

International Intellectual Property Law

MELVYN J. SIMBURG, CAROLINE BERUBE, SUSAN BRUSHABER, ALLISON COOK,
MANISH DHINGRA, ROBIN S. FAHLBERG, SOPHIE JIANG, CAROLINA KELLER JUPITZ,
CARLOS EDUARDO ELIZIARIO DE LIMA, MRITYUNJAY KUMAR, BENJAMIN LIU,
DANIEL MARUGG, ARIF MAHMOOD, BRUCE A. McDONALD,
MARIO COSAC O. PARANHOS, CHRISTIAN TERRUZZI, DAVID TAYLOR,
SAMEEP VIJAYVERGIYA, GREGORY VOSS, UCHE EWELUKWA, RALPH CATHCART,
AND MICHELLE WYNNE*

This article summarizes patent, trademark, domain name, and copyright international law developments in 2014.¹

I. Patents**

A. UNITED STATES

On June 30, 2014, the United States Patent and Trademark Office (USPTO) opened a permanent satellite office in Denver in continuation of a post-America Invents Act plan to open a permanent regional office in each continental U.S. time zone.² The Rocky Moun-

* Susan Brushaber, Reinhardt LLP, Denver, Colorado served as the editor for this 2014 review. Section editors are identified in each section.

1. For developments during 2013, see Melvyn J. Simburg et al., *International Intellectual Property Law*, 48 INT'L LAW. 213 (2014).

** Patents section editor: Robin Fahlberg, Caterpillar, Inc., Dunlap, Illinois. Authors: Allison Cook, Reinhardt LLP, Denver, Colorado (on the United States); Benjamin Liu, The John Marshall Law School, Chicago, Illinois and Sophie Jiang, Howard B. Rockman, P.C., Chicago, Illinois (on China); Daniel Marugg, Carolina Keller Jupitz, Altenburger Ltd., Zurich, Switzerland (on Switzerland); Bruce McDonald, Buchanan, Ingersoll & Rooney, Arlington, Virginia (on Russia); Manish Dhingra, Mrityunjay Kumar, Sameep Vijayvergiya, Dhingra & Singh, Attorneys at Law, Delhi, India (on India); Uche Ewelukwa, University of Arkansas School of Law, Fayetteville, Arkansas (on Africa); and Carlos Eduardo Elizario de Lima, Danneman Siemsen Biger & Ipanema Moreira, Sao Paulo, Brazil (on Brazil). The International Intellectual Property Rights Committee dedicates this contribution to the memory of co-contributor and Committee Vice Chair (Policy) Benjamin Liu, who passed away shortly after it was submitted for editing, on December 2, 2014. He will be sorely missed.

2. Press Release 14-21, USPTO, U.S. Patent and Trademark Office Opens Permanent Satellite Office in Denver, Colorado (June 30, 2014), <http://www.uspto.gov/news/pr/2014/14-21.jsp>.

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

196 THE YEAR IN REVIEW

tain Satellite Office, which will house 100 examiners and 20 administrative patent judges, is the first such office west of the Mississippi.³

The Supreme Court clarified the meaning of the definitiveness requirement in 35 U.S.C. §112 by holding that a patent is invalid for indefiniteness if its claims “fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention.”⁴ In a decision involving the patentability of software, the Supreme Court affirmed a Federal Circuit holding that implementation of abstract ideas on a computer is not enough to transform the idea into a patentable invention.⁵ The Court invalidated Alice Corporation’s patent claims for a computer-implemented electronic escrow service platform, finding that the claims are “drawn to the abstract idea of intermediated settlement,” and thus patent-ineligible under 35 U.S.C. §101.⁶

B. CHINA

The State Council published *Several Opinions on Accelerating the Development of Technology and Services Industries*⁷ (the Opinions) to support and encourage technology companies to expand their business outside of China. In particular, the State Council encouraged technology and services companies to form associations or leagues concerning technology, patents, and industrial standards in order to inspire innovation. The Opinions also encouraged foreign companies to set up branches or associate with local Chinese companies.

The number of patent lawsuits doubled in 2013 compared to 2006.⁸ Seventy-five percent of foreign plaintiffs prevailed compared to 63 percent of domestic plaintiffs.⁹ To assist judges of intellectual property cases, China is recruiting technology investigation officers to provide technology opinions to the judiciary.¹⁰

The country’s Patent Prosecution Highway Pilot Program with the United Kingdom, Iceland, and Sweden became effective on July 1, 2014, and will be in effect through June 30, 2016.¹¹

3. Michelle K. Lee, Deputy Under Secretary of Commerce for IP and USPTO Deputy Director, Denver Opening Remarks (June 30, 2014), http://www.uspto.gov/news/speeches/2014/lee_denveropening.jsp; *Denver, Colorado*, U.S. PAT. & TRADEMARK OFF., <http://www.uspto.gov/about-us/uspto-locations/denver-colorado> (last modified Feb. 11, 2015).

4. *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120, 2124 (2014).

5. *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014).

6. *Id.* at 2352.

7. Guowuyuan Guanyu Jiakuai Keji Fuwuye Fazhan de Ruogan Yijian (国务院关于加快科技服务业发展的若干意见) [Several Opinions on Accelerating the Development of Technology and Services Industries] (promulgated by the St. Council, Oct. 9, 2014, effective Oct. 9, 2014), http://www.gov.cn/zhengce/content/2014-10/28/content_9173.htm (China).

8. Woguo Zhuanli Shenqingliang Quanjie Dafu Lingxian (我国专利申请量全球大幅领先) [China’s Patent Applications Ranking Top on Numbers World Wide] (promulgated by the St. Intell. Prop. Off. of the P.R.C., Nov. 5, 2014), http://www.sipo.gov.cn/mtj/2014/201411/t20141105_1027468.html (China).

9. *Id.*

10. *Zhishi Chuanquan Fayuan Bushenli Xingshi Anjian* (知识产权法院不受理刑事案件) [Intellectual Property Courts Will Not Hear Criminal Cases], CHINA INVENTION & PAT. (Nov.3, 2014), <http://www.fmyzl.com/index.php?m=content&c=index&a=show&catid=53&id=375> (China).

11. Zhongying, Zhongbing, Zhongrui Zhuanli Shencha Gaosulu Shidian Jiangyu 2014 Nian 7 yue 1 ri qidong (中英·中冰·中瑞专利审查高速公路 (PPH) 试点将于2014年7月1日启动) [Britain, Iceland in the Swiss Patent Prosecution Highway (PPH) Pilot Will Start July 1, 2014] (promulgated by the St. Intell. Prop.

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

INTELLECTUAL PROPERTY 197

C. SWITZERLAND

In its March 19, 2014, decision (*Duty of the Patent Infringer to Render Profits*),¹² the Swiss Federal Patent Court (FPC) held, consistent with established case law, that the plaintiff in a patent infringement case may claim for the disgorgement of the infringer's profits provided the infringer acted in bad faith.¹³ Both Swiss literature and case law instruct that a person acts in bad faith if no inquiries are made despite the existence of doubts or suspicion that a defect of title exists.¹⁴ The FPC held in this particular case that the patent infringer had acted in bad faith in purchasing the infringing products in Taiwan, where it is generally known that intellectual property rights are not respected, without inquiring as to the legitimacy of the intellectual property rights prior to introducing the infringing products to the Swiss market.¹⁵

D. RUSSIA

Patent practice in Russia, like other legal and political relations, was dominated in 2014 by hostilities in Ukraine and increasing control of the courts by the executive branch.

