

# UPLOAD-IT - 1 FEBRUARY 2007

## COMPETITION LAW

- ***Switchgear suppliers shocked by record European Commission fines imposed for breaching EU competition law...***

Siemens has incurred a €396 million fine for participation in a cartel for the supply of electrical switchgears. The European Commission found that Siemens and 10 other companies had used secret codes and encryption to hide the fact that they were rigging tender prices, fixing prices, sharing confidential information, and carving up the market for electrical switchgears. Siemens apparently provided the technology to enable all concerned to use encryption to hide their misdeeds. The other companies involved were ABB, Alstom, Areva, Fuji, Hitachi, Japan AE Power Systems, Mitsubishi Electric Corporation, Schneider, Siemens, Toshiba and VA Technologies (which is now Siemens' Austrian subsidiary). ABB escaped being fined as a reward for blowing the whistle on the cartel.

The companies had informed each other of tender offers by customers and co-ordinated bids to ensure that they won business in accordance with a quota for each cartel member. The companies also carved up the different markets between themselves with the Japanese agreeing not to sell in Europe and the European companies not selling in Japan.

In total, the cartel was fined €750m, a record fine in the EU in respect of a single cartel. The fine to Siemens was increased by 50% as the Commission decided that it was the ringleader. However, Siemens is arguing that it was not in the cartel for all the 16 years that it had been going on, so it will appeal the level of the fine.

## CONTRACTS

- ***Ambiguous termination clause sees parties ask Court of Appeal to rule how contract could be terminated - Artpower v Bespoke Couture, Court of Appeal...***

Under a contract between BC and A, A had to design, produce and sell clothes from one of BC's clothing ranges. Clause 9.3(a) of the contract said the agreement 'may be terminated by either party immediately if the other commits a material breach which is not remedied within 30 working days of receipt by the other of a written notice identifying the breach and requiring its remedy'. Clause 9.3(c) also provided that the agreement 'may be terminated by Artpower upon notice with immediate effect if...' and the sub-clause then went on to list the possibilities.

BC said A had been in material breach. It gave A 30 working days' notice to remedy the breach. Since it had not been remedied, BC said the contract had automatically terminated. It argued that Clause 9.3(a) merely provided for notice to be given as to requiring remedy of the breach and that the word 'may' should just be interpreted as meaning that the agreement may terminate that way because there were other options (such as Clause 9.3(c)). Further, BC argued that this interpretation should be given since Clause 9.3(c) specifically provided in *that* situation for termination to be 'upon notice' - a phrase that was missing in Clause 9.3(a) - and so notice would not be needed to effect termination in Clause 9.3(a). The High Court agreed with BC's argument.

The Court of Appeal reversed the High Court's decision, however. The Court of Appeal said that, despite the different wording between sub-clauses 9.3(a) and (c), some further positive step had to be taken to bring the contract to an end after the 30 working day period in which the breach had to be remedied. The wording which said that either party may terminate the agreement with immediate effect suggested the party not in breach actually had to do something.

Paul Gershlick, editor of Upload-IT, comments: 'This case shows the importance of having properly drafted contracts, particularly in termination clauses. Contracts are often kept in a cupboard and only brought out when things go wrong. It is precisely the clauses dealing with what happens if things do go wrong that are most crucial. Having an ambiguity over how the contract could be ended saw the parties' disagreement ending up in the Court of Appeal, no doubt at a huge cost and sacrifice for the parties' time.'

## **COPYRIGHT AND DATABASE RIGHTS**

- ***Texan court decides that deep-linking to a website constitutes copyright infringement...***

Robert Davis ran a website at [www.supercrosslive.com](http://www.supercrosslive.com), which had direct links to files of audio streams of motorcycle racing on another site. The streams were created by SFX Motor Sports and were made available from SFX's website. The links from [www.supercrosslive.com](http://www.supercrosslive.com) went directly to content on pages other than the home page on SFX's site, a process known as 'deep linking'. Some sites object to having deep links to their site because it enables users to bypass adverts, which could impact on the linked-to site's revenues. SFX objected and took its case to a Texan court.

