FRIDAY FORTNIGHTLY: THE IP & COMPETITION NEWSLETTER (ED. 2023 WEEK 10 NO. 38)

Dear Readers,

In this edition, you will find an overview of the key developments in Competition, Copyright, Patents and Trademarks for January and February 2023. Please also feel warmly welcome, and find the invite to the upcoming TILC's IP Talks in March.

The Innovator's Legal Aid Clinic's (TILC) information initiatives – Friday Fortnightly, TILC's Insights, and IP Talks – are open to contributions by students and alumni from the intellectual property law programmes offered at the Faculty of Law, Maastricht University.

In addition to the newsletter, you can now, also connect with us on LinkedIn and Instagram.

This edition, as you may have noticed in our recent editions, remains a bit more detailed and longer than usual! Enjoy your newsletter with a bigger cup of tea/coffee!

With kind regards,

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TILC

Serving innovative start-ups pro-bono with the wisdom of intellectual property laws

1. Competition law

1.1 Novartis & Roche did not abuse their collective dominance: *says* French Court

On 16th February, the Paris Court of Appeal (CoA, Cour d'appel de Paris) revoked the French Competition Authority's (FCA, Autorité de la Concurrence) 2020 decision against Swiss pharmaceuticals companies, Roche and Novartis. In 2020, the FCA had imposed a record fine of € 440 million on Roche (€ 59 million) and Novartis (€ 385 million) for entering into an anti-competitive agreement and collectively abusing their dominant position to delay the review and authorisation of Avastin.

Avastin and Lucentin are used for the treatment of age-related macular degeneration (AMD).

However, while Lucentis is priced at 1,161 euros per injection, Avastin costs only 40 euros per injection. As per the FCA, the cross-shareholdings between the two pharmaceuticals companies furthered the opportunity for Roche and Novartis to collaborate and delay the approval of Avastin. Even though the drug was not approved for AMD, there was widespread off-label use of the medication by practitioners, and reimbursement for the unlicensed indication across Europe. As per Novartis, this was to the detriment of the patients as "despite the presence of licensed products (Lucentin) on the market"; unapproved drugs (Avastin) were used for the treatment of AMD. Roche, on its part, acted anti-competitive as it deliberately delayed the sharing of samples, and relevant information for its cancer drug to compare the efficacy of the drugs. The two, were accordingly, fined for their anti-competitive conduct by the FCA.

In its decision, the CoA was of the opinion, that Novartis was well within its constraints, and did in no way exceed its right to communicate by making a denigrating remark against Avastin ("… il ne saurait lui être reproché d'avoir tenu des propos de nature diffamatoire ou dénigrants et d'avoir ainsi manifestement excédé son pouvoir de communication…) and that Roche "legitimately raised concerns at the request of the French health authorities between 2008-2013". The CoA, accordingly, upheld the appeal of Roche and Novartis and relieved them of the imposed fine in its entirety.

Sources: Paris CoA (in French), 16 February 2023, available here. Fierce Pharma, 17 February 2023, available here. Barrons, 16 February 2023, available here. Endpoint News, 17 February 2023, available here. Le Monde, 16 February, available here.
Image Source: Getty Images, available here.

1.2 Commission unconditionally approves telecom joint venture for digital marketing

On 6th January, Europe's four leading telecom operators, Germany-based Deutsche Telekom AG, France-based Orange SA, Spain-based Telefónica S.A. and UK-based Vodafone Group notified the European Commission about their intention to create a full-function joint venture (JV). As per the notification, all the parties shall have an equal stake in the JV. The venture seeks to develop and offer "a privacy-led, digital identification solution for digital marketing and publishing". As the venture will operate on a lasting basis, the parties notified the concentration for the Commission's approval under Article 3(1) (b) and 3(4) of the European Union Merger Regulation 139/2004.

The Commission assessed the competitive effects of the transaction on the market for the supply of digital identification services for targeted advertising (1), the market for retail mobile telecommunications (2), the market for fixed internet access (3), retail market for audio-visual services (4), and the supply of online advertising space (5) in the French, German, Italian and

Spanish markets. During its review, the Commission closely collaborated with the data protection authorities to assess the data-related aspects of the transaction.
As the proposed joint venture was not expected to lead to "substantial impediment to effective competition" (SIEC) in any of the markets under concern, the Commission unconditionally cleared the venture.
Sources: European Commission, 10 February 2023, available here. Vodafone, 10 February 2023, available here.

