



Dear Reader,

Welcome to the international issue of the "B&B-Bulletin", our quarterly newsletter on recent developments in German and international Intellectual Property Law. We hope you will enjoy reading our new issue and look forward to any questions or discussions that may arise therefrom.

Best regards,
Your B&B Bulletin Editorial Staff

Topics in this issue at a glance:

The Initiative "Early certainty from Examination"	p. 1
The Patenting of Graphical User Interfaces.....	p. 2
Equivalent patent infringement if only possible embodiment is addressed by the claims	p. 6
First provisional compulsory license issued in Germany on a European patent for an AIDS medicament	p. 7
CJEU: The antitrust assessment of licence contracts for patents which have become invalid	p. 8
Change of policy by the CJEU.....	p. 9
CJEU: On the liability of operators of physical market places.....	p. 10
Interview in the journal Neue Juristische Wochenschrift (NJW) - Germany's publishers take on Google.....	p. 11
What happens now after the German Federal Constitutional Court's Metall-auf-Metall Decision?.....	p. 14
Reform of EU Copyright Law - Proposals by the European Commission for a digital single market	p. 15

Patent Law

The Initiative "Early certainty from Examination" – possible collateral damages and what this means for the applicant

Early certainty from examination for patent applications is the aim of the European Patent Office's initiative which bears the same name. In the future, there should only be 12 months between the application for examination for the European Patent Application and the decision. It is not just quality which is to be delivered, this quality has to be delivered early for reasons of efficiency. Early certainty for applicants and for third parties as to whether a patent application will be granted is, generally speaking, a positive thing. Third parties in particular have to know early on whether a patent application could encroach on their business activities.

However, according to the opinion of applicants, some "fine-tuning" is still required so that the collateral damages do not outweigh the advantages.

Ideally, decisions on patents and the costs involved should be adapted to the needs of each business. The pharmaceutical industry has very long product cycles and only one out of ten projects is successful. It is preferable, of course, to invest as little money as possible in the "dead horses"; however, due to the long product development periods, it is not until much later when the "dead" horse can be distinguished from the others. Therefore, costs are delayed for as long as possible. The enforced expedition of the examination procedure means that all costs, in particular the high validating costs, will be due for all applications in all

projects early. There will be those much harder hit than the pharmaceutical industry, for example academic facilities, small businesses and technology transfer facilities who definitely need to avoid early costs before they have found a strong partner.

A further problem is setting up experimental data during the examination procedure. In many patent applications, in particular in the pharmaceutical and life-science fields, experimental data has to be submitted subsequently, for example in order to provide evidence of the claimed effect or to distinguish the invention from the prior art. For reasons of resources, this will be impossible for the "small" applicant to manage within 12 months.

However, critical voices can be heard from technical areas other than the pharmaceutical area.

The EPO was and is a reference for quality. Experts fear that this could change. Even today, it can be heard that the examiners have insufficient time to really comprehend the invention. Objections in examination reports have been based more and more on formalities. This can lead to unjustly limited claims. A trend which can only get worse.

New and inexperienced examiners with low salaries and temporary contracts are scarcely the solution to tackle the workload with a reasonable level of quality. Other Patent Offices which became “fast boilers” for inexperienced examiners for cost reasons became a quality disaster.

An examination procedure of 12 months also means one or two examination reports and then oral hearings within this period of time. Up to now, we have budgeted one report per year per application. If several reports as well as the oral hearing and the validating costs now confront the applicant each year, this will

blow the budget for the small applicant. Costs will become a large problem.

It would be better for the applicant to have a tailor-made approach – expedited examination procedure upon request of the applicant or third parties.

If this initiative becomes reality as planned, then applicants will need a “de-PACE” request to “slow down” the procedure. In view of the costs, it will also be important to be able to put the validation on hold until after the patent has been granted. If the expedited examination is to also apply to pending procedures, then there will also be a need for a transition regulation.

It remains for the applicants to hope that the EPO considered the justified requirements of the applicants and adapt the initiative correspondingly.

*Dr. Ute Kilger, Patent Attorney
Office Berlin
E-Mail: kilger@boehmert.de*

Patent Law

The Patenting of Graphical User Interfaces

The Boards of Appeal of the European Patent Office (EPO) have recently commented several times on the question of the patenting of graphical user interfaces and have more narrowly defined the area in which features of a graphical user interface can be seen as a technical feature and, therefore, relevant for the assessment of the inventive step. Even though this area remains a grey area, a general trend appears to emerge at the EPO which definitely shows parallels to recent decisions of the Federal Court of Justice.

Graphical User Interfaces have become our constant companions in many different areas: mobile telephones, medical equipment and machines in industrial processes are many areas of use. Naturally, this has stimulated an interest in patent protection for graphical user interfaces.

The standard practice of the EPO requires that a claimed subject-matter must solve a technical problem with technical means in a way which is not obvious in order to be patented. According to Art. 52 (2) of the EPC and the established practice of the EPO, the presentation of information, aesthetic creations, programs for computers and business methods as such are not considered to be technical. With regard to the patentability of user interfaces, this means that features of a patent claim which relate to the graphical display of a user interface or information which is dis-

played to the user via the user interface will possibly be seen as non-technical feature which cannot contribute to an inventive step in accordance with the examination approach of the widely known COMVIK decision T 641/00 of the EPO.

When looking at graphical user interfaces, the particularly relevant question is which criteria does a graphical user interface feature has to fulfil in order to be seen as a technical feature and thereby support the presence of an inventive step. The Boards of Appeal of the EPO have recently commented on the question of the patenting of graphical user interfaces and have worked out some criteria which should facilitate the assessment of which feature of a graphical user interface (if at all) can be seen as “technical feature” in terms of the case-law of the Boards of Appeal.

The user thinks!

Some of the criteria raised by the case law of the EPO concern the question of the extent to which the mental activities of the user conflict with the patentability of graphical user interfaces.

A feature of a graphical user interface, the effect of which can be ascribed solely to the reduction of the cognitive burden of the user, for example by allowing the user to cognitively process the displayed information better, so that he can make faster entries, was classed as a non-technical feature in many Board of Appeal decisions (see EPO decisions T 1143/06, T 1741/08, T 1670/07). This decision practice has also led to a change in the guidelines for examination in the EPO (see section G-II, 3.7 of the guidelines for examination in the EPO). The named decisions paved the way for the so-called “broken technical chain fallacy” established by the EPO Boards of Appeal, which is based on the idea that in cases of an improved layout to reduce the cognitive burden of the user, or the fast or accurate reaction of the user by means of an entry, the mental activity of the user is involved and thereby interrupts the “technical chain” of procedures, beginning with the display and ending with the receiving of the input. One technical effect which is possibly linked to improved input depends, according to the Boards of Appeal, on the sole mental activity of the user which, depending on the user, can vary. As a result, the attainment of an allegedly technical goal is a mere subjective viewpoint, so that the definition of a user interface solely with the (subjective) purpose of reducing the cognitive burden of the user cannot be regarded as being technical.

