



K&L GATES

TRADEMARKS AND UNFAIR COMPETITION

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INTRODUCTION

It is my pleasure to present the second issue of our bulletin this year, which contains interesting and important information on trademarks, unfair competition and, in this issue, personal data. There have been big changes in personal data protection resulting from the entry into force in the spring of last year of Regulation of the European Parliament and of the Council (EU) 2016/679 of April 27, 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation (GDPR)). I highly recommend our article examining this question. It is worth considering now whether these changes are also important for you.

We also have some very interesting articles from our colleagues in our offices in London, Milan, Berlin, and Paris. You can find out about the most important developments that have taken place recently in the field of intellectual property and unfair competition in those countries.

On behalf of the whole team, I hope you have an enjoyable read, and I encourage you to send questions in to our authors and/or share your observations and reflections.

Oskar Tułodziecki



LEGISLATION

EU: NEW REGULATION ON THE PROTECTION OF EU TRADEMARKS

Michał Ziółkowski

June 16, 2017, saw the publication of the Regulation of the European Parliament and of the Council (EU) 2017/1001 of June 14, 2017, on the European Union trademark (OJEU L 154 of 16.06.2017), which is de facto the uniform text of Regulation No. 207/2009 as amended as a result of Regulation No. 2015/2424. The new regulation entered into force 20 days after being published in the Official Journal of the European Union and will apply starting October 1, 2017. The publication of the new regulation is the result of a legal reform of trademarks in the EU. Because Regulation No. 207/2009 was amended significantly several times, for the sake of clarity and comprehensibility, the

provisions have been unified. The provisions of Regulation 2017/1001 are identical with those that were introduced by Amendment Regulation No. 2015/2424 and contain, among other items, a new definition of the term “trademark.”

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EU: REVOLUTION IN PERSONAL DATA PROTECTION: GDPR – NEW PROVISIONS, BIGGER PENALTIES

Ewelina Madej

On May 25, 2018, the provisions of the general Regulation of the European Parliament and of the Council (EU) 2016/679 of April 27, 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the General Data Protection Regulation (GDPR)) will enter into force.

The changes are many. First of all, the GDPR expands the catalogue of natural persons whose personal data is processed. There is a new right to have data deleted (the “right to be forgotten”) and a right to demand the transfer of data. Another important change concerns the opportunity of submitting an objection to data processing for the purpose of direct marketing. Where personal data is processed for this purpose, the person



whom the data concerns will have the right at any moment to object to the processing of their personal data for the purpose of such marketing, including profiling, within the scope of which that processing is related to direct marketing (Article 21 par. 2 GDPR).

In accordance with motive 74 of the Preamble to the GDPR, a number of obligations, as well as legal liability, are imposed on an administrator for the processing of personal data by or on behalf of that administrator. In particular, an administrator is obliged to implement appropriate, effective measures and should be able to show that its processing activities comply with the GDPR. It must also be able to show that the activities it conducts are effective. The means measures employed by an administrator should take account of the nature, scope, context, and purposes of the data processing, as well as of the risk of infringements of the rights and freedoms of natural persons. The effective implementation of the provisions of the GDPR requires all internal processes of a given organization be accounted for where these have any connection whatsoever with personal data processing. Moreover, the effective implementation of the new provisions requires that a personal data audit first be conducted in order to determine what areas must be adopted to the new requirements.

Certain companies will also be obliged to appoint a Personal Data Protection Inspector.

The GDPR also imposes on an administrator an obligation to promptly (no later than within 72 hours following the detection of an infringement) submit any personal data protection infringements to the relevant supervisory authority within the organization.

The GDPR also sets out provisions concerning consent to personal data processing and expands the scope of

information that must be provided to the personal data concern (known as an informational obligation).

The most significant change, however, is the introduction of severe penalties for infringements of the provisions concerning personal data protection. The GDPR provides financial penalties in the amount of up to EUR 20 million, or in the case of corporations, up to 4% of the total global annual turnover of the business in the previous financial year.

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UK: UNITED KINGDOM TO INTRODUCE NEW UNJUSTIFIED THREATS BILL ACROSS IP LAW

Jamie Kershaw

The UK's new Intellectual Property (Unjustified Threats) Act 2017 (the "Act") was recently granted royal assent and is set to come into force in October 2017. The Act should make it easier to advise clients, avoid litigation and facilitate the negotiation of settlements by outlining what types of threats are unjustified. The Act will also harmonise the UK law on unjustified threats across patents, trade marks and design rights.

