
THE
INTELLECTUAL
PROPERTY
REVIEW

THIRD EDITION

EDITOR
ROBERT L BAECHTOLD

LAW BUSINESS RESEARCH

THE INTELLECTUAL PROPERTY REVIEW

The Intellectual Property Review

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INTELLECTUAL
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ROBERT L BAECHTOLD

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CONTENTS

Editor's Preface	vii
	<i>Robert L Baechtold</i>	
Chapter 1	BRAZIL.....	1
	<i>Gabriel Di Blasi and Paulo Parente Marques Mendes</i>	
Chapter 2	BULGARIA.....	16
	<i>Kostadin Manev and Alexandra Semerdjieva</i>	
Chapter 3	CANADA.....	27
	<i>Jason Markwell and Adam Haller</i>	
Chapter 4	CHINA.....	40
	<i>Jay Sha</i>	
Chapter 5	CYPRUS.....	53
	<i>Ourania Vronidou</i>	
Chapter 6	DENMARK.....	61
	<i>Sture Rygaard, Michael Hopp and Mikkel Vittrup</i>	
Chapter 7	FINLAND.....	69
	<i>Inari Kinnunen, Gabrielle Hjelt and Henrik af Ursin</i>	
Chapter 8	FRANCE.....	81
	<i>Stanislas Roux-Vaillard</i>	
Chapter 9	GERMANY.....	95
	<i>Felix T Rödiger</i>	
Chapter 10	INDIA.....	106
	<i>Pravin Anand and T Saukshmya</i>	

Chapter 11	ITALY.....	127
	<i>Tommaso Faelli and Francesco Banterle</i>	
Chapter 12	JAPAN.....	140
	<i>Yasufumi Shiroyama</i>	
Chapter 13	KOREA.....	151
	<i>Jung-Ae Suh and Cy Kim</i>	
Chapter 14	LUXEMBOURG	162
	<i>Claire Léonelli</i>	
Chapter 15	MALAYSIA	176
	<i>Lee Tatt Boon and Joshua Teoh Beni Chris</i>	
Chapter 16	NETHERLANDS.....	189
	<i>Michiel Rijdsdijk and Marlies Wiegerinck</i>	
Chapter 17	NIGERIA.....	202
	<i>Ladi Taiwo and Bunmi Binitie</i>	
Chapter 18	NORWAY	210
	<i>Are Stenvik</i>	
Chapter 19	PHILIPPINES.....	221
	<i>Editha R Hechanova</i>	
Chapter 20	POLAND.....	241
	<i>Michał Siciarek and Jakub Mrozowski</i>	
Chapter 21	PORTUGAL.....	255
	<i>António Andrade</i>	
Chapter 22	PUERTO RICO.....	264
	<i>Eugenio J Torres-Oyola, Maristella Collazo-Soto and Rafael Rodríguez-Muriel</i>	

Chapter 23	ROMANIA	277
	<i>Paul George Buta</i>	
Chapter 24	RUSSIA.....	290
	<i>Valentina Orlova and Yuri Yakhin</i>	
Chapter 25	SINGAPORE.....	303
	<i>Farah Namazie and Glendoris R Ocampo</i>	
Chapter 26	SPAIN	319
	<i>Montserrat López-Bellosta</i>	
Chapter 27	SWITZERLAND.....	337
	<i>Michael Isler</i>	
Chapter 28	TAIWAN.....	349
	<i>Tony Tung-Yang Chang</i>	
Chapter 29	THAILAND	362
	<i>Chavalit Uttasart</i>	
Chapter 30	UNITED KINGDOM	373
	<i>Penny Gilbert, Alex May and Alexandra West</i>	
Chapter 31	UNITED STATES.....	389
	<i>Robert L Baechtold, Brian V Slater and Jason A Leonard</i>	
Chapter 32	VIETNAM.....	402
	<i>Thang Duc Nguyen, Loc Xuan Le and Linh Duy Mai</i>	
Appendix 1	ABOUT THE AUTHORS	415
Appendix 2	CONTRIBUTING LAW FIRMS' CONTACT DETAILS.....	435

EDITOR'S PREFACE

It is not an overstatement to say that essentially all business is global, and the protection of intellectual property is the lifeblood of all business. The scope and implementation of that protection, however, varies from country to country.

It would be ideal if there were one universal set of laws, rules and procedures. But, while the efforts of many dedicated individuals have accomplished much in harmonising intellectual property protection, we remain defined as much by our differences as by what we have in common. It therefore is incumbent on all of us, as advisers to our clients, to be conversant with the individual practices in each of the economically significant countries.

