



LICENSING EXECUTIVES SOCIETY  
BRITAIN AND IRELAND

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## Deliverables for Christmas- good news for Mistletoe patents.



In recent years, end-of-year intellectual property round-ups have focused on media obsession with grim Dickensian tales of patent abuse. This year, against the background of collapsing credit-crunched clients and run-away overheads unwisely committed to in better times, the oppression of licensing professionals has reached a zenith. The European Commission's massive report on miscreant pharma patentees appeared in July, and now, just in time for the turkey dinner, Manchester University's Institute of Science, Ethics and Innovation have published their IP-critical 'Manchester Manifesto'.

But there was a verdant light in the darkness. Apparently it is good for 'green' technology to be patented as fast as possible – presumably as long as it is not evergreened\*. This could even save the world. David Lammy, our Minister for Higher Education and Intellectual Property said that in May. And the Obama administration has just said it in December. Environmentally friendly patent applications can be fast tracked, on request, to the extent that the procedure can be cut down from 40 to 12 months in the USA, and from 36 to 9 months in the UK. The UK initiative was a 'deliverable' from the UK/China Economic and

Financial Dialogue on 11<sup>th</sup> May. The US action was justified by David Kappos, the Under Secretary of Commerce for Intellectual Property, on the basis that *"Every day an important green tech innovation is hindered from coming to market is another day we harm our planet and another day lost in creating green businesses and green jobs"*. It wasn't that long ago that everyone seemed to be saying that the main source of hindrance to the introduction of new technology was patents. Now the official US view is that: *"Earlier patenting of these technologies enables inventors to secure funding, create businesses, and bring vital green technologies into use much sooner."*

The UK Patent Office initiative relates generally to 'green' or 'environmentally friendly' technology. At the US Patent Office, applications pertaining to 'environmental quality, energy conservation, development of renewable energy resources, or greenhouse gas emission reduction' can be fast tracked. The terminology used is open to broad interpretation. This year's new Ferrari 458 is the first to claim green credentials: due to engineering efficiencies it is capable of topping 200 mph with a fuel

consumption averaging an 'improved' 17mph. Clearly, the new Ferrari technology embodies the kind of inventions for which the fast track procedures are intended. Suggestions for other deserving cases should be sent to the editor.

*Barry Quest*

*IPC<sub>2</sub> (www.ipc2.co.uk)*

\*Evergreening is the (alleged and unsubstantiated) dastardly tactic, condemned by the Commission, of extending expiring drug patents by patenting and enforcing spool improvements.



Also available in green!



## President's Diary – December 2009

As another year draws to a close, it is time to pause, reflect on what has been achieved and consider what one's priorities should be in the year ahead. From the perspective of our Society, I see a mixed picture for the past year and many exciting challenges and opportunities ahead. I hope I can count on the support of all of you in meeting those challenges and taking advantages of the opportunities, for your personal and professional benefit and that of our great Society.

2009 has seen many successes. We have continued to offer members excellent meetings, providing top quality educational and networking opportunities. I have tried to mention every meeting in these columns, and will not list them all again here. I should however bring you up to date on meetings that have taken place in the last few months. In mid November there was a meeting in London on Socially Responsible Licensing, helping address my key theme of *Responsibility*, and covering issues which are now clearly critical in many technology transfer deals. The well-attended meeting was led by Palle Hoy Jakobsen from Novo Nordisk and Anne Balzer of Dako, and kindly organised and generously hosted by Sangeeta Puran of Mayer Brown. An equally successful meeting took place shortly afterwards, in early December, in Manchester. The speaker was Robert Onslow of 8 New Square, and was organised by Rachel Sharples and Graham Johnson - see the separate report elsewhere in this edition. My thanks to all involved in organising, speaking at, hosting and attending these meetings.

The year has also seen our Society continuing to make significant contributions to LES International, providing chairs/co-chairs/active members of numerous committees, and participating actively in the delegates meetings. Delegates meeting this year took place in Manila and San Francisco, and, unusually, included debates on a number of controversial issues, including on the name/strap line (see below). You will be pleased to know that your delegates played a key role in those discussions, achieving what we consider to be positive outcomes on your behalf.

It has also been a period of change. We have a new and more relevant strapline for our Society ("*Advancing the business of intellectual property, globally*"), to help those unfamiliar with our activities understand what we do; and, as reported in my last column, we have a number of new chairs of our local Society's committees. Please consider volunteering to join one (or more) of our committees and contributing to their activities in the year ahead.

There have also been areas in which we have been less successful. They include a failure to halt the decline in membership. That is undoubtedly in part due to the economic downturn, and consequent insecurity felt by many potential or past members. With so much to offer, and membership and meeting fees being so low relative to those of similar organisations, I find this frustrating, and plan to continue to strive to address it in the remaining period of my Presidency. But as I have said before, this cannot be tackled by one person, nor by Council. It requires your help.

So as we look ahead to 2010, I see that being one of our top priorities. Related to that is the need to increase our visibility: telling others what we do, why we do it, why it is important to the world (including through Barry Quest's Public Interest Group initiatives, and more general PR awareness-raising), and of the significant benefits of membership. If you ran out of ideas for Christmas presents, why not offer a colleague, friend or client membership of LES for the year as one way of contributing to this effort and providing a truly worthwhile gift.

Conan Chitham's work on the website will help - please volunteer to assist if you are interested.

Another key priority in 2010 will be our continued focus on the organisation of the LES International meeting in London June 2011 - now only 18 months away. Anne Lane and her team continue to show great commitment and enthusiasm in preparing the ground, and will increasingly be looking for your help. As I have said before, but I think is worth repeating in this context, the more you put in, the more you will get out of this superb networking and profile raising event.

And we will of course continue to organise top quality meetings. Details of those already planned can be found on the back page. I would draw your attention in particular to the *Fundamentals of Intellectual Asset Management* course in late April, which I am sure will be another big success, matching that of the previous two years' courses on this theme. Please register early as numbers are limited.

So, a number of challenges, but also much to look forward to, many activities to which you can contribute, and great value to be achieved through active participation in our Society's activities.

I would like to end by thanking all those who have worked so hard during 2009 on behalf of our Society, and those who I know have committed to supporting our efforts in the year ahead. There are many unsung heroes, and to them I say a big "Thank you" on all our behalfs.

Happy New Year!

*Nigel Jones, President, LES B&I*  
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## Formula One Sponsorship Litigation

A recent case, Force India Formula One Team Ltd v Etihad Airways PJSC and Aldar Properties PJSC [2009] EWHC 2768 (QB), has illustrated the need for sponsors to pay close attention to the terms of their agreement, especially the termination clauses. The decision concerned an action by licensee, Force India, for damages from sponsor Etihad due to an alleged repudiatory breach.

The sponsorship agreement between the F1 team and Etihad, operator of the national airline of the United Arab Emirates, was to last for three seasons. Etihad would be the exclusive airline associated with the team and pay the team performance-related bonuses. While the team could source another sponsor, Etihad had the option to terminate if they did so. Etihad could also terminate if the team had committed a material breach which, if capable of remedy, had not been remedied within ten days.

