

## Update

The Enterprise and Regulatory Reform Bill (ERRB) introduced a wide variety of changes to the law across many fields including the following:

### 1. Copyright:

A. A new section 116A is inserted in the Copyright, Design and Patent Act 1988 (CDPA), concerned with orphan works. This provides for regulations (to follow) to allow the granting of non-exclusive commercial licences to orphan works (on terms to follow). A work will not be an orphan work unless a diligent search is made for the copyright owner (to be defined in the regulations to follow). Orphaned works are copyrighted material for which the author cannot be identified. This follows extensive work in the EU on the issue of Orphan works.

B. The term of protection for creative designs manufactured through an industrial process is extended from 25 years to life of the author plus 70 years.

### 2. Whistleblowing

Future workers' protected disclosures under the Public Interest Disclosure Act will have to be made in the public interest. The good faith requirement is removed however those blowing the whistle in bad faith may see their compensation reduced. An employer may also be rendered vicariously liable if a worker is subjected to a detriment by a co-worker for a protected disclosure.

### 3. Employment

The two year qualifying period for unfair dismissal will not apply where the main reason for dismissal is the employee's political opinions or affiliation. Other changes are planned to come into effect in October 2013 or April 2014 including:

- confidential termination negotiations
- new cap on the compensatory award for unfair dismissal
- fees for bringing tribunal claims (in respect of which draft regulations have been laid before Parliament)
- employee shareholder status
- changes to the TUPE Regulations
- mandatory Acas early conciliation

## Social Media

In a case in Northern Ireland, the claimant (a minor aged 12) by her father sued Facebook and various state agencies for breach of Art.8 rights to Privacy and misuse of private information and harassment. The claimant had posted and uploaded inappropriate photographic images of herself onto Facebook (to a group with 63,000 members). The father sought an injunction against Facebook restraining it from publishing any information on the claimant and requiring it take all necessary steps to prevent her accessing it. The claimant had previously opened four accounts with Facebook and each had been closed immediately on notice to Facebook from her Father. The court held the injunction was not viable as the claimant could with ease conceal her true identity under millions of guises. The injunctions were also overbroad, incapable of effective supervision and enforcement by the Court and there were no effective mechanisms available to Facebook to prevent the claimant accessing Facebook. See *HL (A Minor) v Facebook Incorporated, The Northern Health and Social Care Trust, The Department of Justice for Northern Ireland and others* [2013] NIQB 25 (1 March 2013).

## Fast Patents

The UKIPO is working on plans to introduce a new ‘superfast’ patent processing service, capable of granting patents in just 90 days. See <http://www.ipo.gov.uk/consult-2013-superfast>

## Copyright

The Supreme Court distinguished consumption from copying in *PRCA v. Meltwater* [2013] UKSC 2011, saying that the exemption in copyright law for temporary copying merely treated viewing an online work in the same way as viewing an offline work --neither was infringing and the fact that transient automated cached copies might be made in the process of online viewing did not change the position. However recognizing the importance of the issues the case was referred to the Court of Justice for the EU (CJEU).

## Trade Marks

The owner of the History Channel, A & E Television Networks, claimed the Discovery network's use of the television channel name DISCOVERY HISTORY infringed its word mark THE HISTORY CHANNEL registered as Community Trade Mark and also claimed passing off. Discovery countered that its use was descriptive rather than trade mark use and by seeking the invalidity of the HISTORY marks. On the passing-off claim, the court cited that old standard; *Office Cleaning Service Ltd v Westminster Window and General Cleaners Ltd* (1946) 63 RPC 39 (where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolise the words. The Court will accept comparatively small differences as sufficient to avert confusion). On infringement, he noted the similar value in the law of registered marks, §11(2)(b) of the Act. The court was influenced also by the fact that other TV companies used the word. No infringement or passing-off was found and no invalidity.