The goal of this review is to provide that guidance. We have assembled a body of leading practitioners to explain the opportunities for intellectual property protection in their respective jurisdictions, together with the most significant recent developments and any aspects that are unique to their country. While we have striven to make the book both accurate and comprehensive, we must note that it is necessarily a summary and overview, and we strongly recommend that the reader seek the advice of experienced advisers for application of the principles contained in this review to any specific matter.

Reflecting on the past two editions of this review, we have seen the radical reshaping of US patent law under the America Invents Act, steady progress towards harmonisation of patent rights in Europe with a Unified Patent Court, and continued development and enforcement of patent rights in China. The authors of each chapter will highlight these and other notable developments in their respective countries. This third edition demonstrates the need for annual reviews of intellectual property on a global scale to remain current for our clients.

It is our hope that the reader will find this a useful compilation and often-consulted guide.

Robert L Baechtold
Fitzpatrick, Cella, Harper & Scinto
New York
May 2014

Chapter 16

NETHERLANDS

Michiel Rijdsdijk and Marlies Wiegerinck¹

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

The Netherlands attaches great importance to its highly innovative industries and together with that, to a strong protection of intellectual property rights. The Netherlands, especially the Dutch Court of The Hague, has very competent judges who are specialised in IP and whose competence in IP matters is recognised by fellow EU-members. Together with the fact that the Netherlands is the main port for goods entering the EU, through its seaport of Rotterdam and airport of Schiphol, it is evident that the Netherlands is the forum for a large number of IP-related matters. There is a correspondingly large number of specialised IP lawyers.

The most important forms of intellectual property protection available in the Netherlands are patents, trademarks, designs and copyrights. Protection of utility designs or patents is not possible in the Netherlands. The Netherlands does, however, recognise a special legal doctrine, called ‘slavish imitation’, which is a form of tort. We will discuss these separate subjects in more detail below.

i Patents

Dutch patents are governed by the Dutch Patent Act 1995 of 1 April 1995 (DPA). To obtain a patent four requirements must be met. Firstly the object of the patent application must be an invention. Secondly, this invention must be new. Further, the invention has to involve an inventive step and fourthly it has to be capable of industrial application.

These requirements do not differ from those set to obtain a European Patent on the basis of the European Patent Convention, nevertheless the procedure to obtain the patent applied for differs. There is no preliminary examination into the validity of the application; as long as the formal requirements are met the patent is granted. The Dutch

¹ Michiel Rijdsdijk is a partner and Marlies Wiegerinck is an associate at Arnold + Siedsma.

patent is therefore a registration patent. A novelty search is performed by the Dutch Patents Office (DPO). The DPO also provides a written opinion on the validity.

Dutch patents are granted for a term of 20 years, starting from the date on which the application is filed. This differs from the European Patent, where the 20-year term of protection starts to run from the date of registration.

The Netherlands is party to the Patent Cooperation Treaty (PCT) and the Convention on the Grant of European Patents (EPC). These are important international treaties that provide for the territorial extension of protection. The Netherlands is also party to the Paris Convention for the Protection of Industrial Property of 20 March 1883 (Paris Convention). This convention grants a one-year priority right to a party that has duly filed a patent application in a country party to the Paris Convention.

Most commonly patents applications are filed through application of the PCT or EPC procedures, to obtain protection in the respective chosen contracting states.

ii Trademarks

The Netherlands is party to the Benelux Convention on Intellectual Property (BCIP) of 1 September 2006. A Benelux trademark covers the territory of Belgium, the Netherlands and Luxembourg. Benelux trademarks are administered by the Benelux Office for Intellectual Property (BOIP). A Benelux trademark is valid for a period of 10 years, which term starts from the date on which the application is filed. This term can be renewed for 10 years at a time for an indefinite period.

A Community trademark (CTM), on the basis of EU Regulation No. 207/2009 is also valid in the Netherlands. A CTM covers all EU Member States. CTMs are administered by the EU Office for Harmonization in the Internal Market (OHIM). A CTM is also valid for a period of 10 years, starting from the date on which the application is filed and can be renewed for 10 years at a time for an indefinite period.

Based on the Paris Convention a six-month priority right is granted to a party that has duly filed a trademark application in one of the signatory states of the Convention. In addition to this Convention the Netherlands is party to the Madrid Agreement of 14 April 1891 and to the protocol relating to the Madrid Agreement, of 27 June 1989. These treaties offer the possibility to file for an 'internal registration', which is a single application in which an applicant can opt for application in various signatory states.