Following the agreement, the team was sold to Force India. The new owners' interests included Kingfisher Airline and Kingfisher beer. The livery on the cars was changed to Kingfisher colours with a Kingfisher logo; later the two parties disputed whether Etihad had given its consent to this change.

Three months after the team changed hands, Force India emailed Etihad proposing to amend the fees but Etihad wrote back to say that they were terminating the agreement as they took the email as notice of intent to appoint an alternative sponsor. Etihad also claimed that Force India were in breach of the agreement by using the Kingfisher logo, changing the team name and using new livery.

Sir Charles Gray found for Force India, holding that Etihad had not raised concerns about the Kingfisher logo and no material breaches had been committed by making such changes. Etihad had at no stage elected to exercise any right it might otherwise have had to terminate the contract, so had waived or acquiesced to any breaches. Etihad's lack of objection was partly because they had driven a hard bargain when negotiating the sponsorship fee and were well aware that the team could easily find an alternative sponsor willing to pay more for the 2008 and 2009 seasons. In addition Etihad were hopeful of concluding an alternative sponsorship agreement with Ferrari or another established F1 team.

Force India were awarded damages for wrongful termination and also the \$500,000 bonus for coming one from last in the Constructors' Championship in 2007. Having finished the season with only one point, Force India can be considered fortuitous to receive this bonus which was only payable because Force India was elevated to tenth out of eleven teams after McLaren was stripped of all points due to possession of confidential Ferrari data.

While sponsors should pay close attention to whether their licensees are breaching the terms of their agreements, they should be equally wary of waiving such breaches then later wishing to rely on them as a means of terminating the agreement.

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## New Members

Council are pleased to welcome the following new members to the Society:

- Harry Barraza, of Unilever  
Harry is interested in the following business sectors:  
*Consumer Goods; Green Chemistry; Chemicals & polymers.*
- Robert Fender of Cambridge Enterprise Ltd  
Robert is interested in the following business sectors:  
*Electronics & the Internet; Renewable Energy; Chemicals & Polymers*
- Carol Moore of Medical Research Council Technology (MRCT).  
Carol is interested in the following business sectors:  
*Biotechnology & Healthcare;*
- Colin Sawdy of Edward Angel Palmer & Dodge UK LLP.  
Colin has not listed any business sector interests.
- Sarah Turner of Lovells LLP  
Sarah is interested in the following business sectors:  
*Biotechnology; Healthcare; Pharmaceutical*

## Members on the Move>>>>>>

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## Freedom to operate survey provides benchmarking data, highlights commercial options for dealing with infringement

How much effort should a company invest in trying to avoid patents belonging to its competitors? Should the IP manager investigate competitor patents at an early stage in the product development project and risk wasted effort if the product design subsequently changes? Or wait until the product has been developed before searching for blocking patents? Faced with a blocking patent, should the IP manager try to invalidate, design around or seek a licence? And how much money to spend – there is no point carrying out comprehensive clearance if it leaves no money to bring the product to market.

With a view to providing IP managers with more guidance on how to deal with these pressing issues, a survey has recently been completed by Cranfield-based Dr Ian Hartwell, visiting research fellow at the Centre for IP Policy and Management in the Business School at Bournemouth University and himself a former IP Manager for Cambridge-based companies Xaar and Cambridge Display Technology. The study was supported by the Research Fund of the European Patent Office.

Based on confidential interviews with the IP departments of ten UK and German companies in the automotive industry, the survey provides a candid view of patent monitoring practice, the extent and timing of clearance searching, the use of external patent attorneys in assessing infringement, the resources devoted to validity searching, the balance between design-around and licensing when faced with a valid patent as well as the action typically taken against invalid patents. The graphical depiction of the results helps IP managers in the automotive and wider engineering industries to benchmark their own FTO practices.

There are also more general findings: swingeing financial penalties for stopping automotive production lines mean that court injunctions are infrequent and licenses are typically available. As a result, none of the companies surveyed felt the need to pursue a policy of “never knowingly infringing a valid patent”, employing more nuanced, “commercial” approaches instead. Other findings, including a general aversion to seeking a licence, are of particular relevance to IP Managers of small technology companies trying to licence into the automotive sector.

For more information on the full 64-page report, contact [hello@iphartwell.com](mailto:hello@iphartwell.com)

*Ian Hartwell*



## Wars of the (Christmas) Roses and other Flowers- Interflora Inc v Marks & Spencer plc

One of the hottest topics for brand owners and trade mark practitioners at present is the issue of Google 'AdWords' or 'keywords' (i.e. advertising links triggered by the use of registered trade marks as search terms and auctioned by search engines to the highest bidder) and whether their use constitutes trade mark infringement or a violation of the E Commerce directive (2000/31). To date, at least three cases involving Adwords have been referred to the European Court of Justice ('ECJ') by the English courts and courts in other Member States have made similar references.

The most recent English case to be referred is *Interflora Inc v Marks & Spencer plc*<sup>1</sup>. This case concerned the use of the Adword *Interflora*, which is a registered trade mark of Interflora Inc covering natural plants and flowers and services relating to the sale and delivery of flowers. Marks & Spencer outbid Interflora Inc for the right to link its advertisements for flowers to use of the keyword '*Interflora*' in the period leading up to Valentine's Day 2009. Interflora Inc objected to paying for the right to use of its own registered trade mark as a keyword trigger for its advertisements and applied for a preliminary injunction to prevent Marks & Spencer's using the term on the grounds of trade mark infringement under Articles 5(1),(2),(3), and (5) of Directive 89/104. Marks & Spencer admitted using the keyword but argued that its use was legitimate and did not constitute infringement. Unlike most cases of this kind, Interflora Inc was able to point to a drop in sales as a direct consequence of not being able to use its registered trade mark as a keyword at its peak time of year.

The case was heard by Mr Justice Arnold. He noted that although a number of cases involving AdWords had already been referred to the ECJ, there were still aspects of the dispute on which guidance would be needed. Accordingly, he stayed the action and subsequently referred nine questions for clarification.

Given the evidence put forward by Interflora Inc regarding the loss it suffered as a consequence of being unable to use its trade mark and the evident benefit that Marks & Spencer must have enjoyed (since it was willing to pay for the privilege of using the *Interflora* name as a trigger for its advertisements) one could be forgiven for thinking that the ECJ will unquestionably support a finding of infringement especially in the light of the court's recent decision in *L'Oréal SA v Bellure NV*<sup>2</sup>, a case primarily involving comparative advertising, but also involving claims under Art. 5(2) of the Trade Mark Directive. However, success for Interflora Inc is by no means certain.

On 22 September the Opinion of Advocate General Pessauro was delivered in *Google Inc v Louis Vuitton*<sup>3</sup>, an AdWord case referred by the French Cour de Cassation. In his Opinion, which highlights the divisions that exist concerning this AdWord issue, AG Pessauro held that the use of registered trade marks as paid AdWords by advertisers other than the registered proprietor of the mark did not constitute trade mark infringement or a violation of the E Commerce Directive, even if the mark had a reputation. His views are based on the fact that the keyword is an internal trigger used by the search engine and it is not a term that the user or searcher would see. Also, the keyword only produces a list of advertisements and the product or service is therefore not sold under or by reference to the mark. AG Pessauro therefore regards the practice of using, selling or auctioning AdWords as providing legitimate competition.