1.3 Commission proposes additional state aid measures for green transformation

On 1st February, the Commission released two sets of inter-related action plans to promote climate neutral, and green industrial transformation of the European economy. The first set of documents are a communication on "Green Deal Industrial Plan for the Net Zero Age" that seeks to support and promote "the competitiveness of green sectors of the Europe's industry, while preserving [European] values of equity and fairness". Second, in order to facilitate this transition, is a complementary change and adaptation of the State Aid policy. This second measure seeks to transform the "State aid Temporary Crisis Framework into a Temporary Crisis and Transition Framework to facilitate and accelerate Europe's green transition". This new State Aid measure will have two key aspects – first, the facilitation of accelerated roll-out of renewable energy and decarbonisation of the industry through more investment (for this, it proposes innovative methods to offer aid, such as "a share of investment costs), and second, offer investments in the production of strategic "equipment" necessary for the net-zero transmission (such as offering support from the Member States for production of batteries, solar panels etc. as well as related raw materials required for the production of these equipment). Further, States "would be permitted to match the level of support offered in third countries". However, this commitment should be proportionate of the overall costs.
Currently, the Commission is inviting inputs and feedback from the Member States on these two proposals. The currently applicable Temporary Crisis Framework is in force until 31st December 2023. Once the Commission receives and incorporates the feedback on the above-referred measures from the Member States, the new measures shall enter effect and be in place until 31st December 2025.
Sources: European Commission, 1 February 2023, available here. European Commission, 1 February 2023, available here.
Image Source: Getty Images, available here.

1.4 Commission conditionally approves Sika/MBCC chemical merger

On 7th June 2022, Switzerland-based Sika notified the Commission of its intention to acquire German-headquartered MBCC Group for 5.5 billion Swiss francs. Both the parties are key global players in the market for the development and supply of chemical admixtures, and construction materials. Following an initial notification, Sika withdrew the notification on 4th July 2022.

On 12th December 2022, the parties re-notified the transaction to the Commission. The Commission, accordingly, assessed the impact of the transaction on the market for chemical admixtures and construction materials in the European Economic Area (EEA). In light of the large market shares and barriers to market entry, the Commission's investigation indicated SIEC in the chemical admixture markets. To address the Commission's concerns, the parties offered to divest MBCC's chemical admixture business, including the global research and development (R&D) facilities in the European Economic Area (EEA), Australia, Canada, New Zealand, Switzerland, the UK and the US. As the proposed remedies effectively resolved the Commission's competition concerns, the proposed transaction received the Commission's conditional clearance on 8th February 2023.

Sources: European Commission, 8 February 2023, available here. MarketWatch, 8 February 2023, available here. Lexology, 12 January 2023, available here.
Image Source: Getty Images, available here.

2. Copyright

2.1 Getty Images files multiple infringement lawsuits against Stability AI

On 17th January, Getty Images simultaneously filed multiple copyright and trademark infringement lawsuits against Stability AI in the England and Wales High Court (EWHC) in the UK and the District Court for the District of Delaware (Delaware DC) in the US.

US-based Getty Images is the owner of the websites, www.gettyimages.com and www.istock.com, and world's leading digital distributor of creative content. A former hedge fund executive, Emad Mostaque in 2020, established stability AI, a for-profit company. Based out of England, the Company is currently valued at $1 billion. Stability AI uses "an image generating model called Stable Diffusion that uses artificial intelligence". The company copied and used Getty Images data without either seeking the latter's permission or requesting a license, despite Getty Images websites clearly restricting non-consensual and unauthorized use for commercial purposes.

As per the Complaint, Stability AI has infringed "Getty Images' intellectual property on a staggering scale [by] copying over 12 million photographs from Getty Images' collection, along with associated captions and metadata, without permission from or compensation to Getty Images" (P.1 of the Complaint at the Delaware DC). In addition to copyright infringement, the company also claims trademark infringement, unfair competition and false designation of origin.

The core issues in the Complaint are the same at both the US DC as well as the EWHC.

Sources: US Complaint, 17 January 2023, available here. Forbes, 06 February 2023, available here. Techmonitor, 02 February 2023, available here. Search Engine Journal, 06 February 2023, available here. CNN Business, 18 January 2023, available here.
Image: The Verge (created by Stable Diffusion, based on Getty Images), available here.

