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Content

Editorial

The first issue of the Stockholm IP Law Review for 2024 arrives amidst significant developments affecting intellectual property rights at both the EU and international levels.

One notable advancement is the implementation of the AI Act, which takes effect on August 1, 2024. Proposed by the Commission in April 2021 and ratified by the European Parliament and the Council in December 2023, the AI Act aims to address potential risks posed to citizens' health, safety, and fundamental rights. It sets forth clear expectations and obligations for developers and users of AI, while also aiming to alleviate the administrative and financial burdens on businesses.

The AI Act establishes a cohesive framework across all EU member states, utilizing a proactive definition of AI and a risk-based methodology.

While the main text of the law does not touch specifically upon copyright issues, it does repeatedly make specific mention to the topic in the text's recitals (from 105 to 109) including:

- Recital 105 of the AI Act which reminds of the relevance of the data mining exceptions to copyright introduced by the Directive (EU) 2019/790.
- Recital 107 which stipulates that providers of AI generative models will be required to provide a detailed summary of the content used for the training, in a comprehensive way that will allow copyright or parties with legitimate interests to exercise and enforce their rights under EU law.

In another milestone, WIPO member states have ratified a pioneering Treaty focused on intellectual property (IP), genetic resources, and associated traditional knowledge, marking a historic achievement that culminated decades of negotiations. This Treaty stands as the first to explore the relationship between IP, genetic resources, and traditional knowledge, and it notably includes provisions aimed directly at protecting Indigenous Peoples and local communities.

Once 15 countries have ratified the Treaty, it will introduce a new international law requirement mandating patent applicants to disclose if their inventions are based on genetic resources or traditional knowledge. A signing ceremony is set to take place later today. Negotiations on this Treaty began in WIPO in 2001, following a proposal from Colombia in 1999 that emphasized the participation of Indigenous communities.

Simultaneously, the legislative process continues regarding the Commission's proposal unveiled on April 23, 2024, which seeks to amend and replace existing pharmaceutical legislation (Regulation 726/2004 and Directive 2001/83/EC) as well as legislation concerning medications for children and rare diseases (Regulation 1901/2006 and Regulation 141/2000/EC).

The proposal aims to achieve several key objectives:

- Ensure all EU patients receive timely and fair access to safe, effective, and affordable medications.
- Strengthen the security of supply, ensuring medicines are accessible to all patients within the EU.
- Maintain a conducive and innovative climate for pharmaceutical research, development, and production within Europe.
- Promote the environmental sustainability of medicines.
- Tackle antimicrobial resistance (AMR) and pharmaceutical contamination in the environment by adopting a One Health perspective.

Together, these three concurrent developments are pivotal to the ongoing transformation of the contemporary intellectual property rights system while also significantly impacting societal goals, including the ethical use of AI, equitable access to medicines, and acknowledgment of Indigenous communities' contributions to technological progress.

This issue of the Stockholm IP Law Review is representative of the exciting developments in the field of IP.

It is an honor to be able to publish the SIPLR interview with Dr. Martin Müller, the chairman of Technical Board of Appeal 3.5.06, one of the boards dealing with computing technology and artificial intelligence, and Member of the Enlarged Board of Appeal. In this very engaging interview Dr Müller contributes with valuable input on AI's impact in the patent world, as well as a career in the patent system.

Victor Mütter's article "The Protection of Translations under European Copyright Law", explores *how the general requirements for copyright protection developed by the Court of Justice of the European Union apply to translations. This is an interesting and unexplored subject.*

In her article, "Reading between the lines: a glance on how the notion of bad faith is interpreted and applied in the European Union with regards to EU trade marks", Julia Zwiech analyzes the currently applied subjective/objective approach towards the finding of 'bad faith' and puts forward a suggestion that could lead to an increased clarity and objectivity with this regard.

Anna Buss has in her article, "The Challenge of Balancing Artistic Autonomy and AI Training – Evaluating the Effectiveness of the Opt-Out Mechanism under Art 4(3) DSM Directive for Artist Protection", engaged in the debate concerning Article 4 of the DSM Directive and its practical use as a commercial exception for text and data mining.

In her article with the title, "The Requirements of Art. 3(a) and (c) SPC Regulation and Post-grant Amended Patents", Anna Hofmann investigates how procedural and substantive requirements for a patent amendment influence the interpretation and application of articles 3(a) and 3(c) of the SPC Regulation.

We hope you enjoy reading this issue!

Frantzeska Papadopoulou Skarp,
Chair of the Board SIPLR
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The impact of AI in the patent world: An interview with Martin Müller, Chairman of a Technical Board of Appeal at the EPO*

1. WHICH IS YOUR POSITION AT THE EPO? WHAT IS IT THAT YOU ARE WORKING WITH?

– I work as a chairman of a Technical Board of Appeal. The Technical Boards of Appeal at the EPO, of which there are about 25, deal with appeals against decisions of the Examining Divisions and the Opposition Divisions of the EPO. The individual boards are responsible for different technical fields, in such a way that the members with a technical background are allocated to boards within their technical competence. My board, board 3.5.06, deals with matters of computer science, in particular computer systems, operating systems, computer security, image-based pattern recognition, and what is sometimes called "core artificial intelligence". The latter includes generic methods used in artificial intelligence contexts, including neural networks, genetic programming and knowledge representation.

2. IT SOUNDS LIKE AN EXCITING FIELD. AI RELATED INVENTIONS ARE A HOT TOPIC. IT MUST BE VERY NICE WORKING WITH THESE ISSUES ON AN EVERYDAY BASIS.

– Yes, it is an interesting field indeed and very dynamic one, as everyone knows. To work in this field is both a challenge and a privilege. I follow the technical developments and the legal discussions with a keen interest, and I am happy to contribute a little. One has to realize though that evolutions reach the Boards of Appeal with a delay of a few years. Once the Examining or Opposition Division has decided, five or more years may have passed since filing. With that said, an increasing number of appeals relating to artificial intelligence, in particular based on neural networks, are coming in. On the other hand, it is worth noting that "artificial intelligence", machine learning in particular, has been the state of the art in some fields since decades: pattern or speech recognition are prime examples. This means that some of the considerations applied in examining these cases are not as new as one might assume. And finally, inventions related to applied artificial intelligence are spread over a wide range of technical fields and, therefore, boards. So there is, as often, some room for different perspectives on this matter.

3. IN YOUR OPINION, WHICH ARE THE BIGGEST CHALLENGES TODAY WITH REGARDS TO AI AND THE PATENT SYSTEM? IS IT A MATTER OF PATENTABILITY OR INFRINGEMENT? HOW ARE RIGHTS ENFORCED?

– Up front I need to say that the Boards of Appeal only deal with matters relating to the patent grant procedure, so I cannot say much about infringement or enforcement. Secondly, it is difficult to distinguish, in clear technical terms, "artificial intelligence" from software technology in general. I believe that, by and large, AI invention face the same types of challenges as other software-related inventions, and I tend to believe that this is the case in the grant procedure as well as after grant, e.g. in infringement. There may be differences in degree, however. Certain problems may be more virulent or more difficult to deal with in the context of AI inventions, due to their

Martin Müller

Chairman of a Technical Board of Appeal at the EPO

Martin Müller studied computer science (Informatik) at the University of Karlsruhe (now KIT) and received a Dr.-Ing. degree in computer science from Saarland University. His scientific interests included logics, computational linguistics, cognitive science and compiler technology. He joined the EPO as an examiner in 1998, where he worked mostly in the fields of pattern recognition and video games, and was appointed Member of the Boards of Appeal in 2010. In 2019 he became chairman of Technical Board of Appeal 3.5.06, one of the boards dealing with computing technology and artificial intelligence, and Member of the Enlarged Board of Appeal. Martin is an author and regular presenter on various patent-related issues.

* The interview was conducted in collaboration with former editor Estefania Migueles.

size and complexity, e.g. when it comes to large neural networks.

Regarding patentability, a central question always is, at the EPO, what is or is not a technical contribution, what is considered to be "technology" and therefore for what kinds of things patents are granted at all. This question is receiving renewed attention in the context of artificial intelligence, which is largely based on computer programs and mathematical methods, two examples of what the patent law defines as "non-inventions". In practice though, I believe this is not the most controversial issue. The criteria for addressing this question have been developed and applied by the Boards of Appeal since more than two decades, and they appear to be rather robust and are widely accepted. The desire expressed by applicants that certain types of artificial intelligence should not be excluded from patentability, however, requires a workable definition of AI as opposed to computer programs and mathematical methods, which are excluded from patentability, and this is a tricky question indeed.

I do see a problem where sufficiency of disclosure is concerned, essentially the requirement on the patent applicant or proprietor to explain that and why the invention does what it is supposed to do. Arguing this point is, I believe, the most important challenge for patent applicants and proprietors. Notably, this problem is not limited to patent law. Academic research also has the problem of ensuring that research results are repeatable as published, in general, but notably in the filed of "artificial intelligence".

4. IS THE QUESTION OF SUFFICIENCY ALSO A PROBLEM FOR OTHER SOFTWARE OR COMPUTER IMPLEMENTED INVENTIONS? DO YOU THINK THE LEVEL OF DIFFICULTY IS DIFFERENT FOR AI INVENTIONS?

– It is a problem for computer-implemented inventions in general. In this field, applicants often make very ambitious statements about what their invention allegedly achieves, and an important part of the examination procedure is to have applicants limit their claims to a scope for which they can make assertions that they can prove or otherwise justify.

That said, AI inventions do have their peculiarities: Large neural networks trained on huge amounts of data have an enormous number of parameters and even developers often do not quite understand, and admit that they do not, why things work as they do. This is often referred to as the "black box" property of neural networks or other probabilistic models. It is also important to note that certain AI solutions scale very badly. This makes it challenging to decide what is the right scope of protection, i.e. how broad can a patent claim be, given a specific, working AI solution. These two issues go to the very heart of what is sometimes called the "patent bargain", i.e. the contract between the patent proprietor and the society according to which the proprietor gets a time-limited monopoly in exchange for the disclosure of a technical teaching. A question that arises is, what is that teaching and is it properly disclosed? Sometimes inventors have trouble answering that question because, as mentioned, an invention may do something very interesting and useful but in a way which is ill understood.

From this perspective, AI inventions may indeed be more difficult to handle than "conventional" computer-implemented inventions.

5. SOME YEARS AGO, THERE WAS A LOT OF DISCUSSION ON WHETHER AI CAN BE AN INVENTOR OR NOT. IS THIS AN INTERESTING QUESTION OR COULD IT NOT BE DESCRIBED IN THE APPLICATION THAT THE INVENTOR IS A HUMAN BEING INSTEAD? DO YOU THINK THE QUESTION OF WHO IS THE INVENTOR IS A CENTRAL ONE? AND WOULD YOU LIKE TO COMMENT ON THE DABUS CASES AND SHARE YOUR TAKE ON THAT?

– No, I do not think that this is a particularly interesting question, at least not in practice and certainly not today. It is an intriguing philosophical question and it might become more relevant in the future.

I am not convinced that machines, even those using "AI", have progressed so far today that they can make inventions truly autonomously, nor do I expect this to happen in the near future; "Artificial General Intelligence" is not imminent. Of course, machines are used in the innovation process, for example in drug design or in material science, and their use enables very relevant, even central, contributions there. But I do not think that makes it necessary to consider the machine as the inventor. Also, there is no need to reward a machine "inventor".

In general, I do not see a pressing need to regulate the issue of machine inventorship.

6. IS THIS BECAUSE YOU THINK THE TECHNOLOGY IS NOT THERE YET, OR BECAUSE THE DISCUSSION IS OBSOLETE, TAKING INTO CONSIDERATION THE LEGAL STATUS OF AI?

– I do not think the discussion is entirely obsolete, but I am convinced that we are not there yet. But even if we were there, I think there are more interesting questions than whether it should be possible to name a machine as an inventor.

One such question might be: At which point should developers or operators of an AI tool *no longer* be considered inventors because they have contributed too little to

the invention? To answer that question, we have to think about what it means to "make an invention" and at which point an invention has actually been made. A follow-up question would be: What other person, if any, should be considered the "inventor" for the purposes of patent law? The German Federal Court of Justice (BGH), in its DABUS decision, has recently made interesting remarks on this point.

Apart from the DABUS cases, the European Patent Office has, as far as I know, never dealt with the question of how an invention was made but has always limited examination to the substance of the invention. This is probably true for most patent offices, although the situation is slightly different in the U.S. where it is relevant for patent validity and enforcement of a patent whether the "true inventors" are named. But in general, applicants do not disclose details on how their inventions are made.

Imagine we had a machine that, at the press of a button, could produce an invention, let us say, even write a patent application for it and explain its advantageous effects in writing. At that point, one might want to say that no individual person deserves a reward as an individual inventor. And one would have to answer – and possibly regulate – the question whether a patent for the invention should be granted at all and to whom.

The mentioned machine would probably be very expensive. For illustration, single training runs of large language models are reported to cost tens of millions of dollars, training ChatGPT was even estimated to cost some 100 million dollars. Therefore, it is likely that only very large companies could afford to own, and thus exploit, such machines. An interesting question might then become whether society wants to reward the company for all the inventions made automatically. This may appear unfair, or it may still be accepted in view of the company's high investments. Of course, it is already the case that certain types of inventions, for instance in the pharma industry, require very high investments which are available only to companies of a certain size and which nonetheless need and deserve protection. Anyway, whether the products of an "invention machine" should be patented or remain in the public domain is a regulatory question that might become relevant at some point. At the same time, I do not think this question depends on whether the machine is the sole inventor or "only" used to make a significant contribution.

I would like to add one more thought: I believe it would be impractical for any regulation to require that applicants always disclose – i.e. describe and prove – how their inventions were made.

7. LET US TALK ABOUT THE SIDE EFFECTS OF AI, SUCH AS AI APPLICATIONS IN THE OFFICE; HOW MUCH IS THERE IN YOUR EVERYDAY WORK? HOW MUCH DO YOU EXPECT THERE TO BE IN THE FUTURE? AND DO YOU THINK THE PATENT SYSTEM WILL BECOME A PURE REGISTRATION SYSTEM SINCE THE EXAMINATION WILL BE MADE BY AI?

– At the moment, mostly standard AI-based tools are in general use in the Boards of Appeal. Most notably in text processing, especially for automated translation and for grammar and spell checking. Otherwise, the only AI-based tool officially in use at the Boards of Appeal is an "AI-powered conversational agent" (based on large language models like ChatGPT) which provides a uniform access to the various available legal sources, including the EPC, the Guidelines for Examination, and the jurisprudence of the Boards of Appeal. This tool was developed by the EPO itself and is called the Legal Interactive Platform. Fascinating as it is, I believe that the tool is still of limited utility for my work. And it cannot, certainly as yet, replace a proper database search, in particular for tasks which require answers to be exhaustive. We have also started to consider what other AI-based tools we might want to use and to assess to what extent we might profit from them.

On the other hand, examiners at the European Patent Office are already using several other AI tools, and more are being developed, in particular by the competent department within the EPO itself. For a few years already, the Office has been using AI tools for pre-classification of documents and for the allocation of patent applications to the competent examiners. Last summer, a search tool was launched which suggests possibly relevant prior art to the examiner. The Legal Interactive Platform has been released only this summer. Several other projects into AI tools are under way in – or are being explored by – the mentioned development department within the EPO.

I do not expect that fully automated searches will be available any time soon. The language used in patents to describe inventions is not particularly well-harmonized and at times differs a lot from the language used in the technical literature. I concede that this might be different between fields. But also, the search for relevant prior art goes beyond a mere text-manipulation exercise, as it requires the determination of meaning, an amount of reasoning, logic, even arithmetic, i.e. competences which (current) LLMs lack. In other words, the ultimate selection of relevant prior art for a patent application requires an understanding of the patent application and the prior art which cannot – certainly not yet – be replaced by any statistical model or neural network. Even if in some fields or for some narrow tasks it might be doable, it seems questionable to me whether a dedicated AI-based tool can compete in terms of cost and flexibility with a human examiner. But I am prepared to be surprised and stand corrected in view of the stunningly quick developments

in this field. Even less than fully automated search tools, I expect any time soon an automated AI-based tool capable of producing useful examining reports comprising an assessment of, for example, the inventive step of a patent claim over a piece of prior art. In particular, I do not see that LLMs in their current form are capable of providing this service.

However, search tools will become better, generative AI will significantly support the access to large bodies of texts, the generation – or improvement – of certain texts, and I am sure that, if properly integrated, "AI" will be able to help automating certain well-defined, formal tasks.

8. WHAT OTHER TOPICS DO YOU FIND INTERESTING RESEARCHING IN THE FIELD OF PATENT LAW?

I find fascinating the striving for harmonized jurisdiction in patent law, for example with regard to the question of patent claim construction. The use of language in patent law is peculiar, because the claims, once granted, operate like a legal norm, but they are not issued by a legislative body. Rather, they are formulated by the patent applicant and proprietor in a dialogue with a patent office or a court. As a result, the claim language is less standardised and less homogeneous than the language used elsewhere in the law. I believe this is one reason why claim interpretation is complicated.

Also, the claim language is scrutinized from different perspectives. The question a claim is confronted with in grant or validity proceedings is different from that asked in infringement proceedings. An office, for that matter, tries to make sure that only valid claims are granted or maintained. In doing that, it will give the claims a wide interpretation and, accordingly, consider more prior art to fall within their scope. An infringement court, on the other hand must determine whether an allegedly infringing object actually falls within the scope of the claims of the patent, and might interpret a claim more narrowly than (or simply differently from) its literal wording, taking account of what has actually been invented or described as such. This is not the whole story, of course, but there is a tension here. I find this tension between the offices and national courts, and also between the national courts themselves, interesting and intriguing, and worth further research.

9. WHAT YOU ARE DISCUSSING NOW BRINGS US TO THE UNITARY PATENT AND THE UNIFIED PATENT COURT. DO YOU THINK THE ROLE OF THE EPO CHANGED AFTER THE INTRODUCTION OF THE UNITARY PATENT IN THE LANDSCAPE OF THE EUROPEAN PATENT SYSTEM? AND RELATED TO THAT, WHAT ARE YOUR EXPECTATIONS FOR THE UNIFIED PATENT COURT?

