

WIPO Research Forum
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External Balancing Tools & Bird & Bird

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**Privacy and internet
access**

Private copying vs. Privacy & Internet access

Graduated Response

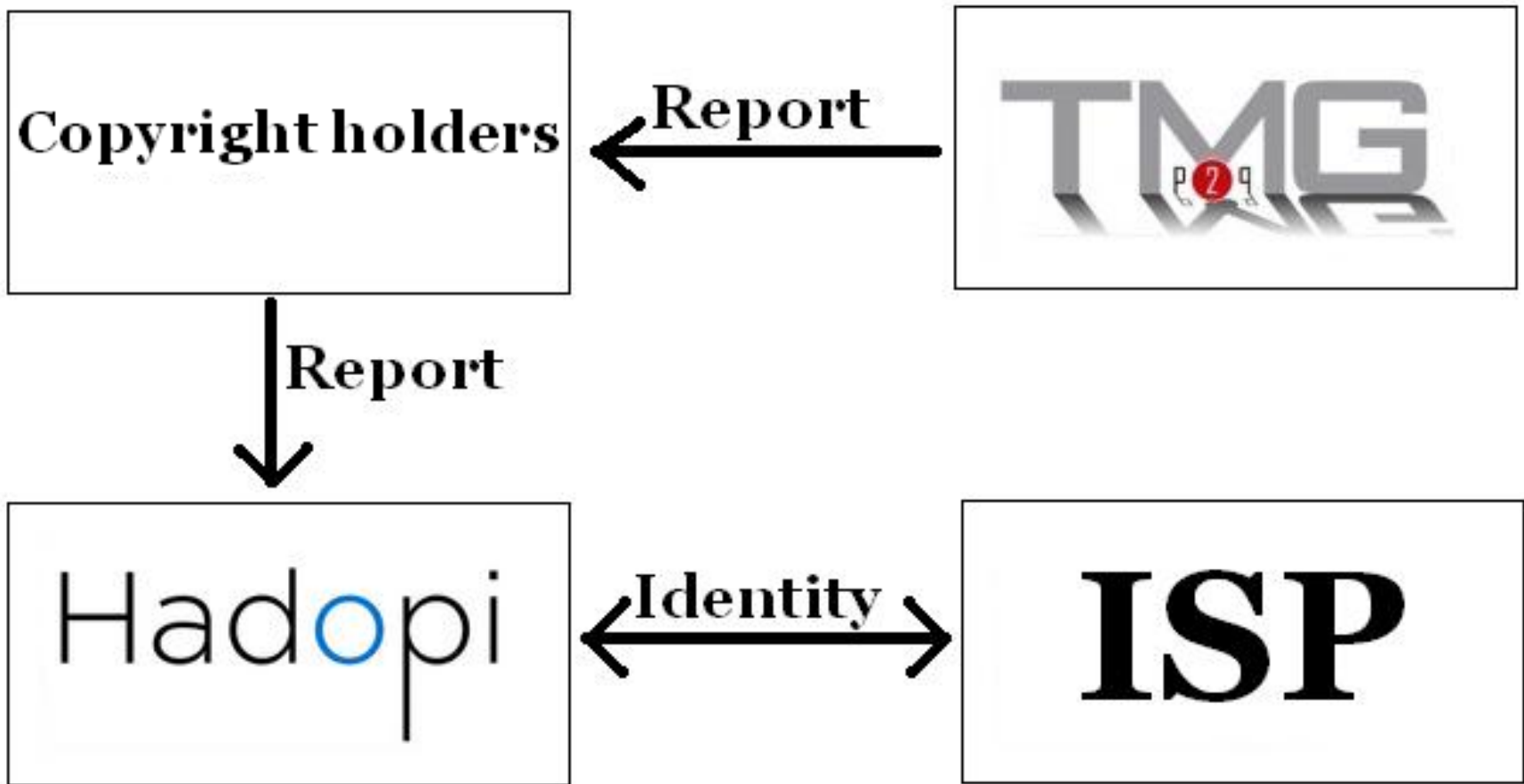


Graduated response

- How to enforce copyright in a digital environment?
- Graduated response / Three strikes: Monitoring a user's internet traffic, with disconnection as ultimate sanction.
- How does it work?