2.2 California Court rejects Meta's request to dismiss copyright infringement suit

Jennifer L. Cook, the Plaintiff is a US-based artist who creates and sells sculptures, such as those of snakes, on her website, and online commercial store, Etsy. She posted pictures of these sculptures with watermark comprising of her name, website and other identifiers. Third parties, such as advertisers, posted images of her work on the social media platform, Facebook without her consent. Aggrieved, Cook contacted the Defendant, Meta Platforms, the owner of the social networking site, Facebook and requested them for the removal of copyright infringing content available on its website.

Section 512 of the US Digital Millennium Copyright Act (DMCA) offers safe harbour to platforms against copyright infringement claims. Following a notification from the copyright owner, the platform must take down the infringing content. If the platforms fails to follow this "notice and takedown protocol", then it can benefit from this safe harbour provision.

As Meta did not satisfactorily respond to Cook's repeated requests for removal of infringing content, she approached the US District Court of California (California DC) for relief. As per the Complaint, the Defendant, Meta Platforms not only permitted "advertisers to post the infringing advertisements on its website", it also helped them effectively reach the target audience. The Defendant requested the DC California to dismiss the suit on the grounds of safe harbour available under Section 512 DMCA. In its order dated 4th January, the DC, California partially dismissed Defendant, Meta's request. As per the Court, as the Defendant "failed to persuade the Court [that the] plaintiff did not adequately allege inducement or material contribution", it accordingly, refused the motion to dismiss the claim (P.9 of the Complaint).

Sources: US District Court, 4 January 2023, available here. Reuters, 05 January 2023, available here. Bloomers law, 05 January 2023, available here.
Image: Snake Art, available here.

2.3 Hong Kong amends its copyright regime

Hong Kong recently reformed its copyright regime. The new amendment, Copyright (Amendment) Ordinance 2022, enters force on 1st May 2023. This is the first reform in Hong Kong's copyright regime, since its last Copyright Ordinance that was enacted in 1997.

Notable changes to the updated copyright law include the following. First, a technologically-neutral right of communication to the copyright owners to communicate their work to the public "through any mode of electronic transmission (including streaming)". Second, the introduction of criminal sanctions for unauthorised, for-profit or prejudicial communication of the work to the public without the permission of the rightholder. In order to determine "prejudice", the Amendment suggests that the court must examine the entirety of circumstances, particularly the economic motive for this unauthorised communication to the public. Third, the introduction of new, and amended exceptions and limitations in response to digitalisation and the rise of the internet. This includes – an exception for the education sector to communicate works while teaching (1), exception for libraries, archives and museums for the preservation of works (2), an exception for the online service providers (OSPs) to cache data (3), an exception to transfer sound recordings across digital devices for private use (4) and additional fair dealing exceptions for criticism, review, quotation, reporting and parody, satire, caricature and pastiche (5). Notably, the amendment also offers an additional safe harbour to the OSPs for infringement, provided that they comply with certain prescribed conditions. In order to award additional damage for infringement, the courts are, in addition, required to look at the following additional set of factors – namely, the continued unreasonable conduct of the infringer (even after having been informed of his conduct), and the likelihood of the spread of the infringing content to the detriment of the copyright holder.

Sources: Copyright (Amendment) Ordinance 2022, available here. News.gov.hk, 17 February 2023, available here. Lathan and Watkins, 04 January 2023, available here. Boase Cohen & Collins, 10 February 2023, available here.
Image: Getty Images, available here.

2.4 Commission makes 11 referrals to the CJEU for non-transposition of copyright rules

On 15th February, the European Commission referred eleven Member States to the Court of Justice of the European Union (CJEU) for failing to comply with the transposition of two recent copyright directives, namely Directive (EU) 2019/790 and Directive (EU) 2019/789.

Copyright in the Digital Single Market Directive (EU) 2019/790 (2019 CDSM) introduced notable changes to the EU copyright law. Notable amongst those are Article 17, that introduces a primary liability framework for online content sharing service providers (OCSSPs), and Article 15, that introduces a new neighbouring press publishers right. The Directive also includes some notable exceptions and limitations, such as those relating to text and data mining. Directive (EU) 2019/789 on copyright and related rights applicable to certain online transmissions concerns rules relating to cross-border and online retransmission of television and radio programmes.

