

PRESSING PROBLEM: PRINTING PLATES IN THE NETHERLANDS

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Belgian company Agfa, a large supplier of plates for the offset printing industry, claimed that Xingraphics products indirectly infringe its patent. The object of the invention in question is to provide a method for making a positive photosensitive lithographic printing plate, which does not require operation under yellow light and allows it to be carried out under normal white light containing ultraviolet light.

Agfa claimed, alongside ancillary claims (for an infringement decision, an injunction and compensation), prohibition of Xingraphics' products.

The defendant, in turn, claimed an order prohibiting indiscriminate claims alleging infringement of its patent and also claimed that the patent was void. It also requested a declaratory decision that its FIT plates do not (indirectly) infringe the Dutch and foreign parts of the patent. In answer to the counterclaims, Agfa partially challenged the jurisdiction of the court due to its statutory place of business.

The district court of The Hague denied Agfa's claim. The court also denied Xingraphics' counterclaims and declared that it lacks jurisdiction in the matter of the declaratory decision of non-infringement for the foreign parts of the patent.

In anticipation of the appeal, Agfa started interim injunction proceedings and claimed to have new evidence of infringement by Xingraphics and requested preliminary relief. The judge in interim injunction proceedings however, saw no reason to deviate from the earlier sentence and no urgent interest to grant preliminary relief.

On appeal, Agfa requested granting the same remedies requested at the first instance. Xingraphics on the other hand still wanted to declare the patent void.

In an interlocutory judgment, the court of appeal ruled that Xingraphics had no legitimate interest to have oversight of Agfa's chemical analyses. Xingraphics had asked for oversight, based on article 843a Rv, due to Agfa's legal obligation under article 21 Rv to state all the relevant facts for truth and completeness. The court of appeal, however, found that there was no need for this disclosure and denied Xingraphics' claim.

The court of appeal found that the grounds on which Xingraphics' claim was based are immaterial. First, Xingraphics claimed that the fact the photosensitive material is sensitive also to ultraviolet light has no basis in the original patent application. The court disagreed and rejected the claim regarding added matter.

For the skilled person the feature is directly and unambiguously able to be

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derived from the application. Second, Xingraphics claimed that there was a lack of novelty due to a variety of earlier patent applications. The court however found that the patent applications Xingraphics referred to were not prejudicial to novelty. Third, the court also found that there was indeed an inventive step because of the use of plates that are insensitive to ultraviolet light and therefore do not have to be used under a yellow safety light. Finally, the court found that there was no lack of replicability.

Considering the above, the court found Agfa's patent is valid and denied Xingraphics' claims.

The court also found that Xingraphics did indirectly infringe the Dutch part of Agfa's patent. This is because the FIT plates have the same four qualities determined in the first patent claim. Those qualities include “a change other than a chemical change”, “a lack of sensitivity to ultraviolet light”, “a light-absorbing pigment” and “a high-molecular connection”.

Agfa's claims were sustained. However, the court noted that they are only applicable in the Netherlands, on indirect infringement, and only concern plates that were traded under the name FIT.

In addition, the court found that it lacked jurisdiction over Xingraphics' claims because it only has jurisdiction in the Netherlands and Agfa is a Belgian company. Therefore, Xingraphics' arguments were rejected.

Finally, due to article 1019h Rv, the court ordered Xingraphics to pay the costs of the proceedings. Agfa's costs were €135,000 in the first instance and €200,000 on appeal. ■

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HARMONISATION IN EUROPE: ONE STEP CLOSER

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Where there's a patent, there's always the question of how to interpret that patent. The answer seems simple: just check the patent and you'll know what is protected and what is infringing. But reality shows that the interpretation of a patent is serious business.

For a proper elucidation of Article 69 the European Patent Convention (EPC), a judge should refer to the protocol on its interpretation: "Article 69 should not be interpreted as meaning that the extent of the protection conferred by a European patent is to be understood as that defined by the strict, literal meaning of the wording used in the claims, the description and drawings being employed only for the purpose of resolving an ambiguity found in the claims. Nor should it be taken to mean that the claims serve only as a guideline and that the actual protection conferred may extend to what, from a consideration of the description and drawings by a person skilled in the art, the patent proprietor has contemplated."