Graduated response in France



Graduated response in France

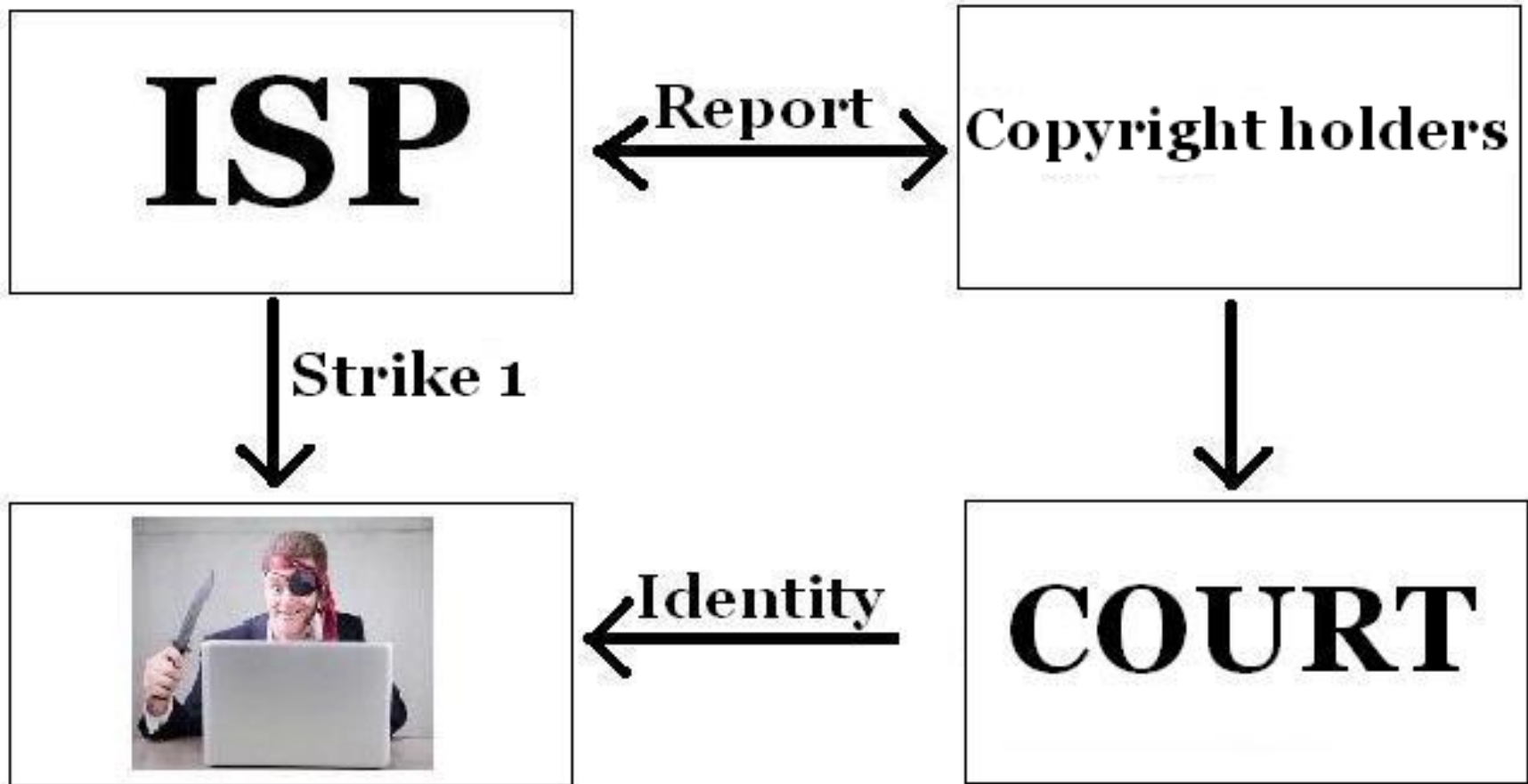
- **Strike 1:** Email message
 - ISPs are required to monitor
- **Strike 2:** A certified letter & email
- **Strike 3:** Blacklisted, Disconnection, € 300.000,- fine, 3 years prison sentence
- Constitutional council:
 - Judicial review
- Privacy guaranteed?

Hadopi



Graduated response in the United Kingdom

The Digital Economy Act.



Graduated response in the United Kingdom

- **Strike 1:** Letter
- **Strike 2:** Final warning.
- **Strike 3:** Court action. Limiting or cutting off internet access.

- Disproportional?
 - High Court: NO

- Privacy guaranteed?



Graduated response balanced?

- European Parliament:
 - Appropriate, proportionate and necessary within a democratic society
 - Adequate procedural safeguards (Human Rights)
 - Effective judicial protection and due process.
- Resolution: Against three strikes without examination by court
- Necessary and proportional?
 - Disconnection?



Peyma Sholeh

Competition law

Intellectual Property Rights vs Competition Law

- Intellectual Property Rights and Competition Law
 - An unhappy marriage?