Currently, the law allows those accused of infringing intellectual property to sue for damages if threats of legal action against them are revealed to be groundless. This can lead to rights-holders becoming wary of challenging perceived threats to their intellectual property because they do not want to risk their threats being perceived as groundless and, as a result, do not exercise full protection of their intellectual property rights.

What constitutes a "threat" will be defined in secondary legislation, but the Act will increase the current territorial scope of the threats. Currently, a threat can only relate to a communication involving a threat of action specifically in UK law, but this will be modified to cover threats in regard of "acts" done in the United Kingdom. This will increase options for worldwide rights-holders when seeking to protect their intellectual property.

The Act will further clarify how and when threats of proceedings for infringement can be made by

introducing levels of infringement. In addition to primary infringers, i.e. individuals who are being accused of directly infringing an existing intellectual property right, it will now be possible to threaten proceedings against secondary infringers who are those accused of acts such as distribution of infringing items.

The Act will also create a safe harbour for certain communications to secondary infringers, allowing rights-holders to carry out investigatory work into acts of primary infringement without worrying that such communications could be regarded as unjustified threats for which they could be sued.

There will be a new exemption introduced for professional advisors, ensuring that an advisor will not be personally liable when making a threat after being instructed to do so by their clients, and this is clearly stated in the communication.

Once the new law comes into force, it should encourage more open communication and negotiation between parties and help to reduce cases of rights-holders commencing litigation without notice in order to avoid the risk of being sued for making unjustified threats.

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PL: USE OF ANOTHER COMPANY (BUSINESS NAME) IN INTERNET ADVERTISING – RULING OF THE COURT OF APPEAL IN BIAŁYSTOK

Oskar Tułodziecki

In a ruling on February 3, 2017, the Court of Appeal in Białystok considered an appeal by a defendant in a case concerning the right to combat unfair competition (case file I ACa 740/16). The dispute arose over the use by the defendant of the business name of the plaintiff when marketing services on the Internet. The plaintiff's business is debt recovery. Its activities involve acquiring debts from third parties or acting on behalf of creditors. The plaintiff became aware that the effectiveness of its activities was declining and believed the cause of this lay in the unlawful, in its opinion, activities of the defendant. The defendant conducts business involving consultancy services for debtors of banks and other institutions. On its website, the defendant used the business name of the plaintiff in three forms. First, an abbreviation of its name in letters was used as one of the metatags referring to the content of web-pages. The effect of this is that, when the word is entered in a Web browser, the browser shows Internet users sites containing those metatags. These metatags, invisible to users, greatly increase the chance of certain content being read by persons looking for information on the Internet. Second, the defendant used the plaintiff's business name as a keyword in an advertising service offered through Google, namely, Google AdWords. This meant that, when an Internet user entered the name of the plaintiff in a browser, Google gave the user sponsored links leading to the defendant's website. In this way, the defendant gained customers. Third,

the plaintiff was named on the web-pages run by the defendant. In this case, though, the expert engaged by the court was unable to determine whether the references to the claimant derived from the defendant itself or from users using a forum made available by the defendant. Nor was it possible to establish who made a given entry on the forum. All of the above activities were considered by the plaintiff to be unlawful, as contrary to the principles of fair competition. Specifically, the claimant accused the defendant of unfair advertising and an infringement of the general clause of Article 3 of the Act on Combating Unfair Competition.

In principle, the courts of both instances shared the position of the claimant. In the rulings they handed down, interesting legal arguments were put forward that deserve some attention. First, the courts of both instances confirmed that the Act on Combating Unfair Competition does not only apply in the case of a dispute between direct competitors. The court emphasized that the Act protects not only direct competition, but also the freedom to conduct economic activity in conditions of market rivalry in the broad sense. This means that the defendant could show the legal title on the basis that it uses designations identifying other businesses in its own activities. In the case at hand, the defendant did not present such a legal basis. The Court of Appeal additionally discussed European Court of Justice



case-law, noting that even though rulings in cases such as Google France and Interflora were issued against the background use of other trademarks, and not other business names, those rulings can be applied to this case as well. Ultimately, the Court of Appeal found that, even though the unlawful activities of the defendant ceased during the course of the proceeding as a direct result of that proceeding, and even though some of the claims of the plaintiff were dismissed as no longer relevant, the defendant cannot be deemed as having won in respect of settling the costs of the proceedings. On the contrary, if the unlawful activity was stopped during the proceeding, the defendant should return the costs of the proceeding to the claimant (despite the claim being dismissed formally). The courts

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of both instances found that the withdrawal of the claim during the proceedings did not necessarily predetermine whether the actions of the defendant can be deemed as an incitement not to perform agreements and to disclose business secrets in the form of making information on the claimant's clientele publicly available.

