to use the images was not a defence to infringement under Section 16 CDPA. In other words, if DARE had carried out any of the acts restricted under Section 16 CDPA, the fact that it thought it had permission would not be relevant.

Accordingly, the key question was whether DARE had committed any of the acts restricted by copyright in Section 16. The fact that DARE had employed a third party did not mean that it avoided liability under Sections 16(1)(d) and 20 CDPA, which cover communication of the works to the public. Section 20(2)(b) CDPA includes making the work available to the public by electronic transmission in such a way that members of the public may access it from a place and at a time chosen individually by them.

Since the websites in issue were DARE's own websites, the Court found that it was DARE that had committed the acts restricted by Section 20 CDPA. The fact that the websites were designed by someone else did not matter; DARE was found to be responsible for the sites. Accordingly, the Court found that DARE had indeed infringed Mr Hoffman's copyright by copying the photographs and communicating them to the public contrary to Sections 16 and 20 CDPA.

QUANTUM

On the issue of quantum, DARE raised the "innocent copying" defence to damages under Section 97 CDPA. The defence applies where a defendant does not know and has no reason to believe that copyright subsists in the work in question. The Court held that "to believe that one had permission under Crown copyright is the opposite of a belief or reason to believe that there is no copyright in existence", and accordingly, the defence was rejected and damages were assessed at £10,000 plus interest.

COMMENT

The Section 97 CDPA defence is applicable only to quantum and does not affect liability. However, as this case makes clear, the defence appears only to be applicable to works where there is no longer any copyright, or to works whose author or copyright owner cannot be found after due diligence has been undertaken. Only in those limited circumstances, if the defence stands up, would no damages be payable despite the defendant being found liable for infringement.

TRADE MARKS

Advocate General Considers Jurisdiction For Claims of Infringement of a National Trade Mark Online

In *Wintersteiger AG v Products 4U Sondermaschinenbau GmbH* C-523/10 (Opinion of Advocate General) 16 February 2012, Advocate General Pedro Cruz Villalón considered that the proprietor of a national trade mark may be able to bring an infringement action in the Member State of registration against a third party that has registered a keyword used on a national search engine that is identical to the mark. This right was upheld even where the keyword is limited to searches carried out *via* the top-level domain for another Member State.

BACKGROUND

Wintersteiger AG is an Austrian company that manufactures and distributes ski and snowboard servicing tools. It has held a national trade mark registration for WINTERSTEIGER in Austria since 1993. Products 4U, is established in Germany, where it develops and distributes worldwide ski and snowboard servicing tools. It sells, amongst other products, accessories for the tools manufactured by Wintersteiger, although Wintersteiger does not supply its products to Products 4U.

Products 4U purchased the word "Wintersteiger" as a keyword used on a German search engine, i.e. a search engine for the top level domain ".de", which can be accessed in Austria. When an internet user searches for "Wintersteiger" on the German search engine, this keyword generates a sponsored link directing the user to a section of the Products 4U website entitled "Wintersteiger Accessories".

Wintersteiger sought to prevent the use of the keyword by way of an injunction in the Austrian courts, on the basis that it infringed Wintersteiger's rights in its Austrian trade mark.

The Austrian Supreme Court referred the case to the Court of Justice for the European Union (CJEU) for guidance on Article

5(3) of the Brussels Regulation (44/2001/EC) as to whether it had jurisdiction to consider the case.

THE OPINION OF THE ADVOCATE GENERAL

The AG was careful to emphasise that the questions before him related to whether the Austrian court had jurisdiction to consider infringement and not whether infringement had actually occurred. He considered that the task before the Austrian court was to establish whether the “means necessary” to produce an actual infringement of the trade mark were used by the purchaser of the keyword, *i.e.*, Products 4U. If this was the case, Article 5(3) of the Brussels Regulation would grant jurisdiction to the courts for the place in which the event giving rise to the damage took place, *i.e.*, Germany, and also for the place where the damage actually occurred, *i.e.*, Austria.

On this basis, the Advocate General turned to the appropriate criteria for establishing the means necessary. These included the territorial scope of both parties’ businesses, whether the search engine could be accessed in Austria, whether it was in the same language, and the presentation of the advertisement itself. In particular, the fact the keyword “Wintersteiger” included a link that took the user directly to Products 4U’s website, without any reference to the fact that it is a national trade mark linked to an Austrian undertaking, was likely to contribute to the user (who may be accessing a German search engine ending with “.de” in Austria without any restriction), confusing the two companies, which are competitors on the EU internal market.

