

Annette Kur/Thomas Dreier, European Intellectual Property

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Book Review

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- 1 “European Intellectual Property” is a neologism composed of elements that were once thought to be mutually exclusive. This was due to the principle of territoriality, which provided that IP Rights (IPRs) were not universal, but limited in effect to the territory of the state in which they had been granted. This principle stood in direct opposition to the realization of the single market as set out in the European Treaties, as diverging substantive and procedural IP laws in different Member States made free trade virtually impossible.
- 2 It was not until the coming into force of the Lisbon Treaty that the EU obtained comprehensive competences for the harmonization of substantive and procedural norms relating to IP (Art. 118 TFEU). Hence the EU resorted to a piecemeal approach of harmonization initiatives relating to individual IPRs, which were either driven by international law or aimed at the removal of quantitative restrictions on imports and all measures having equivalent effect within the internal market (Art. 34 TFEU).
- 3 Thus when speaking of “European Intellectual Property”, we refer to a highly ramified, complex framework of international law, EU primary law and special IP related Directives and Regulations, which Kur & Dreier’s Textbook endeavors to tame. The text is primarily aimed at students but also at practitioners from the EU and beyond who seek to obtain a fundamental understanding of this complex legal field.
- 4 The book is divided into nine chapters of considerable length. The first two chapters are introductory, whereas the third, fourth, fifth and sixth address particular intellectual property rights in detail: chapter 3 looks at patents, chapter 4 at trademarks, chapter 5 at copyright and chapter 6 at plant variety rights, geographical indications, industrial design and semiconductor topographies. Chapter 7 deals with the interplay of intellectual property and competition law, chapter 8 looks at the harmonization of EU-wide enforcement measures and chapter nine provides an excursus on jurisdiction and applicable law with special regard to the particularities of IPRs.
- 5 Chapter 1 constitutes a general introduction to the nature of intellectual property, the rationale of protection and the different international legal instruments, including the Paris and Berne Conventions, the TRIPS Agreement and the WIPO Copyright Treaty (WCT). Further reference is made to different international developments such as the WIPO Development Agenda, the Doha Round and the role of bilateral trade agreements. The chapter ends with an excursus on human rights and its ever growing role in the EU under the Charter of Fundamental Rights.