Benelux trademarks and CTMs are granted to signs that are capable of distinguishing the goods and services from one company from those of another company, they contain all signs that are capable of being conceived graphically. This regards word, device and shape marks. It can also regard colour and sound marks. Only registered trademarks are protected. There is no such thing as an unregistered-trademark protection, unless a sign can invoke another IP right for its protection, such as a copyright. This means there is a first-to-file principle.

iii Designs

The BCIP also covers the protection of design rights in the Benelux, which are also administered by the BOIP. Therefore there is not a separate 'Dutch design right' either. A Benelux design right is protected for five years, which protection can be extended by five-year increments up to a maximum of 25 years.

A Community Design Right (CDR) on the basis of EU Regulation No. 6/2002 is also valid in the Netherlands. A CDR covers all EU Member States and is also administered by the OHIM. The protection of a CDR is also for five years, to be extended by the maximum of four consecutive terms of five years. Other than the BCIP the Community Design Regulation also offers protection to unregistered designs for the term of three years after the design first has been made public.

Design rights are granted to drawings and two- and three-dimensional designs that are novel and have an individual character. Designs can, under circumstances, be protected as copyrights as well. Based on the Paris Convention a six-month priority rights is granted to a party that has duly filed a design application in one of the signatories of the Convention. The Netherlands is also party to The Hague Agreement of 6 November 1925 concerning the international filing of designs, which amended version of 1960 came in force in the Netherlands by virtue of a protocol dated 1 April 1979. To this agreement the 'Deed of Geneva' of 2 July 1999 has been added, which foresees again in an amended version. The EU is party to this latter version, which makes it possible to file an International Registration with designation of the EU as a whole, next to other parties to the Agreement.

iv Copyrights

Copyright in the Netherlands is governed by the Dutch Copyright Act 1912 of 13 September 1912 (DCA). The law offers protection to works which meet the requirements as defined in case law; a work has to be perceivable by humans, has to have an own original character and bear the personal mark of the author. This covers a very broad scope of goods and includes literary works, works of art, paintings, software and many more. Excluded from protection are ideas, style, concepts and methods of operation. A work has to be expressed in some material form. Novelty is not a requirement. Protection is granted until 70 years after the death of the author.

The Netherlands is party to the Berne Convention of 9 September 1886 and in force in the Netherlands as of 1 August 1985, which grants authors from other contracting countries the same protection for their works as for national authors under the DCA. Furthermore the Netherlands is party to the Universal Copyright Convention of 6 September 1952, in force in the Netherlands as of 22 June 1967 and it is party to the WIPO Copyright Treaty of 20 December 1996.

The Netherlands is also party to the Agreement on Trade Related Aspects of Intellectual Property Rights, established when the World Trade Organization was founded. This treaty contains provisions on various IP laws, including copyright, patents, designs and trademarks. This treaty has effect over national laws.

v Slavish imitation

The basis of the act of tort in the Netherlands is Article 6:162 of the Dutch Civil Code. In case law a legal doctrine has been developed, called 'slavish imitation', which is a form of tort. The doctrine foresees the possibility to act against needlessly confusing items.

The background for the doctrine is that, when no intellectual property right can be invoked, freedom of competition includes the freedom to copy competitors. The doctrine sets limits to this: imitations are only not allowed when one could have made

alterations in the product without impairing the soundness and usability, and by not doing so one causes needless confusion to the public. The product must also have its own position in the market to be able to invoke this provision against slavish imitations.

II RECENT DEVELOPMENTS

i Patents

The Court of Appeal of The Hague rendered its decision in the case *Rovi/Ziggo*,² from which follows that computer programs can be patented, as long as there is a technical element in the claims. Reference was made to the decision in the case *DUNS* of the technical board of appeal of the European Patent Office, which reflects the actual status of EPO criteria for the patentability of software.³ Also an important decision was ruled by the Dutch Supreme court with respect to novelty. It was judged that a substance, of which the composition and characteristics are known itself, can be patentable if, from the state of the art on the priority date there is no process known to obtain the substance (Supreme Court, *Lundbeck/Tiefenbacher*).⁴

ii Trademarks

The EU Commission has sent its proposal for a trademark-reform package, considering the Community Trademark Regulation and the EU Trademark Regulation to the European Parliament. We expect these amendments shortly, which will result in a direct change of the set of rules concerning CTMs, and alterations to be implemented in the BCIP. The BOIP itself underwent some changes: As of 1 October 2013 English is one of the working languages of the BOIP, next to French and Dutch. As of that date also the opposition period will be calculated from the date of publication of the application.