The role of the EPO has obviously changed insofar as it now grants patents which are under the jurisdiction of the UPC. And there is now a degree of "competition" between the EPO and the UPC regarding *inter partes* proceedings which could be handled by the Opposition Divisions of the EPO or by the UPC. On the other hand, the EPC retains its power to refuse a patent and to revoke of a patent with no judicial remedy other than an appeal to the Boards of Appeal. When it comes to jurisprudence, the decisions of the UPC, especially its Court of Appeal, have no immediate impact on the jurisprudence of the Boards of Appeal. However, the decisions of the UPC on any of the controversial issues will be thoroughly read and their reasoning will be considered. If they are persuasive, and to the extent applicable, such decisions will have influence on the decision-making of Boards of Appeal as well. The relation will be similar to that between the Boards of Appeal and the national courts. Neither is formally bound by a decision of the other, but each other's decisions are considered depending on their persuasive power. Moreover, the Boards of Appeal have been in close contact with national judges on patent law matters through regular meetings, and today this dialogue obviously includes the UPC. This dialogue will continue to be very interesting.

That said, the UPC has only started in June 2023, and not many decisions by the Court of Appeal have been issued yet. At the same time, the UPC Court of Appeal has quite a lot on its plate. Hence, if one hopes that it is going to contribute to harmonization on controversial issues, one must give it a bit of time. It is unlikely that the UPC can solve all controversial issues in a couple of years.

10. CHANGING THE TOPIC TO MORE CAREER-RELATED QUESTIONS; NOWADAYS THERE ARE RATHER FEW PHD CANDIDATES IN PATENT LAW FROM THE LEGAL FIELD AND STUDENTS ARE HESITANT TO ENTER THE FIELD BECAUSE THEY FEEL THAT THEY NEED TO HAVE TECHNICAL COMPETENCE. YOU MIGHT BE IN CONTACT WITH MANY LAWYERS THAT WORK IN PATENT LAW. WHAT DO YOU THINK IS THE BEST PROFILE FOR A LAWYER WHO WANTS TO WORK IN PATENT LAW? IS A TECHNICAL EDUCATION NECESSARY IN EUROPE? ARE LAWYERS ABLE TO UNDERSTAND PATENT LAW?

The answer is yes and no at the same time. Of course, there is no reason why lawyers cannot "understand patent law". They do, but not every lawyer will thrive in patent law. Just as not every engineer will thrive in a legal profession. Patent law comprises an interesting mixture of law and technology. This is one of the reasons why I find it attractive. Lawyers might struggle with the technology, and people with a technical background might struggle with concepts of the law. For any lawyer considering patent law as a career option, I would insist that they be interested in technology. It is decisive in many cases to delve into the technology at stake and to understand it more than only superficially. Some lawyers have a second, technical degree. This is not required. The interest in technology can be nurtured in many ways; by practical hobbies as well as by studying technical literature for instance. At any rate, in patent courts, people with a legal background and people with a technical background are working together. It is necessary to understand each other's concerns and it may require intensive debate to achieve a common understanding. One has to like that kind of dialogue to thrive in the field.

11. WHERE DO ENGINEERS AND LAWYERS BEHAVE DIFFERENTLY WHEN WORKING AS JUDGES IN THE EPO? IS THERE A GENERAL DICHOTOMY?

I do not think there is a "general dichotomy". People are very different even within a field, but a few tendencies come to mind.

One statement often heard is that engineers and scientists on the one hand, and lawyers on the other hand look at the world differently. The former ask factual questions: what is right or wrong, or what is the case and what is not the case. The latter ask normative questions: what the law says the case should be. As a tendency, this is probably true, but reality is more complex than that. Every scientist knows, even within their field of expertise, that not all questions can be answered with yes or no, and every lawyer knows that there are matters of technical fact that influence a judgment. But I do think that engineers and lawyers may have different reflexes, in general and in patent prosecution.

Technically qualified judges may have a stronger preference than legally qualified ones to decide a case on its technical merits than on procedural questions. Also, technically qualified judges may be less inclined to believe the parties' allegations on technical facts without checking the facts themselves. I have the impression that technical qualified judges tend more to enter into a debate with the parties and to wish to convince them about the technical facts rather than merely hearing and questioning the parties before deciding.

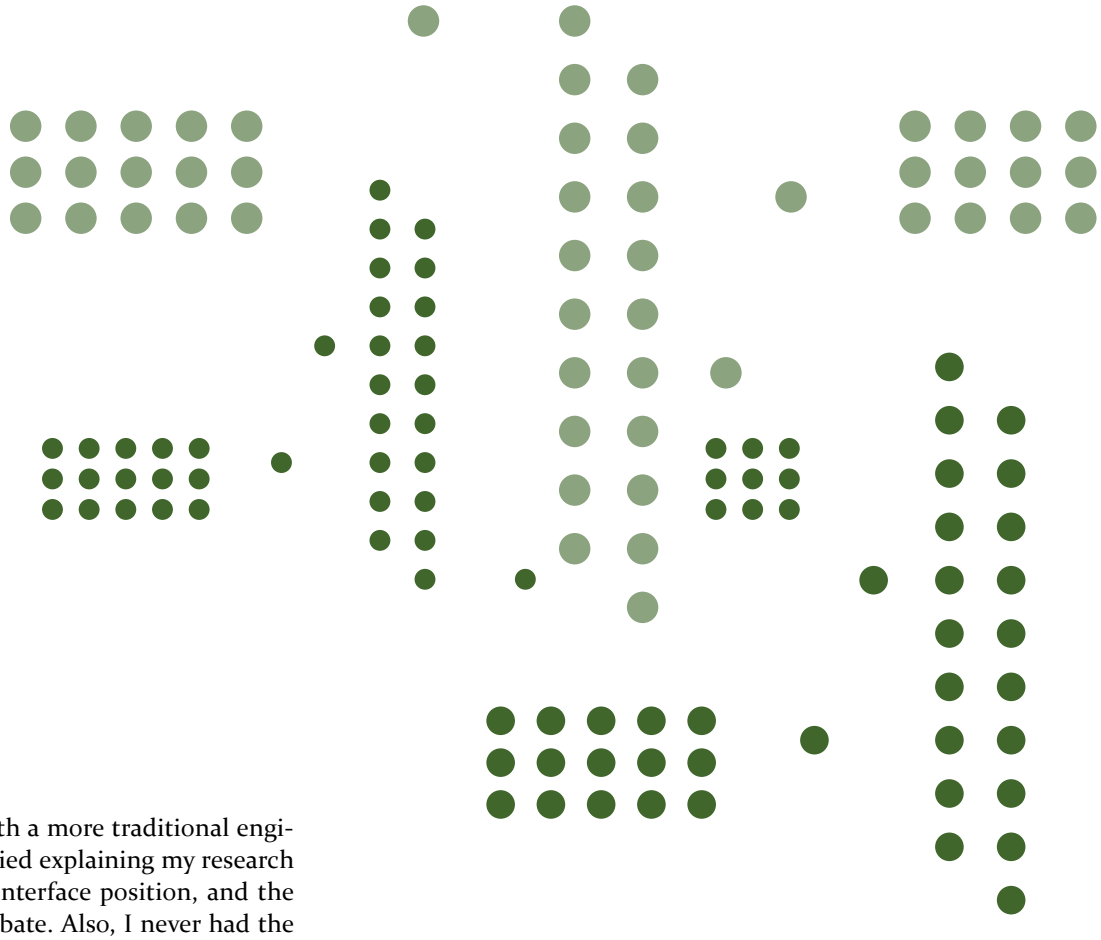
Other distinctions come to mind, for instance based on stereotypes such as the engineering "nerd" who may be less well trained and less interested in verbal expression. Similar stereotypes exist for legally qualified judges. In the Boards of Appeal however, colleagues have been exposed to the respective other domain's style, approach, needs and aversions, so that the stereotypes do not fit well anymore.

12. HOW DO ENGINEERS FIND THEIR WAY INTO PATENT LAW? HOW DID YOU FIND YOUR WAY INTO THE PATENT SYSTEM?

I think it depends on the technical field. Engineers or scientists working in mechanical engineering or pharma, for example, are exposed to patents at an early stage of their careers.

This was not the case in computer science when I studied it. Patents have a shorter and controversial history in computer science in comparison with other fields of technology. There has always been a debate about whether there should be patents for software inventions at all, under which circumstances and with what limitations. When I studied, in the 1990s, there was little knowledge about or interest in patents in the field. At the time, it was not widely known, nor generally accepted, that computer science was, in patent law terms, a field of technology in which one could make "technical" inventions, and obtain patents, or that computer scientists would be qualified to work as examiners, patent attorneys or technically qualified patent judges. Some were fervently opposed to the idea of any "software patents", for instance the free software community or the open software community, which had the vision that all "software should be free", i.e. open for anyone to study and use. This debate, eventually culminated in 2005 when the European Parliament rejected a proposed directive on computer-implemented inventions.

Under these circumstances, it was unlikely that I would choose patent law. Why did I do it anyway? First, I like to work on the borders between fields, and I love to be able to communicate with experts from different professions. I have already enjoyed doing that in university, when I tried to translate between the more theoretical-minded com-



puter scientists and those with a more traditional engineering attitude, or when I tried explaining my research to non-scientists. I like the interface position, and the necessary discussions and debate. Also, I never had the urge of becoming a software developer, but I like to study science, and many other things, to understand phenomena, to associate, to debate, but also to move on to the next interesting question. Secondly, when it comes to the EPO, I like that it is an international organisation and I have colleagues from all over Europe. During my career, I also developed a particular liking for international law, maybe because it is less well defined than national law and thus tends to be more open to fundamental considerations.

13. IN SWEDEN THE PATENT ATTORNEY OFFICES HAVE A HARD TIME RECRUITING ENGINEERS, BECAUSE ENGINEERS ARE NOT AWARE OF THE EXISTENCE OF THE PATENT SYSTEM. THEY CURRENTLY DO NOT HAVE CORRESPONDING COURSES AT THE UNIVERSITY. IS IT THE SAME IN GERMANY?

This is an interesting question. Today the job market for anyone with an academic computer science background or an interest and competence in that field is very competitive, to say the least. Everyone is looking for these people. I guess, the same applies, to varying degrees, to the other fields of science and engineering. Hence, these people have several options, of which patent law is only one. This is one issue. Another issue is awareness. I believe that many engineers focus on their primary profession – there is so much to see already there – that they may not be aware that patent law is an option for them at all, or what this means in practice. As an anecdotal remark, the University of Karlsruhe (now Karlsruhe Institute of Technology), where I studied, already then had a centre for legal studies within the computer science department but, at the time, most of my fellow students did not even realise that it existed. That said, I do not recall how important intellectual property was in that group. Anyway, today it has become a lot more visible. Amongst others, this department employs a former presiding judge of the German Federal Court of Justice (BGH) to teach patent law. So, I think that the awareness about IP in computer science has gone up. Still, within that field, questions of copyright appear to receive wider attention, for instance in the context of generative AI, than patent law.

Finally, I already mentioned the stereotype that engineers are not necessarily the ones that want to talk a lot. It is not true in general, but there is probably a tendency. Engineers will typically prefer spending time tinkering with a bicycle or a programming a computer and might not be interested in writing articles or engaging in controversial discussions. What you want to find is people with a background in science and engineering who have those interests, and that could indeed be a challenge.

The Protection of Translations under European Copyright Law

Victor Mütter

ABSTRACT

Translations may be placed somewhere on a spectrum between an independent work and a copy of an existing work. A translation will always be dependent on an already existing text and the aim of the translation will be to convey the meaning of this text in a new language. From a copyright perspective this raises several issues, including the question of when a translation will be considered protectable as an original work in its own right. This article explores this issue from a European perspective, and provides a comprehensive assessment of how the general requirements for copyright protection developed by the Court of Justice of the European Union apply to translations. In addition, it explores how different national courts in Europe have assessed the question of copyright protection for translations. The article concludes that in many instances translators are able to make the necessary free and creative choices to be granted copyright protection, albeit this is dependent on the specific translation at hand.

1. INTRODUCTION

Translations play an important role in European integration, as they allow for the dissemination of science, literature and official documents across the 27 official languages of the Union. Furthermore, as noted in a 2022 report by the EU Expert Group on Multilingualism and Translation, they contribute to the cultural diversity of the Union as they allow authors to write in their native languages without having to resort to broader languages in order to access a wider audience.[1] From an economic perspective, translations play an important role as they facilitate the dissemination of a work into new markets that might otherwise have been out of reach. Despite their cultural and economic importance, the question of copyright protection in translations have received relatively little attention in European copyright law. Historically, however, translations have played an important role in the development of international copyright law.[2] During the adoption of the Berne Convention one of the most controversial questions was whether translations should fall within the exclusive rights of the original author or not.[3] The issue of whether translations themselves should be protectable under copyright received less attention. Already in the original text of the Berne Convention from 1886 it was held that '[...] translation shall be protected as original works'.[4]

Unlike international copyright law, EU copyright law provides no regulation on the protectability of translations specifically. However, the Court of Justice of the European Union has fully harmonised the requirements for protection for all subject-matters, meaning that translations are protectable if they fulfil the requirements of being their 'author's own intellectual creation' and constituting 'an expression of such creation'.[5]

This article explores how these general requirements for protection apply to translations, in order to provide guidance on how the protectability of translations should be assessed under EU copyright law. In addition, the article will explore how member states have protected trans-

1 Commission, Directorate-General for Education, Youth, Sport and Culture, 'Translators on the cover – Multilingualism & translation – Report of the Open Method of Coordination (OMC) working group of EU Member State experts' (report) (Publi-cations Office of the European Union 2022) 15.

2 Translations has also been described as 'probably the most important factor that drew states into international copyright agreements in the late nineteenth century' in Paul Goldstein and P. Bernt Hugenholtz, *International Copyright: Principles, Law, and Practice* (4th ed. Oxford University Press 2019) 299 referencing Sam Ricketson, *The Berne Convention for the Protection of Literary and Artistic Works: 1886–1986* (Kluwer 1987) 384.

3 This now follows from Article 8 of the Berne Convention for the Protection of Literary and Artistic Works, 9 September 1886 (as amended on 28 September 1979) S. Treaty Doc. No. 99-27 (1986); For a detailed history of this question under the Berne Convention see Eva Hemmungs Wirtén, *Cosmopolitan Copyright: Law and Language in the Translation Zone* (Uppsala Universitet 2011).

4 Article 6 (1) of the Berne Convention for the Protection of Literary and Artistic Works, 9 September 1886 (unamended original text).

5 Judgment of the Court (GC) of 13 November 2018, *Levola Hengelo*, C-310/17, EU:C:2018:899 paras 34–36, Judgment of the Court (GC) of 29 July 2019, Judgment of the Court (GC) of 29 July 2019, *Funke Medien*, C-469/17, EU:C:2019:623, para 19, Judgment of the Court of 12 September 2019, *Cofemel*, C-683/17, ECLI:EU:C:2019:721, para 29 and Judgment of the Court of 11 June 2020, *Brompton Bicycle*, C-833/18, EU:C:2020:461, para 22.

lations in their national case law, in order to illustrate how the protection of translations has been assessed in practice and to consider to what extent this is compatible with EU law. What distinguishes translations, as well as other so-called derivative works, from non-derivative works, is that they build directly on a previous existing work. In addition, the purpose of translation is to 'recreate' the text that is being translated, albeit in a different language. These two factors make the protectability of translations interesting from a copyright perspective.

In order to explore how the requirements for protection apply to translations it is useful to provide a very brief introduction to a few key concepts in translation. Translations of texts involve taking a text in one language, referred to as the source text, and transferring it into another language, the target text.[6] The term *translation* normally refers to written text, while the term *interpretation* refers to oral speech.[7] When translating a written text, the translator is in what has been described as a 'double bind relationship', meaning that the translated text needs to have the same content as the original text, referred to as 'semantic equivalence', while also maintaining the style, level of formality, and way different parts are interlinked, known as 'pragmatic equivalence'.[8] However, since no two languages are the same, the achievement of semantic equivalence cannot be achieved through a word-for-word translation. This was recognized by the Roman statesman, lawyer and translator Marcus Tullius Cicero, who in *De optimo genere oratorum* (the Best Kind of Orator) explained that he did not find it necessary to translate passages word-for-word, but rather to conserve the 'force and flavour of the passage'.[9] Therefore, translation has by some been referred to as the act of 'rewriting'.[10]

This article is divided into three parts. The first part (Section 2.1) explores how translations are protected under the Berne Convention. The second part (Section 2.2) assesses how the general requirements for copyright protection in EU law apply to translations. In the third part (Section 2.3) the article explores how national courts in different European countries have assessed the protectability of translations in different factual scenarios and discusses to what extent this case-law is compatible with the requirements set by EU law.

2. COPYRIGHT PROTECTION OF TRANSLATIONS

2.1 Protection of translations under the Berne Convention

In international copyright law the Berne Convention sets a minimum substantive standard of rights, which the members of the Union are required to grant nationals of other member states, regardless of whether they are afforded to their own nationals.[11] The subject matter protected under these minimum rights includes 'literary and artistic works',[12] which according to Article 2 (1) of the Convention covers 'every production in the literary, scientific and artistic domain'. Article 2 (3) further specifies that this includes 'translations'. While the EU is not party to the Berne Convention, it is party to the WIPO Copyright Treaty (WCT) and the TRIPS agreement, both of which require compliance with Articles 1–21 of the Convention.[13] As a result, the Berne Convention sets the outer boundaries for when EU law is required to grant copyright protection to translations.

The regulation of translations has a long history in international copyright law, and was one of

most controversial questions under the adoption of the Berne Convention. The debate mainly centred around whether translations should fall within the exclusive rights of the original author, and not whether they should themselves be protected by copyright.[14]

Already in Article 6 (1) of the original text of the Berne Convention from 1886 it was held that '[...] translations shall be protected as original works'. After amendments in the subsequent Berlin and Brussels revisions, Article 2 (3) of the Convention now specifies that 'translations', as well as 'adaptations, arrangements of music and other alterations of a literary or artistic work', are protectable 'as original works without prejudice to the copyright in the original work'.

The provision entails that translations are protectable under the same conditions as other non-derivative literary or artistic works. However, there is an exception for 'official translations' of 'official texts of a legislative, administrative and legal nature' which member states

6 Juliane House, *Translation: The Basics* (2nd edn. Routledge 2023) 2.

7 Ibid 9.

8 Ibid. 3.

9 Reproduced and translated in Daniel Weissbort and Astradur Eysteinsson, *Translation – Theory and Practice: A Historical Reader* (Oxford University Press 2006) 21.