EU: PROCEEDING ON A SUBMISSION OF A GRAPHIC TRADEMARK – RULING OF THE EUROPEAN GENERAL COURT

Michał Ziótkowski

The EU General Court upheld a decision by the EUIPO Board of Appeal in the case of Anta (China) vs. EUIPO, in accordance with which a graphic mark consisting of two lines forming an acute angle, submitted in respect of various goods from classes 18, 25, and 28, does not possess distinctiveness (case No. T-291/16 of 5 April 2017). In this context, it is worth paying some attention to the conditions concerning distinctiveness for a trademark that is purely graphic in form (i.e., that has no verbal

component whatsoever), in particular in respect of goods such as footwear and clothing.

The mark submitted was shown in the application as follows:





During the analysis of the submission, the EUIPO determined that the mark is devoid of primary distinctiveness, and the mark was therefore not registered. According to the EUIPO expert who conducted the analysis, the mark has no features whatsoever that distinguish it from other marks that are currently placed on articles of sports clothing and footwear. In order to justify the distinctiveness of its purely graphic mark in respect to clothing, the applicant invoked earlier registrations of marks in other jurisdictions as well as consumer opinions. Yet the court found that the fact that consumers recognize graphic trademarks does not necessarily mean that those marks possess primary distinctiveness. Consumers, then, do not consider such a mark as a trademark unless it has acquired

distinctiveness through use in trade. Not having any characteristic features or other distinctive elements, the mark in question is perceived by consumers as an ordinary decorative element. The mark is not able to draw consumers' attention such that they will remember it in relation to the goods concerned and associate it with a specific business.

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EU: DISPUTE OVER THE SIMILARITY OF THE MARKS “NIMORAL” AND “NEORAL” – RULING OF THE EU GENERAL COURT

Piotr Wenski

In a ruling on April 6, 2017, in case No. T-49/16, the EU General Court upheld a decision by the EUIPO Fourth Board of Appeal dismissing a complaint by the company Azanta A/S (“Azanta”) against a decision to refuse to register the word trademark “NIMORAL.” Azanta submitted that mark on October 23, 2013, applying for protection in respect of goods belonging to class 5 of the Nice Classification corresponding to the following description: “Pharmaceutical preparations improving

the effectiveness of radiotherapy in treating cancer patients.” On December 2, 2013, an objection against that registration was raised by the company Novartis AG based on the previous registration of the EU trademark “NEORAL” for goods belonging to class 5 of the Nice Classification corresponding to the following description: “Pharmaceutical preparations.”

In a decision on January 29, 2015, the EUIPO Objections Department found in favour of the



objection. Thereafter, the EUIPO Fourth Board of Appeal considered an appeal by Azanta, but upheld the decision and refused to register the contested mark. In its justification, the Board of Appeal pointed to the identity of the goods the disputed marks identify and to the high degree of similarity between the marks themselves, which, when taken together, cause a likelihood of consumers being misled as to the origin of products bearing the disputed marks.

Azanta then submitted a complaint to the EU General Court, in which it questioned the similarity of the marks. In particular, it argued that the marks are not similar to each other phonetically and semantically (conceptually), while visually they are only slightly similar. In developing its claims, Azanta stated that the mark “NIMORAL” consists of seven letters, while the mark “NEORAL” contains only six. Further, in the opinion of the plaintiff, the letter “m” plays a key role in the structure of the mark submitted, being “wide and distinct”, thereby drawing the attention of consumers and affecting the distinctiveness of the mark. Phonetically, the plaintiff argued that the word “NIMORAL” is pronounced in the French language completely differently than the word “NEORAL.” The former is pronounced as three syllables, the latter as only two. In respect of the semantic (conceptual) realm, Azanta argued that the element “neo” in the mark “NEORAL” has a definite meaning, referring to “newness”. In the plaintiff’s view, all of those arguments lead to the conclusion that the disputed marks are not sufficiently similar to each other as to create a risk of consumers being misled as to the origin of products bearing them. The EU General Court did not accept the plaintiff’s arguments and upheld the refusal to register the mark “NIMORAL.” In its justification, it showed that both marks consist solely of a single word. Further, the grammatical and linguistic structure of both marks is similar, and

both marks contain the same word element “oral,” in each case at the end of the word. In the court’s view, the small differences between the marks are not sufficient to negate their considerable visual similarity. The court also pointed to the strong phonetic similarity between the marks, not sharing the view of the plaintiff that they will be read in a completely different way.