The Texan court granted an injunction and summary judgment to SFX on the basis that Mr Davis's action amounted to infringing its copyright, which had the impact of preventing SFX from selling advertising and sponsorship for its site. Davis denied that his site had streamed the audio casts but he did agree that he was providing a link to the audio streams of the racing events. Although there appears to be no copying in this situation, the judge still found that the linking amounted to copyright infringement. In coming to this decision, the judge referred to a previous case where a company had captured satellite pictures of football matches and showed them without permission. However, the judge failed to consider other cases involving deep linking. In 2000, in a landmark ruling, a Californian court ruled that deep links from Tickets.com to Ticketmaster.com was not a problem, as it said that hypertext linking without framing did not infringe copyright as no copying was involved. Mr Davis is appealing the decision. However, SFX may be able to distinguish its case from the Ticketmaster one if Mr Davis's site did not make clear that the audio stream was being served by another site.

## **CYBERCRIME/SECURITY**

- ***Malware posing as anti-spam software leads to world's biggest online fraud...***

Nordea, the Swedish bank, and its customers have been at the centre of what the Swedish media claim to be the world's biggest online fraud. Fraudsters sent an email, purporting to contain antispam software from Nordea, to Nordea's customers. The software was really a Trojan, which is a program that looks benign on its face but is really malicious. The program monitored victims' online activities and when they went onto the Nordea website the program would display an error message and

ask the victims to re-enter their login details. The fraudsters allegedly stole over £500,000.

- ***25% of computers on the Internet are secretly controlled as part of malicious networks without users' knowledge...***

Between 100 million and 150 million of the 600 million computers linked to the Internet are now part of so-called botnets. 'Botnets' are networks of hijacked machines that are used to send large amounts of spam (or unsolicited) emails, orchestrated denial of service attacks, viruses or other cybercriminal activity. The claims have been made by Vint Cerf, one of the founding developers of the protocols that underlie the Internet. Most owners of computers that form part of botnets are oblivious to that fact. The criminals who control the botnets could endanger the existence of the entire Internet, according to a panel of experts discussing the future of the Internet at the World Economic Forum in Davos.

- ***Cyber-criminals now targeting websites, not emails...***

Many cyber-criminals are changing tactics in that they now send emails with links to websites that contain malicious software to be downloaded, rather than have malicious software in the emails themselves. Since users have become more sceptical about downloading unknown software from emails, the cyber-criminals have been forced to become more sophisticated in their methods. The website files are used to download a number of Trojans – code that deposits spyware software onto the user's computer. Those are the findings of a report by Sophos, the security firm. More than a third of the websites with malware are hosted in the US, and China is close behind on 31%. The US and China are also top of the league table for the biggest senders of spam (or unsolicited) emails. The UK is a much smaller source of the problem, sending out 1.9% of the world's spam and having 0.5% of the websites with malware. 90% of spam is sent from zombie computers, which are machines that have been hijacked to send large amounts of spam emails, orchestrated denial of service attacks, viruses or other cybercriminal activity without the users' knowledge.

## **DATA PROTECTION/PRIVACY/CONFIDENTIALITY**

- ***Royal journalist jailed for intercepting phone calls...***

Clive Goodman, royal editor of the News of the World, has been jailed for intercepting mobile telephone voicemails of employees of the Royal family. He admitted hacking into phones nearly 500 times, contrary to the Regulation of Investigatory Powers Act 2000. Meanwhile, The Information Commissioner, the regulator in charge of enforcing data protection law in the UK, has again called for stricter penalties for unlawful obtaining of personal data, which is contrary to the Data Protection Act 1998 but currently does not attract a jail sentence. The Commissioner considers that the current fines for breaching the 1998 Act do not act as a sufficient deterrent to stop so-called 'blaggers', or people who obtain personal data by deception. He wants to see two-year jail sentences introduced.

- ***Serious Crime Bill would give government more powers to share citizens' private data...***

As mentioned elsewhere in this month's edition of Upload-IT, the Government has introduced the Serious Crime Bill to Parliament. If enacted, the Bill would give Government departments a right to look at a number of databases from different sources to detect fraud and serious crime. Previously, under data protection laws, one agency could only gather information for one specific investigation and the information could not be used by another agency for another purpose. The Bill would change all that. The Bill would also allow Government departments to view

information collected by the private sector such as banks. Under the new law, the public sector would also be able to disclose personal data to private sector bodies such as the Credit Industry Fraud Avoidance System to help in the fight against fraud.

