

## Practice of Intellectual Property Law in Europe

### Report on the INGRES meeting of 30 January 2023

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For over ten years, this event was held on the Zurichberg. The numerous foreign specialists who attend consider it the best opportunity to obtain and exchange information on the most important developments in European intellectual property law at a high level. It was again conceived and led by Dr MICHAEL RITSCHER, while Dr CHRISTOPH GASSER was responsible for the organisation. The preceding weekend in the snow has also become an integral part of the calendar of more and more intellectual property law practitioners. As previously, the morning was devoted to patent law and the afternoon to other intellectual property law, and new names joined established speaker.

### I. Patent Law

#### 1. Case Law of the German Federal Court of Justice (BGH)

Dr KLAUS GRABINSKI, recently appointed as first president of the UPC Court of Appeal, again presented some Federal Court of Justice decisions this year. In «Verbundelement» (BGH of 26 April 2022, X ZR 44/20), the issue was interpretation, particularly the importance of a distinction from state of the art in the description. The patent in the suit claimed the manufacture of a composite element using a PUR (polyurethane) coupling agent and a PIR(polyisocyanurate) composite system. Feature C in patent claim 1 was the core of the invention: «Application of PIR reaction mixture to the still reactive adhesion promoter layer». However, the patent claim itself did not contain any concrete specifications as to the extent to which the adhesion promoter layer still had to be reactive. The BGH, therefore, consulted the description according to which the adhesion promoter layer is still reactive if it has not yet been cured fully. According to the PCT application (NK5), also mentioned in the description, the adhesion promoter is cured shortly before the PIR foam mixture is applied, but not to what extent. The patent in suit seeks to distinguish itself from this. It was not apparent from NK5 that the reaction was only possible if the adhesion promoter layer had not yet been fully cured. Since there was no stimulation, feature C in the patent in the suit was also not evident, and the patent in the suit proved to be legally valid. In «CQI-Bericht» (BGH of 18 January 2022, X ZR 14/20), the issue was about making information available to the public through a conversation in the context of a meeting of an ETSI working group. According to the BGH, a statement made in the context of a formal gathering of an ETSI working group would be public. However, making a statement to a limited number of people outside the meeting is not public. Moreover, none of the participants in the discussion considered the mentioned possibilities sufficiently elaborated and thought through to present them to a professional public. Concerning the publication of documents on an FTP server, GRABINSKI referred to BGH of 13 July 2021, X ZR 81/19, and BGH of 3 May 2022, X ZR 32/20. In

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«Oberflächenbeschichtung» (BGH of 12 April 2022, X ZR 73/20), the issue was an allegedly obvious prior use in commercial development and testing activities. The patent in suit concerned a method and a tool for preparing a product surface for coating. In this respect, a technical drawing was sent to a subsidiary of the applicant before the priority date as part of a research project. According to the BGH, this information was not available to the public. The header of the transmitted document indicated an institute of the TU Braunschweig as the sender, and the drawing concerned a tool with two handwritten questions on the exact design of the tool. These circumstances indicate that it was a matter of developing a tool for individual manufacturing, not intended for the public, and that a company not involved in the project, which manufactures individual parts, should not be entitled to pass on information to arbitrary third parties. According to the BGH, in the case of commercial development and testing, public accessibility is generally not given. This rule also applies when transferring production or individual production steps to third parties. Finally, the BGH also noted that information that does not fall under the concept of a trade secret under Section 2 No. 1 of the German Law on the Protection of Trade Secrets is not readily accessible to the public within the meaning of Section 3(1) sentence 2 of the German Patents Act. In «Procalcitonin-Schwellenwert» (BGH of 14 December 2021, X ZR 109/19), the court decided on the issue of an inadmissible extension. According to GRABINSKI, it is permissible to generalise initially disclosed examples. Mainly if the embodiment of the invention includes multiple features, but the claim only includes certain aspects. The contested patent concerned a method of diagnosing infections of the respiratory tract and lungs with associated heart failure using the marker PCT. It was disputed whether the PCT thresholds between 0.03 ng/ml and 0.25 ng/ml mentioned within the claim were disclosed. The included charts only showed a range between 0.03 ng/ml and 0.06 ng/ml. This range was described as «preferred», but no other ranges were mentioned. In addition, the charts only showed the 0.25 ng/ml threshold solely for comparison. Only what is directly apparent from the disclosure must be taken into account. Finally, the BGH disregarded the notion that general expert knowledge can be used for further insights, as this would also constitute an inadmissible extension. The audience asked regarding «Verbundelement», whether only the description is considered when assessing state of the art or if documents referenced within the description are also considered. GRABINSKI responded that referenced documents are also considered but should be viewed in light of the description. GRABINSKI views the state of the art only mentioned on the cover page more critically and would personally hesitate in such a case. Regarding «CQI-Bericht», the question was raised why the existence of an implicit confidentiality agreement is not examined. According to GRABINSKI, the organisers of such conferences commonly established specific rules regarding confidentiality. Another audience member asked about «Oberflächenbeschichtung» whether subsidiaries within a group are seen as third parties, to which GRABINSKI responded that all elements of a case must be considered. The subsidiary being part of a group can be considered but is not decisive on its own. Within commercial research and development, a company is always interested in confidentiality, regardless of whether it contacts another group company or a third party. Nonetheless, it is best practice to always enter into a confidentiality agreement.