According to Article 258 TFEU (Treaty on the Functioning of the European Union), in case the Member States fail to comply with a "reasoned opinion from the Commission", the latter can initiate proceedings before the CJEU. Article 260(3), in addition, allows imposition of financial sanctions for non-compliance by the Member States (MS). Both the above-referred directives, Directive (EU) 2019/790 and Directive (EU) 2019/789, were to be implemented in national laws by 7th June 2021. However, on the said date, only Hungary, Germany, and the Netherlands had transposed the Directive (EU) 2019/790. Malta implemented the Directive soon thereafter,

The Commission, accordingly, initiated infringement proceedings against 23 MS on 27 June 2021. A year later, by May 2022, about 10 MS complied with the request. However, 13 MS were yet to implement the Directive 2019/790 and 10 MS, the Directive 2019/789. These MS were, accordingly, given a reasoned opinion by the Commission. As over 11 MS are yet to implement these Directives, on 15th February, the Commission formally referred them to the CJEU. Bulgaria, Denmark, Finland, Latvia, Poland and Portugal were referred for their failure to notify the complete transposition measures on

Directive 2019/790. Bulgaria, Finland, Latvia, Poland and Portugal are referred for non-compliance with the transposition of Directive 2019/789.
Sources: European Commission, 15 February 2023, available here. Euractiv, 15 February 2023, available here. The Sofia Globe, 15 February 2023, available here.
Image: Getty Images, available here.

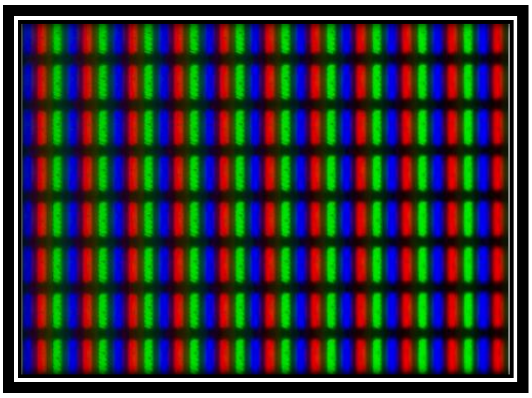
3. Patents

3.1 Germany ratifies, UPC to enter force on 1st June 2023

The Unitary Patent package comprises of the following three legal instruments. First, a regulation that creates a European patent with unitary effect, also known as the "Unitary Patent" (EU Regulation No. 1257/2012); second, a regulation on the applicable language regime for the unitary patent (EU Regulation No. 1260/2012), and third, an agreement to set up a single specialised patent jurisdiction, also known as the "Unified Patent Court" (UPC). Whereas the first two instruments entered force on 20th January 2013, the entire UPC Agreement first becomes effective on 1st June 2023. This becomes possible, as on 17th February, Germany submitted its instrument of ratification with the Council of the European Union. As per the UPC Agreement, the Agreement enters force "on the first day of the fourth month following the deposit of the 13th instrument of ratification or accession". For the Agreement to be effective, the instrument required mandatory ratification from Germany, France and Italy, three Member States with the highest number of patents in the year, 2012. So far, over 17 member states have deposited their instrument of ratification. This includes (in alphabetical order): Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovenia and Sweden. The UPC will have jurisdiction over all European patents in these ratifying countries, as well as over all the unitary patents.
UPC is one of the most landmark reforms in the history of the European patent system, that was first established in the year 1973. This new system allows a single patent application at the EPO for the grant of the unitary patent, and offers a Europe-wide centralised platform, the UPC, to litigate patent-related disputes.
Sources: European Patent Office News and Events, 17 February 2023, available here. Agreement on a Unified Patent Court, available here. Kluwer Patent Blog, 17 February 2023, available here. Juve Patent, 17 February 2023, available here.
Image source: Wikimedia commons, available here.