It is hard to reconcile the restrictive approach to infringement adopted by AG Pessauro above with that of the Court in *L'Oréal SA v Bellure NV*, and harder still to predict which way the Court will go when faced with *Interflora*. One possibility is that the Court will decline to follow the Opinion of AG Pessauro and instead hold that the use of registered trade marks as AdWords does constitute infringement. Though not unheard of, this would be an unusual development. An alternative approach would be for the court to follow the Advocate General's Opinion, but to distinguish the *Interflora* case when it comes before them on the basis that where it can be shown that unfair advantage has been taken or a detriment

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<sup>1</sup> [2009] E.T.M.R. 54.

<sup>2</sup> [2009] E.T.M.R. 55.

<sup>3</sup> Joined Cases C-236 to 238/08

has been suffered then infringement will be found. Although not a perfect solution, this may help to appease brand owners and those that seek to limit trade mark protection to those situations where economic harm can be shown.

As Jeremy Phillips observed in his editorial in the European Trade Mark Reports,<sup>4</sup> modern trade mark law that was developed to address the problems faced in the mid 1990's is not designed to fit the trading conditions of the 21<sup>st</sup> Century, especially in relation to trading on the Internet. These cases seem to bear this out. Jeremy's answer is to go back to the legislative drawing board and start again. However unpalatable such a proposal might be, it must surely be better than the current state of uncertainty and the risk that the ECJ will issue policy decisions that it is not equipped to deliver.

*Dr Belinda Isaac, Isaac & Co Solicitors, Principal*

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## A Christmas Stocking -- Trade mark filings stats, World Cup Woes and new consumer protection legislation

The US Patent and Trade Mark Office recently released its 2009/2010 Annual Report which showed a 13% fall in annual trade mark filings from a record high in 2008/2009. The figures show a decline to 2006 levels. The equivalent report from the European Community Trade Mark Office illustrates that we might expect (they run a calendar year) a 3-5% drop in filings from a record high in 2008. The International Registration (WIPO) figures have not been released although there was mention of a slowdown in March this year in a report on their record filings in 2009. The equivalent trade mark statistics from the South Africa Registry show a drop off of between 25% and 35%.

A decline in filings statistics is expected in these economic times. The last time we experienced a similar worldwide fall was in the early 2000s following the dot com crash. What is interesting is the relatively good performance of the European figures against the US figures which are fairly robust given the extent of the crash and the record highs reported in 2008/9. The EU stats can probably be interpreted as another illustration of the success of the paperless OHIM office. The dramatic drop at the South African Office is less easy to explain, especially since South Africa has performed relatively well during this recession. Perhaps it is because the single class filing system used in RSA is more exposed during periods of slow economic activity and/or because the relative strength of the Rand has put a significant strain on US budgets or perhaps it is simply because when the world sneezes RSA stats often come down with the flu, such is the volatility experienced by developing countries?



South Africa has much to welcome in 2010 though, primarily because the football World Cup (...and the LESI conference to be held in RSA) will cast a spotlight on the country and continent. There has been much recent debate over the extent to which RSA has gone to protect the official sponsors who have invested in the tournament. The recent decision in *Fifa v Metcash* is the first reasoned decision on legislation designed to protect ambush marketing around the event. "Section 15A(2) of the Merchandise Marks Act provides that 'for the period during which an event is protected, no person may use a trade mark in relation to such event in a manner which is calculated to achieve publicity for that trade mark and thereby to derive special promotional benefit from the event, without the prior authority of the organiser of such event'." The packaging alongside was said to contravene the section and since then there has been a significant increase in work vetting adverts and promotional material around the event. The debate is well covered on the Afro-IP blog.

Licensors wishing to take advantage of the hype in RSA by activating their licensing arrangements in that country also need to be aware of the new consumer protection legislation, which Eugene Honey writes more extensively about below.

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<sup>4</sup> [2009] Issue 9.

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## An Opportunity for Franchisors: The Consumer Protection Act

The Consumer Protection Act ("the Act") will apply to franchise agreements and is likely to pose significant challenges to many weaker franchisors, including those which do not abide by best franchise practices or provide reasonable value to their franchisees.

In terms of the Act, a "franchise agreement" means an agreement:

- Where a franchisor, for consideration, grants to the franchisee a right to carry on business under a system or marketing plan, substantially determined or controlled by the franchisor or its associate;
- The business will be substantially or materially associated with advertising schemes or programmes, or a trade mark or any combination thereof used or licensed by the franchisee or its associate; and
- That governs the business relationship between the franchisor and the franchisee including the relationship between them with respect to the goods or services to be supplied to the franchisee by the franchisor, or by its associate.

This definition is fairly broad and may well extend to, not only full business concept franchise agreements, but also license, agency and distribution agreements.

In terms of the Act, the franchise agreement must be in writing and signed by or on behalf of the franchisee. It must also include prescribed information such as information which would generally be found in a disclosure document and must be stated in plain and understandable language. The disclosure requirements will be set out in the regulations which should be published during or about March 2010. The regulations are also likely to set out additional information which will be necessary in relation to certain categories of information or industries.

There is a 10 (ten) day cooling off period during which a franchisee may cancel a franchise agreement, without cost or penalty, by simply giving notice to the franchisor.

The general effective date of the Act will be on or about 24 October 2010. In terms of the transitional provisions, the Act will not apply to pre-existing franchise agreements, as at that date. It appears however that it will apply to any franchise agreements renewed thereafter. The Act will from that date probably apply to at least some transactions which are entered into between the franchisor and franchisee, in relation to the sale of products or provision of services.

The Consumer Protection Act is in the nature of a consumer bill of rights and includes many key concepts such as the right to equality; privacy; choice; disclosure and information; fair and responsible marketing; honest dealing and fair agreements; fair value, good quality and safety and suppliers accountability, certain of which will be briefly covered below.

With regard to the right of choice, Section 13 of the Act provides, that a supplier (franchisor) must not require as a condition of offering to supply or supplying any goods or services or as a condition of entering into an agreement, that the consumer must: -

- purchase any other goods or services from that supplier;
- enter into any additional agreement with the same or another supplier; or
- agree to purchase any goods or services from a designated third party;

unless the supplier can show that the convenience to the consumer in bundling the goods and services outweighs the consumer's limitation of choice; or the bundling of these goods or services appears to result in economic benefit to consumers. It is a defense to any contravention of this section, if the goods or services are reasonably related to the

franchisor's branded products or services. This phrase is not particularly clear. It is suggested that consideration be given to, for example, providing for core and non core products and services in franchise agreements. The core products or services would be the primary, unique or the most important products or services which are related to the brand or franchise. "Reasonably related" to the brand is also not defined and a brief justification or explanation about how the products are unique, important and related to the brand, might reduce any vulnerability.