Comparing the two marks conceptually (semantically), the court noted that, even if one accepts that the element “neo” in the mark “NEORAL” essentially refers to the concept of novelty, this in no way reduced the degree of similarity between the marks—each constitutes a fanciful name that, considered as a whole, has no meaningful content at all.

Consequently, given that the goods to bear the two marks are identical, and that the marks are similar visually and phonetically, the EU General Court did not identify any errors in the decision of the EUIPO Fourth Board of Appeal and refused to register the mark “NIMORAL” due to its collision with the previous mark “NEORAL.”

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EU: “DELUXE” AS A WORD ELEMENT OF A TRADEMARK – RULING OF THE EU COURT OF JUSTICE

Daria Golus

On May 17, 2017, the EU Court of Justice issued a ruling in a case between the European Union Intellectual Property Office (EUIPO) and Deluxe Entertainment Services Group Inc. concerning a graphic trademark containing the word element “deluxe.”

On October 10, 2012, the company Deluxe sought to register the following Community trademark:



The mark was submitted for registration in respect of goods and services belonging to various classes of the Nice Classification, including cinema and television films containing musical video recordings, post-production editing services for audiovisual and audio advertisements, film remastering services, electronic storage of digital images and video, digital cinema and audio recordings, data carrier compression (including digital media), and

services pertaining to protecting electronic content. The application met with a refusal to register on the part of the EUIPO in relation to all of the goods and services for which the mark was submitted. The expert justified that decision by a lack of distinctiveness and by the fact that the mark informs consumers about the quality of goods and services bearing it. Deluxe appealed to the EUIPO against the expert decision. The EUIPO Second Board of appeal upheld that decision and additionally drew attention to the fact that, in that part of the European Union in which the English language is understood, the word “deluxe” is widely used on promotional labels to indicate high quality. Therefore, the word “deluxe” *“should not obtain a monopoly by means of any trademark, while the graphic element accompanying the word is insufficient for the mark submitted to possess distinctiveness.”*

On April 10, 2014, Deluxe submitted a complaint to the EU General Court, seeking to have the disputed decision invalidated. The company raised a number of arguments, including that the Board of Appeal had insufficiently justified its refusal to register the trademark in relation to each of the goods and each of the services concerned. The EUIPO countered that the Board of Appeal had recognized that the justification of the decision refers to each of the goods and each of the services. It stated that such a group justification was possible, because all of the



goods belong to a single sector – the audiovisual sector. The court found in favour of the complaint by Deluxe that those goods and services cannot be deemed to be a uniform category permitting a general justification to be accepted, for no direct and specific connection between them had been shown.

The EUIPO appealed to the Court of Justice, stating, *“the Court cannot exclude the possibility of presenting a general justification due to the variety of goods and services if the perception of the designation is identical in respect of each of the goods and services, and the justification referring to them therefore remains unchanged.”* In the case at hand, in the EUIPO’s opinion, a common characteristic is that the designation “deluxe” will in every case be of a laudatory, promotional nature. The EUIPO referred to such cases as that of “BigXtra,” which was not registered because of its “expressly laudatory” nature. Deluxe refuted that argument by stating that the word “deluxe” should not be considered descriptive or laudatory when it refers not to the goods themselves, but to the sales method.

The EUIPO also criticized how “uniform category” had been understood. In its opinion, sufficient variety should be interpreted in such a way that it would be sufficient for goods and services to possess a common characteristic feature that could also arise among goods or services belonging to different sectors.

In its ruling (C-437/15P), the Court of Justice found that an assessment of the absolute grounds for a refusal to register must consider separately each type of goods and services for which registration is sought. In principle, a decision must be justified in relation to each of these separately, yet, in

a situation where the same basis for refusal is raised in relation to each category or group of goods or services, a given authority may limit itself to a general justification for all of the goods or services being assessed. Those goods or services must, however, remain in a sufficiently direct and specific relationship as to create a single, sufficiently uniform category or group of goods or services.