- 6 Chapter 2 is essentially a summary of the whole book touching upon the topics that are later explained in detail. It begins with an overview of the development of the European Union, its basic treaties, institutions and interaction with EFTA and EEA. Subsequently the principles of free movement are explained and set in relation to the principle of territoriality applicable to IP law. Reference is made to early ECJ case law, which became known as parallel import cases ranging from *Consten and Grundig*¹ to *Deutsche Grammophon*², but also to cases built on the principle of “non-discrimination on grounds of nationality” (Art. 18 TFEU). The following section provides a short introduction to the nature of Directives and Regulations and to the distinctiveness of enhanced cooperation (Art. 20 TEU). Next up, a short overview of the current state of EU legislation on IP is given, starting with trademarks, industrial designs, copyright and patents, followed by competition law and enforcement rules, specifying not only the Enforcement Directive 2004/48/EC, but also the E-commerce Directive 2000/31/EC, which regulates the conditions under which ISPs are to be held liable for content hosted by them. After that brief reference is made to the legal framework relating to jurisdiction and applicable law, in particular the Brussels I, Rome I and Rome II Regulations. The chapter ends with a short explanation of the primacy of EU law and the interplay of international conventions and EU IP law.
- 7 Chapter 5 deals with patents in Europe. It starts with a historical overview of the objective pursued by the grants of patents, i.e. the promotion of technical progress by rewarding the inventor with an exclusive market position for a number of years, and its recent dimensions in light of the information and communication technologies. It follows with a short overview of the development of patent law in Europe, discussing the advantages and disadvantages of the European patent vis á vis the unitary patent, which at the time of printing had not been agreed upon yet.³ Also, first reference is made to the Patent Cooperation Treaty (PCT) which allows inventors to obtain worldwide patent protection by filing an application with WIPO, either directly or through a national receiving office.
- 8 The following section explains in great detail the legal framework underlying the European patent, which is regulated by the European Patent Convention (EPC) of 1973 and its implementing regulations. Accordingly, the EPC constitutes a special agreement within the meaning of Article 19 of the Paris Convention designed to centralize patent administration in Europe. Patent applications are examined and granted by the European Patent Office (EPO) in Munich. Most importantly, the European patent is not a unitary title valid throughout the EPC Member States, but a bundle of national rights subject to the diverging substantive and procedural national laws. Despite the EPC primarily dealing with organizational and administrative matters, Articles 52-74 of the EPC are devoted to substantive patent law specifying what constitutes patentable subject matter, types of patents, conditions for protection and scope of protection.
- 9 This section is highly recommendable for anyone wishing to understand the substance and interplay of the EPC and the unitary patent created on the basis of enhanced cooperation, as the latter will be granted as a European patent subject to the provisions of the EPC.
- 10 After that, patents relating to specific fields of technology are discussed; in particular Directive 98/44/EC (Biotech Directive) designed to harmonize the conditions under which patents can be granted in the area of biotechnology and genetic engineering. The incorporation of the Biotech Directive into the Implementing Regulations of the EPC provided the ECJ with the right to adjudicate on matters previously in the sole power of EPO’s independent Boards of Appeal. Reference is made to early and latter case law that illustrates this shift. Further discussion surrounds the patentability of computer-implemented inventions and the failed initiative of the Commission to establish a Directive harmonizing this area of law.
- 11 Thereafter a relatively new development in patent law is presented: the Supplementary Protection Certificates for medical products. Regulation 469/2009/EC defines EU-wide rules on granting supplementary protection certificates. They are designed to compensate the right-holder for the time lapse between the filing of the patent application and the granting of the authorization to put the medical product on the market. As such they are able to prolong the 20-year-long protection period granted under the traditional patent framework by five years.
- 12 The chapter ends with a short outlook on the development of the unitary patent and the Unitary Patent Court, without, however, having the benefit of knowing that Regulations 1257/2012/EU (UPR) and 1260/2012/EU came into force on 17 December 2012.
- 13 Chapter 4 deals with trademarks in Europe. It begins with a historic overview of the objective pursued by trademark protection and clarifies the fundamental difference of trademarks compared to other IP rights: unlike inventions or original works, distinctive signs are not worthy of protection in itself, but in their capacity to convey information about the origin of goods or services. Thus in order to foster competition, it is of utmost importance that appropriation of a trademark as such does not confer on its holder a competitive advantage from which others are excluded.