3.2 Feeling lazy to clean? GM's new RGBV technology that self-cleans touchscreens

On 14th February, US-based General Motors (GM) registered a patent for "self-cleaning system for displays using light emitting diodes emitting invisible violet light". The patent helps self-clean the dirty marks, and fingerprints on touchscreens. The innovative aspect of the GM's patented technology is a fourth pixel added to the traditional RGB (Red, Green and Blue) on the Light-Emitting Diode (LED) screens. The patented technology (US 11579340, US 340) covers a display that includes an array of LEDs – namely, red, green, blue and violet (RGBV)

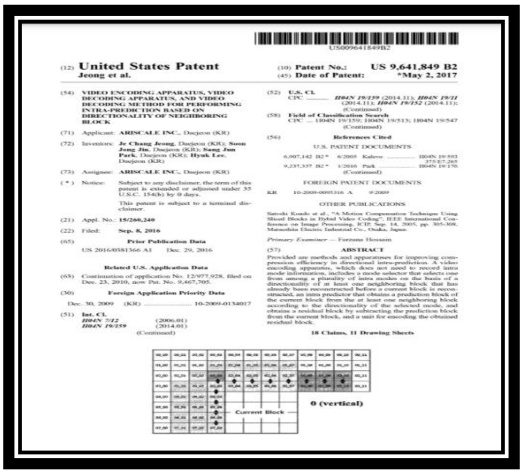


light (*see image*). Key innovation of this new technology is the addition of the fourth LED, the violet light, that is invisible to the human eye. As per the patent description, "the controller [is] configured to selectively turn on [the violet colour LED to enable] the photocatalyst in the photocatalytic coating disposed on the transparent material". The currently available [the prior art] photocatalytic coatings typically incorporates materials, such as titanium dioxide, TiO_2 that retain air moisture and oxidise to clean the screens. However, they do not work in night or without sufficient sunlight (such as on a rainy, and cloudy day). This is where US 340 adds to prior art. It can work in conditions with limited sunlight, or even in dark, such as in the nighttime. The technology can be actively enabled to clean the system at a prescribed hour and time of the day.

Sources: USPTO, 14 February 2023, available here. New Atlas, 16 February 2023, available here. The Register, 17 February 2023, available here.
Image source: Depositphotos, available here.

3.3 Ideahub's patent invalid: *says* US Federal Circuit

On 10th February, the US Court of Appeals for the Federal Circuit (FC) offered its "non-precedential written opinion" in Ideahub Inc. v Unified Patents. The FC affirmed the decision of the US Patent Trial and Appeal Board (PTAB) that held that Ideahub's patent was invalid on grounds of obviousness to a person skilled in the art. Like the PTAB, the FC too denied the motion to amend the claims "based on a lack of written description support" in the initial disclosure document.



US009641849B2

(12) United States Patent
Jeong et al.

(10) Patent No.: US 9,641,849 B2
(45) Date of Patent: *May 2, 2017

(54) VIDEO ENCODING APPARATUS, VIDEO DECODING APPARATUS, AND VIDEO DECODING METHOD FOR PERFORMING INTRA-PREDICTION BASED ON DIRECTIONALITY OF NEIGHBORING BLOCK

(71) Applicant: ARISCALE INC., Daejeon (KR)

(72) Inventors: Je Chang Jeong, Daejeon (KR); Soon Jong Jin, Daejeon (KR); Sang Jun Park, Daejeon (KR); Hyuk Lee, Daejeon (KR)

(73) Assignee: ARISCALE INC., Daejeon (KR)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.
This patent is subject to a terminal disclaimer.

(21) Appl. No.: 15/260,240

(22) Filed: Sep. 8, 2016

(65) Prior Publication Data
US 2016/0381366 A1 Dec. 29, 2016

Related U.S. Application Data
(63) Continuation of application No. 12/977,928, filed on Dec. 23, 2010, now Pat. No. 9,467,705.

(30) Foreign Application Priority Data
Dec. 30, 2009 (KR) 10-2009-0134017

(51) Int. Cl.
H04N 7/12 (2006.01)
H04N 19/159 (2014.01)
(Continued)

(52) U.S. Cl.
CPC H04N 19/159 (2014.11); H04N 19/11 (2014.11); H04N 19/152 (2014.11);
(Continued)

(58) Field of Classification Search
CPC ... H04N 19/159; H04N 19/513; H04N 19/547
(Continued)

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6,907,142 B2 * 6/2005 Kalevo H04N 19/593 375/E7.265
9,237,357 B2 * 1/2016 Park H04N 19/176
(Continued)

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KR 10-2009-0095316 A 9/2009

OTHER PUBLICATIONS
Satoshi Kondo et al., "A Motion Compensation Technique Using Sliced Blocks in Hybrid Video Coding", IEEE International Conference on Image Processing, ICIP, Sep. 14, 2005, pp. 305-308, Matsushita Electric Industrial Co., Osaka, Japan.