The Board of Appeal claimed that, in the case at hand, all of the goods can be presented as “being of high quality,” and all of the services as “guaranteeing high quality.” It argued, therefore, that all of them possess a characteristic essential to the purposes of assessing whether there is an absolute basis for a refusal to register. The EU General Court, therefore, should check whether the relevant consumer group could simply and directly perceive the trademark submitted as an indication of high quality or as a laudatory message, but not as an indication of the origin of the goods and services concerned. The court should also check whether the term “deluxe” does indeed carry the concept of “high quality” due to its direct reference to the word “luxury.”

In the opinion of the Court of Justice, the EU General Court *“in a general way precluded the possibility of the existence of uniformity of the goods and services under consideration, and in this respect did not take account of the specific characteristics of the trademark submitted, in particular of how it would be perceived by the relevant consumer group.”* It did not take account of the possibility that, despite differences between them, given goods and services could be deemed to be a uniform category allowing the Board of Appeal to formulate a general justification concerning all of them. Therefore, the position



of the General Court that *“the circumstance... that the term “deluxe” is an expression that is laudatory and promotional in nature, possible to apply to all the goods and services in question, is in this respect irrelevant”* is erroneous. The ruling of the EU General Court was overturned, and the case was referred back to that court for reconsideration.

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EU: DISTINCTIVENESS OF A MARK – RULING OF THE EU COURT OF JUSTICE (PACKAGING OF KNOPPERS WAFFLES)

Aleksandra Stachera

We reported previously, in Bulletin No. 2 /2016, on a case of the registration of the graphic trademark shown below (packaging for Knoppers waffles, without any additional markings, with protection only for the two-coloured background) for goods from class 30 of the Nice Classification, namely confectionery products, chocolates, chocolate products, cakes, ice creams, and ingredients for manufacturing such products.



The EUIPO refused to register the designation as a trademark due to the absence of any distinctiveness

in relation to the goods listed above. That decision was upheld by the EUIPO Board of Appeal, after which the company (August Storck KG) appealed to the General Court. In a ruling on May 10, 2016 (T-806/14), the court did not share the position of the company, but concurred with the view that the designation submitted is not distinctive. In the opinion of the court, given the relevant target group in this case, it should be assumed the designation will be perceived with only a low level of attention. The reason given for such a low level of perception was the low price of the products, which are purchased quickly, and the absence of any health warning that could cause consumers to pay greater attention when making a choice. The designation submitted, then, was not sufficiently distinct from the form of other products available on the market. Nor did it contain any fanciful elements that could affect an assessment of its distinctiveness. The square form of the



packaging, and the colours that the Company used, i.e., pale blue and white, did not result in the design having any distinctive features. Consequently, the court confirmed the position of the Board of Appeal, according to which the designation the company attempted to register did not possess distinctiveness in the meaning of Article 7 par. 1 pt. b of Regulation No. 207/2009, which sets out one of the absolute grounds for a refusal to register a trademark (“1. The following are not registered: ...(b) trademarks that are devoid of any distinctive character”).

The applicant appealed against that ruling on May 10, 2016, and on May 4, 2017, the EU Court of Justice issued a ruling (C-417/16, August Storck v EUIPO) in which it shared the opinion of the General Court that the mark submitted is not distinctive. The Court of Justice stated that the colour combination of white and

blue often appears on the packaging of confectionery products, while the curved diagonal line running across the middle of the package, supposedly portraying a snow-covered mountain peak against a blue sky, was not obvious to consumers and did not render the mark distinctive. In the opinion of the Court of Justice, those simple graphic elements could also be perceived by consumers as merely decorative and not as an indication of the origin of the products.

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IT: “VESPA” SCOOTERS WIN TWICE AGAINST COUNTERFEITING – PIAGGIO WINS TWO LAWSUITS IN A MONTH OBTAINING A MAJOR RECOGNITION ON THE PROTECTION OF ITS ICONIC SCOOTER VESPA

Alessandra Feller, Alessia Castelli

In just a few weeks, Piaggio – the Italian company manufacturing iconic Vespa scooters – obtained a double victory before Italian courts both under the intellectual property and the copyright perspectives.