See *A & E Television Networks LLC & Anor v Discovery Communications Europe Ltd* [2013] EWHC 109 (Ch),

### Modernisation of EU Trademark Laws

The Commission announced initiatives aimed at improving trade mark registration systems all over the European Union to make them cheaper, quicker, more reliable and more predictable. The Commission acted based on a study by the Max Planck Institute which concluded that the basics of the European trade mark system are solid and generally meet business needs and expectations. The proposed legislation package has three parts. A recast version of Directive 2008/95/EC harmonizing national trademark law and a similarly revised version of the CTM Regulation (207/2009/EC) and finally a renewed 1995 EC regulation on trademark fees at OHIM. An EC memo on the proposed change is [here](#).

The main aim of the reform is to promote innovation and economic growth by making the trademark system more accessible, more efficient and less expensive. One of the key issues dealt with by the proposals is goods in transit. The issue of goods in transit has been a hot topic in Europe for several years, in particular since the *Philips/Nokia* judgment (European Court of Justice (ECJ), December 1 2011, C-446/09 *Philips* and C-495/09 *Nokia*). In this decision the ECJ held that:

*"goods coming from a non-member State which are imitations of goods protected in the European Union by a trade mark right or copies of goods protected in the European Union by copyright, a related right or a design cannot be classified as 'counterfeit goods' or 'pirated goods' within the meaning of those regulations merely on the basis of the fact that they are brought into the customs territory of the European Union under a suspensive procedure."*

Thus, the owner of trademark rights in the European Union cannot take action against goods in transit in the European Union unless it can prove a suspicion that the goods are intended to be sold on the EU market. Many have wondered whether EU law should be amended in order to enable the owner of a trademark registered in the European Union to prevent the use of goods in transit without authorisation.

In this context, the proposals aim to resolve the issue by introducing the following provisions:

- Recital 22 of the proposed directive and Recital 18 of the proposed regulation:

*"With the aim of strengthening trade mark protection and combatting counterfeiting more effectively, the proprietor of a registered trade mark should be entitled to prevent third parties from bringing goods into the customs territory of the Member State without being released for free circulation there, where such goods come from third countries and bear without authorization a trade mark which is essentially identical to the trade mark registered in respect of such goods."*

- Article 10.5 of the proposed directive and Article 9.5 of the proposed regulation:

*"The proprietor of a registered trade mark shall also be entitled to prevent all third parties from bringing goods, in the context of commercial activity, into the customs territory of the Member State where the trade mark is registered without being released for free circulation there, where such goods, including packaging, come from third countries and bear without authorization a trade mark which is identical to the trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark."*

These provisions include a broad prohibition on third parties' use of goods in transit bearing a trademark without authorisation. It will thus be important to follow the adoption of the proposals by the European Parliament and the Council in order to see whether these provisions will be amended.

### **Appeal to ECJ in Photo.com**

In Case [T- 338/11](#), Getty Images (US), Inc had sought registration of the sign PHOTOS.COM in Classes 9, 42 and 45 which was refused by OHIM and confirmed by the General Court.

Firstly, the sign at issue is intelligible both in English and in French, so the assessment of the distinctive character of that sign must be focused on the English- and French-speaking parts of the European Union. In addition, the sign can also be understood in other languages of the EU so the Board of Appeal (BoA) correctly found that the vast majority of the inhabitants of the EU would understand its meaning. Furthermore, in the light of the goods and services covered by the CTM application, the relevant public is made up of both professionals and the public at large.

Secondly, the word sign PHOTOS.COM is descriptive in so far as it reproduces the characteristic structure of a domain name, of which the element 'photos' – which constitutes a second level domain – immediately informs the consumer that the goods and services covered by the trade mark application are related to photography or have it as their subject matter, and the element '.com' – which is a top level domain (TLD) – would be understood by a substantial part of the relevant public as indicating an internet address.

The BoA also correctly pointed out that the addition of the element '.com' to a descriptive sign cannot make it eligible for registration as a CTM because there is no additional element to support the conclusion that the combination created by the commonplace and customary components 'photos' and '.com' is unusual or fanciful (see precedent from the Court *suchen.de*)

### **Data**

support for the European Commission's plans through legislative changes to open up public sector data for re-use across Europe.

The initiative, which is part of the pending update to the 2003 Public Sector Information Directive, would make all generally accessible (i.e., non-personal) public sector information available for re-use across all Member States. Developers, programmers, businesses and citizens will be able to access and re-use public sector data at low cost, and this is predicted to result in a significant boost to the European economy.