10 Susan Bassnett, *Translation* (Routledge 2013) 3.

11 The states are not required to afford these minimum rights to their own authors; however, it seems unlikely that members would afford a lower level of protection to its own nationals than others, as pointed out in Sam Ricketson, 'The International Framework for the Protection of Authors: Bendable Boundaries and Immovable Obstacles' (2018) 41 Colum JL & Arts 341, 345.

12 Article 1 of the Convention.

13 Article 1 (2) of the WIPO Copyright Treaty, 20 December 1996, 2186 U.N.T.S. 121, and Article 9 (1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights, 15 April 1994 (as amended on 23 January 2017) 1869 U.N.T.S. 3; It should also be noted that all 27 EU members are also members of the Berne Union.

14 This now follows from Article 8 of the Convention.

are free to decide whether to protect or not in accordance with Article 2 (4).

Under the original text of the Convention only 'lawful' translations were protected. However, the wording of the current Article 2 (3) specifies that translations can be protected regardless of whether they infringe copyright in the translated work. At the same time, the fact that a translation is protectable under copyright does not entail that said translation does not as such infringe the copyright in the translated work. This can be inferred from the reference to protection being 'without prejudice to the copyright in the original work'.[15] This also entails that the translator does not get any rights over elements stemming from the source text, and *vice versa*.[16]

The fact that the Convention requires its members to protect translations under the same requirements as other literary or artistic works does not entail that the members are required to protect all translations. Rather, they are obliged to protect those that fulfil the substantive requirements for protection that apply to other literary and artistic works.

The presence of an 'artistic or literary' work presupposes that several substantive requirements are fulfilled.[17] A precondition for the creation to be considered a literary or artistic work under Article 2 (1) is that it is a 'production'. The 'production' requirement entails that the subject-matter must have been manifested in some way.[18] This so-called 'idea-expression dichotomy' is explicitly stated in Article 9 (2) of the TRIPS Agreement and Article 2 of the WCT. Furthermore, the 'production' requirement implicitly reflects that the Convention does not protect mere facts.[19] This can be more directly inferred from Article 2 (8) which states that '[t]he protection of this Convention shall not apply to news of the day or to miscellaneous facts having the character of mere items of press information'. The reasoning behind this according to a working group report from the Stockholm revision, was that facts do not have the attributes needed to constitute a work.[20] As the provision only excludes facts themselves, facts selected and arranged in a way making them a literary or artistic work are protected.[21]

The Berne Convention does not directly refer to originality as a requirement for the subject-matter to be considered a literary or artistic work, however, this can be inferred from several of the Convention's provisions.[22]

In relation to translations and other derivative works the term 'original' is mentioned twice in Article 2 (3), which states that '[t]ranslations, adaptations, arrangements of music and other alterations of a literary or artistic work shall be protected as original works without prejudice to the copyright in the original work'. The second 'original' should here be understood as a reference to the work that the derivative work is derived from – for translations this is the source text.[23] The first reference to 'original works' is ambiguous and can be understood in two ways. One alternative, is to understand it as a reference to the fact that translations and other derivative works should be protected on the same basis as non-derivative works.[24] Another possible understanding is that this is a reference to a qualitative threshold of originality.[25]

While Article 2 (3) does not give any answers as to what is meant by 'original works', the background of Article 14*bis* (1) can shed some light on this. Similarly to Article 2 (3), Article 14*bis* (1) reads '[w]ithout prejudice to the copyright in any work which may have been adapted or reproduced, a cinematographic work shall be protected as an original work'. While both provisions express the same ambiguity with regard to the meaning of 'original work',[26] the history of Article 14*bis* provides clearer indications to how the term is to be understood. In the Berlin Act the provision corresponding to Article 14*bis* (1), Article 14 (2), stated that '[c]inematographic productions shall be protected as literary or artistic works, if, by the arrangement of the acting form or the combinations of the incidents represented, the author has given the work a personal and original character.' This wording provides a qualitative threshold, which is premised on the creative and personal efforts of the author. Furthermore, when the text was revised to only require that 'author has given the work an original character' with the Rome Act, the General Report from the meeting stated that the only require-

15 This would arguably be incompatible with the exclusive right of translation in Articles 8 of the Convention.

16 Sam Ricketson and Jane Ginsburg, *International Copyright and Neighbouring Rights: The Berne Convention and Beyond* (3rd edn, Oxford University Press 2022) 485.

17 Mihály Ficsor, *Guide to the Copyright and Related Rights Treaties Administered by WIPO and Glossary of Copyright and Related Rights Terms* (WIPO 2003) 24–25 and Justine Pila, 'Authorial works protectable by copyright' in Eleonora Rosati (ed), *The Routledge Handbook of EU Copyright Law* (Routledge 2021) 65–66.

18 Some legal scholars have understood the need for a 'production' to presuppose the existence of some creative activity by the author, see Ricketson and Ginsburg (n 16) 406 and Eleonora Rosati, 'Copyright at the CJEU: Back to the Start (of Copyright Protection)', in Hayleigh Bosher and Eleonora Rosati (eds.), *Developments and Directions in Intellectual Property Law: 20 Years of The IPKat* (Oxford University Press 2023) 217; In the view of this author the need for some creative process to have taken place is to a greater extent communicated through other provisions of the Convention.

19 This is also explicitly stated in Article 2 of the WCT.

20 Report of Svante Bergström on the Work of Main Committee I, as reproduced and translated in Arpad Bogsch, *Berne Convention, for the Protection of Literary and Artistic Works from 1886 to 1986* (International Bureau of Intellectual Property 1986) 200.

21 Ficsor, (n 17) 33.

22 Thomas Margoni, 'The Harmonisation of EU Copyright Law: The Originality Standard' in Mark Perry (ed.), *Global Governance of Intellectual Property in the 21 st Century: Reflecting Policy Through Change* (Springer International 2016) 87 and Sam Ricketson 'Threshold requirements for copyright protection under the international conventions' (2009) 1 (1) W.I.P.O.J. 51, 54.

23 Ficsor, (n 17) 28.

24 Ibid.

25 Ricketson 'Threshold requirements for copyright protection under the international conventions' (n 22) 54.

26 Daniel J. Gervais, 'The compatibility of the skill and labour originality standard with the Berne Convention and the TRIPs Agreement' (2004) 26 (2) E.I.P.R. 75, 77.

ment for protection was that of originality.[27] This shows that 'original work' has been understood as a requirement covering the author's creativity.[28]

Therefore, the most plausible interpretation is that 'original works' in Article 2 (3) should be understood as a qualitative threshold for protection.[29] It is difficult to ascertain anything further about the exact threshold for a translation to be considered 'original' on the basis of the Convention. This suggests that it is up to the member states to decide on the exact understanding of 'originality'.[30] In this regard, one should keep in mind that the Berne Convention only provides minimum standards of protection, meaning that member states are free to protect translations, and other subject-matter, that does not fulfil the threshold of originality. On the other hand, it could be problematic if a member state applies a stricter threshold for protection than that prescribed by the Convention. A possible rule of thumb in this regard is that the member states' threshold for protection will be problematic if it excludes protection for all or for a considerable portion of works within a category listed by the Convention.[31] In relation to translations, this entails that member states have a high degree of freedom with regard to which translations to grant protection, however, they should not set the threshold so high that they exclude the majority of translations from protection.

2.2 Protection of translations under EU copyright law

2.2.1 The general requirements for copyright protection for translations

As explained in the previous chapter international copyright law requires that translations are granted certain minimum rights, provided that they fulfil a certain qualitative threshold of protection. However, international copyright law does not further define the scope of this threshold. In EU copyright law on the other hand, the Court of Justice of the European Union (CJEU) has fully harmonised the requirements for protection for all subject-matters, and at least with a certain degree of specificity defined the threshold of protection.

In the EU copyright *acquis* the protectability of translations is not specifically regulated. However, it should be noted that both the Database Directive and Software Directive grant the author *inter alia* the exclusive right to the 'translation'.[32] This does not as such confirm that translations are protected under EU law.[33]

While there is no regulation of the protectability of translations as such, the general requirements for copyright protection harmonised by the CJEU apply to translations as well. Starting with the decision in *Infopaq* the Court has held that a subject matter constitutes a copyright protectable 'work' when it constitutes its 'author's own intellectual creation'.[34] The Court has in its subsequent case law elaborated that the notion of work requires the subject matter to be the 'author's own intellectual creation' and 'an expression of such creation'.[35] These are the sole requirements for protection, meaning that member states cannot exclude any subject-matter provided that these requirements are fulfilled.[36] Furthermore, the member states are obliged to apply the criteria uniformly, which in its turn entails that they cannot apply different or additional criteria for protection depending on the subject-matter at hand.[37] As a consequence, member states are required to protect translations when these two criteria are met.

Since a translation ordinarily will fulfil the requirement of constituting an 'expression', the protectability of a translation will in most cases depend on whether it can be considered its 'author's own intellectual creation'.[38] According to the CJEU the subject matter will be considered the 'author's own intellectual creation' if it 'reflects the personality of its author, as an expression of his free and creative choices'.[39] This understanding builds on the notion that originality is linked to the author's personality. However, the CJEU does not seem to operate with the expression of personality as an independent requirement for originality,[40] rather the creation will be considered to reflect the author's

27 General report of Rapporteur-General Eduardo Piola Caselli of 1st June 1928, as reproduced and translated in Bogsch, (n 20) 174.

28 Gervais (n 26) 77.

29 Gervais (n 26) 77 and Ricketson 'Threshold requirements for copyright protection under the international conventions' (n 22) 55–56.

30 As pointed out in Sam Ricketson and Jane Ginsburg, 'The Berne Convention: Historical and institutional aspects' in Daniel J. Gervais (ed.), *International Intellectual Property* (Edward Elgar Publishing 2015) 25, state practice has established that the members have a high degree of flexibility in how the substantive norms in the Convention should be given effect.

31 Similarly, Ricketson and Ginsburg, (n 16) 408–409.

32 Article 5 (b) of the Database Directive and Article 4 (b) of the Software Directive.

33 For a different understanding, see Mireille van Eechoud and others, *Harmonizing European Copyright Law: The Challenges of Better Lawmaking* (Kluwer Law International 2009) 36; This does, however, follow from Article 2 (3) of the Berne Convention.

34 Judgment of the Court of 16 July 2009, *Infopaq*, C-5/08, EU:C:2009:465 para 37.

35 *Levola Hengelo*, (n 5) paras 34–36, *Funke Medien*, (n 5) para 19, *Cofemel*, (n 5) para 29 and *Brompton Bicycle*, (n 5) para 22.

36 Caterina Sganga, 'The notion of "work" in EU copyright law after Levola Hengelo: one answer given, three question marks ahead' (2019) 41 (7) E.I.P.R. 415, 420 and Jens Schovsbo, 'Copyright and design law: What is left after all and Cofemel? – or: Design law in a "double whammy" (2020) 2 NIR 280, 286.

37 This has especially been discussed in relation to works of applied art, where some member states have required 'aesthetic effect' for copyright protection to arise. In *Cofemel* the Court confirmed that member states cannot apply other or additional requirements for copyright protection depending on the subject-matter at hand. See *Cofemel*, (n 5) paras 29 and 48; For a discussion of the *Cofemel* decision and copyright protection for works of applied art see Marianne Levin, 'The Cofemel revolution – originality, equality and neutrality' in Eleonora Rosati (ed), *The Routledge Handbook of EU Copyright Law* (Routledge 2021) 82ff.

38 In *Brompton Bicycle* (n 5) para 40, the CJEU held that the 'expression' criterion requires that the subject matter is 'identifiable with sufficient precision and objectivity'.

39 Most recently in *Brompton Bicycle*, (n 5) para 23.

40 E.g. in Judgment of the Court of 1 December 2011, *Painer*, C-145/10, EU:C:2011:798, para 92, the Court stated that '[b]y making [...] various choices, the author of a portrait photograph can stamp the work created with his 'personal touch'.

personality to the extent that the author has made free and creative choices.[41] Thus, it seems sufficient that the author has made free and creative choices for copyright protection to arise. In addition, it is not necessary that the work has any aesthetic quality or merit.[42] The question of how the existence of free and creative choices should be assessed has been touched upon by the CJEU in several of its rulings.[43] The Court's decision in *Painer*, is particularly interesting for shedding some light on the Court's understanding of creative choices. The decision related to works of portrait photography, and in this context the CJEU held that the photographer can make free and creative choices in several ways:

> In the preparation phase, the photographer can choose the background, the subject's pose and the lighting. When taking a portrait photograph, he can choose the framing, the angle of view and the atmosphere created. Finally, when selecting the snapshot, the photographer may choose from a variety of developing techniques the one he wishes to adopt or, where appropriate, use computer software.[44]

This suggests that all choices that affect the expression of the work are relevant, regardless of in which phase of the creative process these choices are made. However, the fact that producing the subject-matter takes skill and effort does not infer originality.[45] With regards to written works, the CJEU has specified that free and creative choices are made through 'the choice, sequence and combination of [...] words'.[46]

The assessment of the 'author's own intellectual creation' criterion can be understood to involve two distinct aspects. Firstly, the subject-matter must be an 'intellectual creation' which has been understood to entail that it must be the result of free and creative choices. Secondly, these choices have to be the author's *own*. The latter requirement can be understood as a requirement of causation between the choices made by the author and the end-result.[47] For translations, this causation requirement is important because it entails that the parts of the translations that originate in the source text cannot be considered the translator's *own* intellectual creation.[48] In other words, elements that 'remain' from the source text cannot confer originality. Therefore, one must assess whether the translator has made free and creative choices in his or her processing of the primary work. This assessment can be understood as mirroring the assessment of whether there has been an act of reproduction, where the focus is on whether what has been taken expresses the intellectual creation of the author of the primary work.[49] It is, however, important not to conflate these two assessments, as a translation can be an infringement of the original work, while still fulfilling the originality requirement in accordance with Article 2 (3) of the Berne Convention.

One type of translations that can pose specific challenges in this regard, these are the so-called 'retranslations'. These are new translations of works that have previously been translated in the same language.[50] The typical motive for such retranslations is to create an improved version of the previous translation, meaning that the original translation will typically be used as a reference work.[51] For example, Janet Garton explains that when making a new English translation of Henrik Ibsen's play *Lille Eyolf* (Little Eyolf) she and the other translators used no less than five previous translations for inspiration and as a standard for comparison.[52] The mere use of a previous translation is as such sufficient to preclude the translator of retranslation from making free and creative choices. If the translator uses a previous translation as the basis for the retranslation, the parts of it originating in the previous translation will not confer originality, in the same way as the elements stemming from the source text. The distinction between the retranslation and the previous translation would likely be hard to draw in practice. It is however important to keep in mind that the mere fact that a previous translation exists does not affect originality in a new translation. Even if elements in the new translations are identical to those of a previous translation this will only rule out originality if the elements are 'taken' from the previous translation. This reflects the fact that novelty is neither necessary nor sufficient to fulfil the EU requirement of originality.[53]

Another situation related to retranslation is when the translation in question is not based directly on the original

41 P. Bernt Hugenholtz and João Pedro Quintais, 'Copyright and Artificial Creation: Does EU Copyright Law Protect AI-Assisted Output?' (2021) 52 IIC 1190, 1198.

42 E.g., Recital 16 to the Term Directive; See further Stef van Gompel, 'Creativity, autonomy and personal touch: A critical appraisal of the CJEU's originality test for copyright' in Mireille Eechoud (ed.), *The Work of Authorship* (Amsterdam University Press 2014) 100 and Levin (n 37) 88.

43 There are, however, still many questions regarding how the presence of free and creative choices should be assessed that remain to be answered as illustrated by the recent request for preliminary rulings in *Mio*, C-580/23 and *konektra*, C-795/23.

44 *Painer*, (n 41) paras 90–91.

45 *Funke Medien* (n 5) para 23.

46 *Infopaq* (n 34) para 45 and *Funke Medien* (n 5 para 23.

47 Ole-Andreas Rognstad, 'Creations caused by humans (or robots)? Artificial intelligence and causation requirements for copyright protection in EU law' in Taina Pihlajarinne and Anette Alén-Savikko (eds.), *Artificial Intelligence and the Media* (Edward Elgar 2022) 177–78.

48 Hugenholtz and Quintais, (n 42), 1196; For a different understanding see Burton Ong, 'Originality from copying: fitting recreative works into the copyright universe' (2010) 2 Intellectual Property Quarterly 165, 170–171.

49 Richard Arnold, 'Paintings from Photographs: A Copyright Conundrum' (2019) 50 IIC 860, 875.

50 Kaisa Koskinen, 'Revising and retranslating' in Kelly Washbourne and Ben van Wyke, *The Routledge Handbook of Literary Translation* (Routledge 2018) 317.

51 Piet Van Poucke, 'The Effect of Previous Translations on Retranslation: A Case Study of Russian-Dutch Literary Translation' (2020) 12 (1) TranscUlturAl 10, 10.

52 Janet Garton 'Ibsen for the Twenty-First Century' in Jean Boase-Beier, Lina Fisher and Hiroko Furukawa (eds.), *The Palgrave Handbook of Literary Translation* (Palgrave Macmillan 2018) 294–295.

53 E.g. Van Gompel, (n 43) 99 and. Hugenholtz and Quintais, (n 42) 1198.

literary work, but rather on a previous translation of it in a different language. In translation studies these are often described as 'indirect translations' or 'relay translations.'[54] Indirect translation is often used in instances where few translators are proficient in both the source and target language, thereby necessitating the need for a mediating translation.[55] In a copyright sense indirect translations are derivative works of the translation that they are based on, rather than of the first source text. Just like retranslations it is necessary to 'deduct' elements stemming from the previous translation when assessing the originality of an indirect translation.