The Appeal Court of The Hague rendered a decision in preliminary proceedings with regard to trademarks with a reputation (*SBS/Screentime*).⁵ It was judged that a general well-known trademark has to have a bigger reputation among the relevant public to be able to invoke Article 6 *bis* of the Paris Convention than it needs to invoke Article 2.20 (1)(c)BCIP, which both grant trademark owners a broader scope of protection if their trademark has a reputation. It ruled in this case that a reputation of 25 per cent among the relevant public was insufficient.

Following the decision of the Court of Justice of the EU the Supreme Court rendered its judgment in the *Winters/Red Bull* case,⁶ from which it follows that filling up cans by Winters for a third party did not constitute trademark infringement. The conduct did not constitute trademark use, since the service was provided under assignment and instructions of a third party who provided the packaging that already contained the allegedly infringing sign.

2 Court of The Hague, 25 Juni 2013, *Rovi v. Ziggo*, IEPT20130625.

3 Technical Board of Appeal, 15 November 2006, *TBA-EPO v DUNS*, IPPT20061115.

4 Supreme Court, 7 June 2013, *Lundbeck v. Tiefenbacher*, IEPT20130607.

5 Appeal Court of The Hague, 17 December 2013, *SBS v. Screentime*, IEPT20131217.

6 Supreme Court, 20 December 2013, *Winters v. Red Bull*, IEPT20131220.

In its *Makro/Diesel* decision⁷ the Supreme Court ruled that in case of breach of a stipulation of a licence agreement stating that goods can only be manufactured and sold when the licensee has submitted test results on quality to the trademark owner, the goods are not exhausted. The trademark owner can act against the trade of these goods on the basis of its trademarks.

iii Copyrights

The DCA also foresees in the protection of non-original writings. In 2013 a legislative proposal has been submitted in order to abolish this part of the DCA. Protection thereof can be considered to be covered partially by the Databases Act. The Supreme Court of the Netherlands has already judged that the protection of non-original writings regarded a *contra legem* interpretation of the Database Directive No. 96/9/EG.⁸ This means that the collection of data that lacks creativity or any substantial investment is no longer protected under the DCA.

The Supreme Court of the Netherlands also rendered some important decisions with regard to the scope of copyright protection. In the *Stokke/H3* decision⁹ it considered that its earlier judgment in the case *Endstra*¹⁰ is not in conflict with EU law. It considers that even if a work contains technical elements, creative choices can still be made. In order to see whether copyrights were infringed it must be assessed to what extent the overall impressions are similar. In that respect also, a collection of elements that are unprotected *per se* can be a work protected by copyright, provided that it bears the author's personal mark.

iv Slavish imitation

The Supreme Court decision in the *Broeren/Duijsens* case¹¹ is of importance for the scope of protection under the doctrine of 'slavish imitation'. The case regarded the painting of Duijsens and the allegedly illegitimate copies thereof of Broeren. The appeal court found the paintings of Broeren a slavish imitation for having the same style. Broeren argued before the Supreme Court that the DCA does not offer protection of style either, so it would be wrong to protect a style on the basis of 'slavish imitation', the more since the idea behind not protecting a style is not to hinder the developments in art, which is equally valid in relation to the freedom of competition. The Supreme Court overturned the decision of the Appeal Court and ruled that the doctrine does not provide protection against the slavish imitation of stylistic characteristics. This is only possible under special circumstances, not including where the imitation is needlessly confusing.

7 Supreme Court, 6 December 2013, *Makro v. Diesel*, IEPT20131206.

8 Supreme Court, 17 January 2014, *Ryanair v. PR Aviation*, IEPT20140117.

9 Supreme Court, 22 February 2013, *Stokke v. H3 Products*, IEPT20130222.

10 Supreme Court, 30 May 2008, *Endstra-tapes*, IEPT20080530.

11 Supreme Court, 29 March 2013, *Broeren v. Duijsens*, LJN BY8661.

III OBTAINING PROTECTION

i Patents

As mentioned above a Dutch patent can be granted for inventions that are new, involve an inventive step and are capable of industrial application. Not all subject matter can be protected. Excluded from patent protection are, on the basis of Article 2.2,3 and 7a DPA:

- a* discoveries, as well as scientific theories and mathematical methods;
- b* aesthetic creations;
- c* schemes, rules and methods for performing mental acts, playing games or doing business, as well as computer programs;
- d* presentations of information;
- e* inventions the publication or exploitation of which would be contrary to public order or morality;
- f* plant or animal varieties, or essentially biological processes for the production of plants or animals and the products thereof; and
- g* methods for treatment of the human body or animals whether through surgery or medical treatment and diagnostic methods practised on the human or animal body shall not be regarded as inventions that are susceptible of industrial application within the meaning of the preceding paragraph. This does not apply to products, particularly substances or compositions, for use in any of these methods.

