

Update

EU patent: After some forty years, at the end of June, negotiations concluded on a common patent valid in all Member States of the European Union (EU). The European Parliament and Council negotiators reached a political deal in December 2011 on the so-called "patent package", which includes the new EU unitary patent, the language regime and the unified patent court (UPC) to deal with both validity and infringement. The UPC will comprise a Court of First Instance, a Court of Appeal and a Registry. The Court of First Instance will be composed of a central division, as well as local and regional divisions. The central division is to be based in Paris with seats in London (for chemistry, including pharmaceuticals, and human necessities/ bio sciences) and in Munich (for mechanical engineering). The role of the ECJ in hearing patent appeals is still under debate and in particular, the potential for delays and its ability to deal with these specialized cases. The legislation is expected to be finalized late July with ratifications in October and first grants by April 2014.

See <http://www.european-council.europa.eu/home-page/highlights/eu-unitary-patent-%E2%80%93-a-historical-breakthrough?lang=en>

Resales and trade marks: In a conservative opinion, the UK Supreme Court rejected the appeal of MTech in *Oracle America Inc v M-Tech Data Ltd* [2012] UKSC 27. M-Tech was an independent trader in second hand Oracle goods (not an authorized dealer) and it could not tell whether a particular Oracle product had already been previously placed on the EEA market by Oracle, or with its consent (and therefore in which Oracle's first sale rights under Art 7 of the Trade Mark Directive were exhausted), as Oracle made sure only its authorized dealers could access the database with serial numbers and details of location of first sale. M-Tech complained this had a "chilling effect" on independent sellers, deterring them from dealing in any Oracle hardware, whether it is legitimately present on the EEA market or not, because their inability to distinguish it exposed them to the risk of enforcement, increased by the vigour with which Oracle sued independent resellers—all of which offended EU competition and free trade law. The Supreme Court put the issue: whether MTech "*is entitled to defend an action for infringement on the ground that the proprietor of the mark is engaged in conduct calculated to obstruct the free movement of such goods between member states or to distort competition in the EEA market for them.*" It found Oracle could not be prevented from enforcing its right to control first sale, simply because it withheld information about the provenance of its goods. The goods in this case had not been sold by Oracle in the EEA or with its consent so its rights were not exhausted. But in practice, not all was lost and the court found if the effect would be to enable the trade mark proprietor to partition national markets within the EU, the burden of proof on first marketing must lie with the proprietor, citing *Van Doren + Q GmbH v Lifestyle sports and sportswear Handelsgesellschaft mbH* (Case C-244/00) paras 37-41 (at [21] and [40]). Further, the injunction (restored on appeal) had a proviso that it would not apply to goods marketed by

M-Tech unless Oracle had confirmed the first sale status within 10 days of being told the serial and part numbers of the goods in question. The Supreme Court thought M-Tech should have been satisfied with this work-around. See <http://www.bailii.org/cgi-bin/markup.cgi?doc=/uk/cases/UKSC/2012/27.html&query=M+and+Tech&method=boolean>.

Resales and secondhand software: more Oracle and exhaustion although in a copyright context – the ECJ found that electronic copies of second hand software can be legitimately resold in Case C-128/11, *UsedSoft GmbH v Oracle International Corp*. Oracle's exclusive distribution right in such software was exhausted after the first sale of such software where there had effectively been a sale (no-matter how described) even in the face of contractual restrictions. The right to resell applies to downloads as it does to hard copies and to the updated or maintained versions—all provided the re-seller deletes or renders unusable his own copy when he sells it (otherwise the reproduction right would be infringed, a right not subject to exhaustion). See <http://curia.europa.eu/jcms/upload/docs/application/pdf/2012-07/cp120094en.pdf>

Performers rights: A new international treaty was agreed after 12 years of negotiations. The Beijing Treaty on Audiovisual Performances, provides performers with exclusive rights including over reproduction and the making available of their performances and moral rights (to prevent lack of attribution or distortion of their performances). Performers have similar rights under a system of treaties particular to other media –i.e. Broadcasts and Phonograms --and this extends those rights into new media. See http://www.wipo.int/pressroom/en/articles/2012/article_0013.html

iPad infringement: His Honour Judge Birss ruled in *Samsung Electronics (UK) Ltd v Apple Inc* [2012] EWHC 1882 (Pat) that, while the Apple iPad design was 'a cool design', the Samsung Galaxy tablet was not and so did not infringe the Apple Community Registered Design No. 000181607-0001. This was the result of a very comprehensive and thorough analysis of all elements of the products, see <http://www.bailii.org/ew/cases/EWHC/Patents/2012/1882.html>

Web blocking: In long running litigation by the record companies, orders were made by consent with the ISPs, to block the Pirate Bay web site under section 97A of the Copyright, Designs and Patents Act 1988 (CDPA). This followed the *Newbinz* cases (see earlier updates) and a February ruling on infringement. The agreed terms were considered by the court which was not prepared to just rubber stamp them and which upheld their proportionality from the perspective of individuals affected. See *Dramatic Entertainment Limited v British Sky Broadcasting Limited*

[2012] EWHC 1152 (Ch), <http://www.bailii.org/ew/cases/EWHC/Ch/2012/1152.html>. The court considered Article 11 of the Charter of Fundamental Rights of the European Union ("the Charter") added nothing to the analysis under Article 10 of the European Convention on Human Rights (ECHR) and found the orders proportional. The result led Ofcom to report that it will postpone the introduction of the site-blocking provisions of the highly controversial Digital Economy Act 2010 (§§17 and 18) as it did not think the DEA would add to the process of securing a blocking injunction, compared to use of section 97A CDPA. See <http://stakeholders.ofcom.org.uk/binaries/internet/site-blocking.pdf>. At the same time, Ofcom issued revised proposals for the graduated response by ISPs on issue of copyright infringement reports (CIR) to suspected infringers and the standards infringement reports must meet. See <http://stakeholders.ofcom.org.uk/binaries/consultations/online-notice/summary/notice.pdf>

Human Rights online: The United Nations Human Rights Council adopted a new resolution on human rights on the internet. The resolution puts online human rights on par with those offline. See <http://geneva.usmission.gov/2012/07/05/internet-resolution/>. This is an important topic as the principle of the “same law online and offline” is under siege particularly in relation to traditional protections for speech.

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