When assessing whether the translation is the result of the translator's free and creative choices it is necessary to keep in mind that the CJEU has consistently held that originality is precluded where the author had no creative freedom, because the creation of the work is dictated by 'technical considerations, rules or constraints'.[56] The creative freedom of the author can also be constrained by the purpose of the work. An example of this can be found in the CJEU's decision in *Funke Medien*.[57] The background for the case was that the German government had brought proceedings against the operator of a newspaper for copyright infringement for publishing classified documents concerning the deployment of German armed forces in Afghanistan, known as the 'Afghanistan papers'. Although, the questions referred to the CJEU by the Federal Court of Justice (Bundesgerichtshof) concerned exceptions and limitations, the CJEU also made a preliminary observation concerning the requirements for copyright protection with regard to such documents. The Court held that if the content of the report is essentially determined by the information it conveys, those reports are entirely characterised by their 'technical function'.[58] This, according to the Court, entails that it is impossible for the author drafting the document to express his or her creativity in a sufficiently original manner for the document to be considered the author's own intellectual creation.[59] While the Court characterises the limitation as being one of 'technical function', it seems more appropriate to consider the limitation to lie in the informative purpose of the subject matter. The decision should be understood in light of the principle that information in itself cannot be subject to copyright protection.[60]

For translations the most relevant constraint posed lies in its relation to the source text. If the aim is to faithfully convey the source text there is no room left for the translator to make free and creative choices through 'the choice, sequence and combination of words', and thus protection will be precluded.[61]

One factor that can play a role in assessing the existence of free and creative choices from the part of the translator is the length of the text. The translator of a longer text might statistically have a greater opportunity to make free and creative choices, however, the length of the work alone cannot confer the existence of free and creative choices by the translator.[62] Furthermore, there is no lower limit to how short the translation can be for it to be protectable under copyright.[63] The exception to this is likely when the translation consists of a single word. In its decision in *Infopaq* the CJEU held that a single word is not protectable under copyright, because it could not express the author's creativity, as this could only be done through 'choice, sequence and combination' of words.[64] This should also be the case for translations of single words, because translators will have to choose the translation that best conveys the meaning of the original word in its context. Therefore, the translator arguably has no possibility to express his or her creativity in the translation of a single word.

Whether the source text is protectable by copyright or not is in principle not decisive for the protectability of its translation.[65] This can for example be the case if the term of protection has lapsed or if the work was written before the state in question implemented a copyright system. In principle, the same also applies if the source text is not protectable due to lack of originality. Therefore, one must assess whether the translation is an expression of the author's own free and creative choices independently. However, in practice there might be instances where the obstacle for originality in the primary work indirectly contributes to the lack of originality in the translation. For example, a report seeking to plainly describe factual

54 Laura Ivaska, Hanna Pięta and Yves Gambier, 'Past, present and future trends in (research on) indirect literary translation' (2023) 31 (5) Perspectives 775, 778.

55 This is for example not uncommon in Scandinavian translations as further exemplified in Cecilia Alvstad, 'Arguing for indirect translations in twenty-first-century Scandinavia' (2017) 10 (2) Translation Studies 150, 152ff; Further discussed in European Commission, Directorate-General for Education, Youth, Sport and Culture, 'Translators on the cover – Multilingualism & translation – Report of the Open Method of Coordination (OMC) working group of EU Member State experts' (Publications Office of the European Union 2022) 64.

56 E.g., Judgment of the Court of 1 March 2012, *Football Dataco*, C-604/10, EU:C:2012:115, para 39, Judgment of the Court (GC) of 2 May 2012, *SAS Institute*, C-406/10, EU:C:2012:259, para 40 and *Brompton Bicycle*, (n 5) para 27.

57 *Funke Medien* (n 5).

58 Ibid. para 24.

59 *Funke Medien* (n 5) para 24; AG Szpunar went further holding that it seemed 'rather unlikely' that the drafting of such informative documents would allow for free and creative choices, Opinion of AG Szpunar, *Funke Medien*, C-469/17, EU:C:2018:870, para 19; Similarly, In AG Medina, *Public.Resource.Org.Inc*, C-588/21 P, EU:C:2023:509, paras 92–95, the AG concluded that the General Court had erred when taking the existence of free and creative choices in the drafting of harmonised technical standards at 'face-value'.

60 This is in line with Article 2 (8) of the Berne Convention, which excludes 'news of the day or to miscellaneous facts having the character of mere items of press information' from the minimum rights of protection.

61 *Infopaq* (n 34) para 45 and *Funke Medien* (n 5) para 23.

62 AG Medina, *Public.Resource.Org, Inc.*, (n 60) paras 92–95.

63 See e.g. *Pasternak v Prescott* [2022] EWHC 2695 (Ch), [2022] 10 WLUK 305, para 431.

64 *Infopaq* (n 34) paras 45; See also *SAS Institute* (n 57) para 66; A possible exception to this is imaginary words as it cannot be ruled out that the author can make free and creative choices when constructing such a word.

65 Thomas Margoni and Mark Perry, 'Scientific and Critical Editions of Public Domain Works: An Example of European Copyright Law (Dis) Harmonization' (2011) 27 Canadian Intellectual Property Review 157, 160.

events is likely to be deemed non-original due to a lack of free and creative choices.[66] The same will likely also be the case for the translation of such a report, as the purpose of accurately conveying the factual meaning of the report in the target language can preclude the translator's opportunity to make free and creative choices.

While translators make choices when translating all types of texts, the degree of creative freedom will vary depending on the type of text. In translation studies a distinction is often made between the translation of literary text and non-literary text.[67] Generally, literary translations have a greater focus on style,[68] and allow for more creative freedom on part of the author than non-literary texts. Therefore, this division will also be useful in the following sections; first it will be assessed to what degree the translator of literary works can make free and creative choices (Section 2.2.2), thereafter it will assess to what extent free and creative choices can be made in the translation of non-literary texts (Section 2.2.3). Lastly, copyright protection in translations using translation technologies will be explored (Section 2.2.4).

2.2.2 Translations of literary texts

Literary works is a broad category that encompasses everything from novels, poems and screenplays. They have the common feature that the source is based on the imagination of the author while very often the emphasis is on style and expression. While the translation of a literary work requires great skill and labour by the translator, this is not itself sufficient for protection under EU copyright law.[69] The crucial element is whether the translator is able to make free and creative choices in the translation. When translating a literary text, the translator is faced with a plethora of choices. As noted by Landers this includes the choice of 'words, fidelity, emphasis, punctuation, register, sometimes even of spelling.'[70] However, the literary translator's choices are also bound by certain constraints, particularly the purpose of accurately conveying the meaning of the source text. Since the constraint is primarily on communicating the meaning of the source text in the target text, the translator of literary text still retains some freedom with regard to the form of the translation.[71] This is for example through the translator's choice between synonymous words, punctuation and sentence length. Therefore, there are likely few instances where there is no room for creative freedom left, thereby ruling out the presence originality altogether.[72]

Translators of poetry are considered to have a particularly large degree of freedom with regard to form, as the focus is 'inward' on the effect that the text has on the reader.[73] The translation therefore becomes strongly connected to the translator's own interpretation of the poem, which arguably can entail that the translation to a greater extent will also reflect the personality of the translator.[74] Yet, there are some constraints in the translation of poetry, in particular with regard to preserving the rhythm and rhyme.[75] When the translator needs to balance this with the need to convey the content of the poem, the result can be that there in practice are few choices that will fulfil this balance. However, while this might be the case for single lines, it is hard to see that the constraint of preserving rhythm and the original meaning will preclude the translator from making any free and creative choices in the poem as a whole, thereby ruling out originality.

A few particular difficulties can arise when assessing originality of titles of literary texts. Translations of titles, like the titles themselves, are protectable under copyright provided that they are the author's own intellectual creation.[76] There are however two aspects with regard to titles that can hinder copyright protection. First, they tend to be quite short. While this does not preclude originality, it can reduce the translator's opportunity to make free and creative choices. Second, titles often aim to reflect the content of the work, which can restrict the translator's creative freedom. This does, however, not mean that the author has no choice or creative freedom when translating titles. It is illustrative that different translations of the same work often have widely different titles. An example of this is Boris Vian's novel *L'Écume des jours*. The novel has been translated to English three times, first by Stanley Chapman under the title *Froth on the Daydream*, then as *Mood Indigo* by John Sturrock and lastly by Brian Harper as *Foam of the Daze*. These translations have all in different ways utilized some creative freedom, as the verbatim translation of *L'Écume des jours* would be 'the foam of days'. Both Chapman's and Harper's are somewhat based on the original title as they reference froth or foam, but add their own touch by referring to concepts absent in the original title. On the other hand, Sturrock's translation is seemingly unrelated to the original title. Although, closeness to the original title will be an element in assessing originality, as a word-for-word transla-

66 AG Szpunar, *Funke Medien* (n 60) para 19.

67 House (n 6) 8.

68 Cees Koster, 'Literary Translation' in Juliane House (ed.), *Translation: A Multidisciplinary Approach* (Palgrave Macmillan 2014) 151.

69 E.g. *Football Dataco* (n 57) para 42; Therefore translations of literary work are easily protected in jurisdictions applying 'skill and labour' as the requirement for protection, see e.g. David Vaver, 'Translation and copyright: a Canadian focus' (1994) 16 (4) E.I.P.R. 159, 160.

70 Clifford E. Landers, *Literary Translation: A Practical Guide* (Multilingual Matters 2001).

71 Marianne Lederer, *Translation* (Routledge 2014) 84.

72 *Brompton Bicycle*, (n 5) para 31.

73 Lederer, (n 72) 84.

74 Paschalis Nikolaou and Cecilia Rossi, 'Translating Poetry' in Kirsten Malmkjær (eds.), *The Cambridge Handbook of Translation* (Cambridge University Press 2022) 487 citing Douglas Robinson, *The Translator's Turn* (Johns Hopkins University Press 1991) 260.

75 There are, however, some instances where the translator chooses to not preserve the rhythm and rhyme, for example Christopher Fry's translation of Henrik Ibsen's play 'Per Gynt' in James Kirkup and James McFarlane Walter (ed.), Oxford Ibsen: Brand, Peer Gynt vol III (Oxford University Press 1960).

76 Jens Schovsbo, Morten Rosenmeier and Clement Salung Petersen, *Immaterialret* (7th edn. Djøf Forlag 2024) 84.

tion would not express the translator's own free and creative choices, some relation to the original title does not exclude creative freedom. For example, Haper's clever use of the homophone 'Daze' does arguably to a greater extent express creativity than Sturrock's *Mood Indigo*, despite it not having any relation to the original title. In this regard it should be noted that while alternative titles can show that the translator had a choice, it cannot itself be considered decisive in concluding that the choice was in fact of a creative nature.[77]

2.2.3 Translations of non-literary texts

Non-literary texts is a negatively defined category which covers a wide range of different types of texts including news articles, administrative and legal documents and scientific and medical documents. A common thread among these types of texts is their informative nature. For the translator of such texts this entails a greater emphasis on conveying the meaning accurately, than engaging in stylistic considerations.[78] While the translator of a literary text can make some adjustments to retain the style of the source text, the translator of a non-literary text generally has to seek semantic equivalence on all levels, lexical syntactic and textual.[79] This leaves less room for creative freedom. One example of non-literary text where the translator is considered to have a highly limited degree of creative freedom is legal translations.[80] As observed by Joseph '[it] appears to be a universal feature of legal style that the author, together with the translator, disappear'.[81] The reason for this is that the translator of a legal text must give closest semantic meaning to the source text, and not attempt to ascertain the intended meaning of the text as this can affect the substance of the source text.[82]

As was suggested by the CJEU in *Funke Medien* decision, there will be no room for free and creative choices in documents determined by the information that they contain, as the idea and expression in these instances becomes indissociable.[83] This suggests that non-literal texts that are purely informative documents cannot be considered to fulfil the threshold of originality. However, as mentioned in Section 2.2.1. the fact that the source text is non-original does not *per se* preclude fulfilling the requirement of originality in the translation if the translator has made free and creative choices. Yet, while it does not seem questionable that the translator makes choices, it is hard to imagine that the translation of a purely informative document itself would allow for free and creative choices, provided that the goal is to as accurately as possible convey the information in the source text.

One type of non-literary texts that raises particular questions from a copyright perspective are official translations of official texts. Under Article 2 (4) of the Berne Convention its members are not required to protect such translations. EU law does not specify whether EU member states are required to protect such translations and the CJEU has not ruled on the issue. However, in a case regarding public access to harmonized technical standards the General Court concluded that the Commission made no error in law when concluding that a harmonised standard was protectable by copyright,[84] suggesting that the protection of official texts is not principally ruled out. The decision suggests that member states can protect official texts, and probably also their official translations, if they fulfil the requirements for protection, while at the same time, it does not explicitly prohibit member states from excluding them from protection.[85]

From a *de lege ferenda* perspective official texts and their translations should not be protectable under copyright. This is mainly because one of the core rationales for copyright protection, incentivising the creation of literary and artistic works, does not apply to official texts, as well their translations.[86] Furthermore, the right of freedom of information, which is protected under Article 11 (1) of the EU Charter of Fundamental Rights,[87] suggests that such text's and their translations should not be protectable by copyright.[88] It would therefore arguably be preferable for the CJEU, or alternatively the EU legislator, to explicitly apply the leeway given by Article 2 (4) of the Berne Convention and exclude official translations of official text, in addition to the official texts themselves, from copyright protection.[89] For most member states this would not

77 To this effect *Brompton Bicycle*, (n 5) para 35.

78 House, (n 6) 8.

79 Krisztina Károly, 'Translating Academic Texts' in Kirsten Malmkjær (ed.), *The Cambridge Handbook of Translation* (Cambridge University Press 2022) 347.

80 Leon Wolff, 'Legal Translation' in Kirsten Malmkjær and Kevin Windle (eds.), *The Oxford Handbook of Translation Studies* (Oxford University Press 2011) 229.

81 John E. Joseph, 'Indeterminacy, Translation and the Law' in Marshall Morris (ed.), *Translation and the Law* (John Benjamins Publishing Company 1995) 18.

82 Emily Wai Yee Poon, 'The Cultural Transfer in Legal Translation' (2005) 18 Int'l J Semiotics Law 307, 322–323.

83 *Funke Medien* (n 5) para 24.

84 Judgment of the General Court of 14 July 2021, *Public.Resource.Org*, T-185/19, EU:T:2021:445, para 46–48; This decision was appealed to the CJEU, however, the Court did not address whether the documents could be protectable under copyright, Judgment of the Court (GC) of 5 March 2024, *Public.Resource.Org*, C-588/21 P, EU:C:2024:201.

85 In countries where official translations are protected, and rightholder of an official translation is a public institution, the possibility to deny reuse of the work through copyright will be limited by Article 3 (1) of Directive 2019/1024 (EU) of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information (recast) (PSI Directive) which lays down a general principle that member states shall ensure that public documents are reusable. More generally on the interplay between copyright and the PSI Directive see Mireille van Eechoud, 'A Serpent Eating Its Tail: The Database Directive Meets the Open Data Directive' (2021) 52 IIC 375 and Frantzeska Papadopoulou, 'Access and Commercial Exploitation of Public Sector Information (PSI) and Copyright protection. Two parallel Universes or simply a Big Bang?' (2016) 5 NIR 505 (the latter is in relation to the previous PSI Directive).

86 R Anthony Reese, 'What should copyright protect?' in Rebecca Giblin and Kimberlee Weatherall (eds.), *What if we could reimagine copyright?* (Australian National University Press 2017) 131 and Graham Greenleaf and David Lindsay, *Public Rights: Copyright's Public Domains* (Cambridge University Press 2018) 227.

87 Charter of Fundamental Rights of the European Union, OJ C 326, 26 October 2012, 391–407.

88 To this effect, AG Medina, *Public.Resource.Org* (n 60) para 68.

89 This is also in line with Article 1.2 of the Wittem Group's model European Copyright Code, *The Wittem Group European Copyright Code*

represent a major shift, as most of them exclude official texts and their translations from protection already.[90] A possible counterargument is that it appears questionable whether there is a pressing need for legislative intervention in this regard. Firstly, such translations will in many instances not meet the threshold for protection, as discussed previously in this Section. Secondly, insofar as national governments are the rightholders in such text they will be precluded from denying access and reuse of such documents under their obligations under the PSI Directive.[91] However, despite it being of limited practical significance, allowing member states to protect such translations seems problematic from a freedom of information perspective. Furthermore, excluding such documents for protection all together would eradicate any doubt as to whether access to such translations could be denied on the basis of copyright, which can prevent the risk of a 'chilling effect'.

2.2.4 The use of translation technology

The notion of using technology as a tool in translation has existed at least since the 1950s, however, the technology available has drastically improved over the last decades due to the use of statistics-based approaches and machine learning.[92] The use of translation technologies can be classified in two categories: machine translations and computer-aided translation.[93] Machine translations are computer systems that automatically translate a given text from one language to another.[94] A common example of this is the web application Google Translate. Computer-aided translations are translations created with the aid of different computer programs, but where the program does not provide a complete translation.[95]

From an EU copyright perspective, machine translations as such are not protectable when solely created by machines. This is because copyright protection under EU law, albeit not explicitly, presupposes the intervention of a human author.[96] Both Article 2 (1) of the Software Directive and Article 4 (1) of the Database Directive explicitly state that the author of a computer programme or database is a natural person.[97] The CJEU has thus far not had the chance to rule on the notion of 'authorship'. However, since none of the directives refer back to national law with regard to the concept of 'author', it should be considered an autonomous concept of EU law, meaning that the member states are obligated to apply the concept uniformly.[98] Furthermore, the Court has held that as a general principle the same concept has the same meaning in different directives unless the EU legislator has expressed a different intention.[99] This suggests that the requirement for the author to be a natural person applies horizontally even to other works than software and databases.[100] As a result, works produced solely by a computer, such as a machine translation program, will be excluded from protection. The need for a human author is also intertwined with the concept of originality. This is because the EU originality test focuses on the creative process of the author, and not just on the end-product.[101] This means that the fact that a machine, whether based on artificial intelligence or not, can make a machine translation that appears to be just as much the result of free and creative choices as a translation authored by a human, does not entail that the translation fulfils the originality requirement.[102] This is because a text translated by a computer program whether appearing to be so or not, will not actually be the result of the free and creative choices made by any author, rather it will be an expression of the automated operations conducted by the program.

In fact, in most instances where machine translation is used a human person will be involved, either in the preparation stage or after the execution.[103] The question therefore is whether this human involvement entails that the machine translation can be considered his or her own intellectual creation. In the preparation stage the person can make the choice of what text to feed the machine.[104] Such a choice does, however, not confer originality, because the originality standard presupposes causation between the free and creative choices made and the features expressed in the intellectual work created.[105] By

<https://www.ivir.nl/nl/projecten/european-copyright-code/> (accessed 7 October 2024).

90 Some member states including Ireland and Cyprus do, however, have a special type of copyright protection for official texts. See Chapter 19 of the Irish Copyright and Related Rights Act 2000 (No. 28 2000) and Section 4 (c) the Cyprus Copyright Act of 1976 (Law No. 59/1976).

91 Article 3 (1) of the PSI Directive; Furthermore, invoking copyright in public documents would as emphasised by AG Szpunar be a unjustified limitation on the right of freedom of information, AG Szpunar, *Funke Medien* (n 60) paras 53–55.

