

Technology

Tech Talk

Copyright Law Reform:

1. Copying for commercial research
2. Use of broadcasts in public
3. Access to copyright material for visually impaired persons

Full text of the EU Copyright Directive is available at:

http://www.europa.eu.int/comm/internal_market/en/intprop/docs/index.htm

The Copyright Licensing Agency can be contacted at <http://www.cla.co.uk> and the Newspaper Licensing Agency at <http://www.nla.co.uk>

Full text of the Copyright (Visually Impaired Persons) Act 2002 is available at:

<http://www.legislation.hmso.gov.uk/acts/acts2002/20020033.htm>

Information about the Performing Right Society is available by visiting:

<http://www.prs.co.uk>

Information about Phonographic Performance Limited is available by visiting: <http://www.ppluk.com>

Copyright Case Law

Full text of the judgment is available at:

http://www.courtservice.gov.uk/judgmentsfiles/j1528/sony_v_easyinternetcafe.htm

Do You Copy?

Material protected by copyright cannot usually be copied without the permission of the copyright owner. Until the UK implements the EU Copyright Directive (the "Copyright Directive"), a business wishing to make or obtain a single copy of an extract from a book, journal or newspaper for the purpose of research is permitted to do so under exceptions set out in the Copyright, Designs and Patents Act 1988 (the "1988 Act").

However, once the Copyright Directive is implemented in the UK, which according to the Patent Office will be by the end of March 2003, these exceptions will only apply where a copy is made for a non-commercial purpose. This means that, in most cases, businesses will require a licence to make even a single copy of copyrighted material, regardless of whether it is done for research.

Licences should be obtained from the copyright owner or one of the collective agencies such as the Copyright Licensing Agency (books and journals) or the Newspaper Licensing Agency (national and regional papers) which administer licensing on behalf of copyright owners. Some businesses may already have licences in place to cover multiple copying which has always fallen outside the exceptions in the 1988 Act. Should your business hold such a licence, it is important that you establish with the relevant collective agency whether making single copies for research purposes falls within the scope of your licence.

The implementation of the Copyright Directive will bring about a second significant change in UK law: the commercial use of broadcasts in public to provide a musical ambience or musical entertainment will require to be licensed by Phonographic Performance Limited as well as the Performing Right Society.

Copyright law will be subject to a third important change when the Copyright (Visually Impaired Persons) Act 2002 (the "2002 Act") comes into force. The 2002 Act, amongst other things, introduces a new copyright exception (section 31B of the 1988 Act) which allows "approved bodies" (i.e. non-profit-making organisations and educational establishments) to make and supply accessible copies of copyright material to visually impaired persons without having a licence from the copyright owner provided that such copies are not commercially available.

Everything not so Easy for Internet Café Chain

The High Court of Justice in England recently passed judgment in the case of *Sony Music Entertainment (UK) Limited and Others v Easyinternetcafe Limited*. It was held that a 'CD burning service', which involved sound recordings downloaded from the Internet by customers of the defendant being recorded (or 'burned') onto CDs by employees of the defendant for a fee, infringed the Copyright, Designs and Patents Act 1988.

The ruling in the case sets an important precedent in the field of copyright infringement and the Internet and, predictably, received a mixed response. Mr Peter Jamieson, the Chairman of the British Phonographic Industry, welcomed the judgment. However, Mr Stelios Haji-loannou, the head of the easyGroup, disagreed with the decision stating that Mr Justice Smith had wrongly interpreted the 'time-shifting' principle (which permits the copying of certain copyright material for private and domestic use at a more convenient time). This criticism perhaps ignores the fact that the copying in question was being carried out for a commercial purpose.

Mr Stelios Haji-loannou vowed, however, that he would appeal in support of consumerism: "I'm going on a crusade for the consumer and I'll take this all the way to the House of Lords."