Russian inventors were increasingly confronted by the requirement to file an application in Russia before seeking protection for an invention abroad. The preference among Russian inventors is to patent an invention in the United States first, if possible, due to the broader scope of claims in U.S. patents. The laws of both countries require an invention to be patented first in that country before protection is sought abroad. In response to a U.S. patent application, however, a "foreign filing license" is automatically issued along with the filing receipt for a U.S. patent application.¹⁶ If a foreign filing license is needed prior to the procurement of the filing receipt, or if a U.S. application is not contemplated, then there is an expedited procedure for issuance of a foreign filing license. In Russia, by contrast, investors reported in 2014 that enforcement of national security interests in sensitive technology appearing in patent applications was dominated by the state security apparatus and accompanied by the exercise of control and sometimes the appropriation of ownership in the invention.

E. BRAZIL

The Brazilian Patent and Trademark Office (BPTO) published Resolution 131/2014 on April 29, 2014, establishing the criteria for a new phase of a pilot program for fast-track examination of "green" inventions.¹⁷ Both normal and Patent Cooperation Treaty (PCT)

Off. of the P.R.C., June 6, 2014), http://www.sipo.gov.cn/zscqgz/2014/201406/t20140627_972290.html (China).

12. *WorldConnect AG v. Rusillon*, Tribunal federal da patentes [Federal Patent Court] Mar. 19, 2014, O2013_007, available at http://www.patentgericht.ch/fileadmin/entscheide/O2013_007_Urteil_140319.pdf (Switz.).

13. *Id.* para. 4.3.

14. *Id.*

15. *Id.*

16. 37 C.F.R. § 5.12 (2014).

17. Resolução No. 131, de 19 de Fevereiro de 2014, DIÁRIO OFICIAL DA UNIÃO [D.O.U.] de 20.2.2014 (Braz.).

SPRING 2015

**PUBLISHED IN COOPERATION WITH
SMU DEDMAN SCHOOL OF LAW**

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

198 THE YEAR IN REVIEW

national phase applicants may participate in the fast-track examination process without restriction as to filing date, provided no substantive office actions have issued.

To be eligible for the fast-track procedure, the invention or utility model must be directed to alternative energy, transportation, energy conservation, waste management, or agriculture as defined in the World Intellectual Property Organization (WIPO) green inventory. Eligible applications will have a maximum of fifteen claims with no more than three independent claims. The deadline for requesting admission to the pilot program is April 16, 2015. A maximum of five hundred applications will be accepted for the pilot program on a first come, first served basis.

The BPTO revised the rules regarding the payment of patent annuities to provide for strict penalties in the event of non-payment. Previously, the BPTO would issue a notice of non-payment and permit the patentee to request restoration. Under the revised rules, when two or more annual fees are not paid, the patent will be definitively shelved or lapse without the opportunity to apply for restoration.

F. INDIA

The Supreme Court of India clarified that a party seeking revocation of a patent should not be allowed to raise the same issue before different adjudicating forums. In the event of such multiple filings, the appropriate adjudicating forum will depend upon the date of institution of proceedings before the respective forums.¹⁸

Refusing to interfere with an Intellectual Property Appellate Board order, the Bombay High Court affirmed the granting of a compulsory license to Natco Pharmaceuticals Ltd. for the drug Nexavar, patented by Bayer Corporation.¹⁹ The Court held the evidence provided by Bayer did not satisfy the reasonable public requirement for the drug under section 84 of the Patents Act. Noting that “adequate extent” under the reasonable public requirement would vary from article to article, the Court reasoned “[so] far as luxury articles are concerned the meeting of [the] adequate extent test would be completely different from the meeting of [the] adequate extent test so far as medicines are concerned. In respect of medicines the adequate extent test has to be 100% i.e. to the fullest extent.”²⁰

G. AFRICA

The African Intellectual Property Organization (OAPI) joined the International Union for the Protection of New Varieties of Plants (UPOV) on June 10, 2014, becoming the second intergovernmental organization to accede to the UPOV Convention. Seventeen countries in Africa are part of the OAPI.²¹ The purpose of UPOV “is to provide and

18. See *Wobben v. Mehra*, Civil Appeal No. 6718 of 2013 (India 2014), available at <http://judis.nic.in/supremecourt/imgs1.aspx?filename=41553>.

19. See *Bayer Corp. v. Union of India*, Writ Petition No. 1323 of 2013 (Bombay H.C.), available at <http://bombayhighcourt.nic.in/generatenewauth.php?auth=cGF0aD0uL2RhdGEvanVkZ2VtZW50cy8yMDE0LyZmbmFtZT1PU1dQMTEyODEzLnBkZiZzbWZsYWc9TG> (India).

20. *Id.* at 38.

21. The seventeen Member Countries are: Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Equatorial Guinea, Gabon, Guinea, Guinea Bissau, Mali, Mauritania, Niger, Senegal, and Togo. The headquarters of OAPI is in Yaoundé, Cameroon. See ORGANISATION AFRICAINE DE LA PROPRIÉTÉ INTELLECTUELLE, <http://www.oapi.int> (last visited Mar. 29, 2015).

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

INTELLECTUAL PROPERTY 199

promote an effective system of plant variety protection, with the aim of encouraging the development of new varieties of plants, for the benefit of society.”²² In a press release, Mr. Francis Gurry, the Secretary-General of UPOV, observed that “[t]he accession of OAPI is a milestone in the history of UPOV and promises to help strengthen the system of plant variety protection around the world and to broaden international cooperation in this area.”²³

On April 25, 2014, the President of Seychelles assented to the country’s Industrial Property Act, 2014 (Act No. 7 of 2014).²⁴ The purpose of the Act is

[T]o provide for the adequate protection and enforcement of industrial property rights in order to encourage local inventive and innovative activities, stimulate transfer of foreign technology, promote foreign direct investment, create competitive business environment, discourage unfair practices, enhance free and fair practice and thereby foster socio economic development and for matters connected therewith or incidental thereto.²⁵

On August 13, 2014, Gambia ratified the Swakopmund Protocol on the Protection of Traditional Knowledge and Expressions of Folklore (the Protocol).²⁶ The Protocol was adopted within the framework of the seventeen-member African Regional Intellectual Property Organization (ARIPO). In the Protocol, Member States expressed concern “at the gradual disappearance, erosion, misuse, unlawful exploitation and misappropriation of traditional knowledge and expressions of folklore.”²⁷ One of the goals of the Protocol is to “protect traditional knowledge holders against any infringement of their rights as recognized.”²⁸ The Protocol defines protection criteria for traditional knowledge (section 4), the formalities relating to protection of traditional knowledge (section 5), the beneficiaries of protection of traditional knowledge (section 6), and the rights conferred to holders of traditional knowledge (section 7). The Protocol also addresses issues such as assignment and licensing (section 8), equitable benefit-sharing (section 9), exceptions and limitations applicable to protection of traditional knowledge (section 11), compulsory licensing (section 12), duration of protection of traditional knowledge (section 13), administration and enforcement of protection of traditional knowledge (section 14), and access to traditional knowledge associated with genetic resources (section 15).

22. INT’L UNION FOR PROTECTION NEW VARIETIES PLANTS, <http://www.upov.int/portal/index.html.en> (last visited Mar. 29, 2015).

23. Press Release, Union for the Protection of New Varieties of Plants, African Intellectual Property Organization (OAPI) Becomes Second Intergovernmental Organization to Join UPOV (June 10, 2014), <http://www.upov.int/export/sites/upov/news/en/pressroom/pdf/pr97.pdf>.

24. Industrial Property Act 7 of 2014 (S. Afr.).

25. *Id.*

26. *National Assembly Ratifies Swakopmund Protocol*, GAMBIA AFF. (Aug. 13, 2014), <http://gambiaaffairs.com/?p=1208>.

27. AFRICAN REG’L INTELLECTUAL PROP. ORG., SWAKOPMUND PROTOCOL ON THE PROTECTION OF TRADITIONAL KNOWLEDGE AND EXPRESSIONS OF FOLKLORE pmbL (2010).