In conclusion, the AG’s opinion was that the response to the Austrian court should be that where conduct that is liable to infringe a national trade mark occurs *via* the internet, Article 5(3) must be interpreted as meaning that it attributes jurisdiction both “to the courts of the Member State in which the trade mark is registered and to the courts of the Member State where the means necessary to produce an actual infringement of a trade mark registered in another Member State are used”.

COMMENT

If the CJEU opts to follow the AG’s opinion, this decision may lead to a situation in which competitors purchasing keywords in one Member State become subject to foreign proceedings in another. However, in setting out the criteria for the “means necessary”, the AG’s assessment gave significant weight to the content of the advertisement, effectively applying the established substantive test of whether the advertisement generated enables normally-informed and reasonably-attentive internet users to ascertain whether the goods referred to by the advert originate from the proprietor. The CJEU may take the view that it does not, and as such there is no potential for infringement. The fact that the German search engine ending with “.de” is accessible in Austria would then be irrelevant.

TRADE MARKS

Composite Marks: Identity, Similarity and Likelihood of Confusion

In *Ghias (t/a Griller) v Ikram* [2012] EWPC 3, Miss Recorder Michaels, sitting in the Patents County Court, partly upheld but largely dismissed claims of infringement under Section 10(1), (2) and (3) of the Trade Mark Act 1994 brought by a fast food business chain trading as “Griller”, against three similar businesses trading as “Griller”/“The Griller Original”, “The Griller King” and “Griller Hut”.

BACKGROUND

Mr Ghias has run a Halal fast food business under the name “Griller” since 2003. In the same year, Mr Ghias registered two UK trade marks in relation to that business, both for the same specification of goods and services, including a range of foods and beverages in Classes 29, 30 and 32, and a range of services in Class 43. One mark consisted of the word “GRILLER” with flame effects on either side, having no colour limitation (the logo):



The other consisted of the word “GRILLER” and the flame device of the logo in red, and a device of a chicken dressed as a waiter, partly coloured in yellow, red and orange (the device):



Mr Ghias became aware of “The Griller Original” and the “Griller”, restaurants in London owned by the first and fourth defendants, following a customer’s letter complaining about the poor quality of food they had received at “one of Mr Ghias’s franchises”. The sign over the “The Griller Original” restaurant was the word “Griller” in large red letters, spelt with a capital G, and with the words “the” and “original” in tiny red letters. Over the “Griller” restaurant was signage with the word “Griller” in white letters on a black oval background.

The second defendant ran a fast food restaurant called “The Griller King”, also located in London. The second defendant’s signs included a general type of fascia comprising the words “Griller King” appearing side by side in red capital letters and the following roundel device:



The third and fifth defendants traded as “The Griller Hut”, a fast food restaurant in South London. The sign over the restaurant comprised the words “Griller Hut” stylised in grey/blue capital letters to look like gas flames, in combination with a logo of a chicken sitting on top of a pitched roof:



Mr Ghias claimed to have goodwill in the name “Griller” and sued all five defendants for passing off as well as different acts of trade mark infringement. However, the claim for passing off was deemed inadmissible due to insufficient evidence, so Miss Michaels dealt only with the alleged trade mark infringement under Section 10(1), (2) and (3).

DECISION

IDENTITY: SECTION 10(1)

Miss Michaels noted that all the defendants’ marks were “plainly not strictly identical” to Mr Ghias’s marks, and referred to the definition of “identity” in *LTJ Diffusion v Sadas Vertbaudet* [2003] C-291/00 ECR I-2799 as reiterated in *Och-Ziff*:

...[reproduction], without any modification or addition, [of] all the elements constituting the trade mark or where, viewed as a whole, it [contained] differences so insignificant that they may go unnoticed by an average consumer.

All the claims of infringement under Section 10(1) failed.

LIKELIHOOD OF CONFUSION: SECTION 10(2)

Miss Michaels held that because “Griller” was descriptive did not necessarily mean that it was to be disregarded as the distinctive and dominant component of the mark for the purpose of an assessment under Section 10(2). However, due regard had to be given to the other elements of the composite marks so as to examine each of the marks as a whole.

With regard to goods and services provided, Miss Michaels found that all the defendants provided services identical to those for which Mr Ghias’s marks were registered.

With regard to the similarity of marks, the overall impression of the mark depended heavily on the word “Griller”, and that that word therefore had “an independent distinctive role in the

mark”. In the defendants’ marks, she found that the word “Griller” was either dominant or had some importance as it was the first word when used in combination with another word. Accordingly, it was held that there was some visual, aural and conceptual similarity between the marks and all the signs at issue, albeit sometimes reduced or extremely low where “Griller” was used in combination with other words like “King” and “Hut” that were presented in the same size, style and colour of font.

