

IP/IT NEWSLETTER

JANUARY 2016

### **FOCUS:**

### THE EUROPEAN PARLIAMENT ADOPTS THE TRADEMARK PACKAGE

The Directive (EU) 2015/2436 and the Regulation (EU) 2015/2424 were adopted by the European Parliament on 16 December 2015. The **principle** measures are the following:

## Waiving of the requirement of graphic representation of trademarks

The criteria for the graphic representation of trademarks, both national and "of the European Union" (the new name for community trademarks), is removed. The trademark can be presented under any form appropriate to the means of technology commonly available.

This measure aims to strengthen legal security, all while allowing greater flexibility. As long as the representation of the trademark is clear, precise, distinct, easily accessible, intelligible; sustainable and objective, the registering of the new trademark forms (olfactory, aural, etc.) should be facilitated.

### Creation of an administrative procedure for invalidity and revocation

The Directive charges each Member State with the creation of an administrative procedure for revocation and invalidity of trademarks before its National Office of Intellectual Property.

This administrative procedure will exist without prejudice to the right to initiate judicial proceedings. In France it will take place before the National Institute of Intellectual Property (l'Institut National de la Propriété Intellectuelle (INPI)), and should be quicker and less costly than a judicial procedure.

#### **Goods in transit**

The European Parliament dismissed the position of the Court of Justice of the European Union (CJEU) and its decision *Nokia*-

Philips of 1 December 2011, providing that owners of national trademarks and the European Union could prevent the entrance of counterfeit products and their placement in any customs situation, including transit, even when these products are not destined to be sold in the European Union or the Member State, according to the circumstances.

This provision should provide the customs authorities with greater efficiency. Indeed, following the decision of the CJEU, the customs authorities could only control merchandise in customs transit and the merchandise had to be released, even when it was counterfeit, when it cannot be proven that it was destined for the EU market.

#### Requirement of clarity and precision for the labelling of classes

In order to guarantee greater legal security and good administration, products and services must be designated with sufficient clarity and precision to allow the competent authorities and economic operators to determine, on this sole basis; the extent of the requested protection.

Thus, and in accordance with the 19 June 2012 CJEU decision *IP Translator*, if an applicant indicates a general title of a NICE Classification class, it will be necessary to specify if the request targets all of the products or services of this class, referencing the list of products or services of the relevant class on the label, or only some of them.

### **Transposition timeline**

Since the Regulation has direct effect, it will enter into force without transposition on 26 March 2016. The Directive, on the other hand, must be transposed into national law by 14 January 2019. A special time limit of seven years is provided for the implementation of the administrative procedure for invalidity and

revocation before the INPI, namely no later than 23 January 2023.

#### CASE LAW NEWS

# Breach of security and confidentiality: a €50,000 penalty fine by the French Data Protection Authority

Following a client complaint, the company OPTICAL CENTER was subject to inspection measures and served a notice by the French Data Protection Authority, the CNIL.

At the end of the procedure before the CNIL, the latter found that OPTICAL CENTER did not ensure an adequate level of security for its clients' personal data.

Two different deficiencies were described: (i) the lack of implementation of adapted measures to ensure the security and confidentiality of its clients' data, it being specified that its website provides access to 170,000 user accounts, (ii) the lack of a clause providing the obligations incumbent on the service provider with regards to protection of the security and confidentiality of the data of the company's clients.

These breaches warranted the public sentencing of OPTICAL CENTER to pay a €50,000 fine.

Deliberation by the CNIL subcommission, 5 November 2015  $n^{\circ}$  2015-379

### The treatment of personal geolocation data for rental vehicles

The Council of State ("Conseil d'Etat") rendered a decision on the data processing responsibility of a car rental company whose fleet includes vehicles equipped with geolocation devices.

All of this data — centralized with the host — was accessible from a single workstation, to which only the manager's spouse had the password. Additionally, the company had signed a commitment of compliance with the CNIL's deliberation (n°2014-294 of 22 July 2014 regarding personal data intended to "geolocate" the vehicles used by employees in the carrying out of their professional activity).

The CNIL issued a fine of €5,000, reprimanding the company for not having fulfilled the preliminary formalities, nor informed the concerned persons of the geolocation. Finally, the CNIL reprimanded the

company for not having ensured the security of the data.

The Council of State, who received the appeal, concluded that the company should indeed be regarded as determining the purposes and the means of the data processing, and hence liable.