## **2. Case Law of the Boards of Appeal of the EPO**

Dr FRITZ BLUMER, a member of the Legal Board of Appeal of the European Patent Office, mentioned in his first part of the presentation on prior art the judgment G 1/92 of 18 December 1992, which contains a clarification concerning the prior public use of products. The chemical composition of a product belongs to the state of the art if the product itself is available to the public and can be analysed and reproduced by a

specialised person. This is regardless of whether there are special reasons to analyse the composition. According to BLUMER, whether something belongs to state of the art is independent of whether someone has specifically analysed the product. BLUMER continued to address the question of which analysis results become state of the art and the problem of the partial possibility of analysis (cf. further development in procedure T 438/19). As legal consequences, BLUMER identified two possibilities. Firstly, a nonreproducible product could not be considered state of the art. Secondly, only the partial information could be considered state of the art. Finally, BLUMER addressed the issue of non-disclosure agreements based on the ruling T 34/18 of 10 March 2022. It was held that a confidentiality note on papers was not sufficient to prove the existence of an explicit confidentiality agreement. Also, no tacit confidentiality agreement could be proven. In summary, BLUMER held that the EPO has a strict practice regarding tacit non-disclosure agreements, as it is difficult to prove a common intention of the parties that is not in writing. In a digression, BLUMER mentioned the Egbert v. Lippmann judgment, 104 U.S. 333 (1881). According to the Supreme Court's opinion at the time, it was sufficient for the inventor's fiancée alone to have used the invention publicly for two years before filing the patent application, with consent and without any obligation of confidentiality. In the also briefly mentioned judgment T 670/20 of 2 December 2022, patients were allowed to take home medicines dispensed as part of clinical trials. Despite the lack of an explicit duty of confidentiality, it was decided that the medicines had not been made available to the public. The patients were in a «special relationship» with the scientists and were, therefore, not members of the public. In the second part of the presentation, BLUMER dealt with the judgement T 1234/17 of 4 March 2022. The question was whether the computer-implemented assignment of acceleration data to a gait for fitting/selection of shoes is technical, involves technical considerations or has a general technical effect. The Board of Appeal concluded that only an algorithm's use of measured technical parameters was insufficient if no additional technical considerations were reflected on the parameters. BLUMER further presented the judgement T 752/19 of 4 April 2022, which concerned the invention of an interactive computer program. The respective computer program asked the patient questions and gave patient-specific feedback. The aim was to improve «patient compliance» with a medical product. The Board of Appeal argued that no inter-action existed between a known pharmaceutical formulation and the computer program. Furthermore, improved «patient compliance» cannot be used to prove an overall technical effect if it results from a «broken technical chain», i.e. the technical chain of effects is interrupted by the patient's will. BLUMER emphasised that a procedure is no longer technical when a human has to intervene. In the third part of the presentation, BLUMER spoke on selected cases still pending before the Enlarged Board of Appeal. In the pending proceeding G 2/21 (Interlocutory decision T 116/18 of 11 October 2021), the question is under which conditions the results of tests after the filing date can be considered (post-published evidence). In this respect, the first question submitted to the Enlarged Board of Appeal was whether an exception to the principle of the free evaluation of evidence should be allowed to the effect that post-public evidence must be disregarded because the evidence of the effect is based exclusively on it. If the Enlarged Board of Appeal were to affirm this, the second question is whether subsequently published evidence can be taken into account if, on the basis of the application, the effect would have been plausible for the expert («ab-initio plausibility») and, thirdly, whether subsequently published evidence can be taken into account if the expert would have had no reason to consider the effect implausible («ab-initio implausibility»). On the subject of the identity of a group of applicants, BLUMER held that in the case of a priority application by several applicants, all of them must also be present in the second application, provided that no assignment has taken place (cf. T 844/18 of 16 January 2020). Otherwise, the priority application would be invalid (all applicants approach). BLUMER also drew attention to

