

INTELLECTUAL PROPERTY

What IP is about

- **PATENTS:** protecting technical inventions from copying and unauthorized use;
 - i.e. pharmaceuticals: very expensive to develop, but very cheap to produce and copy
- **COPYRIGHT:** protecting literary and artistic work, as well as music, software, films, etc.
- **TRADEMARKS (registered):** products names
- **NON REGISTERED MARKS:** products names

Intellectual property is a term used to describe the field of law dealing with the commercial exploitation of applications of ideas.

Only specific applications of ideas are the subject matter of protection, not ideas as such.

Ideas are free to be exploited by anybody (public domain). It is the specific application of ideas which is the subject matter of legal protection.

Three basic distinctions

Applications of ideas – ideas
Intellectual property – public domain
Exclusive rights – freedom of competition

- IP rights are exclusive rights over the exploitation of applications of ideas
- IP rights are negative rights: rights to prohibit other from exploiting certain applications of ideas

FREEDOM OF COMPETITION

Freedom to make use and commercially exploit (freedom to copy) for profit elements of the public domain. In principle, it is supposed that ideas and innovations, once disclosed to the public, are part of the public domain

Social welfare is best advanced by free competition, because under a free competition legal regime prices are pushed down to the interest of consumers at a level where manufacturers can enjoy a reasonable and non disproportionate profit and remain financially liable at the same time

PUBLIC DOMAIN

- Public domain is the rule and IP (i.e. exclusive rights) is the exception. Patents, trademarks and copyright are exceptions to the public domain regime.
- An idea or innovation is regarded to fall within the public domain, unless it is proved that it is covered by an exclusive right.
- The party alleging that it enjoys an exclusive right has to prove its entitlement to an IP right. The copying party does not need to prove that what it is using is part of the public domain.
- Laws granting exclusive rights do not put things into the public domain, but instead they take them out – A thing is in the public domain, if not covered by an exclusive rights.

FREE COMPETITION & EXCLUSIVE RIGHTS

- IP rights
 - Copyright
 - Artistic & literary works
 - Trademarks
 - Brand names
 - Patents
 - Technical inventions

Law strikes a balance among exclusive rights and free competition

QUESTION
WHY DO WE NEED IP ?

QUESTION

WHY DO WE NEED IP ?

1. To encourage and reward research and innovation and artistic and literary production.
2. To allow consumers obtain information about the products circulating on the market and choose among similar products – competition.
3. To encourage manufacturers to invest in product quality

COPYRIGHT

Examples of copyright works

Literary works

Artistic works

Films

Photographs

Performance rights

Music

Software

DURATION

Lifetime of the author – creator + 70 years

PREREQUISITES

- Originality
- No need for registration in a public registry
 - ✓ Difficulties as to proof, if necessary

COPYRIGHT & COMPETITION

HOW IS A BALANCE
AMONG COPYRIGHT AND COMPETITION
ACHIEVED ?

COPYRIGHT & COMPETITION

HOW IS A BALANCE

AMONG COPYRIGHT AND COMPETITION ACHIEVED ?

1. Relatively long, but limited duration; after expiration anyone can use copyrighted materials
2. Ideas are not the subject matter of copyright; only the specific form of ideas is copyrighted
3. Specific exceptions are provided in the law; i.e. in case of use for educational purposes, in case of private reproduction, etc.

TRADEMARKS

- Trademarks are brand names for products or services which are registered in a public registry
- Trademarks grant exclusivity rights
- Exclusivity is a fundamental for competition
- Trademarks allow consumers to differentiate among competing products

Functions of trademarks

- **Origin function** : an indication of the manufacturer
- **Quality guarantee function** : an indication of the features and quality of the respective products
- **Advertising function** : a marketing tool – consumers are educated to associate certain images, ideals, ideas to certain marks

REGISTRABILITY

Types of marks

Words – addidas

Numbers – 4711, 501

Colors – yellow color for KODAK

Shapes – the coca cola bottle

Slogans – have a break have a kit kat

Figurative elements

So long as they are distinctive

Prerequisites for Registrability

DISTINCTIVENESS

Marks are distinctive if they are able to distinguish the products of one undertaking from the products of other undertakings

NON DESCRIPTIVE OR GENERIC

i.e. terms like, coffee, cereals, etc.