A car rental company is therefore responsible for the geolocation devices, even if it is not the owner of all of the vehicles so equipped.

Council of State, 10th/9th SSR, 18 December 2015,  $n^{\rm o}\,369834$ 

### The protection of a virtual advertising character

The company Vente-privée.com created a virtual personage, "Cécile de Rostand" that it used as "client manager". A user of the site had registered the trademark "Cécile de Rostand" and the domain name "cecilederostand.fr" in the name of the company where he is director.

The court found that the trademark owner had created a risk of confusion with Vente-privée.com, infringing the trade name in question. The Court annulled the trademark "Cécile de Rostand" and judged that the domain name "cecilederostand" had been registered fraudulently vis-à-vis Vente-privée.com's rights.

The interest of this judgment mostly resides in the admission of the fictional personage of Cécile de Rostand as a trade name. Inded, the court recalled that the trade name is that by which a business is operated and known by its clientele. It is a distinctive sign that, as soon as its first public use, possesses usage priority on a trademark without having to prove that it was published in the commercial registry or that it was known to the trademark applicant.

A marketing procedure consisting of the creation of a fictional character can, consequently, establish a distinctive, protectable sign as a trade name provided that the public associate it exclusively with a single company.

Additionally, the court recognized a copyright on the personage of "Cécile de Rostand".

Nanterre First Instance Court, Civil Section, 1st Ch., 3 December 2015

### Use of a brand as a reference to a competitor's product

The Paris Court of Appeal sentenced the company Dr. Martens to pay €45,000 for trademark infringement and unfair and parisitic competition against its competitor, Weston, after having used the trademark "Weston" as a reference to a pair of shoes on its website.

The Court estimates that the infringement was characterized by the usage of the logo "Weston" as well as the use of the description "Wasp Weston 7 Tie Boots" to designate products identical to those covered by the registration of the "Weston" trademark.

Thus, the use of the Weston logo by the brand Dr. Martens, certainly well-known, did not sufficiently prevent the confusion of the two brands by the public concerned, the latter possibly not understanding that the trademark identifying the product in question was Dr. Martens.

Paris Court of Appeal, Section 5, Ch. 2, 25 September 2015  $n^{\circ}14/15558$ 

Sentence for unfair and parasitic as a result of the distributor products' presentation

The group SAVENCIA, previously BONGRAIN (and its subsidiary, B.G.), fabricates and markets the "Caprice des Dieux" cheeses, and

fabricates, on behalf of the distributors Leclerc and Carrefour, cheeses sold under the distributor brands "Coeur de Crème" and "Coeur Complice".

These companies each wanted to create a line of mini-cheeses, and the company FROMAGERIE GUILLOTEAU was entrusted with the fabrication of mini Coeurs de Crème and mini Coeur Complice.

These cheeses, like the mini Caprice des Dieux, have a lozenge form, weigh 50 grams, and are presented in lots of three in a predominately blue cardboard case featuring the word "mini".

The Court of Appeal considered that this reworking of the distinctive characteristics of mini Caprice des Dieux could lead to the risk of confusion, illustrated by a survey, and characterizes unfair competition.

In terms of parasitic competition, the argument of FROMAGERIE GUILLOTEAU, according to whom the miniature products are only placed in the close environs of their "big brothers" (produced by SAVENCIA, as a reminder) did not convince the Court of Appeal.

The Court of Appeal overruled the Commercial Court and sentenced FROMAGERIE GUILLOTEAU to pay a total sum of €690,000 in damages caused by unfair competition and parasitical acts.

Versailles Court of Appeal, 12th Ch., 5 January 2016, n°14/03339

#### AT GLANCE

Following the invalidation of the Safe Harbor by the CJEU, the French Data Protection Authority (CNIL) and its European counterparts (the G29) called upon the European institutions and governments concerned to construct a new legal framework for the transfer of personal data between the European Union and the United States before 31 January 2016.

Law n°2015-990 of 6 August 2015 introduces an employer **information obligation** vis-àvis the employee-creator of a mission invention. The employer must inform the employee of both the **submission** of a patent application protecting the invention, and its actual **issuance**.

This information would mark the starting point of the triennial limitation period for the claiming of supplementary compensation. An implementing decree is not expected.