28. *Id.* sec. 1.1

SPRING 2015

**PUBLISHED IN COOPERATION WITH
SMU DEDMAN SCHOOL OF LAW**

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

200 THE YEAR IN REVIEW

II. Trademarks*

A. UNITED STATES

In a cancellation proceeding brought by five Native Americans, the Trademark Trial and Appeal Board (TTAB) cancelled six registrations containing the words “redskin” or “redskinettes” on grounds of disparagement under Section 2(a) of the Lanham Act.²⁹ The defendant failed to persuade the TTAB that the marks, owned by the Washington Redskins football team, had acquired secondary or alternate meaning denoting a football team. The trademark owner has filed an appeal.³⁰ The same trademarks were cancelled by the TTAB in 1999³¹ but, on appeal, the D.C. Circuit Court of Appeals dismissed the case on the basis of the doctrine of laches, an affirmative defense rejected by the TTAB in the present case, without addressing the finding of disparagement on the merits.³²

The Supreme Court resolved a split among the federal circuit courts regarding the proper test for assessing standing for false advertising claims under the Lanham Act.³³ The Court rejected three separate circuit court interpretations and instead adopted a “zone of interest” test with a proximate cause requirement.³⁴ The “zone of interest” test gives standing for a cause of action for false advertising under the Lanham Act to anyone who suffers injury to a commercial interest in sales or business reputation proximately caused by the defendant’s misrepresentation.³⁵

The Ninth Circuit Court of Appeals held that section 37 of the Lanham Act does not create an independent cause of action for cancellation of a trademark.³⁶ The court confirmed the holding below that Section 37 of the Act “creates a remedy for trademark infringement rather than an independent basis for federal jurisdiction.”³⁷

** Trademarks section editor: Susan J. Brushaber, Reinhardt LLP, Denver, CO. Authors: Allison Cook, Reinhardt LLP, Denver, CO (on the United States and Europe); Daniel Marugg and Carolina Keller Jupitz, Altenburger Ltd., Zurich, Switzerland (on Switzerland); Caroline Berube, HJM Asia Law, Guangzhou, China (on China); Bruce A. McDonald, Buchanan Ingersoll & Rooney, Washington, D.C. (on Russia); Manish Dhingra, Mrityunjay Kumar, Sameep Vijayvergiya, Dhinra & Singh, Attorneys at Law, Delhi, India (on India); Uche Ewelukwa, University of Arkansas School of Law, Fayetteville, Arkansas (on Africa); Carlos Eduardo Elizario de Lima, Danneman Siesmen Biger & Ipanema Moreira, San Paolo, Brazil (on Brazil); and David Taylor, Hogan Lovells, Paris (on Domain Names).

29. *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080 (T.T.A.B. 2014). Section 2(a) provides, in part, that a trademark which “[c]onsists of or comprises . . . matter which may disparage or falsely suggest a connection with persons, living or dead” is not entitled to registration. 15 U.S.C. § 1052(a) (2012).

30. Erik Brady & Megan Finnerty, *Washington Redskins Appeal Decision to Cancel Trademark*, USA TODAY (Aug. 14, 2014 4:54 PM), <http://www.usatoday.com/story/sports/nfl/redskins/2014/08/14/washington-redskins-appeal-federal-trademark-registrations/14066527/>.

31. *Harjo v. Pro-Football, Inc.*, 50 U.S.P.Q.2d 1705 (T.T.A.B. 1999), *rev’d* 284 F. Supp. 2d 96 (D.D.C. 2003).

32. *Pro-Football, Inc. v. Harjo*, 415 F.3d 44 (D.C. Cir. 2005).

33. *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 134 S. Ct. 1377 (2014).

34. *Id.* at 1391–93.

35. *Id.* at 1395.

36. *Airs Aromatics, LLC v. Op. Victoria’s Secret Stores Brand Mgmt., Inc.*, 744 F.3d 595 (9th Cir. 2014). Section 37 allows for a court to order cancellation “[i]n any action involving a registered mark.” 15 U.S.C. § 1119 (2012).

37. *Airs Aromatics*, 744 F.3d at 599 (quoting *Nike, Inc. v. Already, LLC*, 663 F.3d 89, 98 (2d Cir. 2011)).

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

INTELLECTUAL PROPERTY 201

B. EUROPE

The Office for Harmonization in the Internal Market (OHIM) issued new guidelines regarding the time limit for providing evidence of proof of use requested of the opponent by the applicant in opposition proceedings.³⁸ The new guidelines provide OHIM with the discretion to accept evidence of use provided by the opponent even after the expiration of the two-month deadline, if the evidence “merely strengthens and clarifies” evidence of use filed before the deadline. But the OHIM has no discretionary power to accept evidence provided after this deadline if the opponent has not submitted any relevant evidence within the time limit.³⁹

The Court of Justice of the European Union (CJEU) allowed registration of Apple Inc.’s store design as a trademark for its services, finding that a representation of the layout of a retail store is registrable even when the mark is depicted as a design without dimension measurements, provided the mark is a clear and precise graphical representation and that the store design itself has sufficiently distinctive character.⁴⁰

In a case involving the validity of a Benelux trademark registration for the well-known Tripp Trapp children’s highchair, the CJEU provided guidance on the registrability of three-dimensional shape marks.⁴¹ The court held that the prohibitions of Directive 2008/95/EC (the Trade Marks Directive) on the registration of shapes resulting from the nature of the goods themselves and of shapes that give substantial value to the goods extend (i) to “shapes with essential characteristics which are inherent to the generic function” of such goods,⁴² and (ii) to circumstances where the shape provides significant aesthetic value to the goods, respectively.⁴³

C. SWITZERLAND

In *Harry Potter v. Harry Popper*, the Cantonal Court of the Canton of Schwyz (Cantonal Court) established the invalidity of the trademark “Harry Popper” due to its infringement of the trademark “Harry Potter.”⁴⁴ Citing a lack of jurisdiction, however, the Cantonal Court refused to address the concurrent damage claim raised by the U.S. trademark owner.⁴⁵ The Swiss Federal Supreme Court (FSC) held that such a refusal was a violation of Swiss international private law and partially approved the claimant’s appeal. The FSC

38. OFFICE FOR HARMONIZATION IN THE INT’L MKT. [OHIM], GUIDELINES FOR EXAMINATION IN THE OFFICE, pt. C, sec. 6, para 3.3.1 (2014).

39. *Id.*

40. Case C-421/13, *Apple Inc. v. Deutsches Patent-und Markenamt* (July 10, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=154829&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=323865>.

41. Case C-205/13, *Hauck GmbH & Co. KG v. Stokke A/S* (Sept. 18, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=157848&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=326586>.

42. *Id.* at para. 25.

43. *Id.* at paras. 26–35.

44. *Harry Potter v. Harry Popper*, Bundesgericht [BGer] [Federal Supreme Court] Nov. 7, 2013, docket no. 4A_224/2013 (Switz.), available at <http://www.bger.ch>.