Primary Examiner — Farzana Hossain

(57) ABSTRACT
Provided are methods and apparatuses for improving compression efficiency in directional intra-prediction. A video encoding apparatus, which does not need to record intra mode information, includes a mode selector that selects one from among a plurality of intra modes on the basis of a directionality of at least one neighboring block that has already been reconstructed before a current block is reconstructed, an intra predictor that obtains a prediction block of the current block from the at least one neighboring block according to the directionality of the selected mode, and obtains a residual block by subtracting the prediction block from the current block, and a unit for encoding the obtained residual block.

18 Claims, 11 Drawing Sheets

0 (vertical)
Current Block

The patent in question relates to a video encoding and decoding apparatus, which "methods and apparatuses for improving compression efficiency in directional inter-prediction". Inter-prediction "reduces the amount of data necessary for transmission and reconstruction of an image" (*see* Decision PTAB, p.5). Unified patents, the Petitioner, challenged the validity of the claims as being obvious over two prior art patents, Kalevo and Song. Kalevo is a US Patent relating to a method for improving encoding and decoding of digital images, whereas Song discloses a method for the intra-prediction of an image. This patent includes a decoder in its description. Unified Patents was successful in proving that the combinations of prior art in these two documents rendered the present invention unpatentable, as the patent was obvious to a person skilled in the art (*see* Decision PTAB). The PTAB's decision was re-affirmed by the Federal Circuit. The Ideahub attempted to establish that their amended claim had a written description support. However, as these points were not presented earlier, and were fresh arguments on appeal, they were, accordingly, considered neither by the PTAB nor by the FC on appeal.

Sources: Decision by the Federal Circuit, 10 February 2023, available here. Decision of the Patent Trial and Appeal Board, 15 September 2021, available here. Unified Patents News, 13 February 2023, available here. Petition by Unified Patents, available here.
Image source: US Patent Application 9641849 available here.

3.4 “Covenant to sue last” may lead to patent exhaustion: *says* Bundesgerichtshof

In its decision, IP Bridge v HTC (X ZR 123/20), dated 24th January, Bundesgerichtshof (BGH), the German Federal Court of Justice clarified the scope of “convenant to sue last”. The appellant, IP Bridge is a Japan-based patent assertion entity (PAE), and the owner of the European patent (EP 2294737) for “control channel signalling for triggering the independent transmission of a channel quality indicator”. HTC (High Tech Computer Corporation) is a Taiwan-based original telecommunications equipment manufacturer.

“Covenant to sue last” (also referred to as “covenant to exhaust remedies”) means a promise from the patentee to first follow up with the alleged infringer before reaching out to the contracting party for infringement. The beneficiary, that is a contracting party, in such a case, benefits from the commitment from the patentee that as a contracting party, s/he “will be the last one to be sued”. This is a frequently deployed contractual undertaking deployed in the field of Standard Essential Patents (SEPs).

In its decision, X ZR 123/20, the BGH established thus: first, “a covenant not to sue … as a matter of law [could not] circumvent patent exhaustion” and second, “a covenant to sue last ….. [was not] certain to avoid exhaustion”. Following its legal opinion on “covenant to sue last”, the BGH did not decide on the implications of its opinion for IP Bridge’s contractual undertaking with its chipset manufacturer, HTC. Instead, with this guidance, it referred the matter back to the Higher Regional Court of Karlsruhe to assess the scope of “covenant to sue last” agreement between IP Bridge and HTC.

Sources: Decision Bundesgerichtshof (in German), 24 January 2023, available here. Foss Patents, 17 February 2023, available here. Technology Quotient, 21 February 2023, available here.

Image Source: Wikimedia, available here.

4. Trademark

4.1 Lizzo’s “100% THAT BITCH” is a trademark: *says* US Trademark Appeal Office

Following her 2019 worldwide hit song, “Truth Hurts” Lizzo approached the US Patent and Trademark Office (USPTO) for the registration of the mark “100% THAT BITCH” for clothing, apparels, footwear and headgear (International class 025). The expression “100% THAT BITCH” appears in Lizzo’s hit song, “Truth Hurts”. The opening lines of the song are thus: “I just took a DNA test, turns out I'm 100% that bitch…. Even when I'm crying crazy”. The Examiner, however, refused registration of the mark, as the mark failed to indicate origin of a good, and instead signalled “a commonplace expression widely used by a variety of sources to convey an ordinary, familiar and well-recognized sentiment”.