With regard to the aforementioned key concepts of the Act, the following should be noted:

- A person must not use physical force, coercion, undue influence, pressure or unfair tactics in the marketing or supply of goods and services.
- A supplier must not by words or conduct express or imply a false, misleading or deceptive representation concerning a material fact or fail to correct an apparent misapprehension.
- A supplier must also not supply goods and services at manifestly unfair, unreasonable or unjust prices, or require a consumer to waive any rights including terms that are unjust, unfair or unreasonable.
- A term or condition will be unfair, unreasonable or unjust if it is excessively one sided, inequitable or the consumer relied on a false, misleading or deceptive representation, or notice of an onerous or unusual clause was not given.
- The attention of the consumer must be drawn to any limitation of liability of the supplier, assumption of risk of the consumer, any indemnity and any fact acknowledged by the consumer.
- Any provision of an unusual character or nature or the presence of which is not reasonably to be expected, must be notified to the consumer.

The powers of a court or tribunal to ensure fair and just conduct, terms and conditions are substantial. If such a court or tribunal determines that a transaction or an agreement is in whole or in part unconscionable, unreasonable or unjust, the court may:

- Make a declaration to this effect;
- Make an order it considers fair and reasonable in the circumstances including the restoration of money or property to the consumer and compensation to the consumer for losses or expenses in relation to the transaction; and
- Order the supplier to cease any such practice.

In addition a court may also make an order severing any part of an agreement, provision or notice, or if it is reasonable to do so, alter it to render it lawful. It may also declare the entire agreement, provision or notice void, as from the date it took effect and may make any order that is just or reasonable in the circumstances.

As a result franchisors should keep a full document trail and record of all communications with franchisees. They should also ensure that all communications and dealings with the franchisees are true, accurate, fair and reasonable. Franchisors should require a franchisee to do a proper assessment on the location and the franchisor should do the same. Franchisors should also choose franchisees very carefully and complete and sign the franchise agreement properly. The franchisors should also point out any unusual or onerous clauses and should wait for the 10 (ten) day cooling off period to lapse before doing anything further.

The franchisor should also honour obligations in terms of the franchise agreement, as well as all representations made by its employees, as well as those set out in the disclosure document. It will be in the best interests of the franchisor to support and encourage the franchisee to perform as soon as possible, so as to avoid difficulties. Franchisors should also provide good quality products and services promptly at reasonable prices. Every statement, representation, non disclosure, action or inaction may be relevant to legal proceedings at a later stage.

It is also very important to note that circumstances, provisions or terms of an agreement which are reasonable at the time



of signature of the agreement may become unreasonable or unjust at a later time. As a result the franchisors should, on an ongoing basis, have an awareness of and comply with the provisions of the Act.

It is further recommended that franchisors audit their franchise agreements and disclosure documents for compliance regarding the following: -

- § The general franchise provisions of the Act;
- § The industry and activity specific requirements to be set out in the regulations; and
- § To ensure that the disclosure document is accurate, sufficiently comprehensive, reasonable and fair.

It is anticipated that there will be a flurry of litigation and difficulties once the new Act comes into force on or about 24 October 2010. The trend would certainly be towards value for value, equity, reasonableness, and no unjust prices. Franchisors now have a very important opportunity to get their houses in order so as to reduce any vulnerability and also to ensure their survival. It is envisaged that weak franchisors may not survive. If franchisors do not take the opportunity to refine their franchise business models and become competent franchisors providing quality products and services, promptly at reasonable prices and otherwise deal with the franchisees in a fair, reasonable and equitable manner, it is likely that difficulties will arise.

Many franchisors are however already stepping up to the plate and the future for those franchisors is likely to be brighter.

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## Case Study – Countering the Chinese Counterfeiters

The large extent of counterfeiting of consumer electronics worldwide is well known, and a significant proportion of the counterfeit products are manufactured in China. The Chinese government recognises the scale of the problem and has put substantial resources in place in recent years to tackle the problem.

This case study provides an overview of a case we've recently handled and shows what steps an IP Rights holder can take to shut an infringer down. Our European based client is a world leading designer, manufacturer and distributor of electrical and electronic equipment ("the IP Owner"). They manufacture their goods in China with trusted Chinese companies. They first became aware that their most important product was being counterfeited when it appeared on sale in Japan. The product was clearly a counterfeit to a trained eye but the packaging was of sufficient quality that it could easily have been bought by a consumer who mistakenly thought they were buying a genuine product.

The IP Owner arranged a test sample to be bought in Japan and, on taking it apart, provided a side by side comparison document that evidenced how the counterfeit product differed from a genuine product. Further examination of the counterfeit product indicated that some of the micro-processor units were manufactured in China which then made it more likely that the rest of the counterfeit product was also manufactured in China.

This was important because the IP Owner had a Chinese Trade Mark Registration which would be infringed if the product's trade mark was applied to the packaging within China.

In this sort of situation it may be tempting to an IP Rights holder to pursue a quick fix by immediately targeting the resellers – e.g. the shops or websites selling the counterfeit goods directly to the end consumer - with the aim of limiting damage caused by counterfeit sales. However, there is a big risk in doing so in that the manufacturer(s) at the top of the supply chain will become more alert to possible enforcement action and may take practical steps to make their detection even more difficult. Short term strategies such as this do little to tackle the root of the problem and, whilst it may cause a temporary lull in counterfeiting activity, the problem may well arise again within a matter of weeks. What was more desirable was to pursue a long term strategy involving intelligence and evidence gathering to locate the main manufacturer. Although the Chinese government has put significant resources into tackling the problem, local enforcement offices are overworked and, in practice, infringements must be deemed sufficiently serious before effective action will be taken – in this case, it was important to find evidence of at least 500 units of counterfeit stock in order to exceed the 50,000 RMB threshold value necessary for the Chinese authorities to treat the case under criminal law – and clearly it is important to seize the counterfeit manufacturing moulds. Accordingly, it is considered that the better strategy is to go after the

manufacturer in the first instance in order to cut off the head of the supply chain, even though first instincts may tell you to stop the reseller.

Commercial investigators were therefore instructed and although it took some time – the counterfeiter's manufacturing operation was low key and fairly difficult to identify - it became clear that there were a number of smaller Chinese manufacturers producing counterfeits along with one major manufacturer in Shenzhen. It was decided to concentrate on the larger manufacturer and if we could successfully stop them, it would be much more likely that we could use that judgement to stop the other smaller operators quickly thereafter. The investigator managed to contact and then met a sales representative of the

Shenzhen manufacturer and was shown round the manufacturing facility. They were informed that they had already concluded several large orders in recent years but there were only a handful of counterfeit products in the premises because they manufactured to order. Prior to leaving the premises, the investigator arranged a follow up meeting with the sales rep at which the investigator would be accompanied by an undercover local Notary Public. At the follow up meeting, the investigator purchased a test sample under the pretence of evaluating it for a much larger shipment and immediately had the purchase Notarised (note that under Chinese rules of evidence, it is important that all evidence is Notarised by the local Notary Publics Office, otherwise it will most likely not be accepted by the Chinese Courts as evidence.)

In this case, although the IP Owner now had evidence that counterfeits could be manufactured in the facility, the number of counterfeit products available at the time was not sufficient to have the case considered as serious by the local Administration and Industry Office (AIC) and Public Security Bureau (PSB) who take charge of the most serious counterfeit cases and so it was not possible at that stage to convince the AIC to raid the manufacturing facility and therefore we would have difficulties ensuring that we could push for the maximum criminal penalties available. However, further investigation brought to light an order being placed via a third party in Japan for around 1000 counterfeit units and this knowledge allowed us to carefully time the raid with the AIC and PSB on the basis that large scale infringement was suspected. The AIC officers first raided the manufacturing facility and, after performing a count, determined there were around 500 assembled counterfeit products and several hundred awaiting assembly and so at that point they brought in the PSB. The PSB then conducted a detailed search of the manufacturing facility, seized all of the assembled counterfeit products along with all sub-components awaiting assembly and arrested the manager/ legal representative of the counterfeiting operation.