Through proposed revisions to the 2003 Directive, a new genuine right to re-use public information would be introduced, including access to information stored by libraries, museums and archives. The revised Directive would allow such bodies to charge at maximum the marginal cost for reproduction, provision and dissemination of the information, so as to ensure the recovery of costs or a reasonable return on investment in exceptional cases. The revisions would also encourage public sector bodies to make data available in open machine-readable formats.

## Harrassment

Hayes v. Willoughby, Supreme Court, 20 March 2013, see [read judgment](#) . Harassment is both a civil wrong and a crime. It is a statutory defence to both that the conduct “was pursued for the purpose of preventing or detecting crime” s.1(3) [Protection of Harassment Act 1997](#).

This decision grappled with the problem of the apparently honest but irrational harasser. Was he guilty or did this defence help him? In answering this, the Supreme Court looked at some basic concepts running through great swathes of the law, “purpose”, “subjective”, “objective”, “reasonableness” and, critically, “rationality”.

Back in May 2011 a [Memorandum of Understanding](#) ('MoU') was signed between a number of rights-holders, internet platforms and trade associations with the objective of establishing a code of practice in the fight against the online sale of counterfeit goods

On 18 April the European Commission adopted [this 21-page report](#) on the functioning of the MoU thus far. The basis message is, "tries hard, but could do better", and that its continuation for a further two years -- subject to periodic review -- would be recommended. If nothing else, the mere fact that the signatories committed themselves to the MOU has had the result of significantly improving communication between them, thus facilitating collaboration and even the occasion rapid response. Rights owners are also recorded as saying that notice-and-take-down procedures appear to be working well.

The Court of Justice of the EU (CJEU) has provided helpful guidance concerning the assessment of whether a term is unfair and contrary to the Unfair Contract Terms Directive 93/13/EEC (**the Directive**). The Directive (implemented in Ireland by the EC (Unfair Terms

in Consumer Contracts) Regulations, S.I. No. 27/1995), applies to any term in a contract between a trader and a consumer, which has not been individually negotiated.

## The Facts

The case of [Aziz v Catalunyaixa C-415/11, 14 March 2013](#) concerned the validity of certain terms in a mortgage loan agreement entered into by the parties, and whether they were contrary to the Directive. The bank took foreclosure proceedings against a consumer, Mr Aziz, due to defaulting on his loan repayments. Mr Aziz responded by seeking a declaration for the annulment of a clause of the mortgage loan agreement, on the ground that it was unfair, and also of the foreclosure proceedings. The Spanish Court stayed the proceedings and referred the matter to the CJEU, as it was doubtful as to the conformity of Spanish law with the Directive.

## The Decision

The CJEU held that Spanish law contravened EU law, as it impaired the protection sought by the Directive, by making it impossible for a debtor to object to mortgage enforcement proceedings on the ground that a term of the relevant mortgage agreement was unfair. The Spanish government now has to ensure procedures are in place to allow borrowers to challenge the terms of their mortgage agreements on the basis they are unfair.

## Comment

The decision serves as a reminder of the need to exercise caution when drafting business to consumer contracts as any particularly harsh terms may be deemed to be unfair, and accordingly not binding on the consumer.

The CJEU's judgment will assist national courts with assessing whether a contractual term falling within the scope of the Directive is unfair. The CJEU noted that Article 3(1) of the Directive merely defines in a general way the factors that render unfair a contractual term that has not been individually negotiated. It provides: "*A contractual term which has not been individually negotiated shall be regarded as unfair if, contrary to the requirement of good faith, it causes a significant imbalance in the parties' rights and obligations arising under the contract, to the detriment of the consumer.*"

The CJEU clarified that the concept of "significant imbalance" to the detriment of the consumer, requires the national court to consider the extent that the contract places the consumer in a legal situation less favourable than that provided for by the national law in force

A recent Employment Tribunal decision illustrates the need for employers to have a robust social media policy and the risk of vicarious liability arising as a consequence of social media abuse in the workplace. In this case O brought a complaint that two of his colleagues had used his iPhone without his permission and posted a comment about him on his Facebook account (commonly referred to as 'Frape'). On O's status update they wrote that O had finally come out of the closet and that O was "gay and proud".