92 House (n 6) 10–12; On the history of translation technology see Harold Somers, 'Machine Translation: History, Development, and Limitations' in Kirsten Malmkjær and Kevin Windle (eds.), *The Oxford Handbook of Translation Studies* (Oxford University Press 2011) 428ff.

93 Akiko Sakamoto, 'Translation and Technology' in Kirsten Malmkjær (ed.), *The Cambridge Handbook of Translation* (Cambridge University Press 2022) 55.

94 Ibid. 56–57.

95 Ibid. 55.

96 Hugenholtz and Quintais, (n 42) 1195–1196 and Pila, (n 17) 77.

97 See also Article 1 (1) and Recital 14 of the Directive (EC) 2006/116 of the European Parliament and of the Council of 12 December 2006 on the term of protection of copyright and certain related rights [2006] OJ L372/12 which presupposes that the author is a mortal human being.

98 See e.g. Judgment of the Court of 24 March 2022, *Austro-Mechana*, C-433/20, EU:C:2022:217, para 20 and Rosati, 'Copyright at the CJEU' (n 18) 227–228.

99 *Football Dataco*, (n 57) para 188.

100 Anniina Huttunen and Anna Ronkainen, 'Translation Technology and Copyright' (2012) (3) NIR 330, 343 and Hugenholtz and Quintais, (n 42) 1195–1196.

101 Rognstad, 'Creations caused by humans (or robots)?' (n 48) 178.

102 For a different understanding, see Andreas Rahmatian, 'Copyright and artificial intelligence – is there anything new to say?' (2024) 46 (1) E.I.P.R. 25, 28.

103 If the author is involved in the execution stage it is more natural to classify this as a computer-aided translation rather than a machine translation.

104 Hugenholtz and Quintais, (n 42) 1202.

105 Rognstad, 'Creations caused by humans (or robots)?' (n 48) 182; Similarly, Tatiana-Eleni Synodinou, 'EU copyright law, an ancient history, a contemporary challenge' in Andrej Savin and Jan Trzaskowski (eds.), *Research Handbook on EU Internet Law* (Edward Elgar Publishing 2023)

deciding what text to train the machine on, the person has decided on the necessary prerequisites for the translation, but has not controlled the specific choice, sequence and combination of words, meaning that the output cannot be considered a reflection of the person's free and creative choices.[106] The author will, however, also often be involved after the execution stage, as texts produced by machine translations often require further editing by a human translator or editor.[107] With regard to these choices, there is no problem of causation between the choices and the expression, however, it is still necessary that the choices are free and creative. This means that if the post-editing consists of non-creative alterations, for example correcting grammatical mistakes, originality will still be precluded. If the translator on the other hand makes free and creative choices in this post-production stage, this can as such confer originality.[108]

Computer-aided translations are not excluded from copyright protection *per se*, as the use of technical aids does not preclude copyright protection.[109] One way a computer-aided translation can work is that the computer programme provides the translator with different suggestions that the translator can choose from. In this instance the translator will still be able to make creative choices through his or her selections from the predefined suggestions.[110] However, originality will be precluded if there is no room left for creative choices by the translator. This could be the case if the suggestions are so limited that it is necessary for the translator to choose a specific suggestion for the translation to accurately convey the meaning of the source text. One can also assume that the level of creativity is lesser when deciding from predefined suggestions, as opposed to cases where the translator is themselves coming up with alternatives in their own mind and choosing between these.

2.3 Protection of translations under national case law

2.3.1 Introduction

The previous Section has shown how the general requirements for copyright protection under EU law apply equally to translations, meaning that they are protectable insofar as they are their 'author's own intellectual creation' and an 'expression' thereof. The requirement that the translation is the 'author's own intellectual creation' entails that elements stemming directly form the source text cannot confer originality, as these are not the result of the translator's free and creative choices. The previous Section also illustrated that translations in many instances are protectable under EU copyright law. However, an important factor in separating the protectable from the non-protectable translations, is the extent that communicating the meaning of the primary work precludes the translator from making free and creative choices. Generally, the translator of a literary text will have more creative freedom than the author of a non-literary text.

This Section will explore how national courts in Europe have addressed the question of protectability of translations in different factual scenarios by looking at six decisions. The four first decisions concern literary translations, while the two last decisions relate to non-literary translations. Furthermore, the Section will assess to what extent these national decisions would be in accordance with EU law. The aim of looking at these national decisions is to exemplify what challenges arise when considering the protectability of translation and the different approaches that have been taken to solve them. By assessing whether these decisions are in compliance with EU law, the aim is to illustrate how EU requirements for protection would apply in different factual scenarios. Therefore, the article will also look at decisions predating harmonization on the EU level.

2.3.2 Translations of literary texts national case law

The first decision concerning literary translations of interest was one ruled by the German Federal Court of Justice (Bundesgerichtshof).[111] The plaintiff in this case was a translator who had translated 70 volumes of Walt Disney comic books from Italian to German for a publishing company. After the initial publication, several of the volumes were reprinted by the publisher without the explicit consent of the translator, leading to the translator bringing proceedings against the publisher for copyright infringement. The publisher argued that the translations were not original and thus not protected by copyright. Both the first and second instance Courts concluded that the translations were original. The Bundesgerichtshof upheld this conclusion.[112] While the Court recognized that there were limitations on the creative freedom of the translator posed by the simple language typically applied in comic books and the limit space in the 'speech balloon', the Court considered that since translations were literal works a more generous originality standard had to be applied.[113] In the case of such works copyright protection also applied to so-called small change (kleine Münze), for

136–137 and Rahmatian, 'Copyright and artificial intelligence' (n 103) 30.

106 Further disscussed in Rognstad, 'Creations caused by humans (or robots)?' (n 48) 185–189.

107 Sakamoto, (n 199) 57 and Douglas Robinson, 'Creativity and translation' in Rodney H. Jones, *The Routledge Handbook of Language and Creativity* (Routledge 2015) 283.

108 *Painer*, (n 41) para 91; See also European Commission, 'Translation and intellectual property rights' (report) (Publications Office 2014) 103.

109 This is clear from e.g. *Painer*, (n 41) para 91.

110 To this effect Hugenholtz and Quintais, (n 42) 1204.

111 *Comic-Übersetzungen II* [1999] BGH ZR 57/97, [2000] GRUR 144. Reproduced and translated into English in IIC (2001) 32 (7) 865. The case also concerned questions about the interpretation of the contract between the translator and the publisher which was subject to anther decision by the Bundesgerichtshof in *Comic-Übersetzungen III* [2004] BGH ZR 174/01, [2004] GRUR 2004 938. Reproduced and translated into English in IIC (2005) 36 (4) 484.

112 Ibid. 144.

113 Ibid. 145.

which even a small amount of individual creativity was considered sufficient for copyright protection to arise.[114]

Although the decision predates full horizontal harmonisation of the originality criterion in EU law, the decision does not appear directly incompatible with it. The threshold set by the Court requiring only a small amount of individual creativity by the author for the originality criterion to be fulfilled is not necessarily incompatible with the threshold set by the CJEU, as it has refused to apply a *de minimis* threshold for protection. The German doctrine of 'kleine Münze' applied by the Court can however be problematic, because it presupposes that the scope of protection granted is limited for such works,[115] something that has been rejected by the CJEU in *Painer*.[116] Furthermore, the Court also differentiates the originality standard based on different categories of works, which is no longer acceptable in light of subsequent CJEU case law. With regard to the specific assessment of originality, it appears correct that while the translator of a comic book will be under some limitations, there is still generally room to make free and creative choices.

The second decision of interest is a more recent one from 2021, which is a case concerning translation of titles that was decided by the Czech Supreme Court (Nejvyšší soud České republiky).[117] The background of the case was that the translator Adama Nováka had translated the title of Oscar Wilde's play 'The Importance of Being Earnest' to *Jak je důležité míti Filipa* (the importance of having Filip). In the original title there is a wordplay as 'Earnest' is the pseudonym used by the main character of the play, but also refers the characteristic of being sincere. Nováka translated this to *Filipa* which is both a Czech name, which was used as the pseudonym in the Czech translation, but also a Czech idiom which refers to being witty or clever. Later the play was translated by Pavlu Dominikovi under the same title, and Nováka brought proceeding against him for copyright infringement. The question that had to be decided by the Czech Supreme Court was whether the translation of the title was sufficiently original to be protected by copyright. The Court concluded that it was not. Referring to the CJEU's decisions in *inter alia Painer* and *Cofemel* the Court held that the translation could not be original if the author had no creative freedom.[118] In the view of the Court the translator did not have any creative freedom as the choice of idiom was the only possible option if the word- play in the source title was to be preserved.[119] According to the Court it was not relevant that the translation was humorous and unique, as this did not necessarily entail that another translator would not translate the title in the same manner.[120]

The reasoning of the Czech Supreme Court does not appear consistent with the CJEU's case law on originality for two reasons. Firstly, the conclusion that the translator had no creative freedom seems questionable. The Court seems to presuppose that the inclusion of wordplay was necessary to translate the title. This is not the case as the title as translation of the play's title in other languages does not include the wordplay, for example in Swedish the title is translated to *Mister Earnest* and in French *L'Importance d'être Constant* (It's important to be consistent). The Court seems to reach this conclusion based on the assumption that when choosing the translation technique of functional substitution, i.e. preserving the wordplay, there was no other suitable Czech idiom. However, this reasoning neglects the fact that the choice of techniques itself can constitute a creative choice.[121] This was recognized by the CJEU in *Painer*, when it referred to the 'choice of developing techniques' as one of many possible creative choices available to the photographer of a portrait photo.[122] Secondly, the Court seems to emphasise whether another translator could have translated the title the same way independently, which seems contrary to the assessment by the CJEU which has been essentially focused on the creative process of the author and not whether the end product constitutes something unique.

The third decision also concerns copyright protection for titles of literary works. This is an old decision by the Danish Supreme Court (Højesteret) from 1951.[123] The dispute concerned the Danish translation of Ernest Hemingway's novel *For Whom the Bell Tolls* by Ole Restrup. It included a translation of the title to 'Hvem ringer klokkene for'. This can word-for-word be translated back to 'Who rings the bells for'. The original title of the novel is taken from John Donne's poem 'Meditation XVII', and Restrup's Danish translation of the poem was also the basis for the Danish title.[124] When the film adaptation of the novel was distributed in Denmark by Nordisk Films Kompagni under the same title, Restrup brought proceeding against them before the Copenhagen City Court (Københavns Byret). The main question before the City Court was whether the translated title was original and thus protected by copyright. The City Court concluded that the title was distinctive, and therefore original. It was emphasised that the title could have been translated in other ways, which was illustrated by the fact that the Danish press had used different translations when referring to the novel prior to the publication of Restrup's translation. The decision was appealed to the Eastern County Court (Østre Landsret), which concluded that the translation

114 Ibid. 145.

115 Andreas Rahmatian, 'Originality in UK copyright law: the old "skill and labour" doctrine under pressure' (2013) 44 (1) IIC 4, 19.

116 *Painer* (n 41) paras 95–98; See also Morten Rosenmeier, 'Hvor bred er den ophavsretlige beskyttelse efter Painer-dommen?' (2022) 1 NIR 4, 21.

117 *Adama Nováka v Pavlu Dominikovi* [2021] Supreme Court of the Czech Republic, No 27 Cdo 2023/2019-418.

118 Ibid. para 39.

119 Ibid. para 37.

120 Ibid. para 40.

121 On the contrary, the Court seems to suggest that the choice of technique is not an artistic choice at para 37.

122 *Painer*, (n 41) para 91.

123 *For Whom The Bell Tolls* [1951] Højesteret, sag 377/1950, UfR 1951 s. 725/3H.

124 An extract of the poem is found in the novel's epigraph.

was not original on the basis that Restrup's translation was a verbatim translation, with the exception that it was rephrased as a question, and that 'Bell' was changed to the plural 'Bells'. Restrup appealed the decision to the Supreme Court, which confirmed the decision of the Copenhagen City Court, entailing that the work was considered original and therefore protected by copyright.

Had this decision been reached today, it would not have been in compliance with the current EU standard of originality.[125] While the translation is not a verbatim translation, since the Danish translation has been rephrased as a question, all the words are a direct translation. The main difference is that the order of the words is changed, a measure necessary to comply with Danish syntax. The City Court seems to primarily have focused on the fact that there were other possible ways to translate the title. While the CJEU in *Brompton* did recognize that this could be a relevant factor when assessing the possibility of choice, the Court held that it should not be the decisive factor when assessing whether the author had actually made free and creative choices.[126] In conclusion it appears that the translation would not be protectable under the current EU standard of originality.

The fourth decision that is interesting to examine closer is the decision of the High Court of England and Wales from 2022 in *Pasternak v. Prescott*.[127] Although the decision was reached post-Brexit the decision is still of interest, in particular because courts in the United Kingdom still consider themselves bound by the EU standard of originality.[128]

The case concerned a dispute between Anna Pasternak, the author of a biography of poet and author Boris Pasternak and his mistress Olga Ivinskaya, titled *Lara: The Untold Love Story That Inspired Doctor Zhivago*, and Lara Prescott, the author of a fictionalised account of a CIA operation to disseminate Doctor Zhivago in the Soviet Union titled *The Secrets We Kept*. A. Pasternak's biography reproduced parts of a previous biography of Olga Ivinskaya written in Russian originally titled *Legendy Potapovskogo pereulka*, which she had translated into English under the title *The Legends*. The right to the translation were assigned to A. Pasternak, and parts of it reproduced in *Lara*. This included a section referred to as 'the Accusation Act' which recounted a statement of crimes a Soviet court had accused Ivinskaya of having committed. In *The Secrets We Kept* Prescott included the English translation of the 'the Accusation Act' and A. Pasternak brought proceeding against her for copyright infringement before the High Court. A. Pasternak claimed amongst other things that she had infringed the English translation of the 'the Accusation Act' by reproducing it from *Lara*. It was therefore necessary for Johnson J to determine whether the translation in *Lara* was sufficiently original to be protected by copyright. Johnson J started by stating that the fact that 'the Accusation Act' only constituted a minimal part of the total translation of *The Legends* did not preclude originality; citing *Infopaq* Johnson J held that the assessment was qualitative, not quantitative.[129] From a qualitative perspective Johnson J noted that while there was a fairly low level of originality, the translator had to choose which words to use to convey the meaning from the original and how these words should be arranged.[130] An example of this given by the judge was that the translator had written 'the works of Pasternak', when she could have written 'Pasternak's work'.[131] Johnson J therefore concluded that the choices of the translator was not so limited as to disqualify the translation from being the intellectual creation of the translator.[132]

It is rather unclear to what extent the ruling is in compliance with the EU standard of originality. With regards to the question of choice, the conclusion that the translator has made his own choices in the translation of 'the Accusation Act' seems uncontroversial. It also seems likely that the translator would have some freedom with regard to those choices. The main issue with the decision is that the court does not consider whether the choices actually made were of a creative nature – writing 'the works of Pasternak' rather than 'Pasternak's work' hardly seems sufficient. Despite the reference to *Infopaq* one can question whether the decision is more in line with the traditional 'skill, labour and effort' doctrine than the EU standard of originality.

2.3.3 Translations of non-literary texts in national case law

The first non-literary translations decision of interest was decided by the Paris Court of Appeal (Cour d'appel de Paris) in 1989.[133] The plaintiff in the case was the publisher Masson Editeurm, who published an English–French and French–English data-processing dictionary. When another publisher, Harrap Ltd, published an English–French and French– English data-processing dictionary, the plaintiff considered parts of it to be taken from their dictionary and brought proceedings against the defendant for copyright infringement. The Court of first instance found the defendant had infringed Masson Editeur's copyright in the dictionary. This decision was upheld by the Court of Appeal. The Court held that the defendant's claim that the dictionary was not protected by copyright, as the terms were translated word-for-

125 Similarly, in Mads Bryde Andersen, *IT-retten* (2nd edn. Gads Forlag 2005) 293 and Ole-Andreas Rognstad, *Opphavsrett* (2nd edn. Universitetsforlaget 2019) 98.

126 *Brompton Bicycle*, (n 5) para 35.

127 *Pasternak v Prescott* [2022] EWHC 2695 (Ch), [2022] 10 WLUK 305.

128 See the decision of the Court of Appeal of England and Wales in *THJ v Sheridan* [2023] EWCA Civ 1354, [2024] E.C.D.R. 4 paras 16 and 23.

129 *Pasternak v Prescott* (n 129) para 431.

130 Ibid. para 433.

131 Ibid.

132 Ibid. para 434.

133 *Harrap France SA v Masson Editeur SA* [1989] Cour d'Appel Paris, [1991] E.C.C. 322.

word and listed in alphabetical order, to be incorrect.[134] According to the Court the translation of the terms involved making choices, because the author chooses what terms to list as equivalent in the target language and the order they are listed in.[135] The Court elaborated why the dictionary as a whole involved making choices, namely because the author chooses which words to translate and the extensiveness of the dictionary.[136] According to the Court this meant that the dictionary as such was original.[137] The Court concluded further that the dictionary of Harrap Ltd was an infringement.[138]

This decision is not compatible with the current EU standard of originality. This is because the Court does not assess the constraints on the author's ability to make free and creative choices that are posed by the fact that the purpose of a translation is to find equivalent terms that as accurately as possible convey the meaning of the original term. In addition, the Court does only appear to assess whether the author could make free and creative choices, and not whether such choices where actually made. This is not to say that it is necessarily incorrect to conclude that a dictionary can be protected by copyright. However, it is easier to imagine that originality can be inferred from the choices made regarding the selection of terms and layout etc. than from the translations of the terms themselves. It should be noted that under current EU law the dictionary could under the circumstances be protected under the *sui generis* database right.

In relation to translations of non-literary texts the decision of the Irish High Court's in *Electricity Supply Board v Commissioner of Environmental Information* from 2024 is of interest.[139] This case does not concern translations, but rather a transcription. However, the decision is still interesting, as translations have several common characteristics with transcriptions, particularly their purpose of conveying the meaning of the primary speech as accurately as possible. One of the questions before the High Court was whether a 488-page transcript of a hearing regarding compensation to landowners that had an electric line placed on their property, fulfilled the requirement of originality.