Immediately thereafter, we were able to take steps to remove resellers' website listings using the complaints procedures on alibaba.com etc The infringement case is now awaiting trial. In conclusion, as well as having at least one IP Right that can be used to prevent infringement occurring, good legal representation in China is essential since seizure procedures are not standardised throughout all provinces and negotiation is often required with AIC and PSB officials to effectively navigate through the bureaucracy.

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## An Enhanced Patent System In Europe.

The European Council is again pushing for a Community Patent, now to be called the European Union patent (EU patent), and an European Patents Court, to be known as the European and EU

Patents Court (EEUPC). At an Internal Market, Industry and Research Meeting on 4<sup>th</sup> December the Council considered and agreed the general approach to a Council Regulation on the Community Patent (Doc 16113/091 and 16113/09 ADD12) and the EEUPC (Doc 7928/093).

Details of the results appear in the Council Conclusions (Doc 172209 and the corresponding press release<sup>4</sup>). The papers now go to the Parliament for discussion there. The proposals are a revision of earlier, unsuccessful proposals and some of the concerns that have been expressed before remain. In particular, while the proposal for a Community Patent and a Community Patent Court is old, dating back to the 1970s, it has never seen the light of day and one must still wonder if this attempt will be any more successful. In particular the vexed problem of translations of patent specifications has been sidelined to a separate regulation which has to be agreed unanimously and without which the EU patent cannot come into force. The probably less contentious matters of financing the EEUPC, renewal fees and the Enhanced

Partnership are among other thing still to be dealt with. [See the Council Conclusions referred to above.]

However since the last attempt at a Community Patent there has been the Pharmaceutical Sector Inquiry, which came to the conclusion that the pharmaceutical industry wanted a Community Patent, so it may be that there is more impetus behind the proposal this time.

Further it is reported that the next two Presidencies, the Spanish and Belgian, are keen to see the proposal advanced, particularly the language issue. Finally, save for the translation issue, the decisions which will be made under the general approach require Parliament and Council to agree, but the decisions will be by Qualified Majority Voting. Unanimity is no longer required, which must improve the chances of success. While much of the paperwork considered at the Meeting related to the EU Patent, the principal features of which have been considered before, the EEUPC is more recent. The principal features agreed are:

1. The EEUPC should have exclusive jurisdiction for all civil litigation relating to the validity and infringement of European and EU Patents; subject to transitional provisions, which are proposed to last for five years from the entry into force of the Agreement on the EEUPC. The transitional provisions allow proceedings for infringement and revocation of an European Patent to be taken nationally, and allow holders of an European Patent or Application granted or applied for in the transitional period to opt out of the EEUPC provided they did so one month before the end of the transition period;

2. The Court is to have local and regional seats plus a central division. The present proposal appears to allow any country to have a Court, but in order to ensure high standards a country which has less than 50 cases a year must either join a regional division or have two legally qualified judges who are not nationals of the state in which the Court sits at any hearing.

3. Local and regional Courts are to have three legally qualified judges plus an additional technical judge qualified in the field of technology concerned when validity is in issue or if one is requested by one of the parties in a case of infringement. The central division is to sit as two legally qualified judges and one technically qualified judge. However under certain conditions to be defined by the Rules of Procedure (as yet unseen) and with the agreement of the parties, first instance cases may be heard by a single legally qualified judge.

4. Direct actions for revocation can only be brought before the central division. If invalidity is raised as a counterclaim in infringement proceedings the court seized of the proceedings can either hear the counterclaim; refer the counterclaim to the central division and either proceed with or stay the infringement proceedings; or refer the whole case to the central division with the agreement of the parties.

5. Proceedings in local and regional courts will in general be conducted in the local language, but Contracting States may designate an official language of the EPO as the language of proceedings. Proceedings in the central division will be in the language of the patent. Proceedings on appeal shall be those used at First Instance. LES (B&I) has commented on the proposals in the period before the December meeting supporting the proposal for a Community Patent, but reiterating the need for a good quality system that provides value for money and in particular when considering the court the need for high quality judges with an efficient procedure. (LES has also repeated an earlier comment suggesting the European Patent Litigation Agreement proposal might be pursued, but it has to be said that the proposal will not see the light of day, despite the fact that the Member States interested in the proposal were, and presumably still are, willing to go ahead with it!) Most particularly LES objects to the proposal to separate validity and infringement on the grounds that:

1. having both considered in the same proceedings prevents the patentee adopting a restrictive interpretation of the scope of the claims of his patent in the validity proceedings in order to secure a finding of validity; and then adopting a wider interpretation when infringement is being considered. If both matters are dealt with in the same proceedings it is impossible for such an approach to be adopted successfully.

2. it delays the conclusion of the case because in general one proceeding will follow the other, and

3. the duplication of proceedings and the delays will increase the costs to the parties. All these factors will tend to favour the larger, richer companies which could more readily afford the necessary costs, and act against SMEs and smaller litigants.

On the question of the judges, there seems no reason why three judges should always be needed, and the suggestion that one should be allowed to sit "Under certain conditions and with the agreement of the parties" supports this. But one or

other of the parties will almost always consider it advantageous to have three judges and refuse to agree to a single judge so the provision is likely to be redundant. In particular the present proposal would tend to favour larger, richer companies, which might consider that with three judges a case would take longer and cost more. That would work in their interests and against SMEs and smaller litigants. LES (B&I) considers that a judge or the court should have power to order that the case will proceed before a single judge.

Whether any change to these points will be introduced by the Parliament remains to be seen. Finally the procedure adopted by the court will be very important, and without it is not possible to come to a final conclusion about the totality of the proposals. But the whole proposal is subject to the constitutional provisions of the Member States; and without prejudice to the opinion of the European Court of Justice on the proposal as to whether the proposals for a EEUPC set out in the Draft Agreement on the European and Community Patents Court and Draft Statute (Doc 7928/09 of 23rd March 2009) is compatible with the Treaties setting up the EU. The ECJ's decision is hoped for early in 2010. For more of the details of the Council's position see the Conclusions (above).

As a final note in passing the Council states that "In order for the EU patent to become operational, to the extent necessary, amendments would be made to the European Patent Convention (EPC), The EU and its Member States should take all necessary measures and put them into force, including those necessary for the accession of the EU to the EPC. Amendments to the EPC deemed necessary in this regard should not imply any revision of substantive patent law, not related to the creation of the EU patent."