IPR Enforcement

An EU press release on the new Directive to harmonise legislation on the enforcement of intellectual property protection across the EU is available at: http://www.europa.eu.int/comm/internal_market/en/intprop/news/index.htm

E-Commerce

E-Commerce

The text of the Consultation is available at: http://www.dti.gov.uk/ccp/consultpdf/ea_gree.pdf

Trade Marks

Full text of the ECJ decision in (C-273/00) *Ralf Sieckmann v Deutsches Patent und Markenamt* is available at: <http://www.curia.eu.int/>

European Commission Proposes New Legislation on IPR Enforcement

The European Commission has recently presented legislative proposals to facilitate the enforcement of intellectual property rights in the EU. A proposed Regulation would facilitate the seizure of counterfeit goods from outside the EU by, amongst other things, empowering customs officials to take action against a counterfeiter of their own accord. The proposed Regulation follows a European Commission piracy survey which reported a dramatic increase in the number of counterfeited goods intercepted by customs officials at the EU's external borders in recent years. More generally, a proposed new Directive seeks to create a level playing field for the enforcement of intellectual property rights across the EU and to establish a general framework for the exchange of information between relevant national authorities.

The End of Which? Web Trader

The Consumer Association's Which? Web Trader scheme ceased to operate on 31 January 2003. The Scheme, which was launched in 1999, offered free accreditation to on-line retailing businesses which met and maintained certain standards. Those businesses accredited under the scheme are no longer permitted to display the Which? Web Trader logo upon their websites. It is believed that the scheme was brought to an end for financial reasons.

DTI Publishes New Consultation Document

The Department of Trade and Industry ("DTI") has published a consultation document on the electronic conclusion of credit and hire agreements under the Consumer Credit Act 1974. The consultation document states that the DTI aims to:

- enable and facilitate the conclusion of consumer credit and hire agreements by electronic means;
- enable and facilitate the wider contractual process to be effected electronically;
- ensure that necessary consumer protection is not removed or reduced;
- where possible, take a technologically neutral approach, providing one set of rules for all contractual media;
- provide a sufficiently flexible regulatory framework that allows for electronic contracting by whatever means; and
- ensure that the regulatory framework complements, or is consistent with, other legislation.

The consultation process seeks to establish how current statutory obstacles to the electronic conclusion of credit and hire agreements should be overcome. The deadline for responses is 28 March 2003.

ECJ 'Nose' Best

A recent decision from the European Court of Justice ("ECJ") has thrown the registrability of smells as trade marks into doubt. In *Ralf Sieckmann v Deutsches Patent und Markenamt* the ECJ ruled that current accepted methods used to identify olfactory marks fail to meet the Community Trade Mark Directive's requirement for graphic representation.

The ECJ was asked to decide whether a scent, which was described as "*balsamically fruity with a slight hint of cinnamon*" and supplemented with a description of the chemical structure of the scent, the actual chemical formula and a sample of the scent, met the requirement for graphic representation.

The ECJ held that these descriptive elements did not meet the requirements that: (i) the non-visual mark is represented graphically and (ii) the representation is "clear, precise, self-contained, easily accessible, intelligible, durable and objective". The ECJ noted that the chemical formula was in itself incapable of describing the scent, the written description was insufficiently clear, precise and objective to avoid conflicting future interpretations and the sample provided did not constitute graphic representation and, because of its instability, could not leave a lasting olfactory impression.

Given the ECJ's reasoning in the case, any current application for national and Community olfactory trade marks is likely to face difficulties.

Parallel Imports

Full text of the decision in *Glaxo Group Ltd and another v Dowelhurst Ltd and other actions* is accessible from: http://www.courtservice.gov.uk/judgments/judg_home.htm

Glaxo and Others Box Clever

Glaxo Group Limited and other large pharmaceutical companies have recently won an important trade mark case at the High Court in England in their fight against parallel pharmaceutical imports.

Mr Justice Laddie, applying guidance from the European Court of Justice, upheld the claimants' complaints in relation to the repackaging, relabelling and over-stickering of their trade-marked products chiefly on the basis that the defendants' actions went further than was necessary to gain access to the market and were prejudicial to the claimants' trade mark rights.

The decision considerably reduces the number of repackaging options for businesses seeking to import goods into the UK. However, according to the judge, repackaging bearing exact copies of a trade mark owner's get up and trade marks save for changes in language, or repackaging depicting nothing but the trade mark owner's mark would be acceptable.

Health-related websites

The Quality Criteria can be found on the European Union website at: http://www.europa.eu.int/information_society/eeurope/ehealth/quality/index_en.htm

Quality Criteria for Health-related Websites

Having adopted an action plan to promote e-health services in the first half of 2002, the European Commission has now published a Communication on 'Quality Criteria for Health related Websites' (COM(2002) 667 final) (the "Communication"). The Communication contains six Quality Criteria: transparency and honesty, for example, in relation to funding received from producers of endorsed products; authority, such as naming sources of cited scientific evidence; privacy and data protection; updating of information; accountability; and accessibility, in the sense that the presentation and content of information is appropriate for the target audience.