The Court started by assessing the contribution made by the stenographer, holding that they made choices based on their own intellectual and creative input by *inter alia* identifying the speaker and order of sounds, as well as by adding punctuation.[140] Furthermore, the Court held that the stenographers' creative choices improved the transcript, noting that the stenographer adds words that are never spoken, for example by writing 'INTERRUPTION' when there is an interruption, and by deciding the lay-out, including by adding page-numbers, headlines and deciding the font.[141] With reference to the CJEU's decision in *Funke Medien*, the Court held that the case at hand was different as it did not consider it impossible for the stenographer to express his or her creativity by making additions and stylistic choices.[142] On that basis the High Court concluded that the transcript was the stenographer's own intellectual creation and therefore original.[143]

This decision is arguably not in accordance with the EU-standard of originality.[144] The Court gives much weight to the fact that the stenographer makes choices and additions and does not simply provide a verbatim record. However, the Court does not adequately consider whether these choices and additions are constrained by the informative purpose of the document. When the purpose of the transcription is to accurately describe what was said in the hearing, this will in effect dictate the choices made by the stenographer in relation to for example punctuation and the addition of headings, thereby leaving no room for creative freedom. While stylistic choices can allow for creative freedom, this will not be the case if they are dictated by the informative purpose of the document. This will for example be the case if they are dictated by the need to guarantee accessibility and readability. The Court's reference to the stenographers improving the quality of the transcription also seems problematic under the EU standard of originality. This is because the merits of the contribution cannot be considered to not confer originality. Overall, the decision arguably appears more in line with the traditional decision of the UK House of Lords in *Walter v Lane* where the transcriptions of speeches were considered protected under copyright on the basis that it had required labour and skill,[145] than the EU-standard of originality.

2.3.4 Conclusion

The overview of national court rulings suggests that the courts apply a modest threshold when assessing the protectability of translations, with the notable exception of the decision from the Czech Republic. A common thread in all the decisions discussed is that the courts considered it sufficient to establish the existence of choice to conclude that the translation was protected by copyright,

134 Ibid. para 13.

135 Ibid. para 10.

136 Ibid. paras 12–13.

137 Ibid. para 13.

138 Ibid. para 17.

139 *Electricity Supply Board v Commissioner of Environmental Information* [2024] High Court of Ireland, [2024] IEHC 17.

140 Ibid. paras 141–153.

141 Ibid. paras 155–162.

142 Ibid. para 180.

143 Ibid.

144 An example of a factually similar decision that appears more in-line with the EU standard of originality is the decision by the Hague Court of Appeal (Hof Den Haag) in *Zonen Endstra v. Nieuw Amsterdam* [2013] Hof Den Haag, AMI 2013 n. 13, ECLI:NL:GHDHA:2013:2477 where the Court held that the transcripts of police records did not fulfil the originality requirement. The decision if referred to in Piter de Weerd, '"Backseat conversations" not protected by copyright' Kluwer Copyright Blog (20. August 2013) <https://copyrightblog.kluweriplaw.com/2013/08/20/backseat-conversations-not-protected-by-copyright/> (accessed 7 October 2024).

145 *Walter v Lane* [1900] UKHL, [1900] A.C. 539.

without exploring whether the translator expressed his or her creativity when making these choices. Furthermore, the national courts rarely seem to assess to what extent the purpose of faithfully conveying the meaning of the source text has constituted a constraint on the translator's creative freedom.

3. CONCLUSION

The CJEU's has fully harmonised the requirements of copyright protection for all types of subject matter. In line with the Court's doctrine of treating all types of subject matter equally, translations are protectable on the same conditions as other works. As a result, they are protectable as long as they are their 'author's own intellectual creation' and an 'expression' of this creation. The need for the creation to be the author's *own* entails that one cannot consider elements taken from the source text in the assessment of originality of the translations. Furthermore, the remaining elements need to be the result of the author's free and creative choices. This can function as an obstacle for the copyright protection of translations, because their aim to 'reconstruct' the source text in a different language will de facto result in the author's creative freedom being constrained. Yet, in accordance with current CJEU case law originality is only excluded when the constraints leave no room for creative freedom. This means that there are many instances where copyright protection will not be excluded for translations, despite this aim of 'recreating' the source text. This is also reflected through national case law concerning translations, where national courts seem to set a low threshold for protection.

To conclude this article, a few observations will be made regarding an element of the assessment of protectability which to a certain degree remains unclear under EU copyright law, namely the role of the author's subjective experience of his or her creative process in the assessment of originality. This question is the subject of the request for preliminary hearing pending before the CJEU in *konektra*.[146] The way the CJEU will choose to answer this question will have significant impact on what is deemed to fulfil the originality criterion, including in which instances translations are deemed protectable. For example, if the intention of creating an artistic work is necessary to enjoy protection, many translations would not be deemed protectable, as they arguably rarely involve any artistic intent, but rather aim to 'recreate' the source text.

The role of subjectivity has most explicitly been addressed by the CJEU in its decisions in *Cofemel* and *Levola Hengelo*. On the basis of these decisions some scholars have argued that subjectivity should not play any role in the assessment of whether the subject matter is original and whether it constitutes an expression.[147] However, looking closer at these decisions, this conclusion seems too far reaching. What the Court actually ruled is that the expression must be objectively identifiable, to avoid that there is any subjectivity in identifying the subject matter.[148] According to the Court this is not the case when 'an identification is essentially based on the sensations, which are intrinsically subjective, of an individual who perceives the subject matter at issue'.[149] What is excluded by the CJEU is relying on criteria that are subjective to the beholder.[150] Since personal experiences differ greatly, relying on the subjective experience of the beholder to determine protectability would be problematic, as it would make achieving even a modest consistency in the threshold of protection difficult.[151] However, what the Court does not do in *Cofemel* and *Levola Hengelo* is exclude the relevance of the author's subjective experience in the assessment of originality.

Some subjectivity on the part of the author is arguably inherent in the CJEU's requirement that the 'subject matter reflects the personality of its author, as an expression of his free and creative choices', as this entails that the focus is on the author's creative process,[152] which is inherently subjective.[153] As a consequence, courts cannot assess originality exclusively on the basis of the final expression.[154] Doing so would turn the test from a test of creativity, to a test of appearance of creativity. However, the final expression still plays a crucial role in the assessment of protectability. Firstly, because of the requirement that the subject matter of protection is an objectively identifiable expression, which entails that the author cannot get protection for any aspects of the work that are not objectively identifiable in the final expression.[155] Secondly, the final expression will inevitably be the starting point for assessing the creative process of the author.[156]

This focus on the creative process, rather than only the final expression, could arguably deem the application of the so-called 'double-creation-criterion' by some national

146 Request for preliminary hearing in C-795/23, *konektra* (question 2.).

147 Estelle Derclaye, 'Doceram, Cofemel and Brompton: How does the Current and Future CJEU Case Law Affect Digital Designs?' (2020) (Research Paper) 14. <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3507802> (accessed 7 October 2024).

148 *Cofemel* (n 5) paras 32–33 and *Levola Hengelo*, (n 5) para 41.

149 *Cofemel*, (n 5) para 34 and *Levola Hengelo*, (n 5) para 42.

150 Levin, (n 37) 88.

151 As noted by Kur the assessment will always be subjective to some extent, as human being inevitably include their own personal impression the evaluation, Annette Kur, 'Unite' de l'art is here to stay — Cofemel and its consequences' (2020) 15 (4) JIPLP 290, 295.

152 Irina Eidsvold-Tøien, 'Originalitetskriteriet i EU-retten – ny kurs?' (2012) 4 NIR 403. 416.

153 E.g. *Cofemel* (n 5) para 30; Thomas Dreier & Gunnar W. G. Karnell, 'Originality of the Copyrighted Work: A European Perspective' (1992) 39 Journal of the Copyright Society of the USA 289, 291.

154 Rognstad, 'Creations caused by humans (or robots)?' (n 48) 178. Differently, Daniel Inguanez, 'A Refined Approach to Originality in EU Copyright Law in Light of the ECJ's Recent Copyright/Design Cumulation Case Law' (2020) 51 IIC 797, 812.

155 This has by Rognstad been referred to as a need for causation between the author's free and creative choices and the final expression, Rognstad, 'Creations caused by humans (or robots)?' (n 48) 182.

156 Kur, (n 153) 295.

courts problematic.[157] This 'test' entails that the author has exhibited sufficient creativity if one with a reasonable degree of certainty can exclude that someone else could have made something identical or very similar.[158] As a result, the focus shifts away from the author's creative process, primarily focusing on the final expression instead.[159] The CJEU has not explicitly ruled on whether applying such a test is in accordance with EU copyright law.[160] However, one of the risks of applying such a test is that it can indirectly result in introducing a new requirement of novelty or distinctiveness.[161] Furthermore, from a practical perspective such a test seems inappropriate for assessing the originality of works that aim to recreate an existing work in a different format, such as in the case of translations. This is due to the fact that their aim of 'recreating' the source text entails that there are few instances where it would not be plausible that someone else could have created a similar work, even when there was room left for creativity by the translator.

It would arguably be most in line with the 'author's own intellectual creation' criterion if the CJEU in its answer to the *konektra* referral emphasises the need to look at the subjective creative process, and not just the end product, when assessing originality. Such an understanding of the originality requirement would have implications for the protection of AI generated works in instances where the human intervention has been of limited scope. As discussed in relation to translation software in Section 2.2.4 works created with the help of AI are protectable, as long as a human author was able to make free and creative choices that are reflected in the final expression. The problem arises when there is no human intervention or the contribution of the human is not expressed in the final product, meaning that there is no causation between the creative choices of the person and the expression. While the output might seem to be the result of free and creative choices it will not protectable under copyright. This is foremost due to the fact that EU copyright law requires the presence of a human author.[162] Even more so one could argue that a work generated by AI 'alone' would not be a product of a creative process, and therefore should not be considered original, regardless of whether the end-product appears creative or not.[163]

157 Such a test is applied for example by courts in the Scandinavian countries and the Netherlands, see further, Schovsbo, Rosenmeier and Salung Petersen, (n 77) 74 and Bernt Hugenholtz, 'Works of Literature, Science and Art' in Bernt Hugenholtz, Antoon Quaedvlieg and Dirk Visser (eds.), *A century of Dutch copyright law: auteurswet 1912-2012* (deLex 2012) 47, respectively.

158 Gunnar W. G. Karnell, 'European Originality: A Copyright Chimera' (2002) 42 Scandinavian Studies in Law 74, 79.

159 Dreier and Karnell, (n 154), 292 and Van Gompel, (n 43) 128–129.

160 It has been argued that such a test is not contrary to EU copyright law if used only as a thought experiment, see Schovsbo, Rosenmeier and Salung Petersen, (n 77) 74 and Rognstad, *Opphavsrett* (n 127) 102.

161 Van Gompel, (n 43) 129.

162 E.g., Rognstad, 'Creations caused by humans (or robots)?' (n 48) 174 and Hugenholtz and Quintais, (n 42) 1196.

163 Similarly, Rahmatian, 'Copyright and artificial intelligence – is there anything new to say?' (n 103) 28.

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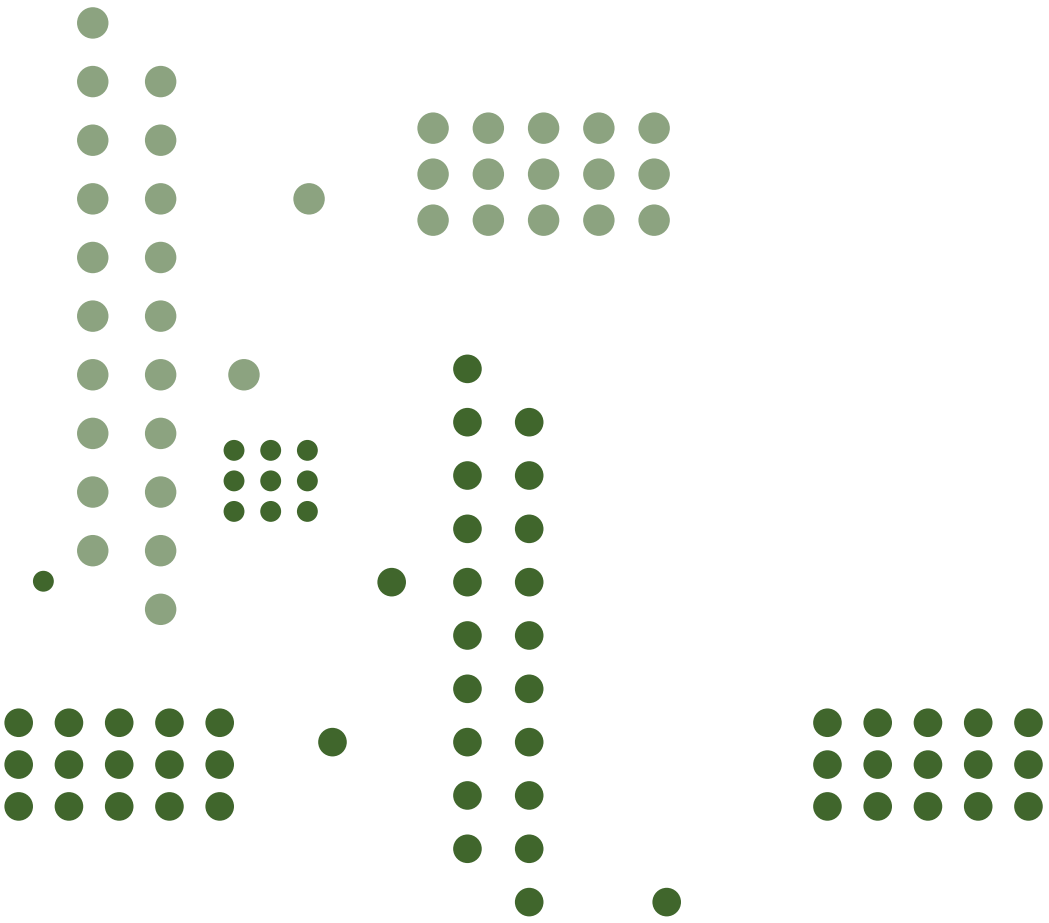

Reading Between the Lines: A Study on How the Notion of Bad Faith is Interpreted and Applied in the European Union with Regards to European Union Trade Marks

Julia Zwiech

ABSTRACT

'Bad faith' in the European Union trade mark law constitutes an absolute ground for invalidation, while in certain EU Member States it can additionally be treated as a refusal consideration. Therefore, as a notion with severe repercussions for EU trade marks, it deserves a profound scrutiny. This article explores two main themes. Firstly, the paper discusses the openness of the concept of 'bad faith' and its impact on the overall legal certainty. The author analyzes the currently applied subjective/ objective approach towards the finding of 'bad faith' and puts forward a suggestion that could lead to an increased clarity and objectivity with this regard. The key idea proposed concerns the introduction of a normative model while assessing 'bad faith'. Secondly, a more procedural angle is undertaken and presents the reader with a substantial non-homogeneity with regards to the practical application of the concept. The notion, under the EU Trade Mark Regulation, is currently used merely as a ground for invalidation, which entails that a trade mark must first be registered in order to be assessed in the light of 'bad faith'. Meanwhile, the EU Trade Mark Directive provides for the notion being applied not only as a ground for invalidation, but also refusal which means that national offices may apply 'bad faith' ex officio already during the process of trade mark application. The author provides perspectives on why aligning EUTMR with EUTMD might be of importance for clarity and consistency in EU trade mark law.

1. INTRODUCTION

'Bad faith' is a notion etymologically originating from the Latin 'mala fidēs'.[1] Its first appearance, within the broad realm of law, dates back as far as to the Twelve Tables in Ancient Rome.[2] While, in accordance with the Oxford English Dictionary, the earliest evidence of 'bad faith' as an English term is traced back to 1653.[3] This notion, of worldwide and prominent significance within the legal setting,[4] appears in multiple areas of law.[5] Its main premise rests on finding dishonest or ill-intentioned conduct that does not align with regular and legally accepted behavior.[6] Nonetheless, despite its omnipresence, an unambiguous definition of 'bad faith' remains nowhere to be found in the law. Moreover, 'the concept's ubiquity is matched by its elasticity',[7] and this specific aspect of 'bad faith', being a broad and Delphic concept, lies at the very heart of this research paper.

Within the European Union's trade mark law, 'bad faith' remains a yet undefined notion which demands case by case treatment.[8] Despite the lack of a clear definition, the concept has been conceptualized by the Court of Justice of the European Union as autonomous and therefore it should be interpreted uniformly within all EU Mem-

1 Oxford English Dictionary <https://www.oed.com/dictionary/bad-faith_n?tab=meaning_and_use#294491271> accessed on 10 May 2024.

2 Frederick Mostert and Gloria Wu, *'The importance of the element of bad faith in international trade mark law and its relevance under the new Chinese trade mark law provisions'* (Journal of Intellectual Property Law & Practice, Volume 12, Number 8, 2017) 650, 650.

3 Oxford English Dictionary (n 1).

4 David E. Pozen, *'Constitutional Bad Faith'* (Harvard Law Review, Volume 129, Number 4, 2016) 885, 886–887.

5 Ibid 890–891.

6 Sofia Ljungblad, *'The Monopoly case – EUTM re-filings and the concept of bad faith'* (Stockholm Intellectual Property Law Review, Volume 2, Issue 2, December 2019) 68, 68.

7 David E. Pozen (n 4) 885, 891.

8 George-Mihai Irimescu, *'Brief Consideration Regarding the Notion of Bad Faith at European Union Level'* (Challenges of the Knowledge Society 2022) 526, 526.

ber States.[9] The most landmark and authoritative CJEU case that, till this day, forms the basis for this matter is the *Lindt Goldhase* case.[10] The wording of this ruling explicitly requires that what must be primarily taken into account, in cases of potential 'bad faith', is the subjective intention within the applicant's act.[11]

Although the CJEU presented several factors that can point to 'the sinister intent' necessary for finding 'bad faith', the list is not exhaustive and the Court said that the same factors might not be indicative of 'bad faith' in other cases.[12] This proves how open and undefined 'bad faith' is, which in turn might bring about legal uncertainty with regards to the application of the concept in trade mark law. This uncertainty regarding the outcome of the cases can also be observed in the multitude of recent decisions in this area, and their rather divergent outcomes.

Furthermore, not only is 'bad faith' an enigmatic and undefined notion but also its application within EU trade mark law appears to be non-homogeneous. In accordance with the European Union Trade Mark Regulation 'bad faith' constitutes an absolute ground for invalidation,[13] while as per the European Union Trade Mark Directive 'bad faith' may be both a ground for invalidation, but also refusal.[14] This procedural divergence potentially leads to significant repercussions[15] with regards to, inter alia, procedural certainty, efficiency, finances and trade mark availability.