the interlocutory decisions T 1513/17 and T 2719/19 of 28 January 2022. In these cases, it is questionable whether the EPO concept of joint applicants («joint applicants approach») applies to PCT applications, especially if the designated applicants for the different designated states are distinct. In the last part of the presentation, BLUMER dealt with constitutional complaints about the EPO's legal protection system. The complaint was that the challenged decisions were based on a general and obvious lack of legal protection and that fundamental procedural rights were violated. By the decision of 8 November 2022, the constitutional complaints were deemed inadmissible by the German Federal Constitutional Court, as various complainants were not entitled to appeal, and it had not been sufficiently substantiated why the minimum level of legal protection was not met. With regard to the structure of the Boards of Appeal, BLUMER noted that deficits had been remedied by the structural reform in 2016, at least to the extent that an overall view did not (or no longer) support a shortfall in the minimum level of legal protection. In the following discussion, the problem of the identity of the applicants was raised again. Different contracting states could have different applicants. BLUMER stated that the question of the identity of the applicants must be answered separately for each territory. GRABINSKI noted that the right could be transferred and that a generous approach is taken, according to which a transfer can be assumed in the case of indications. Lastly, the audience criticised the judgment T 34/18 of 10 March 2022 about confidentiality notes. It was pointed out that, in practice, it is hardly possible to conclude a confidentiality agreement in terms of time. Furthermore, a confidentiality note on paper that both parties agree to indicates that both parties want to agree to confidentiality. BLUMER replied that the whole picture had to be considered. A confidentiality note on paper is also part of the overall picture. However, confidentiality notes that are widely distributed are no longer meaningful as circumstantial evidence.

### **3. Panel Discussion on the UPC and the Unitary Patent**

The patent law part of the conference was concluded by a panel discussion between Dr KLAUS GRABINSKI, Dr STEFAN LUGINBÜHL (Head of the Department of European Legal Affairs of the EPO), Dr MARK SCHWEIZER (President of the Federal Patent Court), Dr TOBIAS BREMI (Judge at the Federal Patent Court), BEAT WEIBEL (Chief IP Counsel at Siemens) und Dr MICHAEL RITSCHER. LUGINBÜHL pointed out the start of the unitary patent and UPC on 1 June 2023 and that for a smooth registration as a representative before the UPC, a smart card is mandatory (<https://www.unified-patent-court.org/en/faq>). Further, an early request for unitary effect or a request for delay for existing European patents could already be filed. The general advantages of the unitary patent are the EPO as a central office, the lower costs, no translations after a transitional period and a procedure with only a one-time limit. Concluding, LUGINBÜHL addressed the organisation of the UPC. Through the decentralised organisation of the first instances in local chambers, the local tradition of interpretation could continue to have influence. Furthermore, the local patent courts in the contracting states can continue to have jurisdiction for at least seven years. It remains to be seen here, as in the U.K. and Switzerland, whether these courts will follow the jurisprudence of the UPC. The Boards of Appeal of the EPO have also not yet unified on this issue. Regular meetings of the various judges, such as the revived patent judges' symposium, are crucial for a uniform practice. WEIBEL noted that the lower costs with the unitary patent are crucial for the industry, and crossborder infringements are always a key issue. GRABINSKI focuses on the future development of national case law and hopes that the Boards of Appeal, despite their independence, will develop harmonisationfriendly case law. WEIBEL and RITSCHER feared that there could be downward harmonisation as individual countries were more advanced than others. BREMI presents the view of the Federal Patent Court, which has adapted to European case law. Presumably, the Boards of Appeal