On the other hand, it was clarified in several decisions and examination guidelines that the sole fact that the claimed subject-matter comprises mental activities does not automatically mean that the subject is not technical (T 643/00). Interestingly, it seems that some Boards of Appeal have hinted in more recent decisions that the claiming of an intuitive user interface which supports the user in the operating of the user interface, can have a technical effect (T 1958/13, No. 2.2.5 with reference to T 643/00; T 1715/11, No. 2.3).

Taking the Human by the Hand via the User Interface

One further question which was addressed in the case-law of the EPO Boards of Appeal is which role does the nature or the content of the displayed information play in the assessment of the technicality of the user interface or the information shown there. This question was recently addressed by the decision T 336/14

(Gambro Lundia AB vs. Fresenius Medical Care Deutschland). The decision concerned the appeal proceedings in an opposition regarding a patent, the patented subject-matter of which was a user interface for a dialysis machine. The user interface differed from the prior art in that saved data displayed on a screen (i) comprised the operating instructions to activate the dialysis machine and (ii) two pictograms were shown on the screen upon activating two touch-sensitive buttons which appear next to the operating instructions, whereby the pictograms represent the configurations of the dialysis machines which correlate with the operating instructions (T 336/14 Nr. 1).

In its decision T 336/14, the Board of Appeal 3.5.05 applied a special examination procedure or testing scheme.

First of all, the Board of Appeal approached the question of whether the data shown is so-called “functional data” or “cognitive data”. Functional data is that which shows the inherent technical features of the underlying system in questions, such as information for the synchronisation of coded picture lines (line numbers and addresses) for a corresponding reading apparatus (T 1194/97) or a television signal which reproduces information which show the technical features of the television system (T 163/85). In contrast, cognitive data is aimed directly at the user (the user interface) and is only relevant for same.

In the case of such cognitive data, the next question to answer is whether the relevant features concern “how” or “what” is being displayed, in other words the content of the displayed information. The patent in question concerned cognitive data and its content (i.e. the question of “what” is displayed).

In the following, this article concentrates on the assessment of the technicality of features which refer to the display of cognitive content, in other words “what” is shown.

When assessing whether the displayed cognitive content can be seen as a technical feature, the Board of Appeal concentrated on whether the user interface and the content of the displayed information credibly assist the user in carrying out a technical task by way of a continued or guided human-machine interaction process. In particular, it concerned the question of “why”, in other words “for what purpose” the information was displayed (T 336/14 No. 1.2.4).

In other words, according to the Board of Appeal, to answer the question of whether the displayed cognitive content is to be considered as a technical feature, it

must be reviewed whether the displayed information is “technical information” which credibly enables the user to properly operate the underlying technical system and thus has a technical effect. It is particularly relevant to assess whether the displayed cognitive information contains an internal machine condition and requires the user to interact with the machine in a continued or guided way to enable the proper functioning of the machine (T 336/14 Nr. 1.2.4).

Furthermore, in its decision T 336/14 referring to the abovementioned decision T 1741/08, the Board of Appeal pointed out that not everything which supports or can support a technical act features a technical character because of this. In particular, an act which could possibly be performed by a user in reaction to a displayed information concerning the technical mode of operation of the system in question does not lead to the displayed information being a “technical information”. With this appraisal, the decision touches on another aspect of inventive step, namely the requirement that all embodiments which fall under the claimed subject-matter must causally, or at least credibly, solve the technical problem which is to be solved (G 1/03 No. 2.5.2, T 1078/08, T 1019/10, T 5/06, T 380/05, T 929/92, T 668/94). This was also confirmed recently by the Boards of Appeal of the EPO (T 2001/12, T 862/11).

As already mentioned, the decision T 336/14 addressed the question of whether the displayed cognitive content is to be viewed as a technical feature, whereby the Board of Appeal concentrated on “why”, or “for what purpose” the operating guidelines for activating the dialysis machine are shown on the user interface of the dialysis machine together with two pictograms which appear to act as touch-sensitive buttons and which are associated with the operating guidelines. The patent concerned a way of supporting a nurse in starting the dialysis machine in a safe and efficient way by displaying the operating guidelines and the pictograms.

The Board of Appeal found, however, that activating the switch according to the patent claim did not necessarily bring on the change of an internal status of the dialysis machine and the displayed pictograms did not contain any details of the current status of the system. In addition, the patent claim did not even indicate an order in which the buttons or the operating guidelines needed to be used in order to guarantee a proper operation.

As a consequence, the Board of Appeal came to the conclusion that the claimed operating guidelines and the pictograms did not credibly or causally support the

user in terms of a continued or guided human-machine interaction. In particular, the Board of Appeal found that the displayed information, if at all, could only help the user to better understand or remember the steps to be carried out to start the dialysis machine and would, therefore, only address the mind of the user.

As a consequence, the distinguishing features of the main request relate to the presentation of information as such, which, according to settled case law of the Board of Appeal, does not support the presence of an inventive step.

In an auxiliary request, an additional distinguishing feature was inserted that a part of the display changes if one of the operating guidelines is carried out. In essence, the purpose of this is to give the user a visual feedback if the user of the dialysis machine ensures that one of the displayed operating guidelines is carried out (T 336/14 No. 3). The Board of Appeal admitted that this visual feedback on the carrying out of one of the operating guidelines referred to an internal state of the machine and would represent a “technical information”. However, the Board of Appeal emphasised that this distinguishing feature (or the entire patent claim) would not necessarily require that carrying out the operating guidelines has to be successful to trigger the visual feedback. In fact, what is being displayed visually is merely the activation of any operating guideline. If and how – in other words how successfully – the activated operating guideline is carried out by the dialysis machine left open by the patent claim, so that a proper functioning of the dialysis machine is not necessarily ensured by the claimed graphical user interface. An inventive step was, therefore, also denied by the Board of Appeal for the auxiliary request.

In the headnote of the decision, the Board of Appeal emphasised that when assessing the inventive step of a claimed subject-matter which comprises technical and non-technical features, in which the cognitive information displayed on the graphical user interface concern the content of the information and not the manner of the display, it must be examined whether the graphical user interface, together with the displayed content, credibly and causally support the user when carrying out a technical act by using a continued or guided human-machine interaction process. To assess this question, one also has to concentrate on the “why”, or “the purpose” of the graphical display.

This decision emphasises that features of a graphical user interface can support an inventive step if they causally or at least sufficiently credibly serve the technical purpose of guaranteeing a proper use of the underlying machine in question by the user.