On the contrary, according to this protocol a judge has to take a position between these extremes, in order to "combine fair protection for the patent proprietor with a reasonable degree of legal certainty for third parties".

A case decided in May 2012 by the Supreme Court of the Netherlands (*AGA v Occlutech*) clarifies how to deal with the explanation of Article 69 EPC. AGA has a patent on a collapsible medical device, which can be used to treat heart defects. This device has the shape of a dumb-bell. Occlutech made a similar medical device with the same result, but it is umbrella-shaped. The question was whether this device falls under claim 1 of AGA's patent: "... characterised in that clamps are adapted to clamp the strands at the opposed ends of the device". Occlutech's device has only one clamp at one end of the device.

AGA therefore tried to convince the court that it should not interpret the conclusion of the patent too literally but also consider the descriptions. The courts of first instance and appeal both declared there was no infringement. The Court of Appeal analysed the description and the prosecution file of the patent and found that clamping at the opposed ends of the device is an essential element of the claim and can't be interpreted broadly.

The Supreme Court rejected the grounds of appeal by AGA as unfounded. In its opinion the Court of Appeal made the right decision in order to determine the scope of protection in Article 69 EPC. There was no evidence for the Court of Appeal to interpret the conclusion by measuring the drawings and descriptions in a view of the "inventive concept". AGA's patent was formulated in a two-part form, which means that the part after the word "characterised" is the part that distinguishes the patent from the prior art. In this case the Court of Appeal didn't consider only the characterised element, but also the

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foregoing elements. Even then, there was no reason for the Court of Appeal to interpret the "clamps" from the conclusion broadly, as it would imply "one or more clamps".

The same case also came to court in the UK and Germany. Traditionally the English court gives priority to the conclusion with the drawings and descriptions supporting it. In contrast, the German court uses a broad interpretation for the patent conclusion, which takes account of the "inventive concept". These two countries could be seen as the extremes mentioned in the protocol on the interpretation of Article 69 EPC. It is therefore remarkable that both courts produced a similar outcome. They both came to the conclusion that the characterised element of "clamps" had to be interpreted as multiple clamps on opposite sides, so Occlutech could not infringe the patent of AGA by using only one clamp at one end of the device.

With these three decisions in three different countries, the objectives written in the last sentence of the protocol ("in order to combine a fair protection for the patent proprietor with a reasonable degree of legal certainty for third parties"), can be considered important for the harmonisation of interpretation of Article 69 EPC. We expect the agreement for a Unitary Patent, signed in February 2013, will bring further harmonisation. ■

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CUSTOMS ENFORCEMENT IN THE BENELUX: A PROPOSED BROADENED PROTECTION



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Europe's main ports

The Benelux, and in particular the Netherlands, form a large port for the import of goods from outside the European Economic Area (EEA). Goods mainly enter through the airports of Amsterdam, Antwerp and Liege and through the seaports of Antwerp and Rotterdam. With 4.4 billion tonnes of goods transhipped in 2012, the seaport of Rotterdam is the number one seaport in Europe.

An increasing amount of counterfeit goods and goods obtained by piracy enter the European market through these ports and find their way to Europe's consumers. According to European Commission studies, counterfeits not only limit innovation and growth, but also endanger health and consumer safety.

Customs enforcement

Due to the European Customs Enforcement Directive, the customs of all European member states are able to hold counterfeits or goods obtained by means of piracy at the border. This enables IP owners to take legal action and therefore forms an effective measure in the combat against counterfeits. Given its function as Europe's main point of entrance for imported goods, customs enforcement is of particular importance at the seaport of Rotterdam.

The scope of the directive includes counterfeits, goods obtained by piracy and goods that infringe a patent, breeders' rights or protected designations of origin. Customs can act *ex officio* or upon request. Customs notify the requesting party when a suspected shipment is intercepted, whereupon the rights owner can take action by checking whether the goods are indeed infringing and by acting against the party importing the goods.