will, therefore, also adapt to the UPC. LUGINBÜHL and RITSCHER pointed out that harmonisation in the United Kingdom might not be sought to remain attractive as a place of jurisdiction. Switzerland would now also have to decide whether harmonisation would be pursued. According to SCHWEIZER, Swiss jurisprudence has always been strongly concerned with foreign jurisprudence. It would have to be considered on a case-by-case basis whether a UPC decision is convincing to decide whether it should be followed. GRABINSKI added that he does not observe the feared tendency in the United Kingdom and that there is already a great degree of harmonisation. WEIBEL concluded by pointing out that the possibility of national registration still exists. Therefore, he expects an accentuation between the unitary patent and the national patent and not the classical European patent. As a next point, BREMI addressed the lower costs of the unitary patent. In addition, the audience critically questioned the total costs of a trial before the UPC to be borne by the parties. GRABINSKI first addressed the UPC's court fees in his response. In the sense of a compromise, these are somewhat higher than in France, for example, but lower than in Germany. In the case of representative costs, there will not be tables as in Germany, but so-called «ceilings», which depend on the amount in dispute. These are significantly higher than in German regulation. It should be borne in mind, however, that these are caps, and the court is free to set the costs decision below them. For example, it could only go near the cap in the case of extraordinary reasons, but this would crystallise in case law. The audience expressed the assumption that a UPC trial would be much more expensive than a national trial in Germany. SCHWEIZER raised the concern that the ceilings serve as anchors. RITSCHER also saw this as problematic. GRABINSKI again held that this was in the hands of the court. SCHALLMOSER referred to Dutch jurisprudence, which sets limits depending on the severity of the case. Prof Dr ULRICH HILDEBRANDT additionally mentioned the ECJ, which had set an appropriate hourly rate of EUR 250. GRABINSKI thought hourly rates were interesting, but the discussion is still ongoing, and there is no clear line yet. In response to a question from RITSCHER about the duration of the procedure, GRABINSKI replied that it would take time in the beginning until everything had settled down. Here it will also be decisive how many cases come to the UPC initially. GRABINSKI assumed that there would be many and that the court may have to be increased. In reply to RITSCHER's subsequent question on cooperation with the ECJ, GRABINSKI answered that the same rules apply to national courts. However, patent law is largely not Union law. Therefore, it would have to be examined in each case whether there is a duty to refer for a preliminary ruling. Furthermore, RITSCHER addressed the regulation on part-time judges, respectively, technical judges. GRABINSKI sees this as an expansion of knowledge for the knowledge of legal judges. Moreover, transparency is important. It should be disclosed when a technical judge raises a point that is not yet reflected in the pleadings. GRABINSKI agreed with RITSCHER that due to the principle of concentration in civil proceedings, judges are not allowed to research state of the art themselves. Based on two comments from the audience, GRABINSKI clarified that the judge's remarks should, in principle, only be made in connection with points that had been raised in the pleading. It is an exception that the technical judge brings something new to the oral hearing. If something is brought up that has not been addressed at all, it must be done in the interlocutory hearing. A member of the audience added that the parties themselves could request the involvement of a technical judge at a very early stage. According to GRABINSKI, it would also be helpful to specify what technical judge should be involved (for example, a physicist or mechanic). SCHWEIZER mentioned the envisaged duration of the procedure as one year. According to GRABINSKI, this is what the agreement says, but each case must be given adequate time. This could lead to proceedings taking longer than a year. RITSCHER went on to address the problem of potential conflicts of interest of technical judges. GRABINSKI explained that there is already information on this in the agreement. Currently, a code of conduct

is being drafted, which will set a standard as clear as possible. However, GRABINSKI could not say anything more specific now. Finally, GRABINSKI pointed out that there will be indications for a uniform format of the judgements. Furthermore, «non-binding Guidances» exist, which aim to standardise the applications. These will be published before 1 June 2023 and are particularly relevant for lawyers. Further, the UPC will now also have procedural means to complain about procedural errors during the proceedings.