Based on Article 2a DPA inventions that are patentable also concern a product consisting of or containing biological material or a process by means of which biological material is produced, processed or used. Biological inventions shall in any case be patentable if they concern:

- a* Biological material that is isolated from its natural environment or produced by means of a technical process even if it previously occurred in nature;
- b* a part of the human body that is isolated or otherwise is produced by means of a technical process, including a sequence or partial sequence of genes even if the structure of that part is identical to the structure of a natural part;
- c* plants or animals if the technical feasibility of the invention is not confined to a particular plant or animal variety; or
- d* a microbiological or other technical process, or a product obtained by means of such a process other than a plant or animal variety.

Biotechnological inventions can also be patentable if they relate to microbiological material, human genetic material and plants and animals. Further it follows from the DPA that microbiological processes and products obtained from such process can be patentable, unless these are prohibited by or pursuant to the Act on Health and Welfare of Animals.

To obtain a Dutch Patent a patent application must be filed at the Dutch Patent Office. The registration consists of three phases. The first phase is that of the recording of the application. The application will be recorded in the patent register as soon as possible after 18 months following the application date. If a prior application is invoked the 18-month term starts to run from the priority date. After recording the application

is made public. The second phase is that of the novelty search, which has to be requested by the applicant within 13 months after the filing or priority date. The outcome does not affect the application, unless the applicant alters the application following the results. Third, the application is registered at least two months after the novelty search has been published. The patent is registered for a period of 20 years, which term starts to run as of the filing date.

ii Trademarks

A Benelux trademark application is filed at the BOIP. Reference can be made to a priority date ultimately within one month after the filing date. A filed application is published in the public register. The BOIP will assess whether the application is not ineligible on any of the absolute grounds, such as that the sign:

- a* is descriptive;
- b* lacks distinctive character;
- c* is misleading to consumers;
- d* contains a flag, coat of arms or another official emblem within the meaning of Article 6 *ter* of the Paris Convention;
- e* is of a shape that is defined by the nature of the goods themselves, or gives a substantial value to the goods, or is necessary to obtain a technical result; or
- f* is contrary to public morality.

In case this assessment is negative, the BOIP will provide the applicant with its provisional refusal. The applicant subsequently has the chance to meet any objections. Should the applicant fail to meet the objections the BOIP will refuse the application fully or partially. Thereupon the applicant can file a request at the appeal courts of Brussels, The Hague or Luxembourg and request the court to order the registration.

The right to a Benelux trademark, once it is registered, runs from its filing date. The term of protection is 10 years, which term can be renewed for an unlimited number of 10-year periods. In the first five years a trademark does not need to be used. After that date the non-use of a trademark for five consecutive years can lead to a lapse of the trademark. During the registration a trademark cannot be altered. An altered company logo therefore needs, under most circumstances, to be filed again as new trademark.

Once registered the Benelux trademark owner has the exclusive right to prevent third parties that do not have its permission the use in the course of trade of a sign identical or confusingly similar for the same or similar goods and services. On the basis of the Benelux trademark the owner can also act against use of a similar sign that is not used as a trademark, in case this use is detrimental to or takes unfair advantage of the reputation or distinctive character of the trademark, without a valid reason.

iii Designs

The Benelux design has to be applied for at the BOIP as well. Upon filing of the application, the application is recorded and subsequently published. The application must contain a graphical image of the object, as well as a notification of the object. A description of the object can be added.

The BOIP investigates whether all formal requirements are met, such as the name of the applicant, graphical representation, description of colour and signature of the filing party. A right to a design is received upon registration of the application. The BOIP does not assess whether the design is novel or has an own individual character.

The owner of a Benelux design can prevent third parties in the Benelux area that do not have its permission from using its design, or a design that does not offer the informed public another overall impression.

iv Copyrights

There is no registration needed to obtain copyright protection. To invoke the protection of the DCA a work has to be perceivable by humans, has to have an original character and bear the personal mark of the author.

The copyright owner can prevent third parties from reproducing and publishing its work. Modification and imitations of the work also fall under reproduction. This includes translations, adaptation for screen and any other modification and imitation that in itself does not form a new copyright-protectable work. Nevertheless, in many cases a modification or imitation is in itself also a new work, which means that a double copyright rests on that work. Whether the latter is the case depends on whether the copyright protectable elements are included in the 'new work'. In the assessment of copyright infringement the overall impression of the works are compared.