Given the identity of the services and the dominant nature of the “Griller” element, Miss Michaels concluded that there was a likelihood of confusion under Section 10(2) between the logo mark and “Griller” and “The Griller Original”, but not with the device mark. However, she found no likelihood of confusion with “Griller King” and “Griller Hut” in relation to either of Mr Ghias’s marks.

REPUTATION: SECTION 10(3)

Applying the principles outlined in *Och-Ziff*, Miss Michaels ruled that Mr Ghias failed to show that “a significant part of the public concerned” knew his marks and although the marks had some level of enhanced distinctiveness, the lack of evidence of market share, extent of use of the mark and investment in the marks, showed they had not gained sufficient reputation to warrant the application of Section 10(3).

COMMENT

The assessment of identity under Section 10(1) is strict whereas similarity under Section 10(2) is a cumulative assessment based on several factors. Whilst these can still point to the possibility of confusion even in the absence of clear, reliable and convincing evidence of actual or possible confusion, where the case is “marginal”, as was Mr Ghias’s case against “Griller King” and “Griller Hut”, the evidence of a likelihood of confusion must be compelling. Additionally, in order to succeed under Section 10(3), the onus is on the claimant to show that his marks are known to “a significant part of the public concerned”. Enhanced distinctiveness of a mark is of itself insufficient to establish the necessary reputation.

E-PRIVACY

Serious E-Privacy Breaches: ICO Guidance on Monetary Penalties

The Information Commissioner’s Office (ICO) has laid before the UK Parliament a draft of its new guidance on monetary penalties. The new guidance follows the introduction by the Privacy and Electronic Communications (EC Directive) (Amendment) Regulations 2011 of additional powers to impose

monetary penalties for serious breaches of the Privacy and Electronic Communications (EC Directive) Regulations 2003.

BACKGROUND

The 2011 Regulations gave the Information Commissioner additional powers to use monetary penalty notices for breaches of the 2003 Regulations, in addition to his existing powers under Sections 55A to 55E of the Data Protection Act 1998 (the 1998 Act).

The Commissioner may issue a monetary penalty notice up to a maximum value of £500,000 if a person has seriously contravened the 2003 Regulations and if the contravention was of a kind likely to cause substantial damage or substantial distress. In addition, the contravention must either have been deliberate or the person must have known, or ought to have known, that there was a risk that a contravention would occur and failed to take reasonable steps to prevent it.

THE PROCESS

The Commissioner must first satisfy himself that he has the power to impose a monetary penalty as a result of a serious contravention of the 1998 Act or the 2003 Regulations and that the other statutory requirements apply. He must also consider whether, in the circumstances, it would be appropriate to issue a monetary penalty notice and, if so, determine the amount of the penalty.

The guidance sets out the criteria that will be taken into account when deciding the level of the monetary penalty. For example, the Commissioner will consider the seriousness of the contravention in terms of the nature of the personal data concerned and the number of individuals actually or potentially affected; the type of individuals affected (for example, children or vulnerable adults); whether the contravention was a “one-off” or part of a series of similar contraventions; whether the contravention was caused or exacerbated by activities or circumstances outside the direct control of the person concerned, for example, a data processor or an errant employee; the duration and extent of the contravention; and whether guidance or codes of practice published by the ICO or others and relevant to the contravention were followed.

The Commissioner must initially serve a notice of intent setting out the proposed amount of the monetary penalty and informing the recipient that he or she may make written representations to the ICO. The Commissioner may reconsider the level of monetary penalty as a result of the written representations. The person on whom a monetary penalty notice is served may appeal to the First-tier Tribunal (Information Rights) against the issue of the notice and/or the amount of the penalty.

SERIOUS CONTRAVENTION

The Commissioner will take an objective approach in considering whether there has been a serious contravention. Examples of a serious contravention of the 1988 Act include the failure of a data controller to take adequate security measures (such as the use of encrypted files and devices) and the loss of medical records containing sensitive personal data following an office move.

Examples of a serious contravention of the 2003 Regulations include making a large number of automated marketing calls based on recorded messages, or sending large numbers of marketing text messages to individuals who have not consented to receive them, particularly if distress and anxiety is caused to the recipients.

REASONABLE STEPS

The guidance provides a non-exhaustive list of reasonable steps to be taken to prevent a contravention. These include: i) carrying out a risk assessment in respect of the handling of personal data; ii) having good governance and/or audit arrangements in place; iii) having appropriate policies, procedures, practices or processes in place; and iv) implementing guidance or codes of practice published by the Commissioner.