NON COMMONLY USED IN THE COURSE OF TRADE

i.e., BEST BUY, 4WD, etc.

NON DECEPTIVE — geographical terms are suspect for being deceptive

REGISTRABILITY

HOW ABOUT THE FOLLOWING TERMS?
ARE THEY REGISTRABLE?

Babydry (ECJ, C-383/99 P, 20.9.01, accepted)

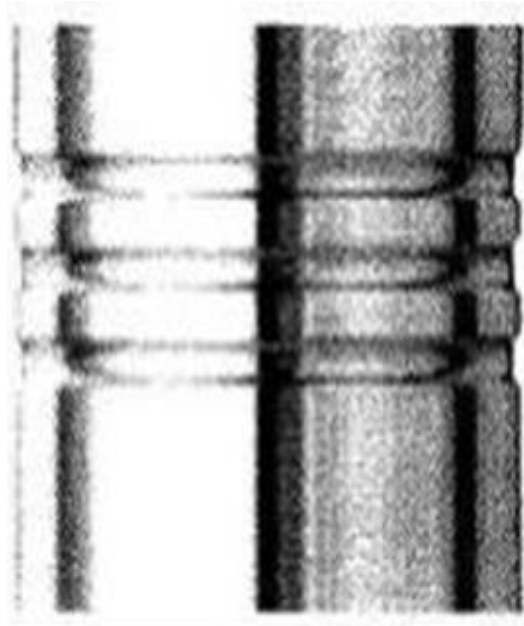
Doublemint (ECJ, C-191/01 P, 23.10.03, rejected)

Biomild (ECJ, C-256/00, 12.2.04, rejected)

Truwhite (General Court, T-208/10, 7.7.11, rejected)

We make complex things simple

HOW ABOUT THE FOLLOWING?



- The bottle: General Court, T-109/08, rejected.

HOW ABOUT THE FOLLOWING?

WHITE HORSE or BLACK & WHITE for whisky

CAMEL, for cigarettes

BEAR, for clothing

SEVENTEEN, for magazines

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Common terms in non common use – Registrable

Indirectly descriptive (they only imply something
– they are not directly descriptive) - Registrable

Registrability and Competition

HOW IS COMPETITION SECURED THROUGH
REGISTRABILITY BARRIERS ?

Registrability and Competition

HOW IS COMPETITION SECURED THROUGH REGISTRABILITY BARRIERS ?

- Registrability barriers ensure that:
 - 1. Registered trademarks are able to promote competition (requirement for distinctiveness)
 - 2. Registered trademarks are not prohibiting third parties from using terms / symbols that they need to use in the course of trade

LIKELIHOOD OF CONFUSION

LoC is another barrier to registrability

Trademarks cannot be registered if they are confusingly similar to earlier registered trademarks (LoC)

LoC is the criterion for granting court protection

A court will issue an order to third parties not to use marks that are identical or confusingly similar to registered trademarks

Likelihood of confusion

- Comparison of marks
 - Identical marks
 - Similar marks
 - (sight, sound & concept similarity)
- Comparison of goods/services
 - (respective class of consumers)

Likelihood of confusion - word marks

Visual / Sound Similarity

ARROW – AIR-O

AVEDA – AVIDA

BEE WEAR – B WEAR

BEEP – VEEP

BELLOWS – FELLOWS

CALOGNAC – COGNAG

CAT TRAC – KATRAK

YAMAHA - MAKAHA

Likelihood of confusion - word marks

Conceptual similarity

AQUA CARE – WATER CARE

BLACK CAT – CHAT NOIRE

PALOMA – DOVE

SUN – EL SOL

ARISE - AWAKE

CYCLONE - TORNADO

CITY GIRL – CITY WOMAN

MOUNTAIN KING – ALPINE EMPEROR

European Court of Justice

Difussion v. Sadas, C-291/00

A handwritten signature in black ink that reads "Arthur". The signature is written in a cursive style with a large, sweeping initial 'A' and a dot at the end.A logo consisting of a black rectangular background with white text. The word "Arthur" is written in a bold, sans-serif font at the top. Below it, the word "Félicie" is written in the same font, with a small "et" in a smaller font size positioned between the two words.