The same Board of Appeal 3.5.05 made a similar decision previously in T 407/11. In this case, the Board of Appeal found that when assessing the inventive step, only the technical effects which are directly and causally derivable from the claimed distinguishing feature are relevant (T 407/11 No. 2.1.4). Furthermore, the Board of Appeal found in the decision that a technical effect can be seen if it is prevented in a data-processing electronic system that a function called up by a user is, due to his error, either not carried out at all by the system or in a way which is not wanted (T 407/11, No. 2.1.4, 2.1.5). What is interesting is that the Board of Appeal, in its headnote, emphasised that the relevant expert in connection with the provision of operation assistance via a user interface of a computer system is not an expert in software programming or computer engineering as such, rather an expert in user friendliness in the area of human-machine interface and software ergonomics.

As a consequence of T 336/14, the Board of Appeal 3.2.02 decided in T 690/11 that the criteria of T 336/14 would follow the established line of case law of the Boards of Appeal. In that particular case, the Board of Appeal 3.2.02 found that features of a graphical user interface, the aim of which is that a user makes an entry and triggers an internal process of the system in question, and the graphical user interface graphically displays the course of this process, has a technical character (T 690/11, No. 3).

Also shortly after the T 336/14, the Board of Appeal 3.5.05 decided in T 1073/13 again that distinguishing features which graphically display cognitive content and merely have the effect that the user does not have to remember a special sequence for a configuration before carrying out the configuration, is not technical. The Board of Appeal demanded again a credible support for the user when carrying out the configuration of the system in question, for example by displaying the current status of the system within the framework of a continued or guided human-machine interaction process. (T 1073/13, No. 1.1.6).

The decision T 1715/11 of the Board of Appeal 3.2.04, which was made before the decision T 336/14 of the Board of Appeal 3.5.05, did not discuss the issue of the strictly credible or causal connection between the graphical display of information and the achieving of the technical success, it did, however, point out that the layout of the graphical user interface does have a technical effect if it reduces errors of the user in the communication with the machine in question, thereby supporting the communication between human and machine (T 1715/11, No. 3.2, 3.7).

Parallels with Federal Court of Justice Case Law

The above trend of the EPO Boards of Appeal appear to be in harmony with the recent decision of the Federal Court of Justice (X ZR 110/13 – Entsperrbild) on the subject of graphical user interfaces. The Federal Court of Justice states that when examining the inventive step, instructions which concern the conveying of certain content with the aim of influencing the human imagination or comprehension should not be considered.

The matter at the heart of the decision of the Federal Court of Justice concerned a “swipe to unlock” mechanism for mobile telephones. The procedure according to the invention was identified such that the user can unlock the device with a predetermined finger movement on a touch-sensitive display, whereby the device remains locked if the movement does not correspond to the saved specifications. The contact movement also corresponds to a predetermined path on which an image moves in harmony with the contact on the screen. The Federal Court of Justice found that the specification to move an image in harmony with the contact along a predetermined and shown path on the screen, shows the user the control movement to unlock the functions of the device, which the user carries out by touching the touch-sensitive screen in a particular way, by visually indicating a symbol on the screen that carries out a corresponding movement. The patent claims to show the user optically that he has given the computer an instruction with the movement which can unlock the device, and that the unlocking is actually taking place if the movement of the user corresponds with the requirements of the predetermined movement. The command which lies in the finger movement should, in other words, trigger not only the unlocking, but also a display which symbolises the command and the progress of its execution. This is a technical solution of the technical problem of making the execution of unlocking optically recognisable to the user, thereby increasing the operating safety.

Therefore, the human is – fully in line with a continued and guided human-machine interaction as required by the Boards of Appeal of the EPO – taken by the hand during the unlocking of the device by way of the user interface, and the status of the unlocking is optically displayed.

Conclusion:

A series of partly older but hitherto accepted decisions view a technical effect in the mere display of internal statuses of machines (T 115/85, T 362/90, T 599/93 No. 4, T 1073/06 No. 5.4, T 756/06 No. 13, T 1670/07

No. 12, 13; see also EPO RL 2015, G-II, 3.7, 3.7.1). It would appear, however, that the more recent decision T 336/14 no longer concentrates only on the “nature” of the information when classifying displayed cognitive information as “technical information”, for example whether the displayed information refers to an internal technical system status. In fact, it is the “purpose” of the displayed information in the context of the patent claim which is to be focused on. A technical purpose must causally, or at least sufficiently credibly, result from this context.

In this respect, the more recent decisions of the Boards 3.5.05 and 3.5.02 indicate a possible further

tightening of the criteria that cognitive information displayed by a user interface must fulfil in order to be treated as a technical feature and relevant for the assessment of the inventive step.

Felix Hermann, Patent Attorney
Office Munich
E-Mail: hermann@boehmert.de

Dr. Daniel Herrmann, Patent Attorney
Office Munich
E-Mail: herrmann-d@boehmert.de

Patent Law

Equivalent patent infringement if only one possible embodiment is addressed by the claims

In two of the latest decisions of the Federal Court of Justice of Germany, the earlier case law regarding claim construction has been discussed. In particular, the scope of protection by way of equivalence for claims of a patent limited to a certain embodiment during examination or opposition proceedings has been clarified.

The possibility of patent infringement beyond the literal wording of a granted claim, equivalent patent infringement, is a well-established legal concept in patent litigation before German courts. The preconditions which have to be fulfilled to acknowledge equivalent patent infringement are laid down in case law, in particular in the decision “Cutting-Blade I” (file No. X ZR 168/00) of the Federal Court of Justice of Germany (FCJ).

An interesting aspect in this regard is whether there can be an equivalent infringement if the patent in suit teaches various embodiments (each of which being a solution to the technical problem underlying the patent) but only one of these embodiments is addressed by the granted claims. In an earlier decision, “Occlusion Device” (X ZR 16/09) the FCJ has denied this question for a case where each of the various embodiments was explicitly(!) mentioned in the patent in suit.

In two of the latest decisions, the FCJ has now dealt with this topic once again. In the first decision, “Pemetrexed” (X ZR 29/15), a group of compounds was mentioned in the description of the patent in suit using a generic term. All of the compounds encompassed by the generic term were indicated as a solution of the technical problem. However, only one of the various compounds encompassed by the generic term was explicitly mentioned in the patent in suit. The

granted claim only referred to this specific compound. The defendant in the infringement proceedings put another compound - not addressed by the claim but encompassed by the generic term - on the market. The crucial point in this case was, therefore, whether the remaining options - not explicitly mentioned in the description but encompassed by the generic term - fall within the scope of protection by means of equivalence or not. The FCJ confirmed that, in principle, in such a case the remaining options only mentioned in the description should not fall within the scope of protection. However, this should be different if the solution according to the patent claim only serves as an example for a broader technical concept and if the skilled person is able to deduce from the wording further embodiments which correspond to this general technical concept.