Lizzo appealed before the US Trademark Trial and Appeal Board (TTAB). The TTAB was of the opinion that “…..most of the consumers would perceive “100% THAT BITCH” used on the goods in the application as associated with Lizzo rather than as a commonplace expression”.

Lizzo was, accordingly, allowed registration of, and the right to use the said mark for the requested class (025) of goods.
Sources: JUSTIA, 2 November 2022, available here. The Trademark Layer, 16 February 2023, available here. RollingStone, 2 February 2023, available here. People, 2 February 2023, available here. HYPEBEAST, 5 February 2023, available here.
Image: Getty Images, available here.

4.2 Trademark Register may consider KFC's application for "Chicken Zinger"

In its decision dated 7th February, Single Judge bench presided by Justice Sanjeev Narula was of the opinion that the US-based Kentucky Fried Chicken (KFC) had no proprietary rights over the word "Chicken". However, as it had requested for the registration of the word mark, "Chicken Zinger" in Class 29 (dealing with meat, fish and poultry), the Trademark Registry may consider the request for registration on its merits. In 2018, the Senior Examiner at the Trademark Registry refused registration on the basis of Article 9(1) (b) of the Trademarks Act, 1999. As per the said provision, signs that indicate "kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service" may be refused registration. The Court was of the opinion that the contested mark, "Chicken Zinger" comprised of two words, namely "Chicken" and "Zinger". While KFC could not claim proprietorship of the word, "Chicken", the use of the word "Zinger" gave the mark a distinct appeal. As per the Court, "Use of 'ZINGER' in conjunction with 'CHICKEN' does not draw an instant connection with the kind of goods/services and may at best be considered suggestive". Accordingly, the Trademark Registry may reconsider the request for registration of the mark. The Court, also cautiously added that the Trademark Officer should make his/her own assessment "of the KFC's application on its own merits [and not be influenced] by the Court's observations".
Sources: Bar and Bench, 16 February 2023, available here. The Indian Express, 16 February 2023, available here. Live Law, 15 February 2023, available here. Times Now, 16 February 2023, available here. Brand Equity, 16 February 2023, available here.
Image: Wikimedia, available here.

4.3 Supermarket competitors, Lidl and Tesco battle over trademarks

Lidl owns the well-known registered trademark both with, and without the word mark, "Lidl" written in blue and red in a yellow circle in a blue-coloured square (*see image on right*)
Starting 2020, Tesco started using a similar mark with same colour combination (with words, "Clubcard prices" as well as without words) in order to promote its competitive, low cost, Clubcard pricing scheme (*see image below*).
Both, Lidl and Tesco are leading, and well-known supermarkets, with a wide presence across the UK.

Lidl is well-known amongst consumers as a supermarket that offers "high quality goods sold at a low price". As Tesco used a deceptively similar mark, Lidl initiated legal proceedings against Tesco on the grounds that the latter is free-riding on "the coattails" of Lidl, and taking unfair advantage of its reputation. In response, Tesco filed a counter claim alleging that Lidl's registered blue and yellow colour mark (without the word mark, Lidl) be "declared invalid on ground of bad faith" as Lidl had registered and renewed the said mark without any intention of ever using it. In response, Lidl asserted that the mark (with and without logo) were Lidl's "core brand and at the heart of its claim". Lidl, accordingly claims, "infringement of trademark, passing off, and infringement of copyright". The High Court sided with and decided in favour of the German supermarket, Lidl. Aggrieved, Tesco approached the Court of Appeal (CoA) on the grounds that the Judge has "failed to take into account that bad faith is a developing area of law", and that he had also failed to take into account the "pleaded facts and interferences of the bad faith claim as a whole". As the CoA found a real prospect of success, it allowed the appeal. Starting 7th February 2023, the Court shall hear Lidl's arguments, and Tesco's counterclaims.

Sources: EWHC, 2 November 2022, available here. Shoosmiths, 13 February 2023, available here. ESM, 18 January 2023, available here. JDSupra, 6 February 2023, available here. The Guardian, 7 February 2023, available here. Independent, 7 February 2023, available here. Image: Wikimedia, available here. Shoosmiths, 13 February 2023, available here.