45. *Id.*

SPRING 2015

**PUBLISHED IN COOPERATION WITH
SMU DEDMAN SCHOOL OF LAW**

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

202 THE YEAR IN REVIEW

advised the Cantonal Court to take evidence of respondent's sales as well as distribution of the disputed products in the Canton of Schwyz without time limitation.⁴⁶

In *UBS AG vs. Keytrade Bank SA*, the FSC established that although "Keytrader" is not an English term, it is descriptive because it evokes in the minds of the relevant public, namely the predominant part of the Swiss population with regard to services in the financial industry and related software, the connotation of a particular important financial trader.⁴⁷ The FSC concluded that "keytrader" is descriptive with regard to financial services in Switzerland.⁴⁸

D. CHINA

The volume of trademark applications received by the China Trademark Office (CTMO) is increasing. According to the CTMO record, there were 426,372 trademark applications in the first quarter of 2014 compared to 349,875 trademark applications in the first quarter of 2013.⁴⁹ Applicants who wish to apply for a trademark in China must now follow the classes prescribed under the *Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks* (the revised 10th version), which came into effect in China on January 1, 2014.⁵⁰

The Implementing Regulations of the Trademark Law of the PRC went into effect on May 1, 2014.⁵¹ Key provisions include Article 78, which provides factors for the calculation of illegal business income including, inter alia, the selling price of infringing goods, the marked price of infringing goods unsold, the average selling price of confirmed sales of infringing goods, the middle market price of infringed goods, and the operating revenue received.⁵²

The revised Provisions on the Identification and Protection of Well-Known Trademarks became effective on August 3, 2014. The definition of "relevant public" has been clarified to include consumers related to the commodities or services indicated by the

46. *Id.* para. 2.3.

47. *UBS AG v. Keytrade Bank SA*, Bundesgericht [BGer] [Federal Supreme Court] June 27, 2014, docket no. 4A_38/2014, para. 3.5.4 (Switz.), available at <http://www.bger.ch>.

48. *Id.*

49. See 2014nián Gèshěng, Zìzhìqū, Zhìxiáshì Shāngbiāo Shēnqǐng Yǔ Zhùcè Tǒngjì Biǎo (2014 年各省、自治区、直辖市商标申请与注册统计表) [Statistics for Trademark Application and Registration in First Quarter of 2014], ST. ADMIN. FOR INDUSTRY & TRADEMARK OFF., <http://sbj.saic.gov.cn/tjxx/201404/W020140422489297071061.pdf> (last visited Mar. 29, 2015);

2013nián Gèshěng, Zìzhìqū, Zhìxiáshì Shāngbiāo Shēnqǐng Yǔ Zhùcè Tǒngjì Biǎo (2013 年各省、自治区、直辖市商标申请与注册统计表) [Statistics for Trademark Application and Registration in First Quarter of 2013], ST. ADMIN. FOR INDUSTRY & TRADEMARK OFF., <http://sbj.saic.gov.cn/tjxx/201305/W020130702338644709662.pdf> (last visited Mar. 29, 2015).

50. See generally *Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks*, June 15, 1957, available at http://www.wipo.int/treaties/en/text.jsp?file_id=287532.

51. *Zhōnghuá Rénmín Gònghéguó Shāngbiāo Fǎ Shíshī Tiáolì* (中华人民共和国商标法实施条例) [People's Republic of China Trademark Law Implementing Regulations] (promulgated by the St. Council, Apr. 29, 2014, effective May 1, 2014), http://sbj.saic.gov.cn/sbyw/201405/t20140504_144622.html.

52. *Id.* art. 78.

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

INTELLECTUAL PROPERTY 203

trademark, manufacturers of the commodities, or other operators providing the relevant services, and the sellers and the related persons involved in the marketing channels.⁵³

A key recent case related to a well-known trademark concerned the use of “Mingdian” (名典) and “Mingdian Coffee Yucha” (名典咖啡语茶) in the store operated by Jiangsu Rugao Mingdian Coffee Yucha Co., Ltd.⁵⁴ The Court rejected the defendants’ arguments that the characters and patterns they were using were different from those used by the trademark owner in terms of font, character pattern, design, color and letters. The court found that “Mingdian Coffee Yucha” could easily cause the relevant public to confuse the service provider with the trademark owner or establish a connection between the service provider and the trademark owner and that such use constituted infringement.⁵⁵

The Supreme People’s Court of the PRC released *Provisions on the Jurisdiction of Intellectual Property Courts in Beijing, Shanghai, and Guangzhou*, which became effective on November 3, 2014.⁵⁶ Intellectual property courts will now be set up in Beijing, Shanghai, and Guangzhou for administrative actions related to copyrights, trademarks, and unfair competition, and civil cases involving the identification of well-known trademarks.

E. RUSSIA

Trademarks and unfair competition dominated the attention of the newly established Russian Court of Intellectual Property in 2014, and requests were distributed regularly by the Court to its sixty-seven-member Advisory Council (*nauchno-tekhnicheskii konsultativnii soviet*) requesting comments on the formulation of standards, guidelines, and interpretive rulings involving the definition of unfair competition and the measurement of damages under particular facts. The single American member of the Advisory Council submitted an analysis of the constitutional issues raised by the exercise of the judicial power in this manner.⁵⁷ In his analysis, the American member raised the following issues: (1) whether the “promulgation of interpretive rulings by the Court outside the confines of a particular case or controversy . . . [constitutes] a primarily legislative and rulemaking function for which the parliamentary and executive branches of the government are more uniquely enabled;” (2) whether the promulgation of such rulings may subsequently restrict the authority and discretion of the Court to decide a case based only on the application of laws passed by the parliament, and regulations issued by the executive branch, to the facts of that case;” and (3) whether the real or attempted exercise of such power by the judiciary was best calculated to “protect and preserve the authority of the Court within the framework of the constitutional government.”⁵⁸

53. Chiming Shangbiao Rending Hé Baohù Guiding (驰名商标认定和保护规定) [Provisions on the Identification and Protection of Well-Known Trademarks] (promulgated by St. Admin. for Industry & Commerce, July 3, 2014, effective Aug. 3, 2014) art. 2, http://sbj.saic.gov.cn/sbyw/201407/t20140711_146664.html.

54. Cite case

55. More on the case can be found at http://www.legalstudio.com/site/subscriber_ipit/ipit_brief.aspx?ubrief_id=15091&lang=c.

56. Linz (最高人民法院关于北京、上海、广州知识产权法院案件管辖的规定) [Provisions on the Jurisdiction of Intellectual Property Courts in Beijing, Shanghai, and Guangzhou] (promulgated by the Sup. People’s Ct., Oct. 27, 2014, effective Nov. 3, 2014) <http://www.chinacourt.org/law/detail/2014/10/id/147980.shtml>.

57. Memorandum, Bruce A. McDonald, Remedies for Intellectual Property Infringement (Dec. 1, 2014), <http://www.bipc.com/files/media/misc/ffae47106237ed52584e1556ecb7c748.pdf>.

58. *Id.*

SPRING 2015

**PUBLISHED IN COOPERATION WITH
SMU DEDMAN SCHOOL OF LAW**

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

204 THE YEAR IN REVIEW

F. INDIA

In an important ruling concerning amendment of trademark applications, the Delhi High Court ruled that the Registrar of Trademarks shall decide the applications for amendment on a case-by-case basis and struck down the office order by the Controller General of Patents, Designs and Trademarks that made certain amendments impermissible.⁵⁹ The Court held that the powers vested in the Registrar of Trademarks are quasi-judicial in nature and that the Trademarks Act confers on the Registrar of Trademarks the power to permit the correction of “any error” in or in connection with the application or permit an amendment of the application. The Controller General cannot issue a general order in the nature of a guideline to define which amendments are impermissible.

