

Welcome to the latest edition of Mewsnews, which features highlights of a few of the items of news and developments in European and UK intellectual property. If you would like more information on any of the topics covered, or on a specific area of interest, please get in touch with your regular Mewburn Ellis LLP contact.

### tackling counterfeits on eBay

At first, eBay appeared to be a minor specialist internet website where only a few dedicated consumers with a need to shop 24/7 and the technical knowledge required by the complexities of the internet would even think to shop. Now there are over 100 million registered eBay users, and billions of dollars of goods are sold through eBay each year. Naturally where honest retailers sit, so do dishonest retailers.

#### **caveat emptor?**

The problem faced by an eBay buyer is that the short description and small picture of an item provided by the seller is often taken in good faith, in that the item is believed to be genuine. This is particularly true where a "premium" brand or mark is used.

#### **the problem for the trade mark owner**

As a mark owner, you face a similar lack of information, which makes it difficult to tell a fake from a genuine article. Assuming that there are ways to tell (e.g. the retailer is a large company, selling many so called genuine goods, and yet you do not supply them, or the style of clothing is not one produced by you), the next problem is to bring the sales to a halt.

#### **a solution ... and more problems**

eBay have a program in place which can be used to remove infringing items from sale. Firstly, eBay requires you to verify that you are the owner of legitimate rights in e.g. a trade mark by providing a copy of a registration certificate in a sworn statement, which must include full contact details. Once this is on record, your policing activities can begin.

Having located a fake item on sale by a retailer (it is rarely cost effective to pursue an individual who has bought, and is now selling, a single counterfeit item) you must move quickly by submitting the item number (which is specific to each item on sale) to eBay, who will then remove that item from sale. eBay will also inform the seller and anyone who has bid on the item that it has been removed as it infringes intellectual property rights.

This is where a new issue can arise in the shape of the honest retailer who has bought goods in the mistaken belief that they are genuine. This retailer is now likely to contact you, via the details you must provide to eBay, to protest about his ill treatment. The most common statement is that the products are genuine, and that they were purchased from a reputable company, or at least from a company with a physical presence, which most people

assume to be reputable and therefore not to stock counterfeit items.

If the goods are not genuine, you must decide what you want to do with the retailer and their stock. Clearly, the higher up the retail chain you are able to go the better. If you can obtain details of an importer, you may wish to take further action against them, with a cease and desist letter being a minimum, and a full infringement and passing off action being a possibility.

#### **proactive measures - who am I?**

There is an area reserved at eBay for rights holders to explain who they are, and what rights they own. Many companies use this area and information can be included to help buyers determine whether products are genuine or not. Such information need not be detailed examples of genuine product label information, which could aid counterfeiters, but could consist of a list of genuine retailers, and their eBay identity.

#### **is "eBay ... an open market for fraudsters"?**

Such is the opinion of at least one UK judge, ruling on a criminal who advertised many products on eBay, including concert tickets, which he did not even have! Successful criminal prosecutions for the sale of counterfeit goods (luxury goods and computer software) on eBay have also been achieved in recent months.

While eBay professes to be serious about stopping the trade in counterfeit products, and has set up the VeRO scheme specifically to help the owners of trade marks (and other Intellectual Property rights), there are still flaws in the system. Firstly, there is the difficulty (discussed above) of determining from limited information whether a product is genuine or not. Next, there is an inevitable delay between spotting an infringing item, reporting it and having it removed. Frequently this results in a sale going through before you are able to have the item removed.

In summary, eBay still offers substantial scope for illegitimate traders, although astute policing can reap rewards for brand owners.

## unregistered designs - spare parts

UK unregistered design right provides limited protection against the copying of designs. However, it is subject to a number of "exclusions" which were tested in the recent case of *Dyson v Qualtex*, and were generally held to have much narrower scope than had previously been thought.

Dyson sued Qualtex for infringement of its design right in a number of spare parts for its vacuum cleaners. Whilst admitting copying, Qualtex raised numerous defences, in particular that the copied designs were excluded from protection for various reasons.

Crucially, the judge found that UK unregistered design right was not formulated with a specific intention of favouring particular parties. Consequently, he took a "neutral" stance on the interpretation of all the defences and exclusions from protection that Qualtex raised, whilst bearing in mind that the overall intention of this right was to give "real ... protection to designs".

The "must-match" provision appeared to provide the strongest arm of Qualtex's case, and has not been the subject of detailed analysis by the courts before.

The judge concluded that the intended purpose of this provision was to prevent manufacturers from maintaining a monopoly over those aspects of aesthetic design which have to be reproduced in order to leave the overall article the same in aesthetic terms. Accordingly, the correct approach under this provision is to consider whether, as a matter of fact and degree, and of impression, the appearance of the overall article would be "radically different" if the article was changed to a different shape.

This aspect of the decision appears to significantly tilt the interpretation of UK unregistered design right in favour of original equipment manufacturers (OEMs). However, as this decision turns on fundamental interpretations of the scope of this right, the decision has been appealed, and we will report any further developments.

## epo news

Latvia (LV) became an EPC contracting state on 1st July 2005. European Patent applications filed on or after that date can designate Latvia. PCT applications filed on or after 1st July 2005 will automatically designate Latvia as part of a European Patent. Latvia will cease to be available as an EPC extension state from the same date.

Malta (MT) is expected to become an EPC contracting state later this year.

This information is simplified and must not be taken as a definitive statement of the law or practice. If you would like to receive our more detailed *Mewsletter*, please e-mail [mewsletter@mewburn.com](mailto:mewsletter@mewburn.com). For more information on Mewburn Ellis LLP and other intellectual property matters, please contact us or visit our website at [www.mewburn.com](http://www.mewburn.com).

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## exhaustion of priority rights

The April 2005 edition of the Official Journal of the EPO published decision T998/99, "Claiming the same priority twice for the same invention in the same country", which holds that it is impermissible to claim priority from the same application in more than one application for the same invention in the same country. That is, the right to claim priority for an invention is "exhausted" when it has been exercised once in a particular country.

We think T998/99 is a very poor and confused decision, with fundamental misunderstandings of the law on priority. We have been aware of this decision for some time, but understood that it was not viewed favourably at the EPO, that it would not be published in the OJ, and that examiners had been instructed not to follow it. Its publication has therefore come as a surprise. However, a contradictory decision which appears highly critical of T998/99 has been issued in case T15/01.

It is possible that the publication of T998/99 indicates that the EPO is preparing to refer this point of law to the Enlarged Board of Appeal in order to clarify the legal situation.

Although we think the decision in T998/99 should not be followed, for the moment we urge caution in trying to claim the same priority twice in the same European country for the same invention, even if the intention is to cover different aspects of the invention in the two applications. A usual alternative approach would be to file a single application, from which a divisional application can later be filed.

## in-house news

Since the last Mewsnews, Jeremy Webster and Lindsey Woolley have qualified as UK patent attorneys.

We are also pleased to welcome Karen Bufton, a qualified UK and European patent attorney, who has joined the biotech team in our London office. Karen has an MA in Biochemistry and MPhil in Biotechnology from the University of Cambridge, and has worked in private practice since 1999.