4.4 TAG HEUER's shield mark distinctive: *says* Chinese IP Office

"TAG HEUER" is a Swiss-based luxury watch manufacturer, owned and managed by Paris-based parent company, LVMH & LVMH, Swiss. LVMH Swiss owns the following three registered trademarks in class 14 (*see image right*): first, a black-coloured shield mark with the words "TAG HEUER" marked inside the shield (figure 1); second, a black-coloured shield mark (figure 2), and third, white-coloured shield mark (figure 3).

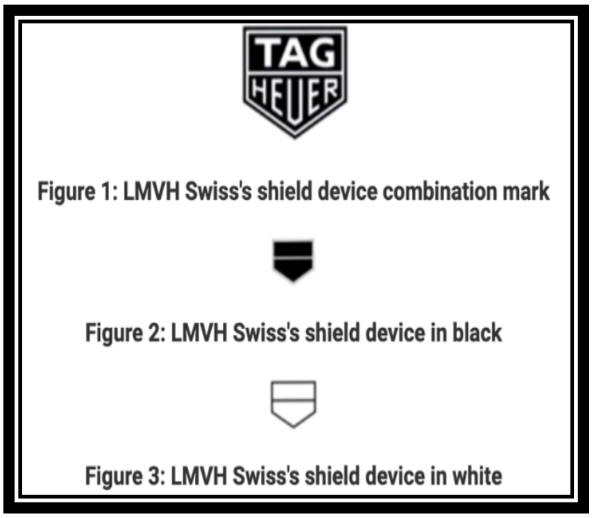

Figure 1: LMVH Swiss's shield device combination mark
Figure 2: LMVH Swiss's shield device in black
Figure 3: LMVH Swiss's shield device in white

On 15th December 2020, a Chinese citizen, Xiaohui Cai requested registration of shield mark with the words, "英吉纳 INKINO". Cai's mark was similar in all respects to LVMH's mark, with the exception of the words "英吉纳 INKINO".

Aggrieved, LVMH Swiss opposed the registration of the mark, following its publication on 20th May 2021.

LVMH opposed registration on the basis of Article 30 of the Chinese Trademark Law. As per China National Intellectual Property Administration's (CNIPA) 2021 Trademark and Examination Guidelines, similar marks may be opposed registration if they are "identical or similar, which may cause confusion among the relevant public …… and [not when the mark merely] serves an ornamental or background element in the whole trademark…..".

LVMH Swiss successfully established the following elements in its opposition. First, that the "shield" was "an original creation and special design", and thus, highly distinctive. Second, all the above three combinations of the marks (*in the image above*) had been widely used "on the bezel, the crowns and wrist straps of many a watches", and had "a high reputation among consumers". And third, Cai had registered over 50 such trademarks with no genuine intention of using them. Instead, Cai had squatted these marks with the intention of selling them, and making a profit therein.

The CNIPA found value in LVMH Swiss' arguments, and accordingly, invalidated registration of the said marks.

News and Source: Lexology, 13 February 2023, available here. WTR, 5 December 2022, available here. Justia, available here.

5. Events

5.1 TILC's IP Talks on Copyright and Competition

In the forthcoming **TILC's IP Talks**, **Marie Cochet** shall speak on **Article 17 Copyright in the Digital Single Market Directive and Freedom of Expression** therein. Article 17 makes platforms directly liable for infringing content on their platforms. How does this impact platform behaviour? Can it lead to over-enforcement? This, is turn, shall be linked with the competition law aspects of the platform economy.

Dr. K. Tyagi shall chair the session.

Please bring your own lunch. Coffee and tea will be provided.

When: **6th March 2023 (12-13 hrs)**

Where: KAP2-0039

5.2 TILC's IP Talks on Patents and Competition

In the forthcoming **TILC's IP Talks**, **Jose Angel Duron Juliá** shall speak on the **Apple/AliveCor ECG patent dispute**. The discussion will deliberate on how the companies are fighting the battle for ultrasonic Electrocardiogram (ECG) heart monitoring-related patents? What are the distinct patent and competition law-related disputes therein? How will it impact the market for smart watches, and the future of that Smart Apple Watch that adorns our wrists (!)?

Dr. K. Tyagi shall chair the session.

Please bring your own lunch. Coffee and tea will be provided.

When: 20th March 2023 (12-13 hrs)

Where: KAP2-0039