This view has been confirmed in a later decision of the FCJ, V-shaped Guiding Arrangement (X ZR 76/14). In this case, a V-shaped part of a device was required according to the granted claims of the patent in suit. Other shapes were generally mentioned in the description as an alternative solution without, however, referring to another specific shape. The defendant put guiding arrangements having a U-shape on the market. Just as in the Pemetrexed-case, the FCJ came to the conclusion that a general teaching in the description enabling the person skilled in the art to find further embodiments should not be sufficient for denying

equivalent patent infringement even if only one specific embodiment has been considered in the claims. Only if other specific embodiments are explicitly (!) described in the description (but not have been considered in the granted claims), equivalent patent infringement would have to be denied in line with the principles of the "Occlusion Device" decision.

In conclusion, the FCJ has "alleviated" its earlier decision "Occlusion Device" and made clear that the principles of this decision are only applicable if specific embodiments are explicitly mentioned in the descrip-

tion but not have been considered in the granted claims. A general mentioning of other embodiments in generic terms is, however, not enough to deny equivalent infringement. In light of this case law, care should be taken during patent prosecution to encompass all embodiments explicitly mentioned in a patent application by the granted claims.

*Dr. Martin Erbacher, Patent Attorney
Office Bremen
E-Mail: erbacher@boehmert.de*

Patent Law

First provisional compulsory license issued in Germany on a European patent for an AIDS medicament

The German Federal Patent Court has ordered for the first time a provisional compulsory license under Section 24 of the Patent Act, allowing Merck (US) to continue to market the HIV-drug raltegravir, which is sold as Isentress® in Germany. Prior to that the Japanese company Shionogi & Co. Ltd. had requested a preliminary injunction against Merck (US) in 2015 for use of its European Patent 1,422,218 (DE 602 42 459.3), which covers the drug raltegravir. After Shionogi rejected Merck's offer for a voluntary worldwide license on the said patent, Merck (US) responded by requesting the compulsory license, and then made an urgent request for such a license under Section 85 of the German Patent Act.

In the respective case 3 Li 1/16 before the 3rd Senate of the Federal Patent Court, various pharmaceutical companies of the U.S. consolidated group Merck & Co. sought a compulsory license for the AIDS drug balance between the monopoly rights conferred by the European Patent 1,422,218 of the patent holder Shionogi and the urgent public interest in health care.

In the judgment of 31 August 2016, the Federal Patent Court decided in favour of Merck (US) to temporarily allow the use of the European patent in such a way, so that the already previously distributed forms of raltegravir could continue to be offered as the pharmaceutical drug Isentress® for antiretroviral therapy against HIV and AIDS in the Federal Republic of Germany.

Under consideration of an independent expert opinion, the 3rd Senate came to the conclusion that the drug raltegravir was required, without any suitable alternative, by at least certain groups of HIV-infected and/or patients suffering from AIDS for medical reasons. These groups of patients actually cannot switch to other drug products without significant health risks. This is particularly true for pregnant women, newborns, newly infected patients, and also for patients that have already been treated against HIV for many years.

In their decision the 3rd Senate also considered that under the continuing use of raltegravir a possible risk of infection for others may decrease due to an effective reduction of the HI-virus load by that drug. Moreover, according to the Senate's view, the applicants did also comply with the other conditions of a compulsory license under Section 24 (1) of the German Patent Act. In addition, the required urgency for the grant of such an interim usage order under Section 85 of the German Patent Act was given due to an oral hearing that was to be held on September 13, 2016 before the District Court of Duesseldorf (Ref.: 4c O 48/15). In these parallel proceedings the conviction was sought by the patent owner for prohibiting the marketing of Isentress® due to an alleged infringement of the European patent 1,422,218 through Merck (US).

In summary, the Court ruled that the aforementioned facts would allow the grant of a provisional compulsory license on the basis of urgent public interest. Such a decision is unusual for the Federal Patent Court of Germany, since traditionally, German courts have been reluctant to grant compulsory licences; especially under emergency proceedings such as in the present case. Typically, arising compulsory license proceedings are already settled by an agreement between the

patent holder and the potential licensees before the matter is decided.

A written verdict with substantiated reasoning is still outstanding. The principal proceedings of 3 Li 1/16 remain pending and Shionogi can appeal the above summarised decision.

Dr. Ute Kilger, Patent Attorney
Office Berlin
E-Mail: kilger@boehmert.de

Dr. Jörn Plettig, Patent Attorney
Office Berlin
E-Mail: plettig@boehmert.de

Antitrust Law

CJEU: The antitrust assessment of licence contracts for patents which have become invalid

In its decision of 7 July 2016 (case C-567/14 – Genentech / Sanofi-Aventis), the CJEU followed up on its antitrust *Ottung* case law (320/87, EU: C: 1998: 195, para. 11 et sqq.) and confirmed that licence contracts on patents which have become invalid can be valid if the licensee can terminate the licence contract within a reasonable deadline.

According to the CJEU decision, the cartel ban of Article 101 Para. 1 TFEU is not violated if in the case of the invalidation or the non-infringement of a licenced patent during the entire period of the licence contract a fee is to be paid for the use of the patented technology, as long as the licensee can terminate the licence contract within a reasonable deadline. Therefore, licence contracts which stipulate the payment of a licence fee for the use of a patented technology – even in the case of invalidity or non-infringement of the licenced patent – do not contravene antitrust law as long as a reasonable cancellation period is foreseen in the licence contract.

The CJEU also confirmed once again its decision *Ottung* of 12 May 1989 (320/87, EU: C: 1998: 195, para. 11 et sqq.) which stipulated that a licence fee can still be charged for the exclusive use of a technology even after the expiration of the period of protection of a patent if the licensee can terminate this contract within a reasonable deadline.

Furthermore, it also follows from the CJEU's *Genentech / Sanofi-Aventis* decision that licence fees which have already been paid in the past cannot be claimed back due to the (later determined) invalidity of a patent.

With regard to licence contracts where a payment is also stipulated in case of non-infringement of the licenced patent, the Technology Transfer Block Exemption Regulation (TTBER) (Regulation (EU) No. 316/2014 of the Commission of 21 March 2014) has to be considered. According to para. 101 of the guidelines on TTBER, a hardcore restriction according to Article 4

Para 1a, d of the TTBER is given if the licence fees in a licence contract are calculated on the basis of all product sales, irrespective of whether the licenced technology is used. According to para. 102 of the guidelines on TTBER, such a licence clause which covers all product sales can, however, be admissible if it is indispensable, for example because the licensor cannot verify the scope on which his technology is deployed. Possibly licence clauses calculating licence fees based on all product sales can be valid irrespective of para. 102 of the guidelines on TTBER due to the CJEU *Genentech / Sanofi-Aventis* decision, as according to this decision they do not contravene Art. 101 Para. 1 TFEU if they contain a reasonable cancellation period. Ultimately, however, there is no legal certainty, so that contract clauses where licence fees are calculated on the basis of all product sales, irrespective of whether the licenced technology is used, should be avoided.