## **II. Trademark and Design Law**

### **1. Practice of the Boards of Appeal of the EUIPO and the ECJ**

ELISABETH FINK, a member of the Boards of Appeal, started with trademark law and presented the judgment T-250/21 of 6 July 2022 of the EGC. The Board of Appeal had declared the trademark «Nehera» invalid because the trademark applicant had acted in bad faith. The trademark applicant had known about Jan Nehera, a well-known Czech fashion entrepreneur, and his registered Czechoslovakian trademark Nehera and had attempted to establish a link to the earlier trademark by filing his application, thus taking unfair advantage of its reputation. The EGC did not follow the decision of the Board of Appeal. The ground for refusal of protection of bad faith had to be considered as a whole. In the present case, the trademark had already been cancelled in 1946. Thus, almost 70 years have passed. It could, therefore, not be assumed that a relevant part of the public was still aware of the trademark. FINK pointed out that mere knowledge of the existence of a trademark and a previous awareness of it was not sufficient to establish bad faith, as an intention to obstruct had to be proven in addition. The EGC ruled that there was no intention to obstruct, as the applicant's own economic efforts to restore the reputation of the trademark by merely referring to the image of Jan Nehera were not contrary to honest practices in trade. Based on the judgment T-222/21 of 12 October 2022, FINK addressed the issue of the scope of protection of «weak» trademarks. In the present case, «SHOPIFY» had applied for the nullity of the trademark «Shoppi». The Cancellation Division had declared the trademark «Shoppi» null. The Board of Appeal, however, allowed Shoppi's appeal. The EGC held that the Board of Appeal was correct in finding that the element «SHOP» was descriptive. The element «ify» had meaning only for the English-speaking public («to make something become a shop»), whereas for the non-English-speaking public, the ending «ify» had no meaning and conferred an average distinctive character on the earlier mark. Therefore, there was no likelihood of confusion. The identical element «SHOP» had only a minor influence on the assessment. Considering the weak distinctive character and the increased attention, the similarity of the signs was too low. Afterwards, FINK dealt with rights-preserving use for services outside the E.U. based on the judgment T-768/20 of 13 July 2022. The judgment concerned using a hotel trademark in the E.U., where the hotel in question was located outside the E.U. The Cancellation Division had declared the trademark to be completely revoked. The Board of Appeal dismissed the appeal because the trademark for services provided outside the E.U. did not preserve the rights. Moreover, advertising and distribution of the service in the E.U. are insufficient, as the trademark is not registered for advertising, booking and travel agency services. The EGC took a different view and held that a distinction must be made between where the service is provided and where the trademark is used. The offer of services and the use of a trademark in advertising could be prohibited by the proprietor of the E.U. trademark, according to art. 9(3)(b) and (e) EUTMR, and thus they were, in principle, to be regarded as maintaining the right if they took place in the relevant territory. Subsequently, FINK dealt with the issue of the lapse of an earlier trademark as a consequence of Brexit. In case T-342/20 of 6 October 2021, the EGC had to deal with whether Brexit had rendered the current procedure devoid of purpose.

The opposition proceedings were based on an earlier U.K. trademark protected as unregistered in the U.K. The EGC held that Brexit had not rendered the proceedings devoid of purpose. The relevant date for review of legality is the date of the contested decision, i.e. 2 April 2020. However, the transition period of the Withdrawal Agreement did not end until 31 December 2020, which meant that E.U. law continued to apply in the U.K. The EUIPO appealed on the grounds that the procedural requirement of an interest in legal protection and the principle of territoriality of intellectual property law had been misunderstood. The ECJ allowed the appeal (C-801/21 of 7 April 2022). In the context of Brexit, FINK also mentioned the judgment T-281/21 of 16 March 2022 in which the EGC overturned the decision of the Board and held that the assessment of whether there is a relative ground for refusal must be based on the date of filing of the E.U. trademark challenged by the opposition. Concerning a possible trademark collision between the filing date and the expiry of the transitional period, the EGC held that the applicant could have filed a new application to avoid a collision. FINK stressed that this argument was problematic and was actually an argument from the infringement procedure, not the administrative procedure. The EUIPO also appealed against this decision, which was allowed (C-337/22 of 16 November 2022). Finally, FINK spoke about the design law reform. The purpose of this reform is to increase legal certainty and to integrate case law. FINK emphasised that the inclusion of the repair clause was very welcome. This would make it possible to offer identical «must match» parts for repairs if the manufacturer of the spare part clearly informs about its origin. The design law reform is intended to further improve access to design protection, particularly by optimising the fee structure, which according to FINK, is particularly important for SMEs.

## **2. Problems of the E.U. Trademark**

Prof Dr ULRICH HILDEBRANDT, a lawyer in Berlin, first referred to the termination of the Agreement between the German Reich and Switzerland on Reciprocal Protection for Patents, Designs and Trademarks of 13 April 1892 on 31 May 2022. Swiss trademarks can, therefore, no longer be used in Germany and vice versa in a way that preserves rights. According to the IPI, the termination takes effect ex nunc and thus only applies to acts of use after 31 May 2022. For Germany, according to HILDEBRANDT, the same is most likely true. Regarding the E.U. trademark, HILDEBRANDT noted that it is a good defensive measure. But there is hardly any chance of winning a lawsuit. Firstly, there is a lack of clarity about the interpretation of rights-preserving use. Furthermore, earlier national rights often impede enforcing an E.U. trademark. The regulation of intermediate rights according to art. 16(2) EUTMR suffers from the fact that an infringement court is not allowed to assess the legal status of the national intermediate right due to art. 24 No. 4 Brussels I Regulation. Therefore, it is necessary to sue in all relevant countries. Furthermore, according to art. 125(5) EUTMR, in the case of an E.U. trademark, an action can only be brought at the place of action and not at the place of success as in the case of national trademarks. In practice, Art. 132(1) UMV, with the fundamental priority of the official proceedings, also leads to the fact that infringement proceedings can easily be blocked. The situation is even more extreme with art. 128(4) No. 3 EUTMR, whereby the infringer can block the proceedings by first filing an application for cancellation at the Office and then filing a counterclaim. Finally, the conversion of E.U. trademarks into national trademarks is also unclear. HILDEBRANDT pointed out that these issues are currently being discussed politically and that, hopefully, this will soon lead to a change.