## **DOMAIN NAMES**

- ***Playboy Enterprises unable to strip owners of playboy racing.co.uk of their domain name...***

Playboy Enterprises International Inc complained to Nominet (the domain name registry regulating the domain names ending in '.uk') that a Mr Trevor Hodges, who owned 'playboy racing.co.uk', had made an abusive registration of the domain name and was unfairly taking advantage of the 'Playboy' trade marks and passing off on Playboy's goodwill. Playboy published magazines and television channels under that name around the world. Mr Hodges had operated a horse-racing club under the name 'Playboy Partnerships' since March 2004. He then registered the domain name in November 2005. Mr Hodges owned various horses with the name 'Playboy' in it, from which he derived the club name and domain name.

The Nominet procedure provides a quick arbitration procedure for disputes over top-level domain names ending in '.uk'. Complainants have to show that they have rights in a mark similar to the domain name and that the domain name was an abusive registration.

The adjudicator found that although Playboy had trade mark registrations for 'Playboy' in the UK, it did not have a registered trade mark or passing off rights in respect of 'Playboy Racing' in the UK. That said, it did have rights similar to the domain name, as 'Playboy' (in which it did have rights) was the dominant term in the domain name. The first part of the two-stage test was therefore made out. However, Playboy failed because it had not shown that Mr Hodges had registered the domain name abusively to trade off Playboy's goodwill and reputation, and Mr Hodges had had a legitimate business under the 'Playboy' name for 20 months before the domain name registration. As a result, it found that there was no abusive registration. In further explaining why the use of the name had not been a problem, the adjudicator pointed out that Playboy was not active in the horse racing business itself (even though it licensed the name 'Playboy' for use by bookmakers), so it was unlikely that people would be confused by Mr Hodges' use of 'playboy racing.co.uk'.

- ***Ryanair grounded by WIPO in its decision not to allow the transfer of 'ryanaircampaign.org'...***

You may recall recently reading about a certain Mr Coulston who was ordered to transfer the domain name 'ryanair.org.uk' to Ryanair under a ruling given by Nominet, which had found that the domain name was confusingly similar to Ryanair's trade marks. For more, please click on the following: <http://www.upload-it.com/editArticle.aspx?ID=1565>. After that incident, Mr Coulston registered 'ryanaircampaign.org'. Ryanair again objected, this time to WIPO. Ryanair claimed, under the Uniform Domain Name Dispute Resolution Policy, that the domain name was confusingly similar to a name in which it had rights, Mr Coulston had no legitimate rights in the domain name and he had registered it and was using it in bad faith. The Uniform Domain Name Dispute Resolution Policy provides a quick arbitration procedure for disputes over top-level domain names such as '.com'. WIPO is one of the accredited arbitration bodies which can hear domain name disputes under that procedure.

The WIPO panel found that although Ryanair had rights in a similar name, it failed to make out the other two grounds. Ryanair failed to prove that Mr Coulston had no legitimate right to register or use the domain name in dispute. His registration was a non-commercial criticism site that was not meant to tarnish the reputation of Ryanair as such; if his use constituted a problem then all criticism websites would not be permitted to exist. The panel explained that non-tarnishment really meant unseemly conduct such as linking to pornographic sites. The reasons for the different decision from the Nominet case, is that the two adjudication processes involve slightly different criteria, the panels have no requirement to follow previous decisions and in this case the domain name was not identical to the Ryanair trade mark (whereas in the Nominet case it had been). Also, the website itself contained a disclaimer and made clear that it was not connected to Ryanair, so people were unlikely to be confused by it.