The Microsoft case - 1

- Microsoft refused to supply interoperability information to Sun Microsystems, so as to allow Sun to offer its own work group server operating system product, in competition with Microsoft's own work group server product
- The European Commission decided in March 2004 that this was an abuse of a dominant position under Article 82
- Microsoft was ordered to disclose information so as to allow its competitors to compete on an equal footing with Microsoft..
- ..even if this required Microsoft to license its IP (including 3 patents) to its competitors
- “*The interoperability information requested by Sun constitutes valuable intellectual property protected by copyright, trade secret laws and patents*” (Microsoft's submission to the Commission)

The Microsoft case - 2

- *“It cannot be excluded that ordering Microsoft to disclose [its] specifications and allow [...] use of them by third parties restricts the exercise of Microsoft’s intellectual property rights”*
- *“The major objective justification put forward by Microsoft relates to Microsoft’s intellectual property over Windows. However, a detailed examination of the disclosure at stake leads to the conclusion that, on balance, the possible negative impact of an order to supply on Microsoft’s incentives to innovate is outweighed by its positive impact on the level of innovation in the whole industry (including Microsoft)...”*

IP and Competition Law: finding the right balance

- Microsoft accused the European Commission of “the biggest encroachment on intellectual property in European competition law history”, and likened the regulator’s ruling to “opening the vaults of a bank” and handing out money to passers-by
- IP Monopoly vs Competition Law – where should the line be drawn?



- Wider effect of the *Microsoft* decision, erosion of the Intellectual Property Protection available to certain (dominant) companies?

IP and Competition Law: finding the right balance

- Common objectives of promoting consumer welfare
- If there is no promise of monopoly would there be any incentives to innovate?



- When should competition law require a firm with a dominant position to share its intellectual property with its rivals?

Martin Senftleben

**Comparative
advertising and
parody**

Trademark Law



- identification
- distinctive character
- protection against **confusion**
- communication
- reputation/repute
- protection against **dilution**

Optional Art. 5(2)

Trademark Directive

“...from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trademark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.”

Mandatory Art. 5(1)(b) Trademark Directive

“...[from using in the course of trade] any sign where, because of its identity with, or similarity to the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public.”

Mandatory Art. 5(1)(a) Trademark Directive

“...[from using in the course of trade] any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered.”

Recital 11

Trademark Directive

“The protection afforded by the registered trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, should be absolute in the case of identity between the mark and the sign and the goods or services.”

EU Trademark Law



- Art. 5(1) TMD (mandatory)
- protection of market transparency
- absolute protection possible
- Art. 5(2) TMD (optional)
- protection of investment
- flexible ‘due cause’ defense

Case study 1: L'Oréal/Bellure

**The bad
decision.**

CJEU, June 18, 2009, case C-487/07, L'Oréal/Bellure

- at issue: comparison lists of cheap imitations of luxury perfume
- CJEU could have solved the case on the basis of Art. 5(2) Trademark Directive
- But also extends scope of Art. 5(1)(a)



Double identity

identical signs

identical goods
or services

adverse effect on one of the
protected trademark functions



CJEU, June 18, 2009, case C-487/07, L'Oréal/Bellure

- ‘These functions include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising.’ (para. 58)
- absolute protection of investment (+)
- without appropriate counterbalances!
- CJEU goes beyond the Directive

Need for external balancing tools: comparative advertising



CJEU, June 18, 2009, case C-487/07, L'Oréal/Bellure

- ‘However, the Court has stated that the proprietor of a registered trade mark is not entitled to prevent the use by a third party of a sign identical with or similar to his mark in a comparative advertisement which satisfies all the conditions, laid down in Article 3a(1) of Directive 84/450, under which comparative advertising is permitted.’ (para. 54)
- generalizing O2/Hutchison
- rules on comparative advertising = external limitation of trademark protection

Case study 1: Google/Louis Vuitton

**The good
decision.**

The AdWords problem

The screenshot shows a Windows Internet Explorer browser window with the address bar containing a Google search URL. The search results page for 'i-pod' is displayed, showing sponsored links and organic search results. The browser interface includes the menu bar (File, Edit, View, Favorites, Tools, Help), the address bar, and the search bar. The search results are organized into sections: 'Web' with sponsored links and organic results, and a 'Wikipedia' entry at the bottom.