The Quality Criteria are designed to be applicable to the development and maintenance of health-related websites irrespective of content or the targeted audience. It is hoped that the Quality Criteria will be used in the development of voluntary codes of conduct, user guides and third party quality and accreditation labels. It is also hoped that they will facilitate compliance with EU directives, such as those relating to e-commerce and data protection, as well as other current guidelines and technical standards. The Communication also suggests that, in the context of the action plan, a system of recognisable Community seals of approval for Internet sites might be developed in the future.

Biotechnology

For an EU press release on the topic and the first annual report, go to: http://www.europa.eu.int/comm/internal_market/en/indprop/invent/index.htm

Commission Chase Implementation and Establish Expert Group

The European Commission has formally requested Austria, Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Portugal and Sweden to implement Directive 98/44/EC on the legal protection of biotechnological inventions (the "Biotech Inventions Directive") and has threatened proceedings in the European Court of Justice for failure to comply.

Only six member states (including the UK) have implemented the Biotech Inventions Directive despite the deadline for implementation having passed on 30 July 2000. The implementation of the Biotech Inventions Directive into UK law required minimal amendment of the Patents Act 1977. Its transposition into the laws of certain other Member States has, however, proved more problematic.

The European Commission has also established a group of experts to advise and assist the European Commission in the preparation of annual reports on biotechnology and genetic engineering. The European Commission is required to issue such annual reports under the Biotech Inventions Directive. The first such annual report – which was issued in October 2002 – linked the lack of implementation of the Biotech Inventions Directive to the global competitive gap between the EU and the US in biotechnological, and genetic engineering, patent applications.

Patents

Further details of the consultation can be found on the Patent Office website at:
<http://www.patent.gov.uk/about/consultations/pact/>

Further details on the Patents Act (Amendment) Bill

In the last issue of Tech Talk we briefly mentioned the proposed changes to the Patents Act 1977 intended to give effect to the revised European Patent Convention 2000 ("EPC") and to remove inconsistencies between UK law and the EPC. Although the UK is the third largest European user of the EPC system, many of these proposed changes will have little impact on current practice in the UK. However, we believe the following proposed changes may be of interest to you and may impact on your business:

- European patent applications will be deemed to designate all EPC states, with the patentee having an option to withdraw designation in states where protection is not required.
- Claims to second and further medical uses of known substances or compositions will now be permitted without the need for the claim being expressed as a 'Swiss-type claim' (that is, a claim expressed as the use of a known substance for the manufacture of a new substance). This should encourage investigation of new medicinal uses for known pharmaceuticals.
- If the validity of a patent is in question, the patentee will now have the right to amend its patent or have it re-examined post-grant as an alternative to court proceedings. A patentee will also be permitted to allege infringement against a manufacturer or importer regardless of the other potential infringing acts it may be performing without being susceptible to an action for groundless threats. Furthermore, infringement actions could now be commenced in the Patent Office providing a more cost-effective forum for patent infringement disputes than the courts. All of these changes should make it easier for patentees to protect their patents.
- The Patent Office is considering modifying the provisions relating to employee inventions to ensure they operate as intended: i.e. to reward employees who have made inventions of outstanding benefit to their employers. To date, no successful claims have been brought by an employee-inventor. However, a former scientist-turned-lawyer has recently commenced a claim against a subsidiary of Johnson & Johnson in respect of a surgical wound dressing covered by a patent which the inventor believes has been of outstanding benefit to his ex-employer. This case will be followed with interest. In the meantime, the Patent Office is canvassing opinion on the proposed changes.
- New provisions to simplify the payment of renewal fees have also been proposed.

It should be noted that the Patent Office is still in consultation over many of these proposed changes. The deadline for responses is 23 February 2003.

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This bulletin is correct to the best of our knowledge and belief at the time of going to press. It is, however, written as a general guide, so it is recommended that specific professional advice is sought before any action is taken. We are required by law to protect personal data.

If you would like any further information in respect of the Technology Group or any of the contents of Tech Talk, please call the person at Dundas & Wilson with whom you normally liaise or contact the Technology Group by e-mail at the address below:

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