*Robin Nott*

*Chairman, LES B&I Laws Committee*

*laws@les-bi.org*

<sup>5</sup><http://register.consilium.europa.eu/pdf/en/09/st07/st07928.en09.pdf>

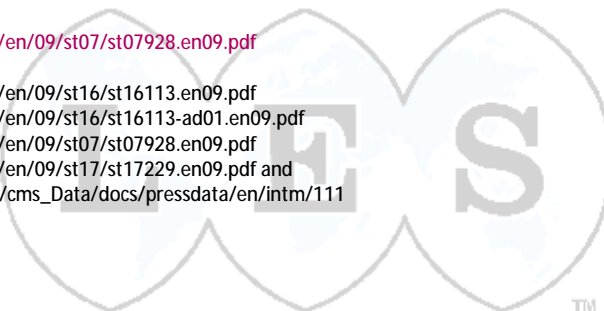
<sup>1</sup> <http://register.consilium.europa.eu/pdf/en/09/st16/st16113.en09.pdf>

<sup>2</sup> <http://register.consilium.europa.eu/pdf/en/09/st16/st16113-ad01.en09.pdf>

<sup>3</sup> <http://register.consilium.europa.eu/pdf/en/09/st07/st07928.en09.pdf>

<sup>4</sup> <http://register.consilium.europa.eu/pdf/en/09/st17/st17229.en09.pdf> and

[http://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/en/intm/111744.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/intm/111744.pdf)



LICENSING EXECUTIVES SOCIETY  
GREAT BRITAIN AND IRELAND



## **Important Legal Changes in December 2009**

*Four important new laws came into force in December 2009. Whilst they are not strictly "intellectual property" they will affect most IP lawyers whether litigators or those involved with drafting agreements and they are briefly summarised here. At the end are links to the legislation on*

*line and any further information issued by the Government. The new legislation is:*

*1. Treaty of Lisbon - inter alia, new numbering of Articles 81 and 82 of the Treaty of Rome (competition law) to Articles 101 and 102. Only those as old as I am will remember the days of Articles 85 and 86 before the 81/82 numbering. In force 1 December 2009*

*2. Provision of Services Regulations 2009 (SI 2009/2999) which implement the EU services directive. In force 28 December 2009.*

*3. Implementation of the EU remedies directive (EU public procurement) by The Public Contracts (Amendment) Regulations 2009 (SI 2009/2992). In force 20 December 2009.*

4. *Rome I (choice of law in contractual matters) is implemented in the UK by the Law Applicable to Contractual Obligations (England and Wales and Northern Ireland) Regulations 2009 (SI 2009/3064). In force 17 December 2009.*

### **Treaty of Lisbon**

The Treaty of Lisbon has not altered any intellectual property rules. However to be up to date readers ought to be aware of and use the new numbers in the Treaty. The Treaty establishing the European Community continues in force and is renamed "Treaty on the Functioning of the European Union" (or "TFEU"). So "Article 101 of TFEU" is the correct reference to what was Article 81 – prohibition on anti competitive agreements. Competition law compliance programmes in due course can be updated to reflect the new references and IP lawyers writing to clients about the competition rules need to ensure they refer to the new legislation.

Article 28 (free movement of goods) becomes Article 34

Article 30 (justifications for restricting free movement of goods) becomes Article 36

Article 81 (prohibition of anti competitive agreements) becomes Article 101

Article 82 (prohibition on abuse of dominant position) becomes Article 102.

The European Court of Justice (ECJ) is now called the Court of Justice of the European Union (or "CJEU") and the Court of First Instance (CFI) becomes known as the General Court. It is good to see EU tax payers' money going to such good purpose in current times! The more fundamental legal issues concerning the Lisbon Treaty have been considered in detail elsewhere in the media and will not be addressed here.

### **Provision of Services Regulations 2009**

The Provision of Services Regulations 2009 have been exercising many lawyers. On 16<sup>th</sup> December the Law Society issued a notice about the regulations saying that the regulations will oblige solicitors to provide information on their services — over and above the requirements set out in the Solicitors' Code of Conduct.

"Solicitors will need to:

- make the contact details of their professional indemnity insurance providers available and which jurisdictions this insurance applies to. This information can be provided in writing, for example in a client care letter, or made easily accessible at the firm's place of business or on its website.
- inform customers about the Legal Complaints Service including their contact details. This information will need to be included in a firm's documentation that provides detailed information about their services.

There are other information requirements that may apply in certain cases and solicitors should check the draft regulations and guidance provided by the [Department for Business, Innovation and Skills](#). We will shortly issue a practice note to advise practitioners in more detail."

The Regulations contain a list of compulsory information to be given by most providers of services. Thus lawyers advising clients, looking at what information must be given to customers or placed on web sites and as regards their own provision of services and indeed those of patent and trade mark agents/attorneys, need to know the list. Are licences of intellectual property provision of Services? The BIS guidelines referred to in Further Information below do not make this clear. The regulations say "In these Regulations "service" means any self-employed economic activity normally provided for remuneration (as referred to in Article 50 of the Treaty)." There is an exclusion for, inter alia, audiovisual

services, including cinematographic services, whatever their mode of production, distribution and transmission, and radio broadcasting. This provides that "Services" shall in particular include:

- (a) activities of an industrial character;
- (b) activities of a commercial character;
- (c) activities of craftsmen;
- (d) activities of the professions.

There is a current reference before the ECJ, or rather "CJEU" as it is now styled, as to whether or not licensing of software is provision of services. In any event many licenses of IP come with advice, assistance, consultancy and training and then the regulations clearly would apply. Much more important is the list itself. For lawyers one question has been the amount of information about insurance that clients must now be told and a detailed SRA/Law Society answer has not yet been forthcoming notwithstanding that the measure is now in force.

Regulation 7 requires contact details to be made available which must include in particular—

“(a) a postal address, fax number or e-mail address,

(b) a telephone number, and

(c) where the service provider has an official address - that address.

(3) In paragraph (2)(c) “official address” means an address which a person is required by law to register, notify or maintain for the purpose of receiving notices or other communications.”

The other information too much to be available under regulation 8:

(a) the provider’s name;

(b) the provider’s legal status and form;

(c) the geographic address at which the provider is established and details by which the provider may be contacted rapidly and communicated with directly (including, where the provider may be contacted and communicated with by electronic means, the details of how the provider may be so contacted and communicated with);

(d) where the provider is registered in a trade or other similar public register, the name of the register and the provider’s registration number or equivalent means of identification in that register;

(e) where the activity is subject to an authorisation scheme in the United Kingdom, the particulars of the relevant competent authority or the electronic assistance facility referred to in regulation 38;

(f) where the activity is subject in another EEA state to a scheme equivalent to an authorisation scheme, the particulars of the authority involved or the single point of contact in that state;

(g) where the provider exercises an activity which is subject to VAT, the identification number referred to in Article 22(1) of the Sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonisation of the laws of the member states relating to turnover taxes – Common system of value added tax: uniform basis of assessment;

(h) where the provider is carrying on a regulated profession, any professional body or similar institution with which the provider is registered, the professional title and the EEA state in which that title has been granted;

- (i) the general terms and conditions, if any, used by the provider;
  - (j) the existence of contractual terms, if any, used by the provider concerning the competent courts or the law applicable to the contract;
  - (k) the existence of any after-sales guarantee not imposed by law;
- (l) the price of the service, where a price is pre-determined by the provider for a given type of service;
- (m) the main features of the service, if not already apparent from the context;
- (n) where the provider is subject to a requirement to hold any professional liability insurance or guarantee, information about the insurance or guarantee and in particular—
- (i) the contact details of the insurer or guarantor, and
  - (ii) the territorial coverage of the insurance or guarantee.
- (2) For the purposes of paragraph (1), information is made available to the recipient if—
- (a) it is supplied by the provider to the recipient on the provider's own initiative,
  - (b) it is easily accessible to the recipient at the place where the service is provided or the contract for the service is concluded,
  - (c) it is easily accessible to the recipient electronically by means of an address supplied by the provider, or
  - (d) it appears in any information document supplied to the recipient by the provider in which the provider gives a detailed description of the service.