- ***Nominet proposes revised domain name dispute resolution procedure to give greater deterrence against cybersquatting...***

Nominet, the domain name registry that regulates the domain names ending in '.uk', has proposed a change in the rules that govern its dispute resolution process for disputed domain names. Its process provides a quick arbitration procedure for disputes over top level domain names ending in '.uk'. Rather than have the cost and wait in going to court, complainants can obtain transfer of disputed domain names registered by so-called cybersquatters by proving two things: firstly that they have rights in a name similar to the disputed domain name; and secondly that the registrant's ownership of the domain name is an abusive registration. However, unlike with court cases, the Nominet procedure does not currently provide for other remedies such as damages, injunctions or even legal costs. In addition, complainants must always pay the £750 cost of having a hearing, even if they win.

Nominet is now proposing changing the system so that the losing party has to pay Nominet's costs in order to create a deterrence for cybersquatters who fight the action. In addition, it wants to make clear that the following activities are not necessarily evidence of abusive registration: receiving pay-per-click revenue or reselling a domain name on another website; owning a lot of domain names; or having a history of reselling domain names.

## **E-COMMERCE REGULATIONS**

- ***Government issues response to consultation about extending E-Commerce Regulations limitations of liability to hyperlinkers, content aggregators and location-tool service providers...***

The Government has issued a response to its 2005 consultation about the E-Commerce Directive. The Directive was implemented into English law as the Electronic Commerce (EC Directive) Regulations 2002. The Article 12 to 14 of the Directive limits the liability of certain service providers which act as mere conduits, caches or hosts of information. The Articles do not deal with providers of hyperlinks, location-tool services or content-aggravation services. These types of service providers have been pressurising the Government to implement the limits of liability for them but the Government has now announced that there is no need for this to happen as there is currently not enough evidence to justify the change. The Government said it will ask the European Commission to take account of the issues raised in the consultation when the Commission reviews the E-Commerce Directive this year. The Government commented that it was the Commission's role to ensure that there is a uniform approach within the EU in relation to limits of liability on hyperlinkers, location-tool services providers, content aggregators and any other service providers so that all Member States follow the same rules.

## **EMPLOYEES**

- ***Employee who designed new product in his spare time was permitted to take product to new employer - Helmet Integrated Systems v Tunnard, Court of Appeal...***

Tunnard worked for HIS as a salesperson. HIS designed helmets. While employed by HIS, Tunnard had an idea for a new helmet product. When he left HIS, he took the idea to HIS's rival company, LAS. HIS argued that Tunnard had breached his fiduciary duties to HIS by failing to report his activity, as part of his job required him to report activities by HIS's competitors. However, HIS lost the case in the High Court and now on appeal to the Court of Appeal. Directors owe fiduciary duties of good faith to the employer, but other employees can keep their own intellectual property if not done in the course of their employment, and they do not have an automatic duty to disclose any new ideas to their employer. Since Tunnard was employed as a salesperson and not a product designer, and he had no extra terms specified in his employment contract dealing with this situation, Tunnard was entitled to disclose the ideas for the new product to his new employer.

Paul Gershlick, editor of Upload-IT, comments: 'This case shows the importance of having employment contracts containing strict intellectual property provisions applying to all employees which make it clear that anything created during the time of the employment, even if beyond the normal duties, belongs to the employer.'

## **FREEDOM OF INFORMATION**

- ***Former employee fails in attempt to use Freedom of Information Act to learn the identity of informant who 'grassed' him up...***

Mr Edwin Alcock had worked as an explosives expert for the Derbyshire Health and Safety Executive. He was reported to Staffordshire Police for allegedly threatening a judge and threatening to blow someone else up. When the HSE heard about this, Mr Alcock lost his job, his explosives licence and his home. Mr Alcock asked the police to tell him who the informant was under the Freedom of Information Act 2000 (FOIA). The FOIA came into force on 1 January 2005 and gives people anywhere around the world the right to see information held by more than 100,000 UK public bodies about the way decisions are made and public money spent.

The police refused to disclose the information since under the FOIA's exemptions a body does not have to disclose information obtained from a confidential source for an investigation into whether a person would be charged with an offence. Also, there is another exemption providing for non-disclosure of personal information belonging to a third party, as was the case here. Mr Alcock took the matter to the Information Commissioner. The Commissioner agreed with the police. The matter was appealed to the Information Tribunal. The Information Tribunal also agreed with the police. It considered whether disclosure or non-disclosure would be in the public interest. The Information Tribunal decided that disclosure of a person's confidential information in this case would lead to the police being unable to gather information from informants in general and so there was a public interest in refusing disclosure.