The DCA offers some exceptions to the exclusive right of the copyright owner. These regard the right to use quotations (provided these meet some requirements), reproduction for private use and parody, pastiche and caricature of a work. Under certain circumstances the use of the work for public purposes, education or news items is also allowed.

Authors have moral rights that cannot be transferred with the copyright. This includes the right to claim authorship and the right to object to modifications of the work.

v Slavish imitation

Slavish imitation is a form of tort. This legal ground can be invoked to act against imitations of a good, even if the product is not protected under any other IP-right. To be able to rely on this ground the conditions mentioned in Section I.v, *supra* must be met; no registration is needed.

IV ENFORCEMENT OF RIGHTS

The EU Enforcement Directive (No. 2004/48) foresees in the harmonisation of the basis on which intellectual property rights can be enforced. This Directive is implemented in title 15 of the Dutch Code of Civil Proceedings.

i Possible venues for enforcement

The Netherlands is divided into 11 judicial districts, which all have one district court. There are four appeal court districts in the country, which all have one court of appeal

each. All courts and appeal courts deal with commercial cases, such as intellectual property cases.

For proceedings on the merits in patent, CTM and CDR cases the courts of The Hague have exclusive jurisdiction. Since these courts have a section with specialised IP judges it is preferable to bring a court case to The Hague in case another district has jurisdiction as well.

ii Requirements for jurisdiction and venue

Intellectual property rights can be enforced through the basis that is offered by the implemented Enforcement Directive. This contains, *inter alia*, the possibility to request for an *ex parte* injunction, for a prejudgment seizure, the seizure of evidence or taking a sample. Further it is possible to start interim injunction proceedings or proceedings on the merits.

To have jurisdiction the defendant must reside in the Netherlands or the infringing act must take place in the Netherlands, or must be imminent there. There is also jurisdiction if the damages are suffered in the Netherlands.

If there is jurisdiction the court can also be requested for a declaratory judgment of infringement or non-infringement. This, however, can only be claimed in proceedings on the merits. In interlocutory proceedings one cannot request compensation of damages either, and generally one cannot request a report, unless there is a well-substantiated urgent interest in obtaining it.

iii Obtaining relevant evidence of infringement and discovery

The law of civil proceedings offers the IP owner various possibilities to obtain evidence.

The IP owner can request the court to order the defendant to provide certain evidence.

In addition the IP owner can request the court *ex parte* to provide for its consent in the seizure of evidence. He or she can also file an *ex parte* request for the court's consent in having an expert make a description of the evidence or to take a sample of the seized goods. These measures aim to prevent evidence from being hidden by the alleged infringer, as well as offering the IP owner the possibility to get access to the information. Nevertheless, the IP owner does not have access to the seized information, samples or descriptions made on the basis of the granted request for seizure. The IP owner has to request the court separately in *inter partes* proceedings to obtain access to certain evidence, descriptions or samples.

iv Trial decision-maker

Proceedings on the merits or in interlocutory proceedings before district courts are generally held before a single judge. It depends in the complexity of the case whether a district court in proceedings on the merits is judged by three judges. In appeal cases are dealt by three judges.

In proceedings on the merits the court can appoint an expert, or the appointment of an expert can be requested by the parties. An expert can be appointed in technical matters, which are mainly patent cases, but also in trademark cases where for example the opinion of an expert in the field of market research is needed.

v **Structure of the trial**

The claimant has to state and substantiate its claims. It has to provide sufficient proof of its claims. These are the basic rules of evidence. Proof can consist of written documents and party and expert declarations. Witness hearings can be requested as well. It is up to the judge to determine the validity of the submitted proof. Correspondence between lawyers and clients and between lawyers is excluded, unless permission is requested and received from the President of the Bar. In some cases the burden of proof is shifted, for example, a party claiming the exhaustion of trademark rights has to prove that the goods were imported into the European Economic Area with the permission of the trademark owner.

In interim injunction proceedings the structure of the trial consists of the writ with exhibits and an oral hearing. In some circumstances a written statement of defence is submitted before the hearing. A counterclaim can be brought forward as well. The judge in interim injunction proceedings is not bound to the rules of evidence.

In proceedings on the merits the procedure starts with a served writ, containing the claims and in which reference is made to the exhibits which substantiate the facts and claims. This is followed by a written statement of defence, possibly followed by either a hearing or another written round. In case the defendant files a counterclaim extra written rounds are inserted so the claimant in the principal proceedings can submit its statement of defence to the counterclaim. In ordinary appeal as well as the appeal of a decision in interlocutory proceedings, the structure of trial is similar to the foregoing.