What is also still unclear is the situation that patent licences are granted for areas in which no patent protection existed at any time. An example for such a situation would be if a patent licence with a quota licence for the whole of Europe is agreed upon, although no patent protection exists in Latvia. Whether a reasonable cancellation period for the area of Latvia would be sufficient here to avoid a breach of antitrust law, is questionable.

However, patent licences should at any rate be invalid if the parties are aware at the time of the conclusion of the contract that no valid patents exist (also not in other areas).

Prof. Dr. Jan Bernd Nordemann, Attorney at Law
Office Berlin
E-Mail: nordemann-j@boehmert.de

Dr. Stanislaus Jaworski, Attorney at Law
Office Berlin
E-Mail: jaworski@boehmert.de

Trademark Law

Change of policy by the CJEU: Application for partial renewal of European Union trademark does not contain an implicit partial renunciation

With its decision of 22 June 2016, the CJEU, the highest European instance in trade mark matters, corrected the previously constant practice of partial renewals of European Union trade marks (EUTM) in favour of the trade mark proprietor. In the actual case in question, and contrary to the lower instances, the CJEU allowed Nissan as owner of a trade mark which was initially only renewed for some of the goods covered by the mark, to subsequently renew the mark in question for the remaining goods at a later date, but still within the six-month grace period after the renewal date. Therefore, the owner of a EUTM can file successive requests for partial renewal.

In the case concerned, Nissan initially only partly renewed its EUTM registration 002 188 118, Word/Device: . After the usual confirmation of EUIPO of the partial renewal and the notice of the cancellation of the remaining goods, Nissan – still within the six-month grace period - then applied for the renewal of the goods of class 9. After the refusal of EUIPO, Nissan was also unsuccessful before the EUIPO Board of Appeal and the General Court (GC). Although the GC rejected the official practice supported by the Board of Appeal which claims that Nissan had implicitly renounced the non-renewed classes with the only partial renewal request (Art. 50 EUTMR), the GC still held that a successive renewal is inadmissible. Referring to the English version of Art. 47 III 3 EUTMR, the Court viewed the possibility of filing a request for renewal after the end of the original deadline to be dependant on the condition that no renewal request was filed during this deadline.

In contrast, the CJEU has cleared the way for a successive renewal of a EUTM within the grace period:

- In principle, providing for the possibility of continuously requesting renewal of a EUTM registration and the additional grace period reflects the economic importance of the protection conferred by EU trade marks to facilitate the retention by the proprietors of those trademarks of their exclusive rights.
- Further language versions of Art. 47 III 1 EUTMR suggest that the EU legislature made the submission of a request for renewal of a EUTM during the further period conditional only upon the payment of an additional fee and not that a request for renewal has not already been filed; therefore, Art. 47 EUTMR does not give rise to a ban on requests for renewal which are filed at staggered intervals and which refer to different goods or services classes.
- Reasons of legal certainty, linked to the erga omnes effect of registering a request for partial renewal of an EUTM from the day following the date on which the existing registration of that mark expires, do not preclude the successive requests for renewal. The EUIPO is under no obligation to register a request for partial renewal prior to the expiry of the further period. Moreover, instead of removing certain classes of goods or services from the register, EUIPO could take information measures that would enable both the right of proprietors of EUTMs and the right of third parties to be safeguarded.

The decision affects a constellation which occurs more frequently in practice than thought at first glance: a trade mark owner initially only renews a part of its EUTM. Afterwards – but still within the six-month

grace period – he decides on a more comprehensive renewal of the remaining part of the trade mark or of parts of it. According to the previous practice, a request for only a partial renewal of an EUTM was seen as implicit and definitive surrender of its remaining rights. Consequently, the partial renewal led to a definite loss of trade mark rights. A “readjustment” was, thereby, excluded.

The clarification of the CJEU proprietor is as legally convincing as it is to be welcomed by trade mark proprietors. The CJEU has, thereby, put paid to the Office’s practice which curtailed the property rights of trade mark owners by way of a highly dubious interpretation as an implicit partial surrender. This disregard was presumably due to a practical convenience of the

EUIPO in favour of a speedy registration of the partial renewal. It remains to be seen how the EUIPO – from a practical point of view – implements the statement of the CJEU that the Office was under no obligation to process renewal requests prior to the expiration of the grace period. This might lead to a delay of the processing of the renewal request until after the grace period. In any case, third parties – for example during the course of trademark clearance searches – have to pay more attention to the issue of the recordal of an only partially renewed EUTM.

Dr. Florian Schwab, Attorney at Law
Office Munich
E-Mail: schwab@boehmert.de

Trademark Law

CJEU: On the liability of operators of physical market places

In its decision of July 7, 2016 (file no. C-494/15), the CJEU continued its case law on online-market places (L’Oreal./ebay, file no: C-324/09) and applied it to so-called offline-market places. The Court of Justice clarified that – just like the operators of online-market places – the landlords of physical market places can be claimed upon to eliminate the trademark infringement of the dealer and to take corresponding measures to prevent further infringements, as long as the order is reasonable.

The plaintiffs were several manufacturers and distributors of trademark products who discovered that counterfeits of their products were being sold in market halls in Prague. They filed a motion with the Czech courts to order the operator of the Prague market halls to cease concluding or renewing rental contracts for the sales area with those individuals who committed trademark infringements. The manufacturers were of the opinion that the so-called Enforcement Directive 2004/48 EC also enables action against the operator of a physical market place.

As the Czech courts of lower instance rejected the suit, the Nejvyšší soud (Higher Court) submitted to the CJEU the question whether the operator of a physical market place can be obliged to stop the trademark infringement committed by the dealers and to take measures to prevent new infringements. The CJEU has now affirmed both questions and has qualified the operator of a physical marketplace as a “middle man” in terms of Art. 11 sec. 3 Enforcement Directive. As the operator rents out sales space and, thereby, enables third parties to sell counterfeit products, trademark owners can file legal claims against him as a middle man. In this connection it is irrelevant whether the sales platform being provided relates to an online

or a physical market, as the Enforcement Directive is not limited to electronic trade.

As a consequence, according to the CJEU in continuation of the decision in 2011 on online market places in the matter of L’Oreal./ebay, the operators of physical market places can also be forced to stop trademark infringements committed by their tenants, in other words the dealers, and to take measures to prevent new infringements. The respective measures must not only be effective and deterring, they must also always be reasonable. They may not create barriers for legal trade.

With its current decision, the CJEU has strengthened the position of the rights owner and has handed them an instrument comparable to the “landlord liability” which is practised in other countries, e.g. China, USA and Australia. Right owners now have the possibility to prevent the sale of counterfeit products of their trademarks and designs, in that they can not only take action directly against the dealers but can also file claims against the landlords of the market stalls. In view of the often costly and difficult traceability of mobile vendors at weekly markets or dealers in wholesale markets, this is a particular advantage as access to the markets can be permanently denied to such dealers.