The main difficulty under the current regulation is that rights owners cannot act against goods that have an 'in transit' status. This means that the goods are being moved across the EEA but have an address outside Europe as their final destination, and so are dealt with as goods 'not entering the EEA'. This means that a rights owner cannot act against these goods on the basis of its Community Trademark, even when it knows that the goods bear its trademark without permission.

On December 1, 2011 the Court of Justice of the European Union ruled in the *Philips* and *Nokia* cases (C-446/09 and C-495/09) that an IP owner can act against such a shipment only if there is evidence that the goods will end up on the European market. This puts a large burden of proof on the rights owners and is hard to see as beneficial to the fight against counterfeiting.

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Proposals for more protection

It is good news that the proposals for the new Customs Enforcement Directive and the new Trademark Directive (dated March 27, 2013) foresee a broadened scope of protection and a solution for the transit situation. The scope of the Customs Enforcement Directive now also includes trade names, topographies and semiconductors, utility models and all other exclusive IP rights under European regulations. The scope also includes grey imports.

The Trademark Directive foresees that the trademark owner can prevent all third parties from bringing goods, in the context of commercial activity, into the customs territory of the EU without being released for free circulation there, if the goods come from third countries and bear an identical, unauthorised trademark to that registered in respect of the goods, or which cannot be distinguished in its essential aspects from that trademark.

Although this latter proposal only regards identical trademarks for identical goods it can be seen as a positive step forward. We would gladly see this proposal come into effect. ■

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APPLE V SAMSUNG: A LACK OF CONSISTENCY



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As in many other jurisdictions, Dutch courts have been a playing field for the patent battle between Samsung and Apple. On May 31, 2013, the Supreme Court of the Netherlands delivered a verdict in an appeal about whether the Samsung Galaxy Tab 10.1 and the Tab 10.1v infringed Apple's Community Design registration (CDR) no. 181607-0001. Importantly, the procedure at hand is not about comparing the iPad and the Galaxy Tab. The design registration filed by Apple is different from the iPad1 or iPad2—they are nearly twice as thin as the registered design and the length and width of the iPads are different from the registered shape.

In 2011, Apple brought interim injunction proceedings against Samsung, claiming Samsung infringed its CDR. The Hague District Court found that the Galaxy Tab 10.1 and Tab 10.1v did not infringe and did not grant a preliminary injunction against Samsung. Apple filed an appeal procedure.

The judgment was upheld on appeal. First, the court decided that the CDR was valid. Although all the design elements found in the registration could also be found in the prior art, the combination of these elements in one design was not yet known. Therefore the overall impression of the design was considered to be different from its prior art to the informed user. Furthermore, the court decided that because the design is a combination of prior art and not very different from those designs already on the market, the extent to which it is protected is limited.

The court applied less strict assessment criteria to establish whether a later design was different from the registration, finding that not only the overall impression but also details should be considered. The different proportions of the Galaxy Tab 10.1 and Tab 10.1v, the subtle differences in shape and the difference of the frame were considered enough to constitute a difference to informed users.

Apple then brought an appeal to Supreme Court, putting forward two primary questions of law. First is whether, when judging the individual character of the registered design, the design should be compared to an individual older model, a collection of older designs, or prior art in general. The Court of Appeal referred to Article 6 of EU Regulation 6/2002 and concluded that "any design which has been made available to the public" should be taken into account. Thus the party advancing a defence may refer to more than one piece of prior art.

The second question is whether, when determining the degree of protection, it is relevant to what extent the protected design's own character differs from the prior art. For both questions the Supreme Court concluded that the prior judgment was based on a correct interpretation of the law.

The judgment handed down by the Dutch Court of Appeal is just one in a

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long list of cases involving Apple and Samsung. The UK High Court and the Oberlandesgericht Düsseldorf handed down earlier judgments regarding the same infringement question. In the High Court judgment, the court was of the opinion that the Samsung Tab 10.1, Tab 8.9, and Tab 7.7. do not infringe Apple's design registration. This procedure did not entail the validity of the design registration.

The decision of the Dutch Court is in line with that opinion and argumentation. The British judge referred to the family of prior art, and continued that the design and the Samsung tablets look like members of that same family. The reference to a family of prior art and later in the judgment to the overall impression of the designs is equivalent to the assessment criteria in The Hague judgment.