Following the implementation of the enforcement directive the IP owner can also request an *ex parte* injunction. This is only granted in cases of very urgent interest. After receipt of an *ex parte* injunction a proceeding on the merits must be started within a given time frame.

vi **Infringement**

In case of a breach or imminent breach of an IP right the IP rights owner is entitled to enforce its exclusive rights towards the infringing party by requesting the court to order a prohibition strengthened with a penalty clause.

Claims can be reduced during the whole procedure. An alteration or increase of the claims is possible as long as no final judgment is made. The defendant can object the alteration or increase for the reason that it is contrary to the principle of due process.

In Dutch patent cases one can rely on the doctrine of equivalents. In case opposition is filed against a patent the court can decide to stay the proceedings. The outcome of the patent prosecution can be of influence on the infringement proceedings.

vii **Defences**

Patents

The defendant in patent proceedings is most likely to defend itself by stating that its action does not form an infringement of the patent and secondly that the patent itself is invalid, mostly this is combined with a counterclaim in which a declaration of invalidity is requested. The non-infringement defence can be based on the argument that the conduct does not fall under the patent claims or the equivalent thereof, or on the basis that the objects traded are exhausted.

The invalidity can be based on the ground that the invention is not patentable for a lack of novelty, inventive step or capability of industrial use or the lack of scope for further development. The last two grounds are not the same, as follows from the Supreme Court decision in the case *Navcom v. Philips*.¹² Another ground for invalidity is the lack of clarity of the description of the patent, or in case the scope of protection was extended after the grant of the patent. Another ground for patent invalidation is that the patent owner is not entitled to the patent.

Trademarks

The defendant in a Benelux trademark infringement case can bring forward various defences. It can argue that the trademark is invalid for the lack of distinctive character, its merely descriptive nature or its deceptive character. It can also argue for the revocation of the trademark for the reason that the trademark has become the common name for the type of products or services as a consequence of the conducts or inactivity of the trademark owner. The invalidity can be invoked in case the trademark has not been used normally in the preceding five years.

Further, it can argue that its conduct does not form a trademark infringement because it does not use the allegedly infringing sign in the course of trade, on the ground that there is no fear of confusion on the part of the relevant public between the signs, or on the ground that that the alleged reputation of the trademark invoked does not in fact exist and that therefore any impairment of reputation or distinctive character cannot exist either.

A defendant can also argue to have a valid reason for the use of the sign or rely on an exception, for example where the use of the sign regards:

- a* the use of its name and address;
- b* a descriptive use of characteristics of the good or services;
- c* a reference to original goods in order to point to the purpose of the goods, for example as an accessory;
- d* an older sign that can rely on protection to a sign locally protected and recognised; and
- e* goods that are put on the market with the permission of the trademark owner (trademark exhaustion).

Less commonly seen is the defence that the trademark owner has lapsed its right to act against the defendant on the basis of the Benelux trademark, since it tolerated and was aware of the use of the younger registered Benelux mark for a period of at least five consecutive years, unless the sign was filed in bad faith.

Designs

The defendant in a design infringement case can argue that its conduct does not form a copy of the alleged design for the reason that it offers another overall impression to the informed public. It can also argue that the design is void, for the reason that it is not new

12 Supreme Court, 9 September 2005, *Navcom v. Philips*. LJN AT3135

or lacks an individual character. It can also argue that the design is void for the reason that the shape derives exclusively from the technical function, the shape is not visible when used or it mechanically connects the product to another product.

Copyrights

The defendant in a copyright infringement case can argue that the allegedly infringed work does not meet the requirements for copyright protection, or that his work does not form an adaptation or imitation of the 'earlier work', possibly on the basis of the argument that ideas and style are unprotected.

Slavish imitation

The defendant in a slavish imitation case can argue that the claimant does not have an independent position in the market, and that there is no confusion, or at least no needless confusion since the appearance of the product could not have been different without impairing the soundness and usability of the product.

viii Time to first-level decision

In interim injunction proceedings a decision is received in four to six weeks after the hearing. In proceedings on the merits on average a decision is received between a year and two years after the proceedings are initiated. In patent cases this generally takes many more months. In order to shorten this, the Court of The Hague inserted a regulation for an accelerated regime in patent cases. Under this regime all dates on which parties must submit their written documents and the date of the oral pleadings are fixed in advance. The time frame is mostly one year. After that the court will render its judgment.

ix Remedies

Both in interim injunction proceedings and proceedings on the merits the claimant can request for injunctive relief. In proceedings on the merits the claimant can also claim damages. In case of a bad-faith infringement the IP owner is also entitled to request for a surrender of profits instead of compensation of damages. There is no such thing as punitive damages.