Claiming against the landlords also seems to be appropriate, as they are in the best position to put an end to violations of rights quickly and effectively. Excessive monitoring and examination obligations of the landlords are not, however, an explicit consequence of the decision of the CJEU. Determining the scope of the monitoring and examination obligations remains at the discretion of the national courts. Although the CJEU gives indications on defining reasonable examination obligations in its *L’Oreal./ebay* decision, it would seem that the technically automated control measures

which are possible with electronic market places are not implementable with physical market places. Corresponding to the notice-and-takedown-procedure which is commonplace online, control obligations will only be triggered in the offline market upon knowledge of a rights infringement.

*Katja Middelhoff, Attorney at Law
Office Bremen
E-Mail: middelhoff@boehmert.de*

Copyright Law

Interview in the journal *Neue Juristische Wochenschrift (NJW)* - Germany’s publishers take on Google

It seems they will not be friends, Germany’s publishers and Google. In February, they met before the Regional Court of Berlin. Market abuse is the accusation made by 41 publishers against the search engine operator. At the end of the day, the publishers were on the losing side – and that despite the legislator equipping them with an ancillary copyright three years ago. The question is, however: how effective is that right if they are up against an enormously powerful search engine operator which is virtually able to dictate its conditions to publishers for the use of their journalistic content? That is what NJW wanted to know from Prof. Dr. Jan Bernd Nordemann, attorney at law specialising in, amongst other fields, copyright law and media law, who without representing publishers in court wrote an expert opinion for the small and medium-sized publishers involved in the proceedings before the Regional Court of Berlin.

NJW: Prof. Nordemann, press publishers have had an ancillary copyright for almost three years now. What does this right cover?

Nordemann: The ancillary copyright affords press publishers the exclusive right “to decide how, when and by whom the press content they produce is made available to the public”. This concerns primarily a use of press content on the internet. One group which the legislator had in mind in this respect was aggregators of news content, especially internet search engines. Internet search engines regularly make press content available to the public on the internet in that they display press content in their search results, at least in the form of extracts or thumbnails. The only exceptions are where “individual words” or “the smallest text extracts” are used, in which case the ancillary copyright would not apply. What precisely that means is a topic of much debate amongst us lawyers. The Board of Arbitration at the German Patent and Trade Mark Office was of the opinion, in a first landmark decision in September 2015, that the relevant threshold was seven words. This threshold would mean, for example, that Google’s search results would be covered by the

ancillary copyright and Google would thus require authorisation to use the respective content, in particular insofar as the normal display of text extracts and thumbnails in the list of search results returned by Google are concerned.

NJW: Why do publishers need an additional protection right in addition to copyright?

Nordemann: Digitalisation has led to massive upheaval in the media industry. Press publishers are a good example of this. In the digital world, they have had to adapt their traditional business model. New opportunities for using, exploiting and monetising press content have emerged. When introducing the ancillary copyright, the German legislator wanted to protect press publishers against systematic access to publishers’ output free of charge, especially by search engines. Copyright would possibly not quite suffice in this context: according to the opinion of the Board of Arbitration, the ancillary copyright ensures, for example, that all press content which does not fall below the “seven word threshold” is protected. In the case of copyright, ascertaining what is protected is much more complex:

a clear, quantitative threshold cannot be used as a basis, instead a distinction is drawn along qualitative lines as per Sec. 2 (2) German Copyright Act. Only personal intellectual creations are protected as text under copyright law. The CJEU once stated, in its Infopaq decision, that even just eleven words could be protected by copyright. However, that is only a “could” decision, which is further dependent on whether those eleven words also constitute a personal intellectual creation. The ancillary copyright has therefore created a much more reliable threshold above which any relevant use is said to begin. This in turn means that the ancillary copyright lends itself much more readily to mass monetisation, for example through a collecting society.

NJW: Nevertheless, Germany’s publishers recently lost a case against Google which concerned, amongst other things, precisely this ancillary copyright. What was that case about exactly?

Nordemann: The situation regarding the assertion of ancillary copyrights by press publishers is somewhat complicated. Many press publishers placed their rights with the collecting society, VG Media. VG Media set tariffs for the use of ancillary copyrights in the area of digital media, in particular by search engines. Those tariffs were then checked by the board of arbitration. The relevant decision is the one I mentioned earlier. As Google correctly assumed – as the board of arbitration later confirmed – that continuing to display search results would constitute a relevant use of the ancillary copyright and that consequently payment would be due to VG Media, Google approached the press publishers as the original rightholders. Google first demanded that the press publishers who had placed their rights with VG Media declare that they consented to their content being included in Google News free of charge (so-called “opt-in system level 1”). However, Google apparently did not pursue that system any further. Instead, Google later sent additional letters to the VG Media press publishers demanding that they declare their consent to snippets and preview images being made available to the public in Google search results for free. If consent was not forthcoming, Google announced, the press publishers’ content would not be completely removed from the search results but that they would at least completely refrain from displaying snippets and preview images (so-called “opt-in system level 2”), whilst the content of other press publishers would continue to be displayed, as before, with snippets and preview images in the search results. Faced with a potentially serious loss of traffic, all press publishers for whom VG Media administers the respective ancillary copyrights ultimately

granted consent not only to “opt-in system level 1” but also to “opt-in system level 2”.

NJW: Why did the press publishers choose to take the antitrust law route?

Nordemann: In my opinion, that is indeed the correct legal remedy. Google was only able to insist that the publishers grant consent free of charge to the use of their ancillary copyrights because Google holds a dominant market position. In the case of an abuse of a dominant market position, however, antitrust law provides for claims, in particular claims for injunctive relief as are now being asserted in court proceedings. I cannot currently see any other grounds for action. In particular, search engines are not subject to any special regulation of market power under copyright law.

NJW: Does this not constitute somewhat contradictory behaviour on the part of the publishers as they first granted Google the right to use their content free of charge before then attempting to prohibit that company from abusing its market power by way of an action for injunctive relief?

Nordemann: I do not see that as being a contradiction. Google accounts for over 90% of all searches in Germany, thus it clearly has a dominant market position in respect of searches in Germany. A dominant market position is assumed, under the German Act Against Restraints of Competition (Sec. 18 (4) GWB) from as little as 40% market share – Google has over twice that. In fact, this can be described as a virtual monopoly. The virtual monopoly in search then also provides a dominant market position on the other affected markets, in particular on the relevant market for booking search related advertising and on the so-called indexing market, namely the market on which Google requests the listing of websites for its search engine. It is on this indexing market that Google encounters the press publishers who grant Google consent to use.