## **GENERAL IP**

- ***Proposed Serious Crime Bill would restrict financial, property and business dealings of counterfeiters and pirates...***

As mentioned elsewhere in this month's edition of Upload-IT, the Government has introduced the Serious Crime Bill to Parliament. If enacted, the Bill would introduce restrictions on people and entities involved in fraud and serious crime. They could be financial, property or business dealings restrictions. People could also be required to answer questions or provide information and documents. The High Court would be able to impose any such 'serious crime prevention order' if it is satisfied that the person has been involved in a serious crime and it has reasonable grounds to believe that the order would protect the public by preventing, restricting or disrupting their involvement in serious crime. The 'serious offences' include fraud, copyright (piracy) and trade mark (counterfeiting) offences. The standard of proof for obtaining the order would be on the balance of probabilities (which is the standard for winning a civil action) rather than beyond reasonable doubt (the criminal standard). If someone breaks an order, they could be imprisoned for up to five years and/or fined.

The Bill would also create new offences where people do acts capable of encouraging or assisting the commission of an offence and they either intend to encourage or assist the commission of that offence or believe that the offence will be committed as a result of their involvement.

The Bill is still at an early stage, so it is unclear whether it will actually become law and, if so, whether there will be any major changes, so watch this space...

## **IT AND INTERNET USE**

- ***Parents of five young girls sue MySpace for enabling sexual assaults...***

The parents of five teenage girls are suing MySpace in the US for millions of dollars of damages for alleged negligence, recklessness, fraud and misrepresentations after their loved ones were subject to sexual assaults carried out by men they met through MySpace. MySpace is a social networking website that allows people to provide information about themselves and to share information and hobbies. It follows similar action taken by the parents of another American girl last year. In April 2006, MySpace hired Mr Hemanshu Nigam, a former US Justice Department prosecutor, as its Chief Security Officer. MySpace has recently prevented 18 year olds from being able to contact 14 to 15 year olds without knowing their email addresses. It has also vowed to introduce other software to help parents see what their children are up to on MySpace. However, lawyers for the aggrieved parents have commented that MySpace's recent changes are too little too late to effectively deal with the threat to the safety of underage users.

- ***Digital music sales continue to make a noise but they still do not outdo falling CD sales...***

Global digital music sales have doubled in the last year. The increase means that digital music sales now represent 10% of all sales. However, the sales are not making up for the fall in CD sales and overall music sales have decreased by 4% in the first half of 2006. The International Federation of the Phonographic Industry (IFPI), the international body representing many recording companies, asked for more action against illegal file-sharing particularly from Internet service providers. The IFPI also commented that the 30,000 actions already taken against illegal file-sharing had gone some way towards improving things for the music industry.

- ***YouTube to introduce ad revenue sharing model with content providers...***

YouTube, the popular video-sharing website bought by Google for US\$1.6bn in 2006, has announced a new revenue-sharing business model. The idea would be that people who submit content to the website would get a share of any advertising revenue made by having adverts associated with their clips. For example, the adverts could be three-second clips that precede the clip. YouTube confirmed it was still working on how to roll out the technology associated with this business model, but it expected this to happen over the next few months.

- ***Customers want safer online banking...***

Banking customers have major concerns over security when doing banking online and want the banks to take more steps to protect them. This is according to research of 1,700 adults in eight countries carried out by RSA, the security services provider. Over four in five account holders want their banks to follow credit card companies' examples by monitoring any online and telephone banking sessions to look for any activity appearing unusual. Meanwhile, more than half of people questioned blamed phishing for their failure to use online banking, whilst four in nine account-holders have recently become more concerned about other attacks including keyloggers. Phishing is the fraudulent practice of sending emails purporting to be from reputable businesses (such as financial institutions) in order to induce individuals to reveal personal information, such as passwords and credit card numbers, online. Keylogging is the method used by hackers to covertly install software on a computer and record all key strokes carried out on the computer and relay it back to the criminal controlling it.