The IP owner can also claim for a rectification or recall and a report on the scope of the infringement. Mostly a report is claimed on, *inter alia*, the details of producers, distribution channels, amounts sold and delivered, gross and net sale prices and profits gained, to be reviewed by an independent accountant and accompanied with proof of the correctness of the information provided. This report is used to calculate the damages.

The implementation of the Enforcement Directive offers the possibility to claim for the reasonable and proportionate legal costs a party had to bear. This includes attorneys' fees, but also costs such as those for a patent attorney, market surveys, translations. The losing party has to compensate these legal costs of the winning party.

x Appellate review

An interim injunction decision can be appealed within four weeks after the decision date. A decision in proceedings on the merits can be appealed within three months after the decision date.

In the appeal proceedings the appellant can bring forward his grievances against all aspects of the decision, both factual determinations as well as legal conclusions. The appeal court, however, may only act within the boundaries set by the appeal writ and the possible cross-appeal. Final decisions of the first instance judge, that are not part of the grievances, are therefore not part of the appeal, and have to be considered as such by the appeal judge. The appeal court does have to take into consideration all posed statements and defences of the defendant that were not considered or rejected, but maintained on appeal. New facts, statements or defences can be brought forward. The claims can also be altered. Appeal proceedings on average take between one and two years.

xi Alternatives to litigation

As long as an opposition term is open, opposition can be filed against Benelux trademarks. An alternative to litigation is arbitration; however, an arbitral procedure is not allowed to give a decision on the validity of a patent, design or trademark. Mostly an arbitration clause is included in (licence) agreements and then foreseen in specific topics that are subject to arbitration. The Netherlands Arbitration Institute was founded in 1949 and hears international arbitrations, as well as (international) binding opinion proceedings and (international) meditation, which are both also alternatives to litigation.

V TRENDS AND OUTLOOK

A major development in the future is the anticipated unitary patent. The agreement on the Unitary Patent Court (UPC) was signed on 19 February 2013 by all EU Member States, except for Poland and Spain. The forthcoming unitary patent and UPC will have a strong influence on IP practitioners throughout Europe.

As of 1 January 2014 the new Customs Enforcement Directive came into force. This new Directive provides a broadened scope of rights that fall under customs enforcement. Furthermore, the Directive provides for a special procedure for small consignments; the right owner will no longer be involved in cases where counterfeit items in small consignments are intercepted and the addressee provides its consent in the destruction of the counterfeit goods. The Directive provides owners of IP rights with more arms in the battle against piracy and counterfeit.

Appendix 1

ABOUT THE AUTHORS

MICHIEL RIJSDIJK

Arnold + Siedsma

Michiel is partner at Arnold + Siedsma and head of the firm's section of IP attorneys-at-law. Michiel has an excellent reputation in the field of trademark and patent cases. He has conducted major national and international patent proceedings and has been involved as a lawyer in well-known trademark law cases.

Michiel's work mainly involves proceedings in the field of intellectual property law, which includes international patent and trademark proceedings. In addition to his litigation work, Michiel gives advice on intellectual property matters and is involved in the drafting of contracts. Thanks to his work for various reputable car manufacturers Michiel has exceptional experience and expertise in the automotive industry.

Michiel is an active member of the INTA anti-counterfeit team and the MARQUES regulatory team. He is the Benelux correspondent for *The Trademark Reporter* and one of the founders of the IP news website www.boek9.nl.

MARLIES WIEGERINCK

Arnold + Siedsma

Ms Marlies Wiegerinck is an associate attorney of Arnold + Siedsma. She specialises in intellectual property rights. Her main areas of practice include trademark, copyright, trade name and design law. She assists both national and international clients, from advisory work to litigation in complex cross-border issues. Her work also comprises drafting and negotiation agreements related to intellectual property rights (co-existence agreements, settlement agreements, NDAs, licence agreements, etc.).

Marlies has a special focus on the developments of the EU Customs Enforcement Directive and the practical implementations thereof in the Netherlands. Through customs enforcement and related proceedings she is able to assist many of the firm's clients in the combat against counterfeit.

Marlies joined the firm's section of IP attorneys-at-law in 2008 after she completed her master's degree in intellectual property rights from the University of Groningen. During her studies she studied in France for half a year. She is an active member of the Benelux Trademark and Design Associations.

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