2. BAD FAITH – IS THE CONCEPT TOO OPEN?

2.1 European Union Legislative & Case Law Lense

The concept of 'bad faith' is not clearly defined in either of the two crucial EU documents governing EU trade mark law i.e., the EUTMD and the EUTMR. This finding can be supported by the EU Courts' case law, which on multiple occasions acknowledged the lack of a legislative definition of the concept.[16] Different stances are taken on whether the notion should be defined at all.[17] Before the prohibition to file trade mark applications in 'bad faith' was adopted in the Community Trade Mark Regulation (CTMR),[18] upon the initiative of the German Delegation in 1984,[19] there was a dialogue on what the provision should entail.[20] At that stage, it was the state of Denmark which adopted the position that there should be a statement in the Regulation which would clarify what the concept of 'bad faith' is.[21] This view was not shared by the Working Group which anticipated that creating a clear-cut delineation of 'bad faith' might be an onerous task, and consequently it led to the Regulation being adopted without the suggested statement clarifying the notion.[22]

On the one hand, certain scholars support the openness of the concept and argue that it allows for greater flexibility and consequently it becomes more encompassing and adaptable in scenarios which are not specifically referred to in the legislation.[23] On the other hand, other voices from academia advocate defining 'bad faith' in the legislation, even by providing a non-exhaustive list of the concept's indicators in order to ensure the legal certainty while applying the notion.[24] Very recently, in September 2023, this particular problem was raised iterum during the Regional Seminar for Judges on Current Issues in Intellectual Property Rights.[25] Advocate Geoffrey Hobbs expressed concern by saying in one of the seminar's panels – 'The General Court has repeatedly said that the concept of bad faith is not defined, delimited or even described in any way; that [...] is a statement of problem, it is not a statement of the solution to the problem'.[26] The author believes that due to the fact that the body of experts in the field holds divergent viewpoints on the matter and continuously raises the issue even in their leading-edge publications or speeches, it deserves a further scrutiny to research the topic of 'bad faith'.

It is essential to understand how the notion is interpreted by the EU courts. To this end, this section explores the most relevant rulings of the CJEU while also reach-

9 Joanna Sitko, *'The Significance of Bad-Faith Premises for the Strategy of Trade Mark Protection in the Light of the Latest EU Case-Law'* (Springer 2023) 1, 2.

10 Jennifer Davis and Łukasz Żelechowski, *'Bad Faith, Public Policy and Morality: How Open Concepts Shape Trade Mark Protection'* (Springer 2023) 859, 862; Judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH*, C-529/07, EU:C:2009:361.

11 Jennifer Davis and Łukasz Żelechowski (n 10) 862–863.

12 Ibid 863.

13 Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark [2017] OJ L154/1 Art. 59 (1) (b).

14 Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks [2015] OJ L336/1 Art. 4 (2).

15 Tamar Khuchua, *'Facing 'Bad Faith': The Challenges and Tools to Combat the Blocking Strategies of the Firms in the EU Trade Mark Law'* (Nordic Journal of European Law, Volume 3, Issue 1, 2020) 124.

16 See for instance: Judgment of 12 September 2019, *Koton Mağazacilik Tekstil Sanayi v. Ticaret AŞ v. European Union Intellectual Property Office (EUIPO) and Joaquín Nadal Esteban*, T-104/18 P, EU:C:2019:724 § 43.

17 Mariia Shipilina, *'Trade Mark Law and the Concept of Bad Faith: A fair balance between the protection of exclusive rights conferred on the proprietor and free access to the European Market?'* (Uppsala Universitet, Master's Thesis under supervision of Kacper Szkalej, Spring Term 2020) 2, 48.

18 Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, OJ L 011.

19 European Communities, *'Communication from the German delegation dated 5 October 1984'* (The Council, Brussels, 12 October 1984).

20 Philip Johnson, *'So, Precisely What Will You Use Your Trade Mark for?' Bad Faith and Clarity in Trade Mark Specifications'* (International Review of Intellectual Property and Competition Law, Volume 49, 2018) 940, 959–960.

21 Philip Johnson (n 19) 960.

22 Ibid 960–961.

23 Michał Bohaczewski, *'Abusive Trade Mark Filings: Some Recent Application of the Concept of Bad Faith in the Case law of the Court of Justice and General Court'* (International Review of Intellectual Property and Competition Law, Volume 54, Issue 8, 2023) 1224.

24 Tamar Khuchua (n 15) 125–126.

25 Regional Seminar for Judges, *'Current Issues in Intellectual Property Rights, Geoffrey Hobbs – Bad Faith in Trademark Registration'* (Liepaja, Latvia 12–13 September 2023) <https://www.youtube.com/watch?v=sbjuLnT5fS0> accessed on 10 May 2024.

26 Ibid.

ing out to the recently published European Union Intellectual Property Network's (EUIPN) Common Practice 13.[27] While in theory the scope of the Common Practice is meant to cover the understanding regarding national trade marks, because it makes reference to the provisions of the EUTMD, the author believes that the findings of CP 13 shall also be applicable and extended to the EUTMs due to the fact that, as per *Malaysia Dairy*, both of these normative acts serve the same purposes.[28] This document should be taken into consideration during the analysis of the EU case law regarding 'bad faith' to complement the already potholed path towards finding the EU's interpretation of the concept. The complexity arising from this task is substantiated by the legal scholar, practitioner and expert in the field of 'bad faith' in trade mark law – Alexander Tsoutsanis who once attested that 'Even the Court of Justice of the European Union [...] struggles to get to grips with this ambiguous open norm [bad faith].'[29]

Nonetheless, despite the intricacy and certain unpredictability of the concept, the CJEU case law developed a sort of groundwork which aims to define the meaning and the scope of it. Pre-eminently, as per *Malaysia Dairy*, 'bad faith' is an autonomous EU law concept that shall be interpreted uniformly across all EU Member States.[30] Furthermore, its interpretation shall always be conducted within the specific trade mark law context of 'the course of trade' in accordance with *Sky*.[31] However, the most significant CJEU ruling that established the course of 'bad faith' development at the EU level was the *Lindt Goldhase*.[32] The author proposes that the reader comprehends this particular judgement as the ancestral mother, like the mythological Gaia,[33] of 'bad faith' interpretation in EU trade mark law. The later CJEU case law regarding the protagonist norm bases upon the premises of *Lindt Goldhase*, and seemingly builds upon and expands them.[34] Additionally, the CJEU makes use of the rationale eventuating from *Lindt Goldhase* not only with regards to EU trade mark law but also national trade mark law premises that are viewed in accordance with the EUTMD, which further emphasizes the ruling's relevance and impact.[35]

The said case established that for a finding of 'bad faith' there is a dual requirement in the shape of (1) a dishonest intention, which equals a subjective state of mind of the applicant at the relevant time, that (2) must be determined in an objective manner with regards to the circumstances of a particular case.[36] As per *Koton*, such a test is the only possible way to achieve the objective perspective while analyzing the potential existence of 'bad faith'.[37]

Moreover, the *Lindt Goldhase* ruling explained that what shall be specifically taken into account is: 'the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought; the applicant's intention to prevent that third party from continuing to use such a sign; and the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought.'[38] These non-exhaustive factors set forth by the CJEU judgement shall also be perceived as being in line with the AG Sharpston's Opinion, which was delivered in March 2009, with regards to the above-mentioned case.[39] That can be supported by the finding that what became the central notion of 'bad faith' interpretation is the dishonest intention of the applicant which has to be assessed on the basis of objective circumstances of the case, a test specifically put forward by AG Sharpston in her Opinion.[40]

Most importantly however, what follows from the CJEU case law is that the one common characteristic in every instance is the dishonest intention of the applicant (either targeting the third party or the trade mark system).[41] Interestingly, that characteristic translates into the only mandatory factor that is needed in order for 'bad faith' to be found in a trade mark application.[42] Therefore, its magnitude and effectuality shall be recognized. It can be viewed as the sole constant in the complex equation, that is the 'bad faith' interpretation, due to the fact that the other factors that can potentially lead to the finding of 'bad faith' are of non-mandatory nature and must always be assessed on a case by case basis.[43] And that is exactly when the concept's openness and flexibility break forth most palpably.

27 EUIPN, *Publication and implementation of CP 13'* <https://tmdn.org/#/news/2563653> accessed on 10 May 2024.

28 Judgement of 27 June 2013, *Malaysia Dairy Industries Pte. Ltd v. Ankenevnet for Patenter og Varemoerker*, C-320/12, EU:C:2013:435 §§ 25–27; Tamar Khuchua (n 15) 126; Pinja Hoffrichter, *'Bad faith and evergreening in EU trade mark law'* (Master's Thesis, Hanken School of Economics, Helsinki, 2022) 38.

29 Alexander Tsoutsanis, *'Trade mark applications in bad faith: righting wrong in Denmark and why the Benelux is next'* (Journal of Intellectual Property Law & Practice, Volume 9, Number 2, 2014) 118, 118.

30 *Malaysia Dairy* (n 28) § 29; European Union Intellectual Property Network (EUIPN) CP 13 Common Practice, *'Trade mark applications made in bad faith'* (March 2024) 1, 1. <https://www.tmdn.org/network/documents/10181/2556742/CP13_Common_Communication_en.pdf/1cdbc448-b8a6-4507-9f57-ed8b780593a1> accessed on 10 May 2024 4.

31 Judgement of 6 February 2018, *Sky Plc & Others v. Skykick UK Limited and Skykick Inc.*, C-371/18, EU:C:2020:45 § 74; CP 13 Common Practice (n 30) 4.

32 *Lindt* (n 10).

33 Man Ding and Yi Ling, *'Gaia Metaphor in Latour's Ecological Thought'* (David Publishing, Volume 13, Number 6, 2023) 260, 261 ['In Greek mythology, Gaia represents the Earth goddess, the mother of all life [...]'].

34 Tamar Khuchua (n 15) 113.

35 Ibid.

36 *Lindt* (n 10) § 42; CP 13 Common Practice (n 30) 5.

37 *Koton* (n 16) § 47.

38 *Lindt* (n 10) § 53.

39 Joanna Sitko (n 9) 2.

40 Opinion of Advocate General Sharpston delivered on 12 March 2009, *Chocoladefabriken Lindt & Sprüngli AG v Frantz Hauswirth GmbH*, C-529/07, EU:C:2009:148 §§ 57–58; Joanna Sitko (n 9) 2.

41 Joanna Sitko (n 9) 2; CP 13 Common Practice (n 30) 6–7.

42 CP 13 Common Practice (n 30) 10.

43 Ibid.

2.2 Additional Factors Construed by the EU Judiciary

Other common but non-mandatory factors that may potentially be indicative of the existence of 'bad faith' are summarized by the author below. These indicators follow from the findings of the CP 13, which are based on the CJEU case law on the matter. The factors are the following: 'the applicant's knowledge or presumed knowledge that the third party is using/ has an earlier right to';[44] 'degree of legal protection enjoyed by the third party's earlier right;[45] 'identity/ similarity between the contested trade mark and the earlier right/s';[46] 'goods and services at issue';[47] 'likelihood of confusion';[48] 'previous relationship between the parties';[49] 'origin of the contested trade mark and its use since its creation';[50] 'chronology of events leading up to the filing of the contested trade mark';[51] 'honest commercial logic behind the filing of the contested trade mark';[52] 'request for financial compensation';[53] 'pattern of the applicant's behaviour/ actions'[54].[55] However, despite these factors being extensively dealt with by the CJEU case law and the CP 13's wording, they can have divergent influences on the outcomes of the rulings.[56]

In practice it means that each factor might be adjudicated in different manners depending on the particular circumstance surrounding the case. That is evidentiary of the notion of 'bad faith' being an immensely flexible and open legal concept. As per legal scholar and European trade mark and design attorney – George-Mihai Irimescu, 'bad faith is one of the most dynamic notions in trademark protection' and 'this notion is still open to new interpretations'.[57] Nevertheless, in the author's view these two statements are not to be perceived as a necessarily positive assertion. This perception can be further supported by the example of clashing judgements i.e., cases where the substantially similar or identical cases are ruled with divergent outcomes. That is the result of the fact that 'bad faith' cases are often decided by the courts in a discretionary manner in accordance with their 'common sense', depending 'upon how the court chose to interpret the so-called objective evidence.'[58]

One example of such a situation[59] are the rulings of the General Court on cases *BIGAB* and *VENMO*, where the Court arrived at contrary conclusions while assessing analogous factors regarding the potential existence of 'bad faith'.[60] It is also of relevance to note how complex the path to assess 'bad faith' registration is in the case of *VENMO*. The Cancellation Division of the EUIPO decided that in the case at hand there was 'bad faith' while applying for the mark, however when the case was further adjudicated by the EUIPO's Board of Appeal, it was concluded that the application was not filed for in 'bad faith'.[61] Nevertheless, the case went on further and reached the tiers of the General Court which went against the findings of the BoA, and held that after careful consideration, the applicant did after all act in 'bad faith'.[62]

Another instance that could further affirm such a premise is the EUIPO's approach in two cases concerning trade marks belonging to Banksy, represented by Pest Control Office Limited, that were assessed by the Cancellation Division of the EUIPO. The applications for trade marks portray Banksy's renowned graffiti artworks, commonly known as the 'Flower Thrower' and the 'Monkey'. In both the *Flower Thrower*[63] and the *Monkey*[64] cases, the trade marks were suspected of having been filed in 'bad faith'.[65] These legal challenges were brought before, and considered by the Cancellation Division of the EUIPO. In the case of the *Flower Thrower*, the Office came to the conclusion that due to the fact that Banksy openly admitted that he filed the applications with the view to trump the copyright protection system and that he started commercially using the marks merely to avoid the non-use corollary, the

44 See for instance: *Lindt* (n 10) § 53; Judgement of 5 May 2017, *PayPal v EUIPO (VENMO)*, T-132/16, EU:T:2017:316 §§ 36–37; Judgement of 9 February 2018, *Carrols Corp. v EUIPO (Pollo Tropical CHICKEN ON THE GRILL)*, T-291/09, EU:T:2018:82 § 49; Judgement of 29 September 2021, *UNIVERS Agro EOOD v EUIPO (AGATE)*, T-592/20, EU:T:2021:633 §§ 28–29; TARGET VENTURES (n 75) § 47; CP 13 Common Practice (n 30) 12.

45 See for instance: *Lindt* (n 10) § 53; CP 13 Common Practice (n 30) 13.

46 See for instance: *Lindt* (n 10) § 53; Judgement of 5 October 2016, *Foodcare sp. z o.o. v EUIPO (T.G.R. ENERGY DRINK)*, T-456/15, EU:T:2016:597 §§ 36–39; Judgement of 28 January 2016, *José-Manuel Davó Lledó v OHIM (DoggiS)*, T-335/14, EU:T:2016:39 §§ 59–63; CP 13 Common Practice (n 30) 14.

47 See for instance: *DoggiS* (n 46) §§ 88–90; CP 13 Common Practice (n 30) 15.

48 See for instance: *Lindt* (n 10) § 53; *Koton* (n 16) § 54; Judgement of 19 October 2022, *Baumberger v EUIPO (Lio)*, T-466/21, EU:T:2022:644 § 31; CP 13 Common Practice (n 30) 15.

49 See for instance: *T.G.R ENERGY DRINK* (n 46) §§ 53–55; CP 13 Common Practice (n 30) 16.

50 See for instance: CP 13 Common Practice (n 30) 17.

51 See for instance: *T.G.R. ENERGY DRINK* (n 46) § 28; CP 13 Common Practice (n 30) 18; Judgement of 13 December 2023, *Goods Services Ltd. v EUIPO (EL ROSCO)*, T-381/22, EU:C:2023:998.

52 See for instance: Judgement of 14 February 2012, *Peeters Landbouwmachines BV v OHIM (BIGAB)*, T-33/11, EU:T:2012:77 § 25; Judgement of 5 July 2016, *Ehrenpreise v EUIPO (NEUSCHWANSTEIN)*, T-167/15, EU:T:2016:391 § 55; CP 13 Common Practice (n 30) 18.

53 See for instance: CP 13 Common Practice (n 30) 20.

54 See for instance: Judgement of 7 September 2022, *Karsten Manufacturing (MONSOON) v EUIPO*, T-627/21, EU:T:2022:530 §§ 35–37; CP 13 Common Practice (n 30) 20; Anna Maria Stein, *'GC rules on bad faith and abuse of right in trade marks filing'* (IPKat Online Blog 23 February 2024) <https://ipkitten.blogspot.com/2024/02/gc-rules-on-bad-faith-and-abuse-of.html> accessed on 10 May 2024.

55 CP 13 Common Practice (n 30) 12–20.

56 Ibid 11–12.

57 George-Mihai Irimescu (n 8) 533–534.

58 Jennifer Davis and Łukasz Żelechowski (n 10) 869.

59 For another instance of judgements with contradictory outcomes see: *Pollo tropical chicken* (n 44) in conjunction with *DoggiS* (n 46).

60 Tamar Khuchua (n 15) 114.

61 *VENMO* (n 44) §§ 17, 22; Tamar Khuchua (n 15) 114–115.

62 *VENMO* (n 44) §§ 52–71; Tamar Khuchua (n 15) 115.

63 EUIPO, 14 September 2020, *Full Colour Black Ltd. V. Pest Control Office Ltd.*, Cancellation No. 33 843 C (invalidity) EUTMR 58.