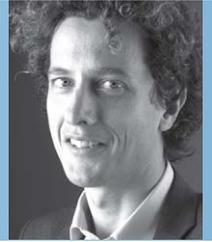
In Germany the Landgericht Düsseldorf decided that Samsung did infringe Apple's rights, but this decision was overturned on appeal. However, the opinion of the Düsseldorf court referred to only one piece of prior art, namely the Ozolins design, and thus used different assessment criteria from the Dutch and British courts.

The interpretation of Regulation 6/2002 is not yet uniform throughout the EU. The Court of Justice of the EU has so far judged only four cases regarding the regulation: *FEIA* in 2009, *Pepsico* in 2011, *Celaya* in 2012, and *Neumann* in 2012. The difference in interpretation that becomes evident from the three judgments may lead to different levels of protection throughout the EU. The CDR may not always provide the community-wide protection it promises as long as no uniform interpretation of the regulation is available. ■

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THE ‘WAPPERVERBOD’: IN FOR A PENNY, IN FOR A POUND

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Actively dealing with infringement is vital when dealing with IP. There should be actual rights to enforce. Indiscriminate claims purporting infringement of a patent or other IP rights are prohibited. In the Netherlands this is called a ‘*wapperverbod*’, which can be roughly translated into a ‘waving (with claims) ban’. If one party claims that his IP rights are being infringed, there should be valid IP rights, and the claim should also be acted upon. In the recent *Betsoft v Bubble* case the court of the Hague had to put this situation in an international perspective.

Two computer software developers make slot machine games for use on PCs. Betsoft, based in Cyprus, introduced the idea of bringing an icon in the game forward, as if coming towards the player. This was called the ‘Expandicon effect’. Betsoft claimed it had copyright on the source code of the Expandicon effect, as well as on the look and feel it created. Betsoft had approached many parties around the world, claiming copyright infringement. These parties were using software which replicates the Expandicon effect. This software was created and sold by Bubble, based in the Netherlands. To prevent possible future claims of infringement by Betsoft in the Netherlands, Bubble requested that Betsoft was given a *wapperverbod*. The request was granted.

Betsoft appealed, first on the grounds that the judge had no jurisdiction, and second that Betsoft’s copyright claims were genuine. A *wapperverbod* would therefore not be warranted.

To answer both questions, the court had to examine whether the fear of an unlawful claim (*wapperen*) by Betsoft was justifiable. To determine this, the court had to look at the alleged copyright infringement by Bubble. If Bubble was infringing on Betsoft’s copyright, a future claim by Betsoft would be valid and a *wapperverbod* would not be warranted.

Betsoft claimed copyright on both the source code and the look and feel of the Expandicon effect. According to Betsoft, the source code used by Bubble was an exact copy of Betsoft’s code, proving infringement. When the court compared the two codes however, it became clear that the original code provided by Betsoft was extracted from software used by Bubble. In other words, the code was compared to itself, making the fact that it was an exact copy no surprise. Betsoft also stated that the code was registered at the US Copyright Office, but the registered code bore no resemblance to the provided code.

In relation to the look and feel of the Expandicon effect, the court considered that Betsoft hadn’t proved that the look and feel created by Bubble’s effect was very similar. The court wasn’t too certain about possible protection under copyright law either, considering that the effect has been used in the movie industry for decades.

Knowing that Betsoft lacked a copyright claim on the Expandicon effect, the fear of unlawful *wapperen* by Betsoft was justifiable, which was confirmed by

“WHEN THE COURT COMPARED THE TWO CODES, IT BECAME CLEAR THAT THE ORIGINAL CODE PROVIDED BY BETSOFT WAS EXTRACTED FROM SOFTWARE USED BY BUBBLE.”

the many claims Betsoft had already sent to different parties around the world. There was a reasonable chance Betsoft would approach clients of Bubble in the Netherlands with the same claim, thereby damaging Bubble’s interests.

Since there was a reasonable possibility of a situation resulting in damages arising in the Netherlands, the case fell within the jurisdiction of the court referring to Article 5(3) EEX. Because the damages could have arisen in the Netherlands, Article 4(1) Rome II was also applicable.