DEFINITIONS AND EXAMPLES

“SUBSTANTIAL”

In order to attract a monetary penalty, the likelihood of damage or distress must be substantial in importance, value, degree, amount or extent. The Commissioner will consider, objectively, whether the damage or distress is merely perceived or of real substance.

“Substantial” in relation to a serious contravention of the 1988 Act includes, for example, the disclosure of inaccurate personal data held by an ex-employer by way of an employment reference that results in the loss of a job opportunity for an individual. In relation to the 2003 Regulations, the example given is distress and anxiety caused to a large number of individuals who receive repeated marketing text messages or automated marketing calls based on recorded messages, without having given their consent.

“DAMAGE” AND “DISTRESS”

“Damage” is any financially-quantifiable loss such as loss of profit or earnings. For example, when personal data is lost and the individual becomes a victim of identity fraud.

“Distress” is any injury to feelings, harm, or anxiety suffered by an individual. Examples include anxiety suffered at the loss by a data controller of medical details and annoyance or

anxiety on receiving repeated automated marketing calls without consent.

DELIBERATE CONTRAVENTION

Examples given include a marketing company that collects personal data, stating it is for the purpose of a competition and then, without consent, knowingly discloses it to populate a tracing database for commercial purposes, without informing the individuals concerned.

“KNOW” OR “OUGHT TO HAVE KNOWN”

A data controller or person is expected to be aware, or ought to have been aware, that there is a risk that a contravention will occur. The test is objective and the Commissioner will expect the standard of care of a reasonably prudent person.

COMMENT

The ICO emphasises preventative action, such as carrying out risk assessments, encrypting information and ensuring consent is obtained in respect of marketing communications. If a serious security breach or contravention still occurs, despite such preventative measures having been undertaken, the chances of receiving a monetary penalty notice and certainly the level of any imposed, will be reduced.

It should be remembered that the Commissioner sees monetary penalties as a deterrent tool as well as an enforcement tool, although monetary penalties will only apply to the most serious situations. They must “be sufficiently meaningful to act both as a sanction and also as a deterrent to prevent non-compliance of similar seriousness in the future by the contravening person and by others”. The purpose of a monetary penalty notice “is not to impose undue financial hardship on an otherwise responsible person”.

CONFIDENTIAL INFORMATION

Privilege Against Self-Incrimination and The Scope of The Intellectual Property Exception

In *Stephen John Coogan v News Group Newspapers Ltd* [2012] EWCA Civ 48 the Court of Appeal of England and Wales upheld orders from the High Court of England and Wales requiring the private investigator for the former *News of the World* newspaper, Mr Mulcaire, to provide information regarding his phone hacking activities, despite Mr Mulcaire’s argument that to do so would infringe his privilege against self-incrimination.

BACKGROUND

Mr Coogan claimed that Mr Mulcaire acted in breach of confidence by accessing messages on Mr Coogan’s phone, without permission. The messages contained both commercial and personal information. Mr Coogan applied for a court order that Mr Mulcaire provide information relating to voicemail interceptions he performed, including the identity of the persons who had instructed him and the identity of the persons to whom he subsequently supplied the information. Mr Mulcaire refused to provide this information, asserting the PSI.

Mr Coogan maintained that the commercial information, at least, fell within Section 72 of the Senior Courts Act 1981, meaning Mr Mulcaire was not permitted to rely upon the PSI. In the first instance, Mr Justice Mann and Mr Justice Vos determined that Mr Mulcaire was not excused by PSI from answering any questions put to him during the proceedings or from complying with orders made under Section 72. Mr Mulcaire appealed.

DECISION

The first issue considered was the construction of Section 72, which applies to “proceedings for infringement of rights pertaining to any intellectual property”. For these purposes, Section 72(5) defines intellectual property as “any patent, trade mark, copyright, design right, registered design, technical or commercial information or other intellectual property”. The Court of Appeal held that the words “commercial information” meant confidential information of a commercial character and that “other intellectual property” applied to confidential, non-commercial (i.e., “private”) information.

Section 72 only prevents the PSI from being relied upon where there is a risk of criminal proceedings for “any offence committed by or in the course of the infringement”. Mr Mulcaire submitted that, whilst those words of limitation would not prevent him from being required to give information as to the messages that he had intercepted, they did not extend to giving information as to who had instructed him, or to whom he had passed on the information, as these were outside the course of infringement.

In respect of providing details of the persons to whom the confidential information was passed, the Court held that as the information was confidential and obtained by Mr Mulcaire in an unauthorised way, he had committed a further infringement of Mr Coogan’s rights when he passed the information on. Therefore, that information should be disclosed. As for disclosing details of the persons whom had instructed him, the Court held that where a person intercepts a voice message on the instructions of a third party, the giving of those instructions “can fairly be said to be part and parcel of the interception”. Therefore, details of the third party should be disclosed.