Likelihood of confusion is established when the prior mark is reproduced as such in the latter without any modifications or addition, or when the differences are so insignificant that they may go unnoticed

The Arthur – Arthur et Felice rule

LIFE - THOMSON LIFE

FLEXI - FLEXI AIR

KIAPMOU – MOU

PINOCIDE - DELTA PINOCIDE

SUN - SUNSOFT

MODELO - NEGRA MODELO

FIFTIES – MISS FIFTIES

BUD - BUDMEN

DALI - DALI'S FEMALE

POLAR - AQUAPOLAR

Likelihood of confusion is established

Likelihood of confusion established

European Court of Justice, C-498/07

Coosur v. Koipe



Figurative elements are dominant in comparison to word elements

European Court of Justice
Vedial v. OHIM, C-106/03



SAINT HUBERT 41

No likelihood of confusion

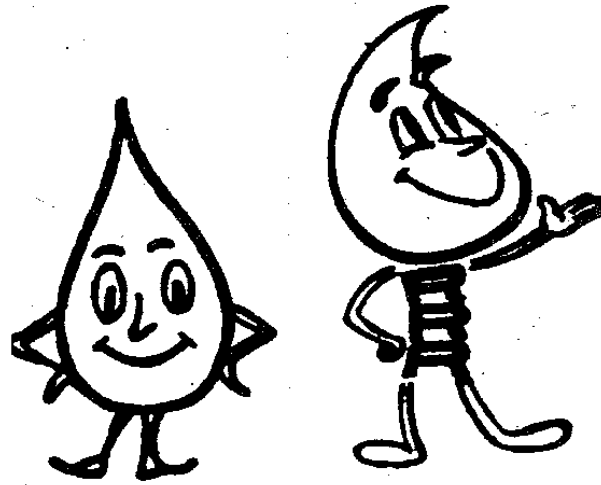
**The respective marks are not similar from
an oral and visual perspective**

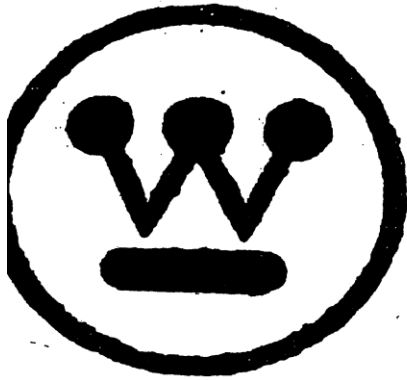
No likelihood of confusion because of different goods

- **FERRO – FERRERO** (ECJ C-108/07)
biscuits - sweets
- **MEZZOPANE – MEZZO – MEZZOMIX** (T-175/06)
wine – non alcoholic drinks
- **O STORE – THE O STORE** (T-116/06)
clothing retail services - clothing

Likelihood of confusion established

Figurative marks







Dilution - Look alike products



Dilution – Look alike products



Dilution – Look alike products



Dilution – Comparative advertising

Bellure was advertising its perfume as a substitute for and in comparison to Lancome's perfume



PATENTS

Patents are about technical innovations

Patent rights are granted through registration in a public registry

Registration leads to disclosure

Patents have a duration of 20 years as from filing for registration

PREREQUISITES

Technical achievement, i.e. to solve a technical problem

Innovative step, i.e., to go one step further

Filing and registration (disclosure)

Payment of annual fees: you pay to have a monopolistic right

SUBJECT MATTER OF PROTECTION

- New substances, new products
 - a new chemical substance
 - a new machinery product
- New methods of production
 - a new method to produce a medicine
- New uses of known substances to achieve a technical advancement
 - A new use of a known medicine which is used to treat a certain illness to treat and heal another illness

PATENTS & COMPETITION

**HOW A BALANCE AMONG PATENT RIGHTS
& COMPETITION IS ACHIEVED ?**

PATENTS & COMPETITION

HOW A BALANCE AMONG PATENT RIGHTS & COMPETITION IS ACHIEVED ?

1. LIMITED DURATION – 20 years
2. REGISTRATION & DISCLOSURE: because of publication anyone else may develop something similar and more advanced
3. CERTAIN MATTERS ARE NOT PATENTABLE
i.e., medicines (in the past), plant varieties,
4. OBLIGATION TO GRANT A LICENSE
in certain cases