Article 9 also sets out information to be available on request.  
 Under article 10 if the service provider is subject to non judicial dispute resolution of any kind the customer or client must be told about that too.

### **The Public Contracts (Amendment) Regulations 2009**

The third December legal change relates to public procurement. Some readers will work for companies which are either one of the 100,000 public sector bodies in the UK or provide services to them. Those are subject to the public procurement rules which require large value public contracts to be advertised throughout the EU. These may well include big IP projects. The basic rules are unaltered from the 2006 UK regulations. However remedies are now toughened up by The Public Contracts (Amendment) Regulations 2009 (SI 2009/2992) since 20<sup>th</sup> December and it is likely that contracting authorities will be subject to more legal challenges and even requirements to set aside contracts awarded where the procedures have not been properly followed. The OGC short summary of the new rules set out below is a good introduction.

### **Rome 1 regulation – choice of law in contractual matters**

Finally the Rome 1 regulation which confusingly has followed Rome II which came first and which latter regulation related to choice of law in non contractual (including IP) matters, is also now in force. Rome 1 relates to choice of law in contractual matters. In general within the EU the Rome 1 regulations and 2001 Brussels regulation on jurisdiction have the effect that for business to business contracts which contain a choice of law and jurisdiction clause what is chosen prevails. This thus does not change current practice or clauses. It is only where there is no contract that the legislation comes to the fore and then only is applicable in the EU. However sadly many, many companies have no written contracts. The writer who has never had as much litigation as this autumn, presumably a direct effect of the recession, has found most disputes this year have arisen where there was no written contract at all. It is therefore quite common in practice to be seeking first to ascertain which laws apply to an unwritten contract covering two EU countries. The Further Information section below gives a reference to the regulation.

*Susan Singleton*

Singletons, [www.singlelaw.com](http://www.singlelaw.com)  
Member EC Laws Committee, LES B&I

### Further information

1. The EU page on the Lisbon Treaty is at [http://europa.eu/lisbon\\_treaty/index\\_en.htm](http://europa.eu/lisbon_treaty/index_en.htm)

The consolidated amended Treaty of the European Union/Rome etc is on line at <http://www.consilium.europa.eu/uedocs/cmsUpload/st06655-re01.en08.pdf>

The table of equivalences showing old and new numbering is at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2008:115:0361:0388:EN:PDF>

2. The Provision of Services Regulations 2009 (SI 2009/2999) are on line at [http://www.opsi.gov.uk/si/si2009/pdf/uksi\\_20092999\\_en.pdf](http://www.opsi.gov.uk/si/si2009/pdf/uksi_20092999_en.pdf) and the very detailed BIS guidance on it is at <http://www.berr.gov.uk/files/file53100.pdf>

3. The Public Contracts (Amendment) Regulations 2009 (SI 2009/2992) are on line at [http://www.opsi.gov.uk/si/si2009/pdf/uksi\\_20092992\\_en.pdf](http://www.opsi.gov.uk/si/si2009/pdf/uksi_20092992_en.pdf)  
There is a useful OGC note on the regulations at [http://www.ogc.gov.uk/documents/PPN\\_12\\_09\\_Public\\_Contracts\\_%28Amendment%29\\_Regulations\\_2009.pdf](http://www.ogc.gov.uk/documents/PPN_12_09_Public_Contracts_%28Amendment%29_Regulations_2009.pdf)

4. The Rome 1 regulation is on-line at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:177:0006:0016:EN:PDF>

The Law Applicable to Contractual Obligations (England and Wales and Northern Ireland) Regulations 2009 (SI 2009/3064) made under Rome 1 are at [http://www.opsi.gov.uk/si/si2009/pdf/uksi\\_20093064\\_en.pdf](http://www.opsi.gov.uk/si/si2009/pdf/uksi_20093064_en.pdf)

LICENSING EXECUTIVES SOCIETY

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News from the Regions...  
BRITAIN AND IRELAND

### The Times they are a Changing... The Scottish Civil Courts Review

September 2009 saw the much anticipated publication of Lord Gill's report on the Scottish Civil Courts Review. Lord Gill was appointed in February 2007 to make recommendations for modernisation and change across the whole of the Scottish civil justice system. The Scottish Government has indicated that it is supportive in principle of the Review's recommendations.

What is Scotland's current civil court set-up?

The Court of Session, based in Edinburgh, is Scotland's highest civil court. It has jurisdiction across Scotland and is divided into two "Houses" – the "Outer House" which hears cases at first instance and the "Inner House" which deals mainly with appeals. A further right of appeal lies from the Inner House to the new UK Supreme Court. Scotland is also divided into six "Sheriffdoms" each of which has a number of local Sheriff Courts dealing with a range of civil, criminal and other matters.



What has been proposed?

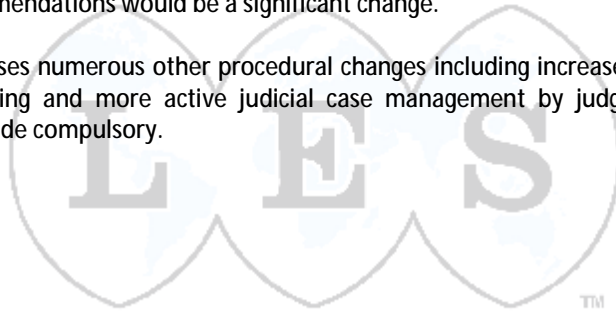
In his report, Lord Gill expresses the hope that reform:

"will make Scotland an attractive forum for the resolution of disputes by providing high quality judicial decisions at every level and by dealing with litigations economically and expeditiously...."

The Review has proposed a significant structural re-profiling of the Scottish civil justice system. Among other measures, the Review seeks to relieve pressure of business at the Court of Session by moving lower-value work into the Sheriff Court. Certain routine work is in turn to be shifted from the Sheriff Court into a lower tier of courts to be presided over by new District Judges.

From a commercial practitioner's perspective, the most radical change recommended by the Review is that, other than in special cases and subject to a power to remit cases between courts, only claims which are properly valued at over £150,000 would proceed in the Court of Session. Under present rules, it is possible to elect whether to sue in either the Sheriff Court or Court of Session for any claim worth more than £5,000. However, this runs the obvious risk of low value claims "clogging up" the Court of Session's time. Lord Gill's recommendations would be a significant change.

The Review also proposes numerous other procedural changes including increased use of IT, telephone hearings, electronic filing and more active judicial case management by judges. Mediation is to be encouraged but not made compulsory.



What does the Licensing Executives Society say about IP litigation?