Accepting the cross border notoriety of “Bloomberg,” the Delhi High Court enjoined defendants, who had incorporated approximately twenty companies using “Bloomberg” in their corporate names, from infringing Bloomberg’s trademark and passing off their goods and services as that of Bloomberg.⁶⁰ The Court said “[t]he fact that within a short span of time the Defendants went on a spree of registration of companies using BLOOMBERG as part of the corporate name shows that they were trying to encash on the goodwill and reputation attached that mark.”⁶¹

G. AFRICA

Plans are in the works for a framework for cooperation between the State Administration for Industry and Commerce (SAIC) of the Peoples’ Republic of China and the African Regional Intellectual Property Organization (ARIPO). On September 8, 2014, during a visit to ARIPO’s Headquarters, the Vice Minister of SAIC and the Director of ARIPO signed a Memorandum of Understanding to establish a general framework for bilateral cooperation between the Parties.⁶²

On March 14, 2014, in the High Court of South Africa, Tiasho Pharmaceutical Co. prevailed in a trademark opposition hearing brought by Aloe Vera of America.⁶³ Aloe, an American company, is the proprietor in South Africa of a registered device trademark depicting an eagle in classes 5 and 32 in relation to various goods and services. Aloe’s mark was registered in 2007.⁶⁴ Tiasho, a Japanese company, applied for trademark registration in overlapping categories in South Africa in 2009. Tiasho’s trademark also depicted an eagle. On November 24, 2010, Tiasho’s trademark applications were published

59. See Intellectual Prop. Att’y’s Ass’n v. Union of India, W.P.(C) No. 3679/2014 (Delhi H.C.), available at <http://lobis.nic.in/dhc/RSE/judgement/15-10-2014/RSE09102014CW36792014.pdf> (India).

60. Bloomberg Finance LP v. Saklecha, IA No. 17968/2012 (Delhi H.C.), available at <http://lobis.nic.in/dhc/SMD/judgement/11-10-2013/SMD11102013IA179682012.pdf> (India).

61. *Id.* para. 55.

62. Visit to ARIPO Office by the Honourable Liu Yuting, Vice Minister of the State Administration for Industry and Commerce, on September 8, 2014, AFRICAN REGIONAL INTELL. PROP. ORG., <http://www.aripo.org/index.php/news-events/press-room/343-visit-to-aripo-office-by-the-honourable-liu-yuting-vice-minister-of-the-state-administration-for-industry-and-commerce-on-september-8-2014> (last visited Mar. 30, 2015).

63. *Aloe Vera of Am. Inc. v. Tiasbo Pharm. Co.* 2014 ZAGPPHC 12 (GNP) (S. Afr.).

64. *Id.* para. 6.

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

INTELLECTUAL PROPERTY 205

for opposition in the Patent Journal.⁶⁵ Aloe opposed the registration relying on section 10 (14) of the Trademarks Act No. 194 of 1993, which provides:

Subject to the provisions of Section 14, a mark which is identical to a registered trade mark belonging to a different proprietor or so similar thereto that the use thereof in relation to goods or services in respect of which it is sought to be registered and which are the same as or similar to the goods or services in respect of which such trade mark is registered, would be likely to deceive or cause confusion, unless the proprietor of such trade mark consents to the registration of such mark.⁶⁶

In deciding whether Tiasho's mark was likely to deceive or cause confusion, the court considered a number of factors, one of which was the visual and conceptual similarity of the marks. Ultimately, the court concluded that the two eagles were "not of such a degree of similarity as to give rise to the likelihood of consumer deception or confusion"⁶⁷

The court's reasoning was supported with an overarching policy against monopolies. The court acknowledged that Aloe, a multi-billion dollar operation on a global scale and well-known in many countries, had acquired a significant reputation and goodwill in its mark, with five branches in South Africa and over 500,000 authorized distributors.⁶⁸ But the court concluded that these facts did not entitle it to monopolize the depiction of an eagle as its trademark. In its opinion, the court noted that Aloe "cannot claim a monopoly on the use of an eagle—irrespective of the manner in which it is depicted—within the classes in which [Aloe's] trade mark device is registered. To hold otherwise would . . . be tantamount to sanctioning the creating of a monopoly"⁶⁹

On July 2, 2014, a High Court of South Africa rendered an opinion in a passing-off claim in *Discovery Holdings Ltd. v. Sanlam Ltd.*⁷⁰ Discovery Holdings Ltd. (Discovery), which operates health and insurance, life insurance, financial services, and wellness, brought suit against Sanlam Ltd (Sanlam), a direct competitor, seeking to block Sanlam's application to register a mark that it claimed was confusingly similar to Discovery's registered mark, "ESCALATOR FUNDS" in class 36. Sanlam had filed an application to register "SANLAM ESCALATING FUND" in the same class. Sanlam brought a counter-application seeking to remove Discovery's trademark from the trademark register.⁷¹

After a thorough analysis of the words "escalator," "escalating," and "fund," the Court held that Discovery's mark "ESCALATOR FUNDS" "is devoid of any distinctive character," "is descriptive of the services in question," "is incapable of fulfilling the essential indication of origin function of a trade mark," and "had not acquired distinctiveness in relation to the services of the applicant."⁷² Due to the descriptive nature of the industry to which both parties subscribe, "the applicant can . . . not claim a monopoly of these terms to the exclusion of other traders who are entitled to offer products with the same obvious

65. *Id.* para. 9.

66. *Id.* para. 15 (quoting Trade Marks Act 194 of 1993 § 10(14) (S. Afr.)).

67. *Id.* para. 35.

68. *Id.* paras. 10–11.

69. *Id.* para. 38.

70. *Discovery Holdings Ltd. v. Sanlam Ltd.* 2014 ZAWCHC 109 (S. Afr.).

71. *Id.* para 9.

72. *Id.* para. 83.

SPRING 2015

**PUBLISHED IN COOPERATION WITH
SMU DEDMAN SCHOOL OF LAW**

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

206 THE YEAR IN REVIEW

features,” the Court observed.⁷³ The Court subsequently ruled that Discovery’s mark be cancelled.

On April 25, 2014, the President of Seychelles assented to the country’s Industrial Property Act, 2014 (Act No. 7 of 2014).⁷⁴ Part VI of Act No. 7 of 2014 is titled “Mark, Certification Mark, Collective Mark, Trade Name and Geographical Indications,” and Part VII is titled “Unfair Competition and Undisclosed Information.” Part VI is divided into seven chapters: Acquisition of Exclusive Rights in a Trade Mark and its Registration (Chapter 1); Procedures for Registration of Mark (Chapter 2); Rights Conferred by Registration, Duration and Renewal of Registration (Chapter 3); Renunciation, Removal and Invalidation of a Registered Mark (Chapter 4); Collective Marks, Certification Marks and Trade Names (chapter 5); Special Provisions relating to Licenses and Assignments of Marks (Chapter 6); and Geographical Indications (Chapter 7).

H. BRAZIL

Following the release in 2013 by the Brazilian Patent and Trademark Office (BPTO) of a resolution regulating the recognition of highly renowned trademarks in Brazil, the Ministry of Development, Industry and Foreign Trade publicized the official fees that will be charged by the BPTO in connection with the requests for examination of potential highly renowned trademarks as of February 7, 2014.⁷⁵ The fees, which range from US \$14,500 to US \$16,000, are considerably higher than expected.⁷⁶ Pending applicants that confirmed their willingness to have their requests examined by June 11, 2014, were charged reduced fees of US \$300 to US \$400.

In Resolution No. 136/2014,⁷⁷ the BPTO announced that all trademark registration certificates, including renewal certificates, will issue in digital format only. For legal purposes, the digital certificate will have the same validity as the former paper certificates. The certificates will be made available online and will have a digital certificate to prove authenticity. Access will be limited to the registration owner and its attorney. Not only will the digitalization of registration certificates improve bureaucratic efficiency, it will reduce administrative costs and have a positive impact on the environment.

I. DOMAIN NAMES

2014 marks yet another pivotal year for the Internet, with the Internet Corporation for Assigned Names and Numbers (ICANN) achieving several key milestones, including the delegation of over 400 new generic Top Level Domains (gTLDs) more than five years after the inception of the new gTLD program by ICANN in June 2008.⁷⁸ Several key milestones were reached by the end of ICANN’s 49th Meeting in Singapore, including the approval of a Registry Agreement Specification 13 for .BRAND category of applicants

73. *Id.* para. 85.