The case fell within the jurisdiction of the court and it found the fear for *wapperen* was justified. The appeal was dismissed.

An interesting conclusion is that it is possible to get a *wapperverbod* without a party having started claiming its (purported) rights, and it can also result in a costs order against the party. Although Betsoft did not start claiming infringement in the Netherlands, the preceding actions in other countries were taken into account when ordering it to pay for the proceedings.

The important lesson to be learned by parties ‘waving with a ban’, is that if you do so, you should act upon it. One cannot send letters around the world claiming infringement, as Betsoft did, while hoping that someone will take you seriously and give in. Many parties requested more information, but Betsoft never acted upon its claims. This weakened its case against a *wapperverbod*. As Betsoft now knows: if you’re in for a penny, you’re in for a pound. ■

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PLAIN TOBACCO PACKAGING IN THE EU

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Australia is the first country in the world to have mandatory plain packaging for tobacco products. Tobacco packs in Australia have to be olive green, with 75 percent of the front and 90 percent of the back covered in health warnings and pictures of the effects of tobacco use. The European parliament has proposed similar rules in revisions to the Tobacco Products Directive.

One of the proposed revisions was that cigarette packs should contain large pictorial health warnings. These would ideally cover 75 percent of the front and back of these packs. This has led to protests, although the proposed revisions do not have the same scope as the Australian rules.

Tobacco companies operating in Europe are still allowed to brand their packs, which is not true for Australia. The European Commission (EC) provides member states with a library of health warning pictures. The trademark holder will now have to use one of these pictures to cover its product. Owners of tobacco brands are considering the effect this could have on their business and their trademark rights.

On October 8, 2013, the European parliament voted against the proposed revisions of the EC and rejected plain packaging for tobacco products. The parliament is, however, in favour of the rule that the tobacco packs should contain health warning labels on the front and back. Instead of the proposed 75 percent coverage, the parliament opted for a 65 percent mandatory coverage. This means that the trademark holder would now have 10 percent more space than proposed in which to be distinctive by using its trademark, and would also be allowed to fill 35 percent of the pack at its own discretion.

This seems like a good result for trademark holders. But is it really? Even in this scenario, it is hard to ignore the fact that trademark holders' rights are affected. They are not allowed to use their trademark rights to the full extent, nor can they shape their products as desired.

The question is whether these restrictions are justifiable. One finds oneself in a continuous debate as to whether there is a 'right' to use a trademark. This right would allow the trademark right holder to use a trademark according to its own discernment. The EC says that neither the TRIPS Agreement nor the Paris Convention speak of a right to use a trademark.

The EC's proposed revisions are restrictions on the use of a trademark: you have less room to display your brand and are restricted in how to display it. Since there is no 'right' to use a trademark, these rules will not infringe the rights of the trademark holder, the commission argues. The WTO has already ruled that there is no right to use a trademark, only a right to prevent others from using your trademark, which leaves the trademark holder with little protection.

“THE QUESTION IS WHETHER THESE RESTRICTIONS ARE JUSTIFIABLE. ONE FINDS ONESELF IN A CONTINUOUS DEBATE AS TO WHETHER THERE IS A ‘RIGHT’ TO USE A TRADEMARK.”

Since it is possible to display the brand name, in the eyes of trademark law the trademark is still able to fulfil its core function: identifying the origin of marked products to the consumer or end user. No less important are the trademark's other functions, for example, communication. One also has to consider other effects of the health warnings: is the consumer even going to notice the brand when the pack is covered mostly in health warnings and awful pictures?

Negotiations between the European parliament, the council and the commission will have to lead to a compromise. Only after these negotiations can we be certain of what is to come. Even though there are still serious questions raised by the proposed revisions, by making an appeal to the protection of public health the EC can make extensive changes to the Tobacco Products Directive.

Since tobacco use remains a leading cause of death, this is not a surprising development. Although there may be other means to reducing tobacco-related deaths, we should be aware that this proposal could most likely become reality. In that case, we should also consider what this practice may lead to. Could the EC make other restrictions, eg, health warning labels on alcoholic beverages? ■

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