### **3. The «Stripe Dispute» between H&M and Adidas in the Netherlands and Selected Decisions on Trademark and Design Law**

GINO VAN ROEYEN, a lawyer in Eindhoven, the Netherlands, first gave an overview of the legal dispute between H&M and Adidas in the Netherlands, in which he has represented H&M's interests since 1997 and which has now been concluded. H&M had sold aerobics clothing with two stripes in 1997, which Adidas considered an infringement of their 3-stripe trademark. Between 1997 and 2015, several rulings were issued in interim proceedings with different results. The District Court Arnhem held in 2015 that there was a likelihood of confusion and detriment to the distinctive character. The second instance ruled differently in the main proceedings brought by Adidas in 2020. There was no trademark infringement or likelihood of confusion, as the two-stripe sign was not similar compared to the three-stripe mark. Any arbitrary combination of two stripes is so simple and banal as to be devoid of distinctive character. The stripes were only decisive to a small extent for the overall appearance. The specific combination of stripes and spaces between them determined the overall appearance. An appeal to the last instance did not change this result. After that, VAN ROEYEN referred to the ECJ decision C-197/21 of 27 October 2022. MySoda refilled empty gas cylinders on which the Sodastream brand was still visibly engraved and affixed labels to them stating that there was no relationship with Sodastream. According to the ECJ, the trademark proprietor cannot prohibit this action, provided that the relabelling does not give the consumer the erroneous impression that there is an economic link between the reseller and the trademark proprietor. This would have to be fully assessed based on the information on the product and its relabelling, as well as based on the distribution practices of the industry concerned and the level of awareness of these practices among consumers. Finally, VAN ROEYEN drew attention to case C-472/21, pending before the ECJ. The Federal Court of Justice posed the preliminary question of whether the visibility of a construction element is already given if it is objectively possible to recognise the design in an installed state or whether it depends on the visibility under certain conditions of use or viewing perspectives. The Opinion of Advocate General M. Spunzar is based on visibility during intended use.

### **4. Considerations for Predicting the Likelihood of Confusion**

HILDEBRANDT concluded the part on trademark and design law. Based on personal considerations and his experience, HILDEBRANDT formulated a simplified questionnaire to predict the likelihood of confusion. However, there is no study on this yet. First, the judge questions whether he would confuse the trademarks. Since he does not see himself as an average consumer, he next asks himself whether he would also confuse the trademarks if he were less intelligent. Since the judge wants to decide fairly, he further asks himself whether the trademark owner was really bothered by the collision trademark. Finally, he asks himself whether he thinks it is right for the trademark proprietor to demand injunctive relief. In HILDEBRANDT's likeable attack, trademarks are in a better position, and popular trademarks would have a larger scope of protection than unlikeable trademarks. Finally, FINK noted that it tends to be much more difficult to separate the background of the trademark owner from the trademark itself in oral proceedings than in purely written proceedings.