74. Industrial Property Act 7 of 2014 (S. Afr.).

75. Portaria No. 27, de 6 de Fevereiro de 2014 (Braz.).

76. The fees were also published in the schedule to Resolution 129, issued on March 10, 2014. Resolução No. 129, de 10 de março de 2014, DIÁRIO OFICIAL DA UNIÃO [D.O.U.] de 11.3.2014 (Braz.).

77. Resolução No. 136, de 25 de abril de 2014 (Braz.).

78. See *Delegated Strings*, ICANN, <http://newgtlds.icann.org/en/program-status/delegated-strings> (last visited Mar. 30, 2015).

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

INTELLECTUAL PROPERTY 207

and the publication of the long awaited first Community Priority Evaluation (CPE) results for four applications: .IMMO, .TAXI, .TENNIS, and .MLS (although none of these applications prevailed).⁷⁹

Domain name registrations across all new gTLDs launched surpassed three million, with 3,095,956 domain name registrations at the time of writing. The top five gTLDs are: .XYZ, .BERLIN, .CLUB, .REALTOR and .WANG (“website” in Chinese).⁸⁰

The number of domain name registrations continues to grow exponentially, with 276 million domain name registrations across all TLDs, representing a growth of 19.3 million or 7.5 per cent year over year, as reported by Verisign.⁸¹ Of these 275 million registered domain names, 127.1 million domain names were country code Top Level Domains (ccTLDs).⁸² According to the most recent statistics, the five top ccTLDs out of the 283 existing ccTLDs are .TK (Tokelau), .DE (Germany), .UK (United Kingdom), .CN (China), .RU (Russian Federation), and .NL (Netherlands).⁸³ The top ten ccTLDs together represent 65.8 percent of all ccTLD domain name registrations worldwide. Many registries are now allowing registration of domain names directly under the ccTLD.⁸⁴

The introduction of the new gTLDs will have major implications for brand owners across the globe, particularly with regard to defining a suitable strategy to protect brands at the second level under each new gTLD. While the new gTLD initiative constitutes an invaluable opportunity for brand owners to promote their key brand and areas of business, it also provides abundant opportunities for cybersquatters. ICANN introduced Rights Protection Mechanisms (RPMs) that new gTLD registries are required to implement, such as the Trademark Clearinghouse (TMCH), the Uniform Rapid Suspension System (URS), and Post-Delegation Dispute Resolution Procedures (PDDRP).⁸⁵ As of September 16, 2014, 32,993 trademarks from 103 countries and covering 199 jurisdictions have been registered with the TMCH.⁸⁶ Since the first URS case was filed in 2013, over 150 URS complaints have been filed before the National Arbitration Forum (NAF), with over 80 percent cases resulting in a decision to suspend.⁸⁷

The number of domain name disputes remains strong in 2014 though slightly down from previous years. Taking the WIPO as an example, since 2003 when only 1,100 cases were filed, the number of disputes filed since has been increasing year on year, with over

79. See *Community Priority Evaluation (CPE)*, ICANN, <http://newgtlds.icann.org/en/applicants/cpe#invitations> (last updated Mar. 13, 2015); *Approval of Registry Agreement Specification 13 for Brand Category of Applicants*, ICANN, <https://features.icann.org/approval-registry-agreement-specification-13-brand-category-applicants> (last visited Mar. 30, 2015).

80. Roger Kay, *Why, Even after a Year, There's Still No Land Grab for New Internet Domains*, FORBES (January 22, 2015, 9:31 AM), <http://www.forbes.com/sites/rogerkay/2015/01/22/why-even-after-a-year-theres-still-no-land-grab-for-new-internet-domains>.

81. *The Domain Name Industry Brief*, VERISIGN, August 2014, at 2.

82. *Id.*

83. *Id.* at 4.

84. *Id.*

85. See *generally Rights Protection Mechanism Requirements Published*, ICANN (Sept. 30, 2013), <http://newgtlds.icann.org/en/announcements-and-media/announcement-30sep13-en>.

86. *TMCH Stats September 16th*, TRADEMARK CLEARINGHOUSE (Sept. 19, 2014), <http://www.trademark-clearinghouse.com/content/tmch-stats-september-16th>.

87. See *Domain Name Dispute Proceedings and Decisions*, FORUM, <http://www.adrforum.com/SearchDecisions> (last visited Mar. 30, 2015).

SPRING 2015

PUBLISHED IN COOPERATION WITH
SMU DEDMAN SCHOOL OF LAW

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

208 THE YEAR IN REVIEW

2,000 cases filed every year for the last five years.⁸⁸ In 2012, the number of disputes filed reached an all-time high of 2,884 cases, compared to 2,585 cases in 2013, 2,764 cases in 2011, and 2,107 in 2009.⁸⁹ The number of disputes filed in 2014 may not reach similar heights, as only 2,226 cases had been filed at the time of writing (early November). Many trademark owners have opted to file URS cases, as opposed to UDRPs, although the remedy available under the URS is merely a suspension (as opposed to a transfer). In addition, many disputes under the UDRP do not even reach the filing stage, and so the number of disputes filed with dispute resolution service providers is only the tip of the iceberg. Cybersquatting thus remains a significant problem for rights holders, particularly now that over 400 new gTLDs have been delegated into the root and many of these have gone live.

III. Copyright*

A. UNITED STATES

In a stunning reversal, the Federal Circuit Court held that the lower court erred when it dismissed Oracle's claim of copyright infringement of its popular Java computer program by Google's Android software for smart phones.⁹⁰ The Federal Circuit Court determined that Google could have chosen any number of different ways to write the declaration lines of the source code,⁹¹ but chose to copy them.⁹² The Federal Circuit Court further held that the lower court erred in finding the Merger Doctrine applicable, insofar as it considered the options available to Google at the time of infringement rather than the options available to Oracle at the time of its creation.⁹³ Regarding the application programming interfaces (APIs), the Federal Circuit instructively noted that copyright protects "the *expression* of [a] process or method."⁹⁴ Thus, even if an API may be characterized as a "system or method of operation," it could embody copyrightable expression, and Google replicated the overall structure, sequence, and operation of the thirty-seven JAVA API packages.⁹⁵ The Federal Circuit found that Google's "interoperability" argument was not relevant to the issue of copyrightability, but rather to a fair use defense.⁹⁶ The Federal

88. *Total Number of Cases per Year*, WORLD INTEL. PROP. ORG., <http://www.wipo.int/amc/en/domains/statistics/cases.jsp> (last visited Mar. 30, 2015).

89. *Id.*

* Authors: United States: Ralph H. Cathcart, Ladas & Parry LLP, New York, NY; European Union: Gregory Voss, Toulouse University, Toulouse Business School, Toulouse, France; Switzerland: Daniel Marugg Daniel Marugg and Carolina Keller Jupitz, Altenburger Ltd., Zurich, Switzerland; China: Caroline Berube, HJM Asia Law & Co., LLC, Guangzhou Guangdong, China; Africa: Uche Ewelukwa, University of Arkansas School of Law, Fayetteville, AR; Brazil: Carlos Eduardo Elizario de Lima and Mario Cosac O. Paranhos, Danneman Siemsen, São Paulo, Brazil; and India: Manish Dhingra, Dhingra & Singh, Delhi, India.

90. *Oracle Am., Inc. v. Google Inc.*, 750 F.3d 1339, 1381 (Fed. Cir. 2014).

91. *Id.* at 1361.

92. *Id.* at 1353.

93. *Id.* at 1361 (citing *Apple Computer, Inc. v. Formula Int'l., Inc.*, 725 F.2d 521, 524 (9th Cir. 1984)).