- 14 The following section deals with an overview of the trademark law framework in Europe, explaining the two-tier system consisting of the Trade Mark Directive (TMC) and Community Trademark Regulation (CTMR). Thereafter the administrative procedures of the Community Trademark system are explained in detail. In this context, short reference is made to the possibility of registering trademarks on an international level under the auspices of WIPO.
- 15 Since trademark protection in Europe is harmonized to the greatest possible extent, substantive law provisions relating to the requirements for protection, absolute grounds for refusal, relative grounds for refusal, scope of rights and loss of rights can be found in the TMC and the CTMR. As such, the remainder of the chapter guides the reader through the substantive law provisions making reference to the respective decisions of the ECJ where deemed appropriate.
- 16 Chapter 5 deals with copyright in Europe. It begins with a historic overview of the objective pursued by the granting of copyright, which traditionally protected original works in the field of literature and arts but was later extended to functional and investment intensive subject matter such as computer programs and databases. It follows with an overview of copyright law in Europe, which until recently was of no major economic interest to the EU since cross-border exploitation of copyrighted work was rather the exception than the rule. This, however, changed with the introduction of new protectable subject matter and the advent of new communication technologies such as cable, satellite and most importantly the Internet. It became clear that the territorial approach to protection was hindering the realization of the internal market and required targeted harmonization initiatives.
- 17 In this context, the authors present and explain each of the seven copyright Directives relating to copyright as of September 2012:
- Directive 2009/24/EC (originally published as 91/250/EEC) – the Computer Programs Directive
 - Directive 2006/115/EC on rental and lending rights and on certain rights related to copyright in the field of intellectual property (originally published as 92/100/EEC) – the Rental and Lending Rights Directive
 - Directive 93/83/EEC/ on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission – the Satellite and Cable Directive
 - Directive 2006/116/EC on the term of protection of copyright and certain related rights (originally published as 93/98/EEC) – the Term Directive
 - Directive 96/6/EC on the legal protection of Databases – the Database Directive
 - Directive 2001/29/EC on the harmonization of certain aspects of copyright and related rights in the information society – the Information Society or InfoSoc Directive
 - Directive 2001/84/EC on the resale right for the benefit of the author of an original work of art – the Resale Right Directive
- 18 A brief outline is then given on the discussion of the proposed orphan works protection, which was later implemented on 25 October 2012 as Directive 2012/28/EU.
- 19 As indicated by the authors, further developments may soon be expected in relation to the licensing of music throughout Europe with the full Parliament expected to vote on the proposed Directive on Collection Societies⁴ (11th July 2012, COM (2012) 372)) on 24 February 2014.⁵
- 20 The following section entails an amalgamation of harmonization initiatives launched by the ECJ, which although being limited to individual issues, might eventually serve as a blueprint for a uniform European copyright. With this in mind, the authors address aspects of the most prominent cases in the order in which the different copyright issues are usually dealt with in a legislative instrument, i.e. different cases are repeatedly discussed under headings such as subject matter, conditions of protection, ownership of rights, exclusive rights, distribution rights, communication to the public, exhaustion, term of protection and technological protection measures.
- 21 This part constitutes an interesting (academic) exercise, but it may confuse students new to the field or the practitioner who would just like to see a concise summary of the effects of the *Murphy*⁶ or the *In-fopaq*⁷ case, without having to gather scattered bits and pieces or resort to the full judgment.
- 22 The chapter ends with an evaluation of the current approach of piecemeal harmonization through directives, discussing the possibility of the introduction of a community copyright which could be brought about by the EU under its new powers set out in Article 118 TFEU.
- 23 Chapter 6 explains in detail adjacent areas of protection which are of growing relevance in practice but do not fit into the scheme provided by the “classical” IP rights.
- 24 The first right presented is that of plant varieties. Recognition of a cultivated plant as a variety provides its breeder with some legal protection called “plant breeder’s rights”. These are, however, difficult to monitor since plants have the natural abil-

ity to propagate, enabling the buyer to grow more of the same. This dilemma is addressed by Regulation 2100/94/EC on Community Plant Variety rights (CPVR Reg.).