The first, relating to a judgement issued in March 2017 by the Italian Supreme Court, concerned a case

of reproduction of the image of the well-known Italian scooter “Vespa” on various gadgets and clothes. The Italian Supreme Court, recalling a consolidated Italian case law orientation on the protection of figurative signs, has ascertained counterfeiting over the mere reproduction of the image of the product even in the absence of any imitation of the registered distinctive



trademark. Indeed, according to the judgement, the counterfeiting occurs anytime a trademark or a distinctive sign referable to a specific product is reproduced in a manner which is suitable to create confusion among consumers as regards the origin of the product.

Under the above circumstances, the reproduction of the distinctive trademark is not essential to qualify the unlawful behaviour as counterfeiting.

In line with previous case law, the Italian Supreme Court confirmed once again the legal protection recognized to figurative signs also by way of criminal law.

A few weeks later, Piaggio obtained another remarkable success for the protection of its products. Indeed, the court of Turin granted copyright protection to Vespa scooters, upgrading their protection to one reserved to artwork of industrial design having creative character and artistic value.

Such a decision has been issued in connection to a lawsuit against a Chinese manufacturer of scooters considered as “clones” of the Vespa ones: in that proceeding, the court of Turin also recognized the validity of a Piaggio three-dimensional trademark. This decision is quite relevant since it recognized the Vespa scooter as artwork of industrial design, worthy of copyright protection. According to the court, during past decades, the Vespa scooter has collected a number of awards, publications, exhibitions and appearances both in the artistic and motorcycle sectors which confirmed the creative features and the artistic value of the same.

Although the judgement is still subject to appeal, it represents a remarkable step towards legal protection of iconic pieces of the Italian lifestyle.

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DE: IF AND HOW TO RESTRICT THE DISTRIBUTION OF BOT-PROGRAMS FOR ONLINE-GAMES – THE “WORLD OF WARCRAFT II” DECISION OF THE GERMAN FEDERAL COURT OF JUSTICE

Julia Goetz, Klaus Schubert

Early this year, the German Federal Court of Justice (FCJ) rendered a judgment in relation to the distribution of automation software (“bot-programs”) for the computer game “World of Warcraft”.

The claimant developed and owns all rights to the popular online computer game “World of Warcraft”, which it distributes on the Internet. Furthermore, he is the owner of the trademarks “WORLD OF WARCRAFT” and “WOW”. To play the game, users have to acquire client software and register on a server. In the course of registration, the user has to accept the general license terms as well as terms of use of the claimant. The terms of use of the claimant prohibit the use of bot-programs by the user.

Bot-programs autonomously perform certain tasks in a computer game without requiring any interaction with a human user.

The defendant distributed bot-programs for World of Warcraft online and used the term “World of Warcraft bot” and “WOW bot” for its offerings on its Internet website. By using the defendant’s bot-programs, the user did not have to perform time-consuming and “easy” tasks on its own as all the other players had to do. Instead, he skipped game levels to a more advanced level.

The FCJ ruled that the distribution of bot-programs for online games infringes Sec. 4 Nr. 4 of the German law on unfair competition. As the use of bot software was explicitly prohibited under terms of use and as the bot-programs directly impinged the course of the game and the equal opportunities of players, the court ruled that this deliberately hinders the claimant.

The court rejected the argument of the defendant that the distribution of bot-programs is only an additional product for users as it allows them to skip time-consuming levels. Generally, under German law, the distribution of such additional products is not prohibited as they may usually serve an additional need of the consumer. However, that does not apply if the additional product exploits the products of the competitor and therefore impacts his economic success. According to the FCJ, this was the case here as the use of bot-programs was clearly against the terms and could stop honest and fair players from playing. By prohibiting the use of bot-programs in its terms of use, the claimant made clear that it does not accept any unfair means and that the game has to be played fair. Therefore, the distribution of such additional products must not be accepted by claimant.

Furthermore, the court ruled that the use of the terms “World of Warcraft bot” and “WOW bot” on



the Internet page of the defendant infringed the trademarks “WORLD OF WARCRAFT” and “WOW” of the claimant (Art. 9 para 1 lit. b EUTMR). The use of a third-party trademark as part of an own identification is a use of the trademark in the sense of Art. 9. Such use was not exempted as the mere identification of goods (Art. 12 lit c EUTMR) as the use here did not comply with honest practices in commercial matters. Instead, the defendant misused the claimant’s trademarks for its unlawful offering of bot-programs.

The judgment is a landmark decision for the computer industry and allows them to defend themselves against the distribution of bot-programs. However,

bot-programs are not per se prohibited since it will always depend on the facts of each case. For example, if the terms of use would have been invalid here, the decision could have been different.