94. *Id.* at 1366 (emphasis added) (quoting *Atari Games Corp. v. Nintendo of Am., Inc.*, 975 F.2d 832, 839 (Fed. Cir. 1990)).

95. Protecting the "expression" of the idea does not violate the Copyright Act's prohibition of extending copyright protection for a "method of operation" as set forth at 17 U.S.C. Section 102(b).

96. *Oracle Am., Inc.*, 750 F.3d at 1368-72.

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

INTELLECTUAL PROPERTY 209

Circuit concluded “that the declaring code and the structure, sequence, and organization of the 37 Java API packages at issue are entitled to copyright protection” and remanded the case to the district court for further consideration of Google’s fair use defense.⁹⁷

In a case of first impression, the Supreme Court considered whether the equitable defense of laches may bar relief on a copyright infringement claim brought within the applicable statute of limitations.⁹⁸ In *Petrella v. Metro-Goldwyn-Mayer, Inc.*, the Supreme Court ruled that laches could not be used as a complete bar to a claim for injunctive and monetary damages brought within the Copyright Act’s three-year statute of limitations.⁹⁹ At issue was the motion picture *Raging Bull*, about former boxer Jake LaMotta, portrayed by Robert DeNiro. In 1963, Jake LaMotta and Frank Petrella wrote a screenplay about LaMotta’s career. In 1976, the pair assigned their rights, including renewal rights, which were ultimately acquired by Metro-Goldwyn-Mayer’s (MGM) subsidiary. Their work was subsequently adapted into the critically acclaimed motion picture in 1980. Because Frank Petrella died during the initial twenty-eight-year copyright term applicable under the pre-1976 Copyright Act, his rights reverted to his surviving daughter,¹⁰⁰ who timely filed renewals for the original work and became the sole owner thereof in 1991.¹⁰¹

B. EUROPEAN UNION

On February 26, 2014, the Directive on Collective Management of Copyright and Related Rights and Multi-Territorial Licensing of Rights in Musical Works for Online Uses in the Internal Market (Directive 2014/26/EU), proposed in 2012, was adopted, implementing part of the European Commission’s blueprint on intellectual property.¹⁰² Directive 2014/26/EU now refers to a “collective management organizations” (instead of “collecting societies”), and adds the condition that such organization must be on a not-for-profit basis in order to fit the definition.¹⁰³ These are then distinguished from “independent management entities,” which are not owned or controlled by their right holders and are for-profit,¹⁰⁴ although still subject to certain transparency and other obligations when established in the EU.¹⁰⁵ The Directive provides additional rights to right holders, by comparison with the original proposal, such as the right to grant non-commercial licenses,¹⁰⁶ to receive payments sooner—within nine months from the end of the financial

97. *Id.* at 1381.

98. *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1962 (2014).

99. *Id.* at 1978.

100. *Id.* at 1971.

101. *Id.*

102. Directive 2014/26, of the European Parliament and of the Council of 26 February 2014, 2014 O.J. (L 84) 72. For a discussion of the Proposal of this Directive see Melvyn J. Simburg et al., *International Intellectual Property Law*, 47 INT’L LAW. 213, 226–27 (2013).

103. Directive 2014/26, art. 3(a), at 82.

104. *Id.* art. 3(b), at 82.

105. *Id.* art. 2(4), at 82.

106. *Id.* art. 5(3), at 83.

SPRING 2015

PUBLISHED IN COOPERATION WITH
SMU DEDMAN SCHOOL OF LAW

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

210 THE YEAR IN REVIEW

year when collected, rather than twelve months¹⁰⁷—in addition to rights involving governance and non-discrimination.¹⁰⁸

C. SWITZERLAND

In a matter involving a respondent who operates a document delivery service for scientific papers, the Commercial Court of the Canton of Zurich (CCZ) had to decide whether the complete or substantial copying of an article within a work (e.g., a scientific magazine or educational book) falls under the legal term “complete or substantial copying of a work” and was therefore not permitted under Article 19, paragraph 3, subsection a of the Federal Act on Copyright and Related Rights (FAC).¹⁰⁹ According to the article, the complete or substantial copying of a work obtainable commercially is not permitted other than for personal use of a work or use within a circle of persons closely connected to each other, such as relatives or friends.¹¹⁰ The CCZ held that this legal term had to be interpreted along with the modern technical developments in media, and made an analogy to the music industry where it is common that users buy only one song out of a compilation.¹¹¹ The CCZ therefore held that the complete or substantial copying of a single (scientific) article out of a compilation obtainable commercially is not permitted.¹¹²

D. CHINA

The Copyright Law of the People’s Republic of China has not been revised since April 1, 2010. The third consultation draft is still pending. According to Article 3 of the second consultation draft, an author’s “works” include: writings, oral works, music, screenplays, *quyi* (traditional art), choreography, fine art, art, practical art, design, photography, video and audio, graphics, three-dimensional art, computer programs, literature, artwork, and scientific and technology works.¹¹³

A case involving comic strip artists who mailed over 1,300 pieces of comic strips for the *Water Margin* Sequel series to an art publishing house in 1986 is still significant.¹¹⁴ The artists were informed that their comic strip could not be published as it was discovered that it had already been printed twice by the publishing house without their authorization.

107. *Id.* art. 13(1), at 87.

108. See Press Release, European Parliament, Collective Management of Copyright: EP and Council Strike a Deal (Nov. 5, 2013), <http://www.europarl.europa.eu/news/en/news-room/content/20131105IPR23815/html/Collective-management-of-copyright-EP-and-Council-strike-a-deal>.

109. Handelsgericht des Kantons Zürich [Commercial Court of the Canton of Zurich] Apr. 4, 2014, docket no. HG110271, *available at* http://www.gerichte-zh.ch/fileadmin/user_upload/entscheide/oeffentlich/HG110271-O10.pdf (Switz.).

110. See Urheberrechtsgesetz [Federal Act on Copyright and Related Rights], Oct. 9, 1992, SR 231.1, *available at* http://www.admin.ch/ch/e/rs/231_1/index.html.

111. Handelsgericht des Kantons Zürich [Commercial Court of the Canton of Zurich] Apr. 4, 2014, docket no. HG110271, paras. 2.6.2.3.2, 2.6.2.3.3 (Switz.).

112. *Id.* paras. 2.6.2.4, 2.6.2.5.

113. Guānyú Zhōnghuá Rénmín Gònghéguó Zhù Zuò Quán Fǎ (Xiūgǎi Cǎo'àn dì èr Gǎo) Gōngkāi Zhēngqiú Yìjiàn de Tōngzhī (关于《中华人民共和国著作权法》(修改草案第二稿)公开征求意见的通知) [Notice of Public Comment on the Copyright Law of the People’s Republic of China (modified second draft)], Nat’l Copyright Admin. PRC (July 6, 2012), <http://www.ncac.gov.cn/cms/html/309/3502/201207/759779.html> (China).

114. Case

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

INTELLECTUAL PROPERTY 211

The Yangpu District People's Court ruled that the publishing house had infringed the artists' copyright and that the publishing house should compensate the authors for their economic losses of RMB 165,000 and for their legal fees, notarial fees and other reasonable litigation expenses of more than RMB 12,000.¹¹⁵

E. INDIA

The Delhi High Court held that the defense of "copyright misuse" was neither available in a suit for a permanent injunction from infringing a plaintiff's copyright nor in an action for damages for copyright infringement.¹¹⁶ Refusing to accept American jurisprudence, the Court stated that the concept of "copyright misuse" had no statutory support under Indian law. The Court noted that recognizing the defense of copyright misuse would be "tantamount to making copyright a conditional right i.e. a right subject to being not misused and / or a right enforcement whereof can be suspended upon the right being found to be misused and which is not as per its definition in Section 14¹¹⁷ and would further be tantamount to adding to / subtracting from the definition in Sections 51¹¹⁸ and 52¹¹⁹ of what constitutes and what does not constitute infringement."¹²⁰

On June 30, 2014, India became the first country to ratify the Marrakesh Treaty to facilitate access to published works for persons who are blind, visually impaired, or otherwise print-disabled.¹²¹ So far, seventy-nine WIPO member states have signed the Marrakesh Treaty, which will come into force once twenty countries have ratified it. The main goal of the Marrakesh Treaty is to create a set of mandatory limitations and exceptions for the benefit of the blind, visually impaired, and otherwise print-disabled (VIPs). It addresses the "book famine" by requiring its contracting parties to adopt national law provisions that permit the reproduction, distribution, and making available of published works in accessible formats—such as Braille—to VIPs and to permit exchange of these works across borders by organizations that serve those beneficiaries.