Finally, the Court of Appeal held that Section 72 was compatible with Mr Mulcaire's Article 6 right to a fair trial. In reaching this decision the Court of Appeal noted there was no absolute right to PSI and took into account the Section 72(3) protection against the use of the information in criminal proceedings for any related offence.

Mr Mulcaire has indicated an intention to appeal the decision to the Supreme Court.

COMMENT

The decision is significant in that it would appear that any confidential information will now be caught by Section 72, whether or not it is of a commercial nature. It also provided some interesting commentary on the PSI. While the PSI is a long-standing feature of English common law, the Master of the Rolls expressed his opinion that PSI has "had its day" in this judgment, but he also made it clear that "it is for the legislature, not the judiciary, to remove it, or to cut it down".

REGISTERED COMMUNITY DESIGN

Registered Community Designs Can Infringe Earlier Registered Community Designs

The Court of Justice of the European Union has clarified the interpretation of the term "any third party" in Article 19(1) of the Community Designs Regulation (6/2002/EC) in its decision in *Case C-488/10 Celaya Empananza y Galdos Internacional SA (Cegasa) v Proyectos Integrales de Balizamiento SL*.

BACKGROUND

Since 2005, *Celaya Empananza y Galdos Internacional SA* (*Cegasa*) has owned a registered Community design (RCD), consisting of a beacon-like marker used for traffic-signalling purposes. On two separate occasions in 2008, *Cegasa* demanded that *Proyectos Integrales de Balizamiento SL* (*PROIN*) cease and desist the marketing of a beacon-like marker that *Cegasa* viewed as producing an overall impression similar to its RCD. *PROIN* provided *Cegasa* with an undertaking to alter its design, but proceeded subsequently to register the design at issue. *Cegasa* did not make an application for a declaration of invalidity of *PROIN*'s design but instead brought infringement proceedings against *PROIN* before the Alicante Commercial Court. The Alicante Court, having considered that *PROIN*'s design was a reproduction of *Cegasa*'s design, asked the CJEU for guidance in respect of whether grounds for an infringement proceeding existed, considering the alleged infringing design was registered in its own right.

DECISION

The Regulation does not address expressly the issue of whether the owner of an earlier RCD can sue the owner of a later RCD for infringement. The CJEU referred to Article 19(1) of the Regulation, which states that "a registered Community design shall confer on its holder the exclusive right to use it and to prevent any third party not having his consent from using it". The CJEU indicated that this wording does not exclude the possibility of bringing an action against the holder of a later RCD when read in combination with Article 10(1) of the Regulation. Article 10(1) gives the RCD holder a right to exclude use of any designs that do not produce on the informed user an overall impression different to their design. Therefore, the holder of a later RCD who used a design that offended Article 10(1) could be encompassed by the "any third party" term of Article 19(1).

The CJEU emphasised that this interpretation was necessary to ensure that infringement proceedings are not undermined and to guarantee that effective protection of RCDs under the Regulation is achieved. This is important considering the examination procedure for registration of RCDs does not take into account pre-registration circumstances surrounding the use of the design, does not provide a means of opposition to registration and is generally less rigorous than the registration process for other forms of registered intellectual property protection, such as trade marks.

In addition, the CJEU applied the priority principle when interpreting the Regulation. This means that earlier RCDs take precedence over later RCDs, with earlier RCDs being deemed to have met the conditions for registration first. Therefore, although *PROIN*'s design is registered, *PROIN* can only enjoy exclusive protection rights if it shows *Cegasa*'s design is invalid.

The CJEU made it clear that the interpretation of the scope of the rights conferred by CDRs is an objective exercise, rendering the conduct and intention of the parties irrelevant. As such, the fact that *PROIN* registered its design only after *Cegasa* had sent it formal cease and desist notices was immaterial.

COMMENT

The CJEU ruling will be welcomed by holders of RCDs, who can now sue confidently for infringement, even if the product in question is protected by a later RCD. RCD holders should also take comfort in this decision as it shows that: i) the holder of the earlier RCD does not need to apply to invalidate the later RCD before bringing an infringement action; and ii) where two RCDs are in conflict, the onus to prove that the earlier RCD is invalid falls on the holder of the later registration. This judgment is also likely to deter potential infringers from

registering “infringing designs” in the hope of invoking the registration as a defence in an infringement action.

Acknowledgements

The European IP Bulletin is produced in association with

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