## **JURISDICTION**

- ***Brazil court orders US-based YouTube to be shut down...***

A Brazilian court has caused a massive legal storm by ordering YouTube, the popular video-sharing website, to be shut down until it removes some offensive content. The content surrounds the ex-wife of Ronaldo, the famous football star, and her new boyfriend engaged in a sexual act in the sea. The couple issued legal proceedings to get the video removed. YouTube agreed to do so. However, other users posted the video again. The couple sued again, in response to which the Brazilian court ordered YouTube to be shut down until the video is removed again. YouTube is owned by Google and is based and operates from the US. The company may ultimately be targeted in the US so that the judgment can be enforced, but the question is whether the US court would enforce a Brazilian court's legal ruling on what is permissible. The US courts have a history of vehemently protecting free speech rights. The position over whether US courts would enforce a foreign judgment is blurred, though. In 2006, a US court gave an unclear ruling in the long-running saga over whether a French court ruling for anti-Nazi activists could be enforced against *Yahoo!* in California.

## **PATENTS**

- ***Massive licensees sued for alleged unlicensed use of Bluetooth technology...***

The Washington Research Foundation has issued lawsuits in the US against Nokia, Samsung and Matsushita (otherwise known as Panasonic) over their alleged unlicensed use of Bluetooth technology in their mobile phone products. The three

claim to have legitimate licence agreements for their Bluetooth chips from Cambridge Silicon Radio, a UK company. Instead of suing CSR, WRF has sued CSR's licensees. CSR said the lawsuit had 'no merit'. Some analysts believe that suing CSR's licensees may simply be a tactic to induce its customers to switch to its main rival rather than risk having to pay out large sums in damages.

## **TAX**

- ***EU authorities invite companies to become 'Authorised Economic Operators' so that supply chain security improves...***

The EU Customs Security Programme has introduced rules to fight fraud and terrorism by asking exporters and importers to apply to become 'Authorised Economic Operators'. This will give customers in other countries a sense of security that their supply chains are secure. AEO certificates will be issued from 1 January 2008 with applications being made from 1 July 2007. Customs will only grant AEO status to entities where they are satisfied that the entities' supply chain is safeguarded from terrorism and fraud. They expect each application to take about 300 man-hours to approve. Customs say that having this certificate should help to speed up the supply chain as AEOs will have fewer frontier checks to go through.

## **TELECOMS**

- ***Q: Who charges the public extortionate sums without making clear the cost of calling? A: Late-night television quizzes, ICSTIS answers...***

People who call late-night television quiz shows should be given better information about the way they are charged and the chances of getting through to the programme to try to win the prize, ICSTIS has said. ICSTIS is the Independent Committee for the Supervision of Standards of the Telephone Information Services, the body that regulates premium rate charged services in the telecommunications sector. The criticised programmes require callers to join a queue to answer questions displayed on the television screen. The questions are often very easy to answer and many people dial in and are charged at premium rates for the privilege of waiting just to eventually hear a recorded message tell them that they have not been successful in getting through to the studio that time. ICSTIS is now consulting on proposals to require the programmes to issue a warning notice on the telephone line every 10 minutes and also every £10 spent on the programme per phone line per day.

## **TRADE MARKS AND PASSING OFF**

- ***L'Oreal ruling overturned, showing that it is 'worth it' to bring opposition claims with Trade Marks Registry without affecting right to also go to court - Special Effects v L'Oreal, Court of Appeal...***

L'Oreal uses a brand name 'Special FX'. L'Oreal had failed to prevent Special Effects from registering trade marks for 'Special Effects' for beauty products at the UK Trade Marks Registry in an opposition hearing, although it had raised every argument it could in the proceedings. Once Special Effects registered the trade mark, it then sued L'Oreal UK Ltd and L'Oreal SA for using 'Special FX'. The L'Oreal companies counterclaimed that Special Effects' trade mark was invalid. Special Effects claimed

that it was an abuse of process for the L'Oreal companies to use the invalidity argument a second time as the point had already been decided in earlier proceedings. Although the earlier case involved only L'Oreal SA, Special Effects contended that both L'Oreal companies were bound by the earlier decision.