Ordinance n°2015-1033 of 20 August 2015 regarding the out-of-court settlement of consumer disputes requires any business having an online commercial activity to guaranty the effective recourse to a consumer mediation process. The professionals have 2 months as of the

publication of Decree  $n^{\circ}$ 2015-1382 to comply with these obligations.

In practice, **the Sale Terms and Conditions have to be modified** in order to inform the consumer of the right to mediation, and to communicate the identity and website

link of the competent mediators that the professional provides. In addition, a link to the European platform also need to be inserted on 15 February.

### PRACTITIONERS CORNER:

#### RESPECT OF PRIVACY AND CYBERSURVEILLANCE OF EMPLOYEES

The balance between an employee's right to privacy and the surveillance of his activity by the employer imposes upon the business limits in the control of access to the data of the connected employee.

The provisions of Article 8 of the European Court of Human Rights (ECHR), Article 9 of the Civil Code, and Article L 1121-1 of the Labor Code protect the privacy and the confidentiality of employee's correspondence.

### What guarantees of the respect of the protection of employee privacy?

Emails, as digital files created by the employee using an IT tool made available to him are presumed to be professional, allowing the employer to consult them.

Only documents identified as personal by the employee cannot be freely accessed. For these, the legal protection scheme is different based on if they are digital files or emails:

- Digital files may be opened if:
- (i) The employee is present or duly summoned.
- (ii) A risk or a particular incident exists for the business. The presence of the employee is not required in this case.
- Personal emails, received or sent, can never be consulted by the employer.

In any event, the employer may, by means of an application or interim injunction, obtain a judge's authorization to access the contents, subjet to providing a legitimate reason (Art 145 of the Civil Procedure Code).

### What is the scope of the employer's supervision of his employees' activities?

The monitoring of employees must respond to the necessary proportionality, be justified by a legitimate business concern and fulfill the necessity for transparency. Among these requirements:

- The necessity that the supervision performed be proportional to the intended outcome;
- The necessity that the supervision be performed for a set and legitimate purpose;
- The necessity that the security and the confidentiality of the collected data be respected;
- The necessity that employees are clearly informed of the supervisory operations.

The recent decision of the ECHR (Bărbulescu v/ Roumanie, application n°61496/08) develops this examination of proportionality and purpose.

The ruling sanctions an employee for having misused a Yahoo Messenger account for personal reasons whereas the company prohibited the personal use of these resources. The decision concluded that the courts conserved a fair balance between the claimant's right to privacy and to his correspondence, and the interests of his employer.

### What are the prevention tools? Supervision of the digital activity of employees

Legal and empirical provisions permit one to define the good practices in a business as well as the control of misuse of IT, personal and professional resources by the employee:

- internal rules are subject to a specific procedure (Labor Code, Art. L-1321-4),
- to which an internal IT code of conduct may be advantageously attached.

These rules only have a binding effect if the following procedure is respected:

• consultation with the personnel's representative bodies. The employee

monitoring must be submitted to the employees representative committee and, if necessary, the CHSCT (Health and Safety Council) for consultation and be submitted to the labor inspector.

- prior employee notification of the monitoring measures and the applicable sanctions
- declaration to the French Data Protection Authority (CNIL) of the supervision measures of employee activity

In the event of non-compliance with theses internal rules and IT code of conduct, the employee could be subject to termination for serious misconduct.

On the other hand, IT code of conduct not attached to the internal regulation, or mere "Good Practices", can only have the impact of a relatively lightly binding statement of ethics.

#### FIRM NEWS

The team attended the ITechLaw conference in London in November 2015, bringing together IT Law practitioners from all of the continents.

Pierre and Sandrine participated in the 8<sup>th</sup> Forum International de la Cybersecurité (FIC) which was held 25-26 January in Lille, France.

At this occasion, Pierre and Sandrine authored two articles on "The Legal Challenge of Preventing Company Data Loss" and "The Legal Aspects of Security Management in the Company", accessible on the site <a href="http://www.observatoire-fic.com/">http://www.observatoire-fic.com/</a>.

Sandrine also presented a workshop on the theme "Data Loss Prevention".



45 rue de Tocqueville • 75017 Paris, France Tél. : +33 (0)1 79 97 93 00 www.altanalaw.com



The IP /IT Team of Altana

Pierre Lubet / plubet@altanalaw.com Jean-Guy de Ruffray / jgderuffray@altanalaw.com Sandrine Cullaffroz-Jover / scullaffroz@altanalaw.com Camille Raclet / craclet@altanalaw.com