- 25 In the following section, the authors provide a concise overview of the main provisions of the CPVR Reg. addressing protection requirements, registration and examination procedures, exclusive rights and limitations, including the so-called farmer's privilege. Food for thought is given in the final part where possible overlaps with the Biotech Directive are identified and discussed.
- 26 The second right presented is that of geographical indications (GIs). This section begins with an overview of the nature and rationale of protection of geographical indications, which are not only intended to provide consumers with the ability to make informed choices but also to honor and to preserve the traditional ways and means of production of local specialties. It follows with an overview of the protection of GIs in the EU, which is now mainly based on Regulation 2006/510/EC (foodstuff regulation). Its provisions are explained in detail and set in relation to non-EU procedures, in particular in the United States where protection for GIs is solely obtained through registration of collective marks, without any substantive examination as to the link between the relevant region and the products designated by the collective mark.
- 27 Next up, a brief insight is given on the interplay of GIs and trademarks, followed by a short discourse on the relationship of Community GIs vis á vis national protection systems, which may provide protection to GIs not concerning food. The section ends with a discussion on the interaction of GIs and EU primary law referring to particular ECJ cases that adjudicated on the alleged negative effect of GIs on the free movement of goods.
- 28 The third right presented is that of industrial designs. The section begins with a historical overview of the development and rationale of protection of industrial designs, which evolved from simply masking industrial utility objects to an important form of cultural expression. After that, the two-tier protection framework consisting of Design Directive 71/1998/EC and the Community Design Regulation 6/2002/EC (CDR) are explained in detail and set in relation to other forms of protection such as trademark law, copyright law and unfair competition law. In this context, short reference is made to the spare parts debate, in which independent manufacturers request that design protection of crash parts of automobiles be limited as to not foreclose the secondary market in these parts. The section ends with a brief outlook on the effects of prohibiting the marketing of particular product appearances based on rules of unfair competition law for the free movement of goods.
- 29 The fourth right presented is that of semiconductor topographies, which due to its limited practical importance is only touched upon; i.e. the authors provide a short background on the development of semiconductor topography protection, which was triggered by the US Semiconductor Chip Protection Act 1984 (SCPA) and its reciprocity clause. After that, the European legal framework consisting of Directive 87/54/EC is introduced, and its main provisions including requirements for protection, ownership of rights, registration requirements, exclusive rights and limitations, term of protection and requirement of reciprocity are explained and set in relation to the SCPA.
- 30 Chapter 7 gives a comprehensive insight into the interplay of European intellectual property and competition law. It begins by explaining the fundamental dilemma: the aim of granting IPRs is to provide incentives and further innovation and competition. However, the exclusivity of IPRs may under certain circumstances be abused by the right-holder, who may thus prevent the development of new and innovative products. This phenomenon, in turn, may clash with the EU's competition policy set out in Article 101 *et seq.* TFEU (ex Art. 81, 82).
- 31 The authors set out to quote the provisions of Articles 101 and 102 TFEU and explain their effects in relation to IPRs.
- 32 Then a short excursus is made on the role of the Commission as the watchdog of competition in the EU before introducing the Technology Transfer Block Exemption Regulation (TTBER) and the Block Exemption on R&D Agreements (R&DBER), which may be invoked to circumvent the restrictions set out in Article 101 TFEU if certain conditions are met.
- 33 In this context, further reference is made to so-called "patent pools", in which multiple partners come together to cooperate in the research and development of new technologies. In these cases, no restriction of competition will result if the patents included are essential and complementary and if licenses are granted under fair, reasonable and non-discriminatory terms ("FRAND").
- 34 The following section deals with the overlap of IP and competition law as adjudicated upon by the ECJ starting with cases that arose under Article 101 TFEU (ex Art. 81), including *Consten and Grundig*,⁸ *Ideal Standard*,⁹ *Nungesser*,¹⁰ *Windsurfing International*,¹¹ *GlaxoSmithKline*¹² and *SABAM II*.¹³ Further case law decided under Article 102 TFEU is presented, including *Volvo v. Veng*,¹⁴ *Magill*,¹⁵ *IMS Health*¹⁶ and *Microsoft*.¹⁷