Google i-pod Zoeken [Geavanceerd zoeken](#)

Doorzoek: het internet pagina's in het Nederlands pagina's uit Nederland

Web [+ Opties weergeven...](#) Resultaten 1 - 10 van circa 308.000.000 voor **i-pod** (0,42 seconden)

De Apple® iPod Store Gesponsorde links
store.apple.com/nl/ipod Nieuwe iPod nano, touch, shuffle, & classic. Gratis thuis geleverd!

iPod MP3-spelers
www.bol.com/iPod Zeer scherpe prijzen, alle iPods. Voor 21.30 besteld, morgen in huis!

Pod
www.BigDennis.com/i-Pod Bestel hier je goedkope i-Pod. Check het BigDennis assortiment!

Apple - iTunes - Alles wat je nodig hebt om jezelf te amuseren
Met iTunes kun je al je materiaal afspelen, zowel op de Mac als op een pc, en overzetten naar je iPod, iPhone of Apple TV. Daarnaast kun je voor al je ...
[Download iTunes 9 - iTunes-overzicht - Mogelijkheden van iTunes](#)
www.apple.com/nl/itunes/ - [Verenigde Staten](#) - [In cache](#) - [Vergelijkbaar](#)

Apple (Polska) - iPod - Porównaj modele iPoda i znajdź odpowiedni ... - [[Vertaal deze pagina](#)]
Niezwykłe smukły, kolorowy iPod nano ma teraz nowy wygląd, kamerę video, ... iPod classic z pamięcią o pojemności 160 GB na muzykę, zdjęcia i video to iPod ...
www.apple.com/pl/ipod/whichipod/ - [Verenigde Staten](#) - [In cache](#)

[+ Meer resultaten van www.apple.com weergeven](#)

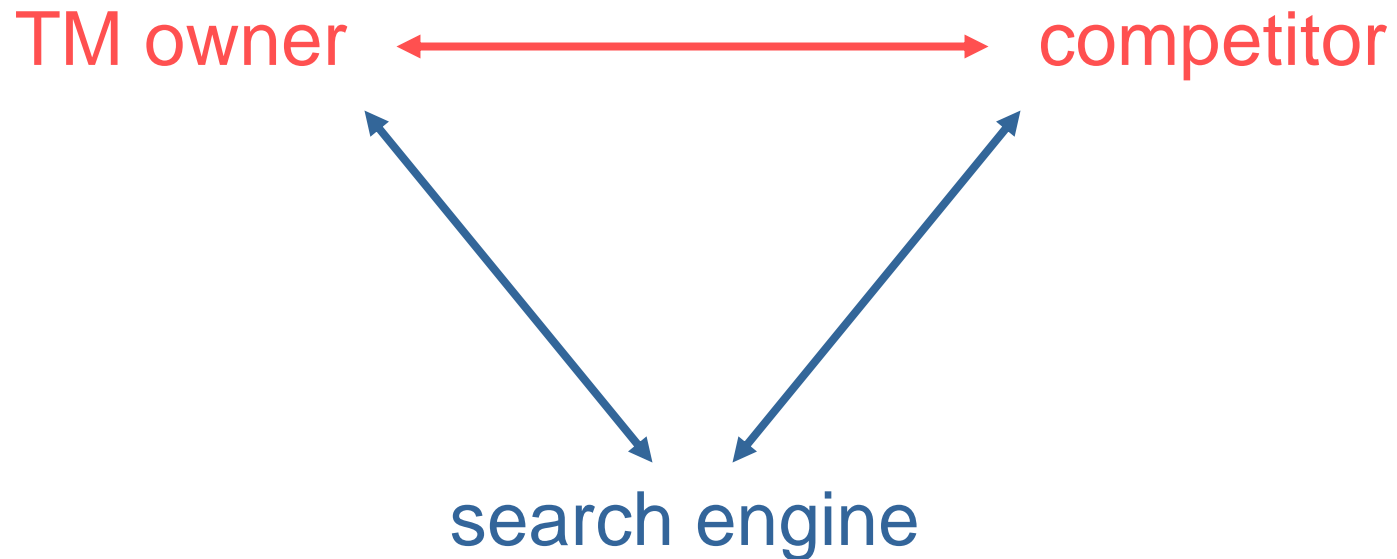
iPod - Wikipedia
Een iPod is een draagbare muziek- en mediaspeler van het Amerikaanse technologiebedrijf