O was not gay and did not believe his colleagues thought he was, he was embarrassed and distressed by the comment and reported it to his line manager. The Employment Tribunal upheld his sexual orientation harassment claim finding that the Facebook comment was unwanted, related to sexual orientation and that it was reasonable for O to regard it as having the effect of creating an offensive working environment.

The Tribunal considered that the comments by O's work colleagues intruded into his personal life in a public forum. It held that the employer was liable for the actions because "the actions were done at work, during working hours and involved dealings between staff and their managers" and in all the circumstances it considered that the matter fell within the course of the employment".

*[Otemwo v Carphone Warehouse Ltd]*

The [Google Commitments](#) (hopefully that's not a band name) are out, so rather than just assume they will be ineffectual, as I did [last time around](#), I guess I need to look at them and make some predictions.

But first, let me give a mangled explanation of EC procedure to set the stage. Or maybe just a brief note about where we stand. As everyone knows by now, the EC, spurred by certain complainants, has been investigating various Google practices for some time. Rather than continue through that process, which would end in a set of formal findings by the Commission, Google has offered what is essentially a one-sided settlement offer and the Commission gets to decide whether to take it or not. As part of its decision making process, the Commission "market tests" the proposal by seeking public comments on the proposed commitments. Today's announcement is the beginning of that market testing process. Or at least that's my understanding.

In addition to the formal commitments package, the EC has also provided a [helpful Q&A](#). In it, the Commission tells us that it has four competition concerns that this commitment package is meant to address. For now, I want to stick to just the "specialized" or "vertical" search concerns, which have been the basis of my [prior posts on Google](#).

Okay, so with that background in place, let the Commission bashing begin!

Or maybe not. From one perspective, this package looks pretty sensible. It doesn't radically alter Google's product offering or destroy the consumer benefits that flow from search results that return what you are looking for. If Google thinks you're searching for a restaurant nearby, or shopping for a particular product, or looking for a map, Google's still allowed to serve you up results that help you out.

In February 2013, the Department of Jobs, Enterprise and Innovation published a consultation paper on the regulation of small print consumer contracts (the “**Consultation Paper**”). The Consultation Paper has been published on foot of a recommendation from the Sales Law Review Group that regulations on print size and related presentational matters in consumer contracts should be introduced, and that the content of such regulations should be determined after a consultation process with business and consumer interests.

The Consultation Paper analyses what is in fact meant by “small print” and comments that it presents a problem in consumer contracts where the font size used impairs legibility. Other key factors when considering small print include the type of lettering used, spacing and layout and the degree of contrast between type and background. The Consultation Paper states that there are two main options for the future legislative regulation of small print in consumer contracts, namely (i) the enactment of an order setting a minimum font size for contracts under section 53 of the Sale of Goods and Supply of Services Act 1980; or (ii) the enactment of provisions on legibility and intelligibility of consumer contracts in a future, comprehensive consumer rights bill, preparation for which is already under way. It also looks at the approach that has been adopted in other jurisdiction

Parliament has set up a committee that will hear evidence about e-crime policy and the response of banks and card providers to e-crime. (Source: *Parliament to Hear e-Crimes Evidence*)

Brand owners will now be able to register up to 50 variations on their marks in the Clearinghouse, if those variations had previously been the subject of successful litigation or UDRP arbitration due to abuse by third parties. If trademarks contain a design element, the words must be “predominant” and easily separable from the design. Trademarks containing a dot (“.”) are not eligible. Trademarks with characters not usable in domain names (e.g., “&”) must be registered in a modified form (and if multiple modified forms are registered, each will be a separate registration at full cost). Common law marks and state registrations are not eligible for entry into the Clearinghouse.

[http://www.huntonprivacyblog.com/wp-content/uploads/2013/04/Safe-Harbor-and-Cloud-Computing-Clarification\\_April-12-2013\\_Latest\\_eg\\_main\\_060351.pdf](http://www.huntonprivacyblog.com/wp-content/uploads/2013/04/Safe-Harbor-and-Cloud-Computing-Clarification_April-12-2013_Latest_eg_main_060351.pdf)

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