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FR: THE LAGUIOLE TRADEMARK SAGA: VICTORY CAN BE A DOUBLE-EDGED KNIFE

Claude Armingaud, Olivia Roche

The European Union Court of Justice confirmed the intellectual property rights owned by the French company “Forge de Laguiole”, but solely in areas in which it pursued an actual business activity.

A decision¹ dated 5 April 2017 of the European Union Court of Justice (“EUCJ”) put an end to the long-standing series of court decisions about the Laguiole trademark before the European Union jurisdictions (“EU Jurisdictions”), on which relied the right for French company “Forge de Laguiole” to keep using its business name. This decision also gave

the EUCJ the opportunity to clarify the application of national case law by the EU Jurisdictions within the framework of proceedings based on Article 8 (4) of Regulation No 207/2009² (the “Regulation”).

1. The “Laguiole legal saga” before the EU Jurisdictions

The French company “Forge de Laguiole” is internationally renown for its manufacturing of knives and cutlery.

1) Judgement dated 5 April 2017 of the Second Chamber of the EU Court of Justice, No C-598/14 “Szajner”.
2) Council Regulation (EC) No 207/2009 dated 26 February 2009 on the Community trademark.



In 2001, Mr Gilbert Szajner, a French individual, applied for the registration of the European Union trademark “LAGUIOLE” (the “Trademark”) before the European Union Intellectual Property Office (“EUIPO”). This Trademark was registered in 2005 and covered a broad spectrum of goods and services, including knives and cutlery.

Subsequently, Forge de Laguiole sought the cancellation of the Trademark before the EUIPO on the basis of its prior business name, which is of more than “merely local significance” and could as such entitle Forge de Laguiole to prohibit the use of a subsequent trademark, on the ground of Article 8(4) of the Regulation.

In 2011³, the First Board of Appeal of the EUIPO declared the Trademark partially invalid in view of the likelihood of confusion with the business name of the French company. The Trademark had therefore been cancelled for all the goods and services it covered, except for the telecommunication services in class 38.

Mr Szajner sought to overturn the EUIPO’s decision before the General Court of the European Union (the “General Court”).

By judgment dated 21 October 2014⁴, the General Court confirmed the cancellation of the Trademark but only for goods and services related to the business activities actually pursued by Forge de Laguiole. Contrary to the EUIPO, the General Court maintained the Trademark for the all other goods and services. Considering that the judgement of the General Court infringed, inter alia, Article 65 (2) of the Regulation, the EUIPO, supported by Forge

de Laguiole, brought an appeal before the Court of Justice.

Nevertheless, by judgement dated 5 April 2017, the Court of Justice confirmed the decision of the General Court. Indeed, the Court of Justice considered that the General Court was correct in finding that, under the applicable French law, the protection granted to Forge de Laguiole on the basis of its business name solely covers the business activities it actually pursued.

2. The application of national case law by EU Jurisdictions in application of the Regulation

The first ground of appeal of the EUIPO related to the application by the General Court of the Judgement dated July 2012 of the French Court de Cassation (No 08-2012.010, the “2012 French Judgement”), despite the fact it occurred after the actual decision of the Board of Appeal.

Indeed, under Article 8(4) of the Regulation, the proprietor of a non-registered trademark, or of another sign, used in the course of trade of more than mere local significance, may oppose a subsequent trademark, in application of EU legislation or of the law of the member state governing that prior sign.

Article L.711-4 of the French Intellectual Property Code (“FIPC”) provides that *“a sign may not be adopted as a trade mark if it interferes with prior rights, in particular [...] (b) a business name or corporate name, if there is a likelihood of confusion by the public”*.

3) Decision dated 1 June 2011 of the First Board of Appeal of the EUIPO (Case R 181/2007-1).

4) Judgment of the General Court of 21 October 2014, Szajner v OHIM – Forge de Laguiole (LAGUIOLE), T-453/11, EU :T :2014 :301.



Therefore, the First Board of Appeal of the EUIPO had to assess the Laguiole case in light of the French courts' interpretation of such Article L.711-4 of the FIPC. Consequently, in its decision dated 1 June 2011, the Board of Appeal considered that, under applicable French case law, the protection granted to a business name covers all of the business activities pursued by the company.

Indeed, as of the date of the decision, the case law of the French courts was governed by the judgement of the Court de Cassation, dated 21 May 1996 (No 94-16531). In this decision, the Court de Cassation, in a similar context of an action introduced by the owner of a business name seeking to prohibit the use of a subsequent trademark, did not take into consideration the actual scope of business activities pursued by the plaintiff.