Internet 150%

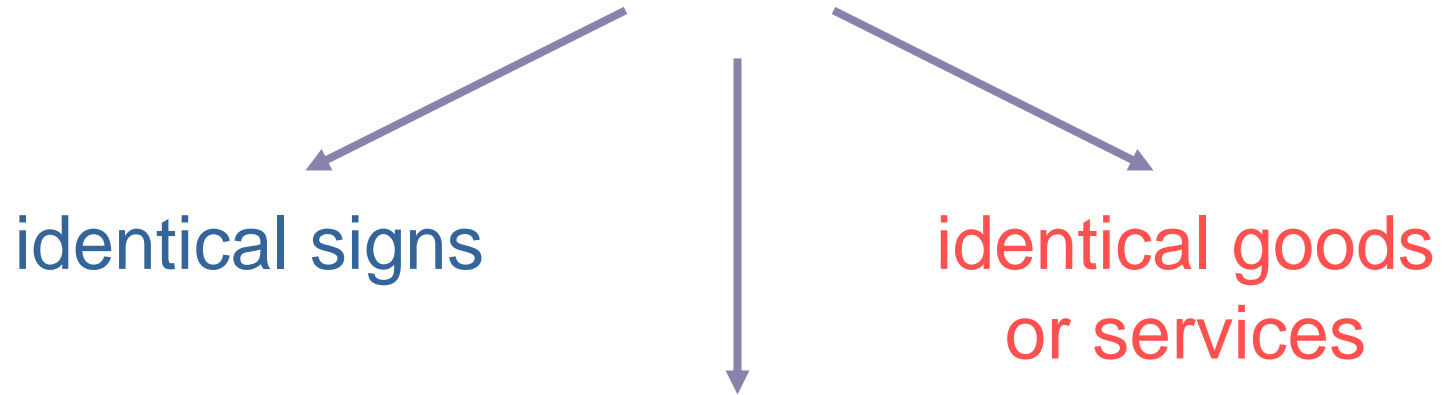
start | Inbox - M... | Microsoft ... | CURJA - ... | CDTracker | Learning&... | i-pod - Go... | Fair Use ... | Microsoft ... | 13:32

Stakeholders

- TM owner: de facto obliged to pay?
- competitor: unfair free-riding?
- search engine: unfair free-riding?



Double identity



identical signs

identical goods
or services

origin function affected?
quality function affected?
advertising function affected?
investment function affected?
communication function affected?

CJEU, March 23, 2010, case C-236/08, Google/Louis Vuitton

- ‘The fact of creating the technical conditions necessary for the use of a sign and being paid for that service does not mean that the party offering the service itself uses the sign.’ (para. 57)
- search engine offering the advertising service not directly infringing trademark rights
- secondary liability for use by advertisers?
- solution: safe harbour for hosting

CJEU, March 23, 2010, case C-236/08, Google/Louis Vuitton

- infringement by the advertiser?
- origin function: transparency to be ensured
- ‘...where the ad, while not suggesting the existence of an economic link, is vague to such an extent [...] that normally informed and reasonably attentive internet users are unable to determine [...] whether the advertiser is a third party vis-à-vis the proprietor of the trade mark or, on the contrary, economically linked to that proprietor, the conclusion must also be that there is an adverse effect on that function of the trade mark.’
(para. 90)

CJEU, March 23, 2010, case C-236/08, Google/Louis Vuitton

- new functions: advertising function
 - ‘...when internet users enter the name of a trade mark as a search term, the home and advertising page of the proprietor of that mark will appear in the list of the natural results, usually in one of the highest positions on that list.’ (para. 97)
 - advertising function not affected
- = CJEU shields advertisers from excessive protection following from L’Oréal/Bellure
- other protected functions not discussed

Back to basics?



- Art. 5(1) TMD
(mandatory)

- identification and market transparency

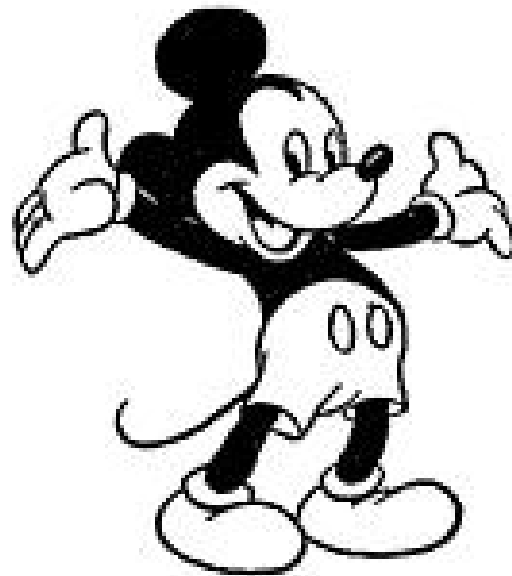
- absolute protection possible

- Art. 5(2) TMD
(optional)

- communication and investment


- flexible 'due cause' defense

Need for external balancing tools: parody



MICKEY MOUSE

Thanks for your attention!

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'senftleben' on www.ssrn.com.  Bird & Bird

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