## **III. Copyright and ICT Law**

### **1. Practice of the ECJ and National Courts on Copyright Law**



Prof. Dr ANNE LAUBER-RÖNSBERG, professor and director at the institute for international law, intellectual property and technology law at the Technical University Dresden, presented case law of the ECJ and national courts of instances of what she calls transformative use of works. LAUBER-RÖNSBERG addresses to what extent the scope of protection is predetermined by E.U. copyright law. The scope of protection is, on the one hand, determined by the scope of exploitation rights, particularly the right to modify works, as well as copyright personality rights, and on the other hand, usage rights, i.e., the limitations. LAUBER-RÖNSBERG did not address copyright personality rights within her presentation. Limitations are exhaustively regulated within a catalogue in article 5 (Directive 2001/29/E.C. of 22 May 2001, Info-Directive). Consequently, the ECJ held in its «Pelham» decision (ECJ of 29 July 2019, C-476/17) that no national rules could be established regarding limitations and § 24 German Copyright Law (old version) is not compatible with E.U. law. LAUBER-RÖNSBERG argued recent case law and the structure of the Info-Directive indicates the right to modify works was harmonised with article 2 to 4 Info-Directive. Especially within the «Pelham» decision, the ECJ decided to use a few seconds of an audio recording in an altered but still recognisable form in the context of sampling is covered by article 2 let. c Info-Directive. The German Federal Court of Justice interprets this decision such that the usage of works or parts of works is only forbidden if the part of the pre-existing work can be recognised within the new creation (German Federal Court of Justice of 7 April 2022, I ZR 222/20). LAUBER-RÖNSBERG mentioned the incorporation of the «Fading Case Law» («Verblässens-Rechtsprechung»), which was created under § 24 German Copyright Law (old version) into the new § 23 para. 2 § 24 German Copyright Law. However, whether this «fading criterion» is compatible with ECJ case law remains unclear. Concluding, LAUBER-RÖNSBERG held that the legal framework for transformative usage of works could be found in § 23 German Copyright Law and in § 51a German Copyright Law, which sets limitations for parodies, caricatures, and pastiches. Subsequently, LAUBER-RÖNSBERG presented the «Porsche 911» decision (German Federal Court of Justice of 7 April 2022, I ZR 222/20). According to the German Federal Court of Justice, an interpretation of the criterion of «fading» in line with E.U. law requires the creative elements that constitute the basis for the protection of the used work must not be recognisable within the overall impression of the newly created work. The German Federal Court of Justice tested this in three steps: (1) What objective features determine the creative originality of the work used? (2) Did the new work use the creative elements of the older work? If yes: (3) Comparison of the respective overall impression of the works from the perspective of the average car buyer. If the overall impression matches, it is a reproduction or (un-free) modification. The German Federal Court of Justice concluded that despite using some elements, the overall impression of the Porsche 911 was not the same as that of the Porsche 356. According to LAUBER-RÖNSBERG, it is still unclear whether this approach, based on the overall impression, is compatible with the requirements of the ECJ. Next, LAUBER-RÖNSBERG addressed the interpretation of the term «pastiche» in article 5 para. 3 let. k Info-Directive and § 51a German Copyright Law. The speaker briefly presented the German decision «The Unknowable» (LG Berlin of 2 November 2021, 15 O 551/19) and the French decision «Jeff Koons v Franck Davidovici» (Cour d'appel de Paris of 21 February 2021, 19/09059), which interpret the term «pastiche» differently. According to the LG Berlin, a pastiche is a communicative act of imitating a style. This allows using works or parts of works from third parties if it is used as an evaluative reference. The used part must appear in a modified form which is a distinction from plagiarism. A minimum of own creativity must be used. This does not require the creation of a new work. Additionally, there must be an appropriate balance of interests between freedom of communication and copyright in each individual case. This assessment is made with the objective standard of a person who is familiar with the pre-existing work and who has the necessary intellectual capacity

to understand the communicative respectively artistic approach. The Cour d'appel de Paris interpreted the concept of pastiche, also contained in French copyright law, based on the concept of parody. Similar to the «Deckmyn» decision (ECJ of 3 September 2014, C-201/13), the new work must be reminiscent of an existing work and simultaneously show perceptible differences and an expression of humour or mockery. According to LAUBER-RÖNSBERG, no certainty regarding the concept of pastiche will exist until a decision by the ECJ is made. However, a reference to the ECJ will probably be made by the German Federal Court of Justice in the context of the «Sampling» case (Most recently: OLG Hamburg of 28 April 2022, 5 U 48/05; appeal pending in front of the Federal Court of Justice under case No.: Az. I ZR 74/22).