If they now have an unavoidable market partner in Google and that partner threatens them with restricted listing, in my opinion it is immediately understandable that the publishers would acquiesce to that request. That does not mean, however, that the request is lawful. It is precisely this which can be examined under antitrust law.

NJW: The court did not see any abuse of market position on the part of Google. Are you convinced?

Nordemann: The Regional Court did indeed assume a prevailing interest of Google in continuing to operate

its business model in which there is no space for paying for the use of press content. According to the court, the equilibrium of the balanced system within which search engines operate would be disrupted by any obligation to pay remuneration to press publishers for indexing press content.

That may seem plausible at first glance, however it is not convincing upon further scrutiny. Google's interest in continuing its business model of free-of-charge indexing of websites has now been pierced by the decision of the legislator only to allow that indexing generally with the consent of the proprietor of the ancillary copyright. This general decision on the part of the legislator must be afforded considerable weight when ascertaining whether an abuse of market power has occurred. No matter how controversial the ancillary copyright was politically and what one's own political opinion of it is: the German legislator introduced the new right with the clear objective of enabling press publishers to monetise search machine use. With its introduction of the ancillary copyright, the German legislator thus specifically expressed a clear rejection of the free-of-charge display of press content in search engines.

In my opinion, one should not be allowed to deny Google the option of taking the business decision not to display any press content in search results or to reduce what is displayed so that it no longer falls within the ancillary copyright. In my opinion, however, Google cannot be permitted simply to force the publishers to grant consent to use free of charge. That is not in the interests of competition, namely keeping markets open, a factor which is always a key criteria considered when ascertaining an abuse of market power. By forcing publishers to grant consent free of charge, Google denies its competitors the chance of licensing the ancillary copyright and using it to its fullest extent in order to obtain a competitive advantage over Google. In fact, this consent free of charge even represents a competitive disadvantage for competing search engines because Google's competitors do not possess enough market power to be

able to demand free-of-charge consent from the publishers. In addition, it must be said in respect of the abuse of exploitation, that absolute rights generally may not be ceded free of charge.

NJW: What does that say about the significance of ancillary copyright?

Nordemann: The case before the Regional Court of Berlin shows that the German legislator has generally achieved its goal of creating an absolute right for press publishers which enables them to make the use of press content in the form of result lists or thumbnails by search engines monetisable. The fact that Google has been able to avoid this monetisation for now can only be attributed to the special market power which Google holds. In my opinion, antitrust law cannot allow the situation to continue as it is. Google's current practice will also lead – as already mentioned – to an impediment of competing search engines.

NJW: Where do we go from here?

Nordemann: The case is going before the antitrust senate of the Court of Appeal in Berlin ("Kammergericht"). It is expected that the losing party will then take the case to the German Federal Court of Justice. The proceedings before the Board of Arbitration already mentioned will also proceed through the various legal stages. The ancillary copyright will have to prove itself. If one wants to take the legislator's intention seriously, the result will likely be that Google will either pay the same fair amount as competing search engines or will no longer be able to use press content in a manner which has an ancillary copyright relevance. We can certainly expect an interesting few years ahead of us in clarifying the situation.

*Prof. Dr. Jan Bernd Nordemann, Attorney at Law
Office Berlin*

E-Mail: nordemann-j@boehmert.de

Copyright Law

What happens now after the German Federal Constitutional Court's Metall-auf-Metall Decision?

Sampling technology has become an integral part of today's music production. It is not unusual in recording studios for artists and producers to recall sounds from other artist's productions which they particularly liked, copy them from the original recordings and use them in their own productions via sampling software. The borrowed sound is used as a musical instrument. Often the particular fragment is so characteristic that it is meant to be recognised. A famous example is the production of "Hung Up" by Madonna who sampled the characteristic beginning of "Gimme! Gimme! Gimme" from ABBA – under licence from ABBA – as a leitmotif.

This decision of the Federal Constitutional Court dealt with a non-licensed sample, namely the copying of a two-second rhythm sequence from the recording "Metall auf Metall" by the band "Kraftwerk" which was played on a loop in two versions of the work "Nur mir" by Sabrina Setlur. The plaintiffs in the main proceedings were the two founders of the band "Kraftwerk", pioneers of electronic music, and the case only concerned the neighbouring rights in sound recordings. In the "Metall auf Metall" decisions I and II (GRUR 2009, 403 and GRUR 2013, 614) the Federal Supreme Court of Justice held that the unauthorised use was not lawful.

The Federal Constitutional Court has now reversed these decisions. The standards which are specific to art required by Art. 5 Para. 3 Sec. 1 of the Federal Constitution stipulate that the use of an excerpt of copyright-protected subject matter can be recognised as a means of artistic expression and artistic design. If there is a conflict between artistic freedom on the one hand and an infringement of copyright or neighbouring rights on the other – an infringement which only slightly impairs the exploitation of those rights – the rightholder's interest in exploiting those rights may have to give way to artistic freedom.

However, the verdict of the court is not the end of the matter. Although the Federal Constitutional Court can reverse laws or court decisions, it cannot enact laws or rewrite decisions.

One thing is certain: the contested Federal Court of Justice's decisions on the "Metall-auf-Metall" case have been repealed. The Federal Court of Justice must now redetermine the case and navigate a middle course between the two sides which the Federal Constitutional Court has established. This corridor is still relatively wide. The Federal Constitutional Court literally said: *"the permissibility of a free use of sound recordings for artistic purposes is not synonymous with the general permissibility of consent-free and*

free-of-charge sampling. A licensing requirement remains in cases of non-artistic use. Furthermore, Art. 24 Para. 1 German Copyright Act only allows a free use if a sufficient distance is kept to the extracted sequence or to the original recording."

In fact, the Federal Constitutional Court describes two possibilities in its decision whereby the Federal Court of Justice could strike the requisite balance between artistic freedom on one hand and the rights of ownership of the recording companies on the other:

- On the one hand, the Federal Supreme Court could carry on as it started and, within the framework of the right of "free use" (which is regulated in Art. 24 German Copyright Act), create the possibility of using samples without the consent of the recording company if to do so is necessary in the interest of artistic freedom. At any rate, in a case like this an artist would not be obliged to first try to recreate the sound himself (as the Federal Supreme Court had held in the contested decisions). Furthermore, he would not have to obtain a licence from the rightholder.
- The Federal Supreme Court of Justice could alternatively start from a completely different point, in that it defined the scope of the neighbouring right of the producer of sound recordings more narrowly than it has been doing up to now, thus rendering the use of small fragments no longer an infringement of the right. In this case, however, and the Federal Constitutional Court has left no room for doubt, the Federal Court of Justice would have to call upon the European Court of Justice, as the scope of neighbouring copyright of producers of sound recordings is a subject matter harmonised throughout Europe.