F. BRAZIL

Brazil enacted Law No. 12,965/2014 on April 23, 2014, establishing the Brazilian Internet Civil Regulatory Framework (BICRF).¹²² In order to defend network neutrality and the competitive market in the Internet environment, the BICRF states that the party responsible for transmission, switching, or routing has the duty to process all data packages on an isonomic basis, regardless of content, origin and destination, service, terminal, or application. Rather than permitting an economic agent (competitor) to pay more for

115. More on the case can be found at: http://www.legalstudio.com/site/subscriber_ipit/ipit_brief.aspx?ubrief_id=15051&lang=c.

116. *Tekla Corp. v. Ghosh*, CS(OS) 2414/2011 (Delhi H.C.), available at <http://lobis.nic.in/dhc/RSE/judgement/16-05-2014/RSE16052014S24142011.pdf> (India).

117. See Indian Copyright Act, No. 14 of 1957, sec. 14.

118. See *id.* sec. 51.

119. See *id.* sec. 52.

120. *Tekla Corp.*, para. 14.

121. See Press Release, World Intellectual Property Organization, India Is First to Ratify "Marrakesh Treaty" Easing Access to Books for Persons Who Are Visually Impaired (June 30, 2014), http://www.wipo.int/pressroom/en/articles/2014/article_0008.html.

122. Lei No. 12.965, de 23 de Abril de 2014, DIÁRIO OFICIAL DA UNIÃO [D.O.U.] de 24.04.2014 (Braz.).

SPRING 2015

PUBLISHED IN COOPERATION WITH
SMU DEDMAN SCHOOL OF LAW

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

212 THE YEAR IN REVIEW

faster access by consumers to such competitor's content, under the BICFR, consumers must pay more for faster access to content provided by competitors (without discrimination of content/competitor), thereby requiring Internet Service Providers (ISPs) to offer data transmission services under non-discriminatory commercial conditions and refrain from anti-competitive practices. In the provision of an Internet connection, the entity responsible for the management of the autonomous system must maintain the confidentiality of the connection records, in a controlled and safe environment, for a term of one year, while the Internet application provider that is duly incorporated as a legal entity must keep the application access logs confidential, in a controlled and safe environment, for six months.¹²³

In order to protect the privacy, private life, honor, and image of users, the provider responsible for the retention of the records shall only be obliged to provide such records (whether separately or in association with personal data or other information that may identify the user) or private communications pursuant to a judicial order. Notwithstanding the foregoing, the administrative authorities may request direct access to recorded data obtained for census purposes that includes a user's personal qualification, affiliation, and address. Users must expressly consent to the collection and use of their data. The purpose of the collection and use of data must be justified and the Internet application provider must facilitate the elimination of a user's data at any time upon the user's request.¹²⁴

In order to ensure freedom of expression and prevent censorship, an ISP is protected from civil liability for damages resulting from content generated by third parties so long as, after receipt of a court order, the provider takes steps to remove content identified as unlawful, as required under the BICRF. But the Internet application provider may be held liable for the breach of privacy arising from the disclosure of images, videos, and other materials containing nudity or sexual activities of a private nature if, after receipt of notice from a participant in the content, the provider does not take steps to remove the content in a diligent manner. But, with respect to copyright infringement, the provider's liability for damages arising from third party content shall continue to be governed by applicable copyright legislation in force, namely Brazilian Law n° 9.610/98.¹²⁵

G. AFRICA

On September 29, 2014, the Supreme Court of Kenya handed down a decision addressing problems associated with the switch from analog terrestrial broadcasting to digital terrestrial broadcasting.¹²⁶ Specifically, Royal Media Services Limited and others (RMS) sought an order to compel the Communications Commission of Kenya and others (CCK) to issue a Broadcasting Signal Distribution (BSD) license and an order restraining CCK from "switching off their analogue frequencies . . . pending the issuance of a BSD license."¹²⁷ The High Court (Majanja J) Nairobi held that RMS was not entitled to a

123. *See id.* art. 9.

124. *See id.* arts. 13–15.

125. *See id.* art. 19.

126. *Comm'ns Comm'n of Kenya v. Royal Media Servs. Ltd.* Petition No. 14 of 2014, available at <http://kenyalaw.org/caselaw/cases/view/101689/> (S. Afr.).

127. *Id.* para. 2.

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

INTELLECTUAL PROPERTY 213

license, that the digital migration implementation was not in violation of RMS's fundamental rights and freedoms, and that RMS's Intellectual Property Rights (IPR) were not infringed.¹²⁸ The Court of Appeals overturned the High Court's decision, and held that CCK was "not the independent body contemplated by Article 34(3)(b) and 34(5) of the Constitution" to grant BSD licenses.¹²⁹ The Supreme Court held that the CCK was the body contemplated by the Constitution under Article 34, "having been in existence before the date of promulgation, CCK had a lawful existence, and its actions were not unconstitutional."¹³⁰ The Court further held that general statements of policy cannot be interpreted as a promise to grant a license¹³¹ and that RMS's IPRs were not infringed by CCK, as the "Fair Dealings" defense meant that broadcast of copyrighted material was consistent with the requirements of fairness.¹³² The Court was motivated by public policy, finding that the rule was consistent with several Articles of the Constitution.

Kenya's Cabinet Secretary in the Ministry of Sports, Culture and the Arts, Dr. Hassan Wario, recently appointed a ten-person committee to finalize work on Kenya's National Music Policy. Among other objectives, the policy aims

To articulate the rights and obligations of players in the Music Industry; [t]o spearhead the preservation and development of indigenous and other music styles; [t]o support the process of music education and training at all levels; [] [t]o facilitate the harnessing of creative and economic potential within the Music Industry; [and] [t]o promote effective music management and use for national development.¹³³

On April 15, 2014, the President of Seychelles assented to the Copyright Act, 2014 (Act No. 5 of 2014),¹³⁴ whose goal is to "consolidate and amend the Law relating to Copyrights, so as to give effect to the provisions of the World Trade Organisation's Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994 and to repeal and replace the Copyright Act and for matters connected therewith or incidental thereto."¹³⁵

128. *Id.* para. 4.

129. *Id.* para. 7.

130. *Id.* para. 206.

131. *Id.* para. 290.

132. *Id.* at para. 249.

133. REPUBLIC OF KENYA, MINISTRY OF STATE FOR NAT'L HERITAGE & CULTURE, MUSIC POLICY (2012), available at <https://cipitlawstrath.files.wordpress.com/2014/07/music-policy-final.pdf>.

134. Copyright Act 5 of 2014 (S. Afr.).

135. *Id.*

SPRING 2015

**PUBLISHED IN COOPERATION WITH
SMU DEDMAN SCHOOL OF LAW**

THE YEAR IN REVIEW
AN ANNUAL PUBLICATION OF THE ABA/SECTION OF INTERNATIONAL LAW

PUBLISHED IN COOPERATION WITH
SMU DEDMAN SCHOOL OF LAW