- 35 The remainder of the chapter is dedicated to the legal framework regulating unfair competition, which was first anchored in Article 10 bis of the Paris Convention and can now be found in primary community law such as Article 34 TFEU (ex Art. 28) interpreted by the ECJ in *Dassonville*,¹⁸ *Cassis de Dijon*,¹⁹ *Keck & Mithouard*²⁰ and secondary instruments such as the Unfair Commercial Practices Directive 2005/29/EC (UCP) and the Misleading and Comparative Advertising Directive 2006/114/EC, which overlaps to a considerable extent with trademark law.
- 36 Chapter 8 deals with the harmonization of legal remedies available in cases of intellectual property infringement. It commences with a discourse on the dual nature of the term “infringement”, which on the one hand might be considered as “business as usual” due to the legal uncertainty inherent in the fuzzy boundaries characterizing IP rights, and on the other hand as piracy and counterfeiting on a commercial scale. The demand for stronger IP rights is usually linked to the latter, often forgetting, however, that stronger repercussions might seriously harm the legitimate interests of persons accused of (innocent) infringement.
- 37 It follows with an outline of the legal development of sanctions and enforcement measures, which traditionally lay in the competences of the Member States. It was not until the coming into force of TRIPS that a comprehensive set of rules of enforcement measures, both civil and criminal, substantive and procedural, formed part of an international legal instrument. Following the TRIPS Agreement, the EU amended and extended the Border Measure Regulation 3295/94/EC, which up until then had only dealt with trademarks and copyright as to include patents and other IPRs (Regulation 1383/2003/EC) and adopted Directive 2004/48/EC on the enforcement of intellectual property rights (the Enforcement Directive), which harmonizes the civil sanctions available to injured right holders. On p. 441 the authors give a fantastic one-stop overview of the latter’s main provisions, which are then explained in detail on the following pages.
- 38 The next section deals with enforcement of IPRs on the Internet, outlining the particular difficulties that might arise for any right-holder wishing to get hold of an alleged infringer. Accordingly, effective enforcement does not only depend on jurisdiction and applicable law further elaborated in chapter 9, but also on the extent to which ISPs could be held liable for acts committed whilst using their services. In this context, liability of Internet Service Providers (ISP) as set out in Directive 2000/31/EC (E-commerce Directive) is explained and illustrated by ECJ case law.
- 39 Following on, the enforcement of IPRs as envisaged in the Enforcement Directive is set in relation to the European Data Protection Framework; e.g. Art. 8 of the Enforcement Directive provides a right-holder with the right of information against third parties, which would *prima facie* allow a right-holder to request personal information, e.g. an IP address, from an ISP if it were not for the Data Protection Directive 95/46/EC, which allowed the processing of personal data only if the interests and fundamental rights and freedoms of the data subject are not violated. References to case law seeking to strike a balance between these opposing regimes include *Promusicae*,²¹ *LSG Gesellschaft zur Wahrnehmung von Leistungsschutzrechten*,²² *Scarlet Extended*,²³ *SABAM*²⁴ and *Bonnier Audio*.²⁵
- 40 Next up is an explanation of the Border Measures Regulation 1383/2003/EC, which provides a special procedure that facilitates the seizure and disposal of all infringing goods at the outer borders of the EU. It follows with a short summary of its main provisions and a discussion on its effects on goods in transit.
- 41 The chapter ends with a discourse on the advantages and pitfalls of criminal sanctions as a deterrent to intellectual property infringements. In this context, reference is made to the Commission’s proposal of a Directive on criminal measures aimed at ensuring the enforcement of intellectual property rights (COM (2005) 276 Final), which met with fierce resistance from academic circles and was eventually abandoned. Nevertheless, the provisions rejected in that proposal were raked up in the Anti-Counterfeiting Trade Agreement (ACTA), which had the objective of enhancing international enforcement over and above existing legislative provisions (TRIPS + approach). At the time of printing, the Commission had referred ACTA to the ECJ, asking whether it was compatible with Community law, in particular with the Charter of Fundamental Rights. The Commission had hoped to reinstitute the failed ratification process before the European Parliament had the verdict been positive. However, at the time of writing, we have the benefit of knowing that the Commission has withdrawn its referral to the ECJ in December 2012, meaning that ACTA will definitely never become good law in the EU. This makes ratification in the individual Member States also highly unlikely. The last pages of this chapter thus provide a historic overview on the effects of ACTA on civil remedies, border measures, ISP liability and criminal sanctions, had the current version of the text come into force.
- 42 Chapter 9 deals with questions of jurisdiction and applicable law (private international law), which become relevant when cross-border claims for intellectual property infringement are raised or when claims are derived from contracts to which a foreign law applies. In these cases it has to be determined whether the court seized is actually competent to hear the case and which law is to be applied to the proceedings. The relevant legal framework presented and discussed in this context are predominantly Regulation 44/2001/EC on Jurisdiction and