The allocation of jurisdiction over IP disputes between the Court of Session and Sheriff Courts has been the subject of detailed statutory provision for many years. The Court of Session has exclusive jurisdiction within Scotland to hear cases relating to certain IP rights such as patents, UK registered designs, Community trade marks and Community registered and unregistered designs, as well as exclusive jurisdiction within Scotland over all proceedings principally concerned with the registration or validity of registered IP rights, including registered trade marks. The Sheriff Court has a concurrent jurisdiction with the Court of Session to grant some limited orders in trade mark infringement cases. The Court of Session and Sheriff Courts also have concurrent jurisdiction to hear copyright, passing off and breach of confidence cases.

IP disputes receive only relatively short treatment in Lord Gill's report, probably as a reflection of the fact that IP cases are already generally recognised in Scotland as meriting their own particular treatment. With the tailored procedural rules and specialist judges available for IP cases, IP disputes at the Court of Session already benefit from more proactive and specialist treatment than standard Court of Session cases. Other brand- and technology-related disputes, including confidentiality cases, have also benefited from the Court of Session's more flexible and expeditious rules for commercial actions which the Review does not seek to change as they already work well.

The underlying intention of the Review is that the Court of Session's existing exclusive IP jurisdictions should continue unchanged. Although the Review does not enunciate this perhaps quite as explicitly as

might have been ideal, it seems clearly implied that IP disputes over which the Court of Session currently has exclusive jurisdiction are to remain with the Court of Session whatever the size of any financial claim.

How lower-value IP cases will be treated where there is concurrent jurisdiction between the Court of Session and Sheriff Court (for example, a breach of copyright or passing off claim where damages may be below the £150,000 cut-off) is less clear from the Review at this stage. There is provision within the Review's recommendations to ensure that complex cases are heard by the Court of Session whatever the level of financial remedy sought. Given the importance of non-financial remedies in IP cases and the fact that a rights holder may not be in a position to quantify or elect between his possible financial remedies until a case is some way down the track, it is hoped that implementation of Lord Gill's proposals will recognise that there may be good reasons, unrelated to levels of financial recovery, to wish to begin claims of this kind in the Court of Session. It will be necessary to put this point forward as Lord Gill's proposed reforms are considered and move forward towards implementation, although that may in itself be some time away yet.

*Jim Cormack and Jane Cornwell  
Litigation & Dispute Resolution  
McGrigors LLP*

## LESI Conference 2011

As many of you will already know, LES Britain & Ireland won the bid to be the host chapter for the 2011 LESI Annual Conference and International Delegates Conference. The Annual Conference will be held in London from 5th-8<sup>th</sup> June 2011, and the International Delegates' Conference from 3<sup>rd</sup>-5<sup>th</sup> June. This is a great opportunity for LES B&I.

The theme for the conference will be "Licensing in the 21<sup>st</sup> Century – Better, Faster, Smarter", which echoes the Olympic theme for 2012. The conference will be held at the Westminster Park Plaza Hotel, a purpose-built hotel and conference centre located just over the Westminster Bridge from Parliament Square <http://www.parkplaza.com/hotels/gbwestmi>. This venue offers ease of access and impressive views over the Houses of Parliament and the Thames, and is perfectly situated close to the South Bank Centre, Tate Modern, Tate Britain and the London Eye.

Our planning groups are in place and over the coming year we will be looking for speakers and contributors to make the conference a success. The conference will also include the LES Foundation's Graduate Student Business Plan and the LESI Young Members Congress, which was launched at the 2009 LES USA & Canada Annual Conference in San Francisco.

The Britain & Ireland planning committee members are:

Patrick Cantrill  
Conan Chitham  
Dai Davis  
Jeanne Kelly  
Anne Lane (Chair)  
Jenny Pierce  
Sangeeta Puran  
Anita Roberts

Raja Sengupta

We have 3 groups within the committee focussing on conference sponsorship, and the main and social conference programmes.

LES Britain and Ireland is working with professional conference organisers MCI International to help with the planning and execution of the conference. This group also helped with the LESI conference held in Zurich, so we are in good hands. More information can be found on the LES Britain and Ireland website and at [www.lesi2011.org](http://www.lesi2011.org). We would welcome any suggestions for ideas for the conference and hope that we can count on your support for 2011.

Anne Lane  
[a.lane@uclb.com](mailto:a.lane@uclb.com)

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## International Delegates Meeting in San Francisco

Delegates from all chapters of LES International met in San Francisco on 22<sup>nd</sup> and 23rd October 2009. As far as LES Britain and Ireland is concerned, the following are of particular interest:

- the tagline "Advancing the business of intellectual property, globally" was adopted. This should assist in explaining the focus of LES, both to new members and to those who do not know the Society, which has a much broader remit than just licensing;
- our work to date on the international conference in June 2011 was recognised but we are well aware of the amount of work that remains to be done. We must now start work on the programme in earnest. If you would like to assist the conference committee then please contact Anne Lane, the chair, at [anne.lane:ucl.ac.uk](mailto:anne.lane:ucl.ac.uk) ;
- Hayley French of LES B&I was appointed as chair of the Education Committee, and she will be working on an international basis to promote and to develop the Society's educational tools; LES graduate student business plan competition (the 2011 competition will be held at the LESI meeting in London); promoting Around the World with LESI (events to be held on WIPO world IP day 26<sup>th</sup> April 2010);
- Barry Quest continues his hard work for the international Communications Committee and is currently making arrangements with his colleagues on that committee for the replacement of the LESI website. That website contains some very useful material so it is well worth visiting it regularly;
- Fiona Nicolson is to be Co-Chair of the LESI Membership Committee. This is the committee which considers applications from new societies wishing to join LESI and also works with existing LES member societies that need assistance in growing their membership.
- Pat O'Reilly, from LES USA and Canada took over as President LESI and Alan Lewis of LES South Africa is the new President Elect. Pat will be focussing on the support by LES International of the member societies and on external relations, in particular responsible support for intellectual property in the current international climate. We wish them well.

Jennifer Pierce  
[Jennifer.pierce@charlesrussell.co.uk](mailto:Jennifer.pierce@charlesrussell.co.uk)



**LICENSING EXECUTIVES SOCIETY  
BRITAIN AND IRELAND**

"Advancing the Business of Intellectual Property Globally"

### **Moving Company/ Changing Address?**

Please remember to tell our administrator, Jennifer Kirkcaldy, if you change your office address so that we can continue to send you LES information.

LES Administrative Office,  
Northern Networking Events Ltd  
Glenfinnan Suite  
Braeview House  
9-11 Braeview Place  
East Kilbride  
Glasgow  
G74 3XH



Please also remember to change your contact details in the membership directory on the LESI website ([www.lesi.org](http://www.lesi.org)). As a service to our members the editor will print any change of company and location in newsXchange™. Please contact Mary Elson, [elson.mary@btinternet.com](mailto:elson.mary@btinternet.com)

BRITAIN AND IRELAND

### **Membership**

Enquiries should be addressed to Jennifer Kirkcaldy at the LES Administrative Office:

Tel: +44 (0) 1355 244966      Fax: +44 (0) 1355 249959

Email: [les@northernnetworking.co.uk](mailto:les@northernnetworking.co.uk)

The membership application form may also be found on the LES B&I website: [www.les-bi.org](http://www.les-bi.org)