However, in the 2012 French Judgment, the French Court de Cassation adopted a different approach and held that business names were protected only for those of the business activities which were actually pursued by the plaintiff. According to the General Court, it did not matter that this judgement has been delivered further to the EUIPO's decision, since it clarified a disputed legal issue.

The Court of Justice, in the judgment dated 5 April 2017, confirmed this analysis.

Indeed, the Court of Justice indicated that, under Article 65 (1) and (2) of the Regulation, the General Court had to conduct a full review of the legality of the EUIPO assessment. Therefore, it was justified for the General Court to take into account the most recent French case law and, especially, the 2012

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French Judgment. In addition, the Court of Justice underlined that the parties to this proceeding had had the opportunity to submit observations on the 2012 French Judgment before the General Court after the start of procedure but before the General Court's decision.

Consequently, the Court of Justice held that the fact that the General Court based its decision on the ground of a judgement issued after the EUIPO's decision did not constitute a breach of the aforementioned Article 65.

The Court of Justice held that the General Court had to apply the then-current interpretation of the rules of national law by the national courts at the date it rendered its decision. It thus had to take into consideration a decision originating from a national court, even if posterior to the initial decision of the Board of Appeal of EUIPO.

As a consequence, the Court of Justice confirmed the application of the 2012 French Judgment to the EU Laguiole Case and the cancellation of the Trademark for goods and services related to the business activity actually pursued by Forge de Laguiole, i.e. mainly knives and cutlery.

5) In reference to judgement dated 27 March 2014, OHIM v National Lottery Commission, C-30/12 P, EU:C: 2014:186, paragraphs 36 to 38.



OTHER

UK: UK APPOINTED PERSON GIVES FIRST DECISION IN REGISTERED DESIGN APPEAL

Noirin McFadden

The first decision on an appeal to the Appointed Person under a new regime for designs has been issued. The UK Intellectual Property Act 2014 established the right to appeal decisions of the Intellectual Property Office (IPO) in relation to designs to an Appointed Person, as an alternative to appealing to the High Court. The Appointed Person is a senior lawyer who is an expert in intellectual property law, and the UK government has suggested that appeals to the Appointed Person will be settled more cheaply and quickly than appeals to the High Court. This route of appeal has existed for a long time for trade mark cases, and the established practice and procedure from trade mark appeals will be applied by the Appointed Person, unless there is a relevant difference between substantive designs law and trade mark law.

The appeal in this first case was against a decision by a hearing officer for the IPO to invalidate two

registered designs consisting of a garment with a modified Union flag on the chest, in response to a request from a competitor of the rights owner. The request to invalidate the designs was made on the grounds that they lacked novelty or individual character because similar designs had been sold in the London souvenir market for many years prior to the application date of the designs. Systematic evidence of pre-application use of the design was not provided. Instead, the complainant relied upon a large number of individual items, which the hearing officer narrowed down to two that she found on the balance of probabilities were relevant items of prior art that had been made available to the public. These items were a photograph placed on Facebook in 2010, from a photo shoot featuring a hoodie with a Union flag on the chest, and witness statements, which said that garments bearing a Union flag design had been on the market from 2005 or 2006.

The Appointed Person, Martin Howe QC, agreed with the hearing officer's findings in admitting these items of prior art but found flaws in her comparison of them with the registered designs, as she had compared the prior art items only against certain features abstracted from the registered designs, rather than taking into account the whole design shown in the representations of the design. The Appointed Person conducted his own comparison and came to the same conclusion as the hearing officer: that the two

CASE

IPO: Erol, O-253-17, 18 May 2017
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registered designs did not create a different overall impression from the items of prior art.

The Appointed Person dismissed the appeal and upheld the hearing officer's finding that the two registered designs did lack individual character in light of the prior art and should be invalidated. The Appointed Person also dismissed requests by the rights holder to introduce voluminous additional new materials into the appeal and his attempt to raise on appeal a new allegation of fraud and forgery against the publication date of the Facebook photo relied upon as evidence of prior art.

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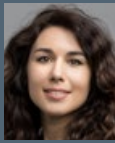
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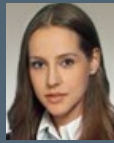
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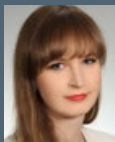
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