the Recognition and Enforcement of Judgments in civil and commercial matters, Regulation 593/2008/EC on the Law applicable on contractual obligations (Rome I) and Regulation 864/2007 on the Law applicable to non-contractual obligations (Rome II). Some international and secondary community instruments on IPRs do, however, contain their own specific provisions on jurisdiction and procedures, e.g. the European Patent Convention, the Unitary Patent Framework, the Community Trademark Regulation and the Community Design Directive, which need to be taken into account when applicable.

43 The chapter finishes with an overview on international, non-governmental harmonization efforts such as the ALI and CLIP principles, which may serve as blueprints for an internationally harmonized approach concerning the unanswered questions of IPRs under private international law.

44 To summarize, we can say that the book is a laudable endeavor, which has the ambition of explaining every aspect of European intellectual property law, and as such to provide its reader with a true understanding of the different regimes that come together in this field. It is worth pointing out, however, that due to the sheer volume of legislation and case law that is constantly produced in this area, some parts of the book may already be regarded as historic. However, this should not prevent the authors from continuing with this wonderful project and providing regularly updated versions.

- 1 *Etablissement Consten and Grundig v. Commission*, joined cases C-56/64 and 58/64 of 13 July 1966.
- 2 *Deutsche Grammophon v. Metro SB*, C-78/70 of 8 June 1971.
- 3 The text reflects only legislative developments until September 2012; however, Regulation 1257/2012 implementing enhanced cooperation in the area of the creation of unitary patent protection and Regulation 1260/2012 implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangement came into force on 17 December 2012.
- 4 Proposed Directive of the European Parliament and of the Council on collective management of copyright and related rights and multi-territorial licensing.
- 5 http://europa.eu/rapid/press-release_MEMO-14-80_en.htm.
- 6 *Football Association Premier League v. QC Leisure and Karen Murphy v. Media Protection Services*, joined cases C-403/08 and C-429/08 of 4 October 2011.
- 7 *Infopaq International v. Danske Dagblades Forening (Infopaq I)* C-5/08 of 16 July 2009.
- 8 *Etablissement Consten and Grundig v. Commission*, joined cases C-56/64 and 58/64 of 13 July 1966.
- 9 *IHT Internationale Heiztechnik v. Ideal Standard*, C-9/93.
- 10 *Nungesser v. Commission*, C-258/78 of 8 June 1982.
- 11 *Windsurfing International v. Commission*, C-193/83.
- 12 *Sot. Lélos kai Sia et al v. GlaxoSmithKline*, C-468/06.
- 13 *BRT v. SABAM II*, C-127/73.
- 14 C-238/78 of 5 October 1988.
- 15 *RTE and ITP v. Commission (Magill)*, joined Cases C-241/91 and 242/91 of 6 April 1995.

- 16 *IMS Health v. Commission*, C-418/01 of 29 April 2004.
- 17 *Microsoft v. Commission*, T-201/04.
- 18 *Procureur du Roi v. B. and G. Dassonville*, C-8-74 of 11 July 1974.
- 19 *Rewe v. Bundesmonopolverwaltung für Branntwein (Cassis de Dijon)*, 12/78 of 20 February 1979.
- 20 *B. Keck and D. Mithouard*, joined cases C-267/91 and 268/91 of 24 November 1993.
- 21 *Promusicae v. Telefonica*, C-275/06.
- 22 *LSG Gesellschaft zur Wahrnehmung von Leistungsschutzrechten v. Tele2 Telecommunication GmbH*, C-557/07.
- 23 *Scarlet Extended v. SABAM*, C-70/10.
- 24 *SABAM v. Netlog*, C-360/10.
- 25 *Bonnier Audio v. Perfect Communication*, C-461/10.