The High Court did not agree with L'Oreal's argument that the causes of action in the two cases were different. The public interest required finality in litigation, so it was not in the public interest to allow this difference to stand. The Court ruled that L'Oreal could not claim invalidity of a third party's trade mark in court proceedings where it had already claimed the same thing in opposition proceedings at the Trade Marks Registry.

The Court of Appeal has now overturned the High Court's decision and said that opposition proceedings with the Trade Marks Registry did not preclude the same arguments from being made to the court. Opposition proceedings were therefore inherently not final. In effect, this gives the opponent two bites at the cherry.

Paul Gershlick, editor of Upload-IT, comments on the case: 'The Court of Appeal decision is a victory for common sense. The trade mark opposition process with the Registry is a relatively cheap way for people to prevent marks from getting registered. Resources expended in fighting opposition proceedings are significantly less than in court cases. Businesses are now safe in the knowledge that they do not lose their opportunity to take the matter further if they fail to put same amount of effort into the opposition process to the trade mark registration as they would in a court case.'

- ***ECJ brushes aside as pure rubbish Dyson's trade mark application for transparent bin bags - Dyson v Registrar of Trade Marks, European Court of Justice...***

James Dyson, owner of Dyson Limited, the revolutionary vacuum cleaners, applied to register two trade marks consisting of 'a transparent bin or collection chamber forming part of the external surface of a vacuum cleaner.' The UK Trade Marks Registry refused to register it as the two marks were devoid of distinctive character. Dyson appealed to the High Court, which referred the matter to the European Court of Justice to provide guidance.

The ECJ gave guidance on what was a trade mark. It said that a trade mark had to be:

- 1) a sign;
- 2) capable of being represented graphically; and
- 3) capable of distinguishing the goods and services of one undertaking from those of other undertakings.

The ECJ found that the application did not relate to a trade mark in one or more particular shapes of a bin, but all conceivable shapes, colours and presentations of the bin. The subject matter of the trade mark application was therefore incapable of being represented visually and so could not be registrable.

- ***ECJ gives guidance on whether use of a trade mark on miniature car models could be trade mark infringement - Adam Opel AG v Autec AG, ECJ...***

Adam Opel, the car manufacturer, had registered trade marks for its logo as a figurative mark for motor cars and toys. Autec made remote-controlled models of cars and used the logo of the original cars on the models. The instructions manuals and controls also contained Autec's own trade marks. Opel sued for trade mark infringement in the German courts. Autec responded by claiming that affixing the

logo on its scale models, which were meant to be true replicas, did not constitute trade mark use under EU trade mark laws. The German Court asked the European Court of Justice to assist.

The ECJ ruled that the use of the trade marks could be trade mark infringement if the use affected the functions of the trade marks as they were registered for toys. It would be for the German court to decide by reference to the average consumer of toys in Germany as to whether those consumers perceived the mark as indicating that those products had come either from Opel or from a business economically linked in some way to Opel. The ECJ also ruled that it would be a problem for Autec if the use took unfair advantage or was detrimental to the distinctive character of the trade mark registration in relation to the motor cars, and that too was a matter of fact for the German court to decide.

However, the ECJ ruled positively on one aspect: the trade mark was not being used to indicate a characteristic of the scale models, and so it did not fall within one of the permitted defences to use of the trade mark in Article 6(1)(b) of the Trade Marks Directive. Article 6(1)(b) states that a person can use the characteristics, quality or intended purpose of goods or services in the course of trade so long as such use is in accordance with honest practices in industrial or commercial matters.

- ***MOO JUICE was registrable as a UK trade mark as it was only descriptive of milk in the US, not the UK...***

Almighty Marketing Limited was awarded UK registration of the trade mark 'MOO JUICE' in respect of milk drinks in 1995. Milk Link applied to have the trade mark declared invalid on the basis that 'MOO JUICE' was an entirely descriptive term for milk. The hearing officer, and now the Appointed Person on appeal, declared that at the time of the application, 'MOO JUICE' was a synonym for milk in the US and not in the UK. The assessment should be made as to what the term meant to reasonably well-informed and reasonably observant and circumspect consumers of the goods in the relevant place, ie the UK. It was irrelevant whether the term had a descriptive meaning in the US.