One consideration which had already taken a prominent position in the press release of the Federal Constitutional Court is interesting: the court repeatedly emphasises that - even if the producer from whose recording the sample originates does not suffer a decline in sales because of the sampling - the legislator is not "barred at the outset" from linking the right to free use with a duty to pay a reasonable fee. Here, according to the Federal Constitutional Court, he could accommodate artistic freedom for example via

"a subsequent obligation to pay a remuneration linked to the commercial success of a new work".

It will certainly be worth keeping an eye on future developments in this case.

*Dr. Martin Schaefer, Attorney at Law
Office Berlin
E-Mail: schaefer@boehmert.de*

Copyright Law

Reform of EU Copyright Law - Proposals by the European Commission for a digital single market

"Copyright is everywhere": In the digital knowledge and entertainment society of today, copyright law controls the distribution and use of content. Jean-Claude Juncker, President of the European Union has also recognised this. When Jean-Claude Juncker announced his five priorities for the 2014 election to the office of President, his stated first priority was copyright law. He realised that the potential of digital technologies that know no borders must be fully exploited. "To do so, we will need to have the courage to break down national silos in telecoms regulation, in copyright and data protection legislation". The goal: the creation of a "Digital Single Market" (DSM) within the EU.

On 14 September 2016, the European Commission presented proposals for a copyright law reform. The object of these proposals is not just an improved digital distribution of copyright protected content. The intention is also to produce a "fairer and sustainable marketplace" for creators, the cultural and creative industries and the press.

1. More choice and easier access to content

The Commission took a first step towards the better integration of the digital markets within the EU back in December 2015 when it presented a proposal on the portability of online content services. That proposal would allow Europeans to take their online content, which they use legally in their home country, for example via subscription models, with them on temporary stays abroad, on trips, for example.

The European Commission subsequently, on 14 September 2016, submitted further proposals for easier access across borders:

- For broadcasting companies, the clearance of rights for EU-wide broadcasting of their programmes on the internet will be simplified significantly. This also includes the catch-up services of these broadcasting organisations, such as the ZDF Mediathek in Germany. In future, the country of origin principle will apply meaning that broadcasting organisations will only have to clear the necessary rights in their home country.
- Moreover the territoriality of copyright law will be softened to the benefit of IP TV providers (e.g. Deutsche Telekom's IPTV Entertain). They will now have the ability to obtain a licence for the simultaneous, unmodified and complete retransmission of channels originally broadcast elsewhere in the EU via collecting societies. In particular, providers of packages of channels will be able, under the new rules, to make a select package of TV channels available to the entire EU via IP TV. These licensing options shall not, however, be available for platforms which operate through the open internet, for example Zattoo.

- These proposals are only consistent with regard to the realisation of a Digital Single Market. It remains to be seen, however, whether there is an actual corresponding demand for a Digital Single Market. The softening of the territoriality principle can also make legitimate price differentiation by rights holders more difficult or even impossible. For example premium content in professional football: the consumer prices outside the country where the league is located could increase while the consumer prices within that country remain stable.
- In addition, the Commission also proposes a facilitation of access for museums, archives and other facilities through a new Copyright Directive. They should retain the ability to digitise out-of-commerce works (books or films) and make them available across borders.

2. "Improving copyright rules on research, education and inclusion of disabled people"

Under this heading the European Commission proposes a new exception for the use of materials in digital form to illustrate teaching, in education facilities and in online courses, which shall also apply across borders.

Moreover, the intention is to make it easier for researchers across the EU to use text and data mining technologies to evaluate larger quantities of data. In addition, a new mandatory exception will enable cultural heritage institutions to preserve works digitally. Finally, the Commission proposes further legislation for the implementation of the so called Marrakesh VIP Treaty, an international copyright agreement which aims to facilitate access to published works for persons who are blind, visually impaired or have other reading difficulties.

3. "A fairer and sustainable marketplace for creators and press"

The European Commission does not content itself merely with proposing for provisions for the improved integration of the Digital Single Market. Rather, rules for a "fairer and more sustainable market for creators, the creative industries and the press" are also presented.

The proposal for a Directive initially foresees the reinforcement of the position of right holders in negotiations with video platforms which publish user

generated content and therefore play an active role in the distribution of the content. The most important example in the area of video platforms is YouTube.

Moreover, the proposal of the Commission includes a new ancillary copyright (related right) for press publishers. It will be similar to the existing ancillary copyright at European level afforded to film producers, phonogram producers or broadcasters. This would be designed to ensure that press publishers are better able to monetise their content on the internet. An ancillary copyright of this type for press publishers - in a somewhat limited scope - already exists at a German level, and the political debate surrounding the introduction of the ancillary copyright in Germany would lead one to expect that the development proposals will engender much discussion at an EU level. Therefore, in this respect, the Commission will have to consider the experiences with the ancillary copyright in Germany: in Germany, the ancillary copyright is unable to have an effect as Google, due to its market power on the search engine market in Germany, circumvents it by obtaining, upon request, free licences from press publishers.

Moreover, it is worth mentioning that the draft directive obliges players who exploit copyrighted content to inform authors and performing artists about the profits which they have earned with the author's works or the performances of the performing artist. In addition, a mechanism will be introduced which will grant authors and performing artists an inalienable right to additional remuneration if the previously agreed remuneration is disproportionately low in light of the success of the work. This is based on, among other things, the German right to additional remuneration in bestsellers cases (Sec. 32a German Copyright Act). This is worth noting, therefore, in particular because it is the first time that European copyright law has included a regulation of general copyright contract law at a European level.

4. Conclusion and Outlook

The draft regulations and directives of the European Commission do not only contain the various rules designed to enable improved access to copyright protected works and performances across national borders within the EU. The European Commission is also taking the opportunity to regulate the markets for copyright protected works and performances. Until now the harmonisation of European copyright law has always been driven forward by the Commission using so-called directives. Directives must be transposed by the member states into national law. The Commission

is now also using the instrument of the directive. At the same time, however, access to copyright protected content in particular will soon be regulated in two regulations. Regulations do not have to be transposed into national law but are rather immediately directly applicable in all member states. This shows the direction that the European Commission is taking as far as copyright law is concerned. Copyright law in

Europe is moving towards a uniform set of rules in the form of a Regulation. The end result may be unified European copyright legislation and the end of national copyright law in Europe.

*Prof. Dr. Jan Bernd Nordemann, Attorney at Law
Office Berlin*

E-Mail: nordemann-j@boehmert.de

Editorial Staff:

Dr. Björn Bahlmann
Dr. Dennis Kretschmann
Dr. Michael Rüberg
München

Dr. Julian Waiblinger
Dr. Björn Engelhardt
Berlin

Dr. Martin Erbacher
Dr. Eckhard Ratjen
Bremen

MÜNCHEN BREMEN BERLIN DÜSSELDORF FRANKFURT BIELEFELD POTSDAM KIEL ALICANTE PARIS SHANGHAI