## 2. Key Developments in ICT Law

Prof Dr FELIX BUCHMANN, a lawyer in Stuttgart, presented the most important developments in ICT law. First of all, BUCHMANN spoke about the digital strategy of the E.U., according to which various regulations have been issued recently. For example, on 11 June 2019, the Digital Content and Digital Services Directive (E.U.) 2019/770 of 20 May 2019 came into force, which provides the legal framework for digital content and services contracts. BUCHMANN pointed out that according to art. 3(1) sentence 2 of the Digital Content and Digital Services Directive, data can, in principle, be used as a means of payment and that it is already sufficient for this, that one allows oneself to be observed with one's data. As a result, BUCHMANN raised the question of whether one is now dealing with massive numbers of contracts being concluded on the internet. BUCHMANN mentioned that on many websites' users have the option to either pay for the use or to give consent to the use of their personal data. If users decide to provide their personal data instead of paying for the service, it is questionable whether the value of providing the data is not much higher than the cost of using the website. In the following, BUCHMANN referred to the Directive 2019/771 of 20 May 2019, which aims to ensure the proper functioning of the Digital Single Market and lays down common rules on the requirements for contracts of sale of goods with a digital element between businesses and consumers. BUCHMANN emphasised that this was not a genuine common right of purchase. Furthermore, BUCHMANN referred to art. 5 et seq. of Directive 2019/771 and its concept of deficiency, which has important practical consequences. In particular, BUCHMANN addressed the objective requirements of the concept of defect, according to which the object must correspond to what can objectively be expected of it. Digital products must therefore be kept free of defects, which leads to an obligation to update and ultimately results in a continuing obligation. Although updates are regulated in two separate paragraphs in the Digital Content and Digital Services Directive and the Directive 2019/771, according to BUCHMANN, updates are to be subsumed under the objective requirements. BUCHMANN illustrated the problematic consequences regarding the obligation to update with an example. A retail chain purchases game consoles from a foreign manufacturer to sell to European customers. After four years, a security vulnerability emerges that can only be fixed by an update. However, the manufacturer does not react to this security gap. According to BUCHMANN, a warranty case arises due to the obligation to update the retail chain; after all, the customer can expect that a game console can be used for more than four years. In practice, BUCHMANN states, this means that companies now have to make provisions for such warranty cases. BUCHMANN then dealt with advertising with strike prices in the context of the Directive 98/6/EC of 16 February 1998. BUCHMANN mentioned art. 6a(2) of Directive 98/6/EC, which states that the previous price is the lowest price applied by the distributor within a period of at least 30 days before the application of the price reduction. How this clause is to be understood, however, is highly unclear. The tendency is that subsection 2 is to be interpreted in such a way that whoever has once charged an astronomical price for 30 days can advertise with



it for an unlimited period. However, suppose the text of the Directive is interpreted literally. In that case, it must be assumed that strike prices are only available for one day from the announcement date, thus eliminating the possibility of common discount campaigns. According to BUCHMANN, the most sensible interpretation would be that each strike price can always be applied for 30 days and must then be deleted. Further, BUCHMANN pointed out art. 7(6) of Directive 2005/29/E.C. of 11 May 2005, which is newly introduced and relates to the design of customer ratings. Consequently, companies must provide information on whether and how they ensure that the customer reviews they publish come from customers. BUCHMANN mentioned Amazon as an example, which indicates to the customer with the addition «verified purchase» that these reviews, in fact, come from an Amazon customer. Further, BUCHMANN dealt with the Digital Services Act (Regulation (E.U.) 2022/2065 of 19 October 2022), which can be regarded as the fundamental law of the internet. The scope of the regulation is divided into four levels, and the obligations increase with each level (from consideration of fundamental rights in the conditions of use to the obligation to exchange data with authorities and research). Afterwards, BUCHMANN mentioned the Digital Markets Act (Regulation (E.U.) 2022/1925 of 14 September 2022), which is intended to limit the market power of systemically important platforms. According to BUCHMANN, however, the Digital Markets Act is rather a regulation from antitrust law. Looking to the future, BUCHMANN pointed out the Data Act Regulation proposal and the proposal to renew the ePrivacy regulation. The next topic was a vote by BUCHMANN concerning the General Data Protection Regulation ((E.U.) 2016/679, GDPR). In this context, BUCHMANN mentioned the opinion of Advocate Manuel Campos Sánchez-Bordona on the claim for damages under art. 82 GDPR, which states that «the aim of the GDPR is not, [...], to limit the processing of personal data systematically but rather to legitimise it under strict conditions. That aim is served especially by promoting confidence on the part of data subjects that processing will be carried out in a safe environment, [...] to which the data subject themselves contribute». According to BUCHMANN, a breach of the GDPR does not automatically lead to compensable damage. The decision on this by the ECJ will follow. Finally, BUCHMANN spoke on the adequacy decision regarding data protection in the E.U. – U.S. relationship and addressed the central question of whether the Clarifying Lawful Overseas Use of Data Act (CLOUD Act) and the GDPR can coexist. BUCHMANN answered this with a clear no. In the following discussion, the question arose in connection with Directive 2005/29/E.C. of 11 May 2005 as to how to deal with a negative customer review if a purchase was not made due to a bad experience in the shop. BUCHMANN affirmed that this is a genuine problem and mentioned Google, which requires proof of a contractual relationship (e.g. receipt). If the contractual relationship cannot be proven, Google deletes the customer review. The professional part of the meeting was concluded with the announcement of the follow-up event on 5 February 2024, as well as the preceding weekend in the snow and the traditional dinner above the rooftops of Zurich.