64 EUIPO BoA, 25 October 2022, *Pest Control Office Ltd v. Full Colour Black Ltd.*, R 1246/2021-5.

65 Cancellation No. 33 843 C (n 63); R 1246/2021-5 (n 64).

mark must be invalidated on grounds of 'bad faith' and this decision became final and valid.[66]

In the *Monkey* case, the Office's reasoning based on the substantively same grounds was first adjudicated with the same conclusions, however the case was later appealed and the BoA of the EUIPO ruled against the finding of 'bad faith' in the application.[67] The BoA stressed that the accumulation of the IP rights (copyrights and trade marks) is not prohibited, and that the applicant has a still ongoing 5-year grace period of non-use (as per, inter alia, *Sky*),[68] and therefore there is no finding of a 'bad faith' intention.[69] Needless to say, it means that both marks, which were assessed on the same grounds and taking into consideration practically the same factors, ended up with drastically different results i.e., one of them has been invalidated, while the other is still a valid trade mark. Legal scholars – Jennifer Davis and Łukasz Żelechowski summarize this situation as a 'fundamental uncertainty, which arises when judicial authorities seek to interpret the significance of "objective circumstances" when seeking to establish bad faith intent'.[70]

3. ASSESSING BAD FAITH – SUBJECTIVITY/ OBJECTIVITY DICHOTOMY

3.1 Lindt Goldhase Case – a Path to (Un)follow?

The author proposes an analysis that sheds a reasonable doubt on the current state of affairs, and that can hence contribute to the development of the legal doctrine. She aspires to make a suggestion concerning an improvement that could be implemented into the 'common language of European private law' via providing a critical perspective on how the concept of 'bad faith' has been shaped by legal administrators i.e., professional jurists and by proposing a legal solution that could potentially be considered in the future, while applying the protagonist concept.[71] That is especially important since, as legal scholar – Nils Jansen explains, 'European scholars should not and cannot simply rely on the present language of European law when analyzing and describing the elements of private law. Rather, European jurists should thoroughly reflect the present terminology and reconstruct fitting conceptual tools'.[72]

What is taken under a scrutiny is the subjective/ objective dichotomy in the 'bad faith' assessment that has been put forward in the *Lind Goldhase* wording.[73] The case states that 'in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.'[74] That was also the stance proposed by the Commission and the Czech Government, which emphasized the importance of intentions in the assessment.[75] The latter went as far as to claim that 'bad faith' implies a 'significant moral or ethical element'. An opposing view on the matter was held by the Swedish Government which contended that it shall not be the applicant's subjective intent but rather his objective knowledge that shall be taken into consideration while applying and assessing the notion. Furthermore, the Swedish Government supported its stance by exemplifying that such an approach has already been implemented in several EU Member States i.e., Italy, Finland, Estonia, Denmark, the Benelux countries, and Sweden.[76] Consequently, already at this point it can be observed that the approach towards assessing 'bad faith' is neither a self-apparent nor a uniform issue.

With this regard, the CJEU takes notice of the AG Sharpston's Opinion on the case, and further clarifies that 'the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case'.[77] That is another example of why the *Lind Goldhase* is so disruptive. The AG Sharpston recommended to approach the subjective element as the 'mental state of a general nature', thus she put forward a significantly broad and open interpretation of how subjectivity shall be measured.[78] Importantly however, AG Sharpston in her Opinion, rejected the Czech Government's proposal that the subjective intention should be seen as 'contravention of the accepted norms of conduct'. She did nonetheless admit that proving the subjective intention may appear to be a great hurdle, and therefore she agreed with the Commission's proposal which stated that adding the objective element in the assessment, in the shape of referring to the 'objective circumstances of the case', serves to counterbalance this problematic issue.[79] Therefore, the ruling must also be perceived as groundbreaking since the CJEU clearly established that the mere applicant's knowledge about the use by the third party of 'an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought'[80] is insufficient to claim the applicability of 'bad faith'.[81] Instead, what must obligatorily be considered is the

66 Jennifer Davis and Łukasz Żelechowski (n 10) 873; Joanna Sitko (n 9) 17–18.

67 Joanna Sitko (n 9) 17.

68 *Sky* (n 31) § 42.

69 Ibid; Jennifer Davis and Łukasz Żelechowski (n 10) 873.

70 Jennifer Davis and Łukasz Żelechowski (n 10) 873.

71 Nils Jansen, *'Making Doctrine for European Law'* in Rob van Gestel, Hans-W. Micklitz and Edward L. Rubin (eds), *Rethinking legal scholarship: a transatlantic dialogue* (Oxford University Press 2017) 229, 229.

72 Ibid.

73 *Lindt* (n 10) § 42.

74 Ibid § 41.

75 AG Sharpston Opinion (n 40) §§ 53–54.

76 Ibid § 55.

77 Ibid § 58.

78 Ibid § 57.

79 Ibid § 58.

80 *Lindt* (n 10) § 40.

81 Ibid.

intent of the applicant, at the moment when he applies for trade mark registration.[82]

In light of the above-mentioned clarifications, it cannot be denied that the *Lindt Goldhase* preliminary ruling was an incredibly crucial step towards the explanation of how the concept of 'bad faith' shall be utilized. Concurrently, the author cannot help but acknowledge that the presently applicable model of 'bad faith' assessment bases primarily on the subjective element which is only later juxtaposed with the objective circumstances of a particular case.

Moreover, in accordance with what AG Sharpston presented in her Opinion, the intention of the applicant shall be equaled with his general mental state. This, in the author's view, leaves too much room for speculation, especially if the subjective state is the dominant component in the case by case assessment. Moreover, this stance is also indirectly mirrored in the recent judgement of the General Court – *Neratax*, dating as recently as to January 2023, which in its reasoning, while assessing 'bad faith', referred to the conduct not aligning with a fair competition.[83] Such a conduct seems to have roots in the widely accepted norms of conduct governing the way that competitors are expected to behave – the approach which has been declined by AG Sharpston in her Opinion on the *Lindt Goldhase* case.[84]

Therefore, the author proposes the following deduction. There is no need to take the extreme measure of unfollowing the path that has been put forward with the *Lindt Goldhase* ruling. However, the author believes that there is certainly an imperative necessity to adjust the currently applied subjective/ objective assessment, so that the dominant component of the processes bases upon the objective standard. The decrease in significance of the subjective component would constitute a step forward to increasing legal certainty of the protagonist concept.

3.2 Pre-Lindt Goldhase Approach

However, before the author can proceed with her suggestion on the step that shall be taken in order to move forward... she takes the reader a step backwards, to the pre-*Lindt Goldhase* era, to investigate how the notion of 'bad faith' used to be applied and viewed in the judicial setting.

The main focus shall still remain on the subjective/ objective side of the notion. Reference will be made to several UK cases that predate the said preliminary ruling. The choice of the UK legal order is intentional. The author observed an abundance of case law on the topic, coming from the UK's courts, which used to deploy a divergent approach to the one currently in use, and decided to focus on this particular and authoritative jurisdiction for contrasting purposes.

From the UK perspective, there is one crucial judgement that concerned the subjective/ objective aspect of 'bad faith' which shall be touched upon in this section. First and foremost, the standard for assessing 'bad faith' in the pre-*Lindt Goldhase* era was set in the *Gromax* case dating back to 1999,[85] which is a decade before the crucial CJEU ruling. Already at that time Justice Lindsay established that 'bad faith' in trade mark law is characterized by 'dishonesty' and it deals with actions that 'fall short of the standards of acceptable commercial behavior observed by reasonable and experienced men in the particular area being examined'.[86]

This approach was later endorsed in several decisions of the UK Intellectual Property Office, such as the potential declaration for invalidity of trade mark Registration No. 2225337[87] handed down by M Reynolds or the Opposition No. 47103[88] put forward by Geoffrey Hobbs Q.C. Later on in, inter alia, *Twinsectra* and *Chinawhite* cases the UK court was considering whether it is sufficient that the 'conduct that falls out from the acceptable commercial practice' is assessed by reasonable men or whether it is also necessary that the applicant himself appreciated that his behavior did not live up to this standard.[89] In *Chinawhite* the Court indeed took the view that the combined approach should prevail.[90] However, such approach was later highly criticized and said to be 'overly elaborate for the field of trade marks'.[91] In the legal doctrine it is summarized that although the combined test shall not be applied, it cannot be said that the applicant's state of mind is not relevant.[92]

From these deliberations one can see how the law on 'bad faith' tried to head towards the most objective standard possible. Furthermore, legal scholars – Jennifer Davis and Łukasz Żelechowski endorse this stance and believe that the *Gromax* case law 'identified an objective and external viewpoint for identifying bad faith, which, if adopted, would presumably avoid having to scrutinize and make judgements about the motivations of the applicant for or the owner of a registered mark'.[93] The author agrees with their body of opinion and would like to contribute to the legal doctrine by expanding on this thought.

With the *Lindt Goldhase* case, it has been clearly decided that the EU shall approach 'bad faith' from a

82 Ibid § 41.

83 Judgement of 18 January 2023, *Neratax Ltd v EUIPO*, T-528/21, EU:T:2023:4 § 78.

84 Jennifer Davis and Łukasz Żelechowski (n 10) 873–874.

85 Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd [1999] RPC 367.

86 Ibid 379.

87 Application No. 1246 by Thai Mosaic & Ceramics Limited for a declaration of invalidity in respect of Registration No. 2225337 standing in the name of Cairnford Ceramics Limited § 8 <https://www.ipo.gov.uk/t-challenge-decision-results/o11702.pdf> accessed on 10 May 2024.

88 Opposition No. 47103 in the name of Les Brasseurs de Gayant to Application No. 2115233 to register a trade mark in class 32 in the name of Jack Moore 1, 20. <https://www.ipo.gov.uk/t-challenge-decision-results/o34199.pdf> accessed on 10 May 2024.

89 Richard Davis, Thomas St Quintin and Guy Tritton, *Tritton on Intellectual Property in Europe* (6th edn, Sweet & Maxwell 2022) 1, 387; Twinsectra Ltd v Yardley [2002] 2 AC 164; Chinawhite [2005] F.S.R. 10 CA at [40].

90 Chinawhite [2005] F.S.R. 10 CA at [40].

91 Richard Davis, Thomas St Quintin and Guy Tritton (n 89) 387.

92 Ibid.

93 Jennifer Davis and Łukasz Żelechowski (n 10) 862.

predominantly subjective manner which is then assessed with reference to objective circumstances and that the applicant's knowledge is not sufficient to establish a 'bad faith' behavior. This position clearly departs from some previous decisions, such as *Gromax*, which applied an utterly objective standard for the concept. However, the introduction of such a subjective element into the legal practice is always an intricate matter.[94] It follows that what must be assessed is the individual's state of mind, which is an excruciatingly complex task, especially without the applicant explaining his reasoning behind his own acts. That is particularly the case in the system, as the EUIPO one, where there is no room for live testimony in the shape of a cross examination.[95] Thus, in the EUIPO the decisions are taken on the basis of rather 'circumstantial facts' which poses a lot of challenges for the Office.[96] One can nevertheless observe that, in any way, it is highly unlikely that the applicant would admit his dishonest intentions since if he was able to act dishonestly in the first place, he would most likely prevaricate from telling the truth about his subjective intentions later on.[97]

Legal scholars – Richard Davis, Thomas St Quintin and Guy Tritton believe that 'trade mark law is less susceptible to moral analysis', and it is also because 'one man's clever tactics is another man's dishonest tactics',[98] which stems from the fact that one's state of mind is a highly individualized issue. Although in one English case a bold statement was made that 'the state of a man's mind is as much a fact as the state of his digestion',[99] the author approaches this view with a lot of skepticism and takes a rather contrasting position. She suggests that the reader connotates the state of one's mind with subjectivity which, as per its definition, brings about 'the influence of personal beliefs or feelings, rather than facts'.[100] From a socio-legal perspective, subjectivity is perceived as 'the reflexive consciousness of human individual, and suggests the density and uniqueness of its contents'.[101] Moreover, subjectivity is described by traits such as: heterogeneity, dispersion and discontinuity, and is equaled with a 'fluid medium of an individual mind'.[102] Therefore, the author comes to the conclusion that although 'bad faith' inevitably connotes a subjective element in its assessment, its role shall not be as central in the judicial analysis. This statement can be supported by the fact that subjectivity brings about vast fluidity and heterogeneity, which inescapably results in divergent judicial outcomes that cannot ensure legal certainty or uniformity. Consequently, the step forward could metaphorically also be a step backwards, to the previously applied objective assessments. Some inspiration shall be drawn from the pre-*Lindt Goldhase* era in order to propose a solution on what can be done to increase legal certainty of 'bad faith' on the EU level in the future.

3.3 Introducing a Normative Model – Rationale

It is necessary to understand why 'legal certainty' per se is so quintessential for the legal reality as such. Imprimis, 'legal certainty' constitutes a solid foundation of all the modern legal systems since the concept is perceived as one of the highest values and fundamental principles of law.[103] Moreover, achieving 'legal certainty' remains 'a core value and aspiration that has structured normative debates at a national, regional and international level'.[104] In the EU case law, this principle was discussed for the first time in 1961 in the *SNUPAT* judgement.[105] Since then, the CJEU has issued more than six thousand decisions which contained the phrase 'legal certainty', while the numbers of the General Court decisions indicate that 'legal certainty' was mentioned in more than two thousand judgements which further showcases how crucial and omnipresent it is in the realm of EU law.[106]

For the purposes of this article, the most relevant traits of 'legal certainty' follow from three judicial decisions. Firstly, in the *Costa* case it was established that the concept necessitates 'that rules of law be clear, precise and predictable as regards their effect'.[107] Secondly, it was established that legal rules shall 'be foreseeable by those subject to them' as per the *Plantanol* judgement.[108] Lastly, in accordance with the *Heinrich* ruling, 'legal certainty' demands 'that Community rules enable those concerned to know precisely the extent of obligations which are imposed on them. Individuals must be able to ascertain unequivocally what their rights and obligations are [...]'.[109]

In the first section of this paper, the author argued that the current application of the concept of 'bad faith' in the EU law regime, which primarily focuses on the subjective

94 Richard Davis, Thomas St Quintin and Guy Tritton (n 89) 379.

95 Ibid 387.

96 Ibid.

97 Ibid.

98 Ibid 379.

99 Edgington v Fitzmaurice [1885] 29 Ch D. 459; Richard Davis, Thomas St Quintin and Guy Tritton (n 89) 387.

100 Cambridge Dictionary <https://dictionary.cambridge.org/dictionary/english/subjectivity> accessed on 10 May 2024.

101 Pierre Guibentif, *'The Sociology of Legal Subjectivity'* in Jiri Priban, *Research Handbook on Sociology of Law* (Edward Elgar Publishers 2020) 1, 1.

102 Ibid 2.

103 Mark Fenwick and Stefan Wrbka, *Legal Certainty in a Contemporary Context: Private and Criminal Law Perspectives* (eds.) (Springer 2016) 1, 9–10.

104 Ibid 2.

105 Jeremie Van Meerbeeck, *'The Principle of Legal Certainty in the Case Law of the European Court of Justice: From Certainty to Trust'* (European Law Review, Issue 2, 2016) 275, 280; Judgement of the Court of 22 March 1961, *Société nouvelle des usines de Pontlieue – Acieres du Temple (SNUPAT) v Higher Authority of the European Coal and Steel Community*, Joined Cases 42 and 49/59, EU:C:1961:5.

106 Jeremie Van Meerbeeck (n 201); EUR-Lex database <https://eur-lex.europa.eu/homepage.html> accessed on 10 May 2024.

107 Jeremie Van Meerbeeck (n 106) 280; Judgement of 16 February 2012, *Criminal proceedings against Marcelo Costa and Ugo Cifone*, Joined Cases C-72/10 and C-77/10, EU:C:2012:80.

108 Jeremie Van Meerbeeck (n 106) 280; Judgement of 10 September 2009, *Plantanol GmbH & Co. KG v Hauptzollamt Darmstadt*, C-201/08, EU:C:2009:539.

109 Jeremie Van Meerbeeck (n 106) 280; Judgement of 10 March 2009, *Gottfried Heinrich*, C-345/06, EU:C:2009:140.

assessment, struggles with ensuring legal certainty. This means that the application of 'bad faith' in its current form might endanger a fundamental principle of law.

On this account, this research advocates for introducing a normative model into the assessment of 'bad faith' since such a change could contribute to creating a more objective application of the concept, and hence could result in more foreseeable outcomes. What is crucial in that regard is the fact that 'the higher the predictability of an outcome there is, the higher the degree of certainty'.[110] Consequently, the author's proposal constitutes an attempt to create a possible solution for increasing legal certainty within the realm of applying 'bad faith' in EU trade mark law. Importantly however, this is not an endeavor that aims at achieving absolute legal certainty as one does not exist as such.[111] There shall always be some 'breathing space' left for the adjudicators[112] in order for them to be able to react appropriately in special cases that have not been predicted by the statutory law or previous case law.[113] Nonetheless, such 'legal flexibility'[114] should not prevail over legal certainty which is a fundamental principle.[115] This is the reason why the approach towards 'bad faith' application in EU trade mark law should be adjusted, because as of now it is the 'legal flexibility' that constitutes the dominant stance taken by the EU courts.

3.4 Examples of Currently Existing Normative Models

The creation of the proposed 'legal fiction' is neither isolated nor revolutionary but rather constitutes a well-founded attempt to create a normative model among the already existing 'pantheon of characters who inhibit the world of intellectual property'.[116]

The exploration begins in the area of the EU design law where a normative model is to be found under the concept of an 'informed user'. This fictious legal entity is codified via means of the Design Directive[117] and the Design Regulation,[118] and it is his perspective that is indispensable to 'test the individual character of a design, and therefore its validity, and in the determination of the scope of protection [...]'.[119] The subsequent case law approximated and clarified the normative model by explaining that an 'informed user' is not one with an average level of attention but rather a particularly observant user, be it because of his personal experience or extensive knowledge of the particular sector.[120]

Another legal fiction is the 'person skilled in the art' and it plays a significant role within the branch of European patent law. This norm is especially relevant when the requirements of novelty, non-obviousness and disclosure are concerned.[121] Its implications are of fundamental value since it influences the patent's determination of validity, its scope of protection and the assessment of infringement claims.[122] The answer to the question of who is a 'person skilled in the art' can be found in the European Patent Office's Guidelines which define the norm as 'a skilled practitioner in the relevant field of technology, who is possessed of average knowledge and ability and is aware of what was common general knowledge in the art at the relevant date'.[123]

The last two normative models can be found in the EU trade mark law, which is certainly the most relevant point of reference since the concept of 'bad faith', discussed in this paper, also originates from the EU trade mark realm. Firstly, there is the well-established normative concept of an 'average consumer', which however is not founded in the legislation.[124] Its origins reach to judgements concerning misleading advertising and competition which were later implemented into trade mark law cases.[125] Such an official recognition occurred in *Procter & Gamble* case which primarily established that the view taken by the 'average consumer' 'is fundamental, as a key requirement to the determination of the boundaries of trade mark protection both in relation to subsistence and infringement'.[126] The same ruling described the legal fiction as someone who is 'reasonably well-informed and reasonably observant and circumspect'.[127] The EUIPO Guidelines further clarify that it is a legal norm that shall be applied in the context of the relevant consumer or the relevant public, which means that the concept can and

110 Branislav Hazucha, *'Intellectual Property, Private Ordering and Legal Certainty'* in Mark Fenwick and Stefan Wrbka, *Legal Certainty in a Contemporary Context: Private and Criminal Law Perspectives* (eds.) (Springer 2016) 33, 36.

111 Ibid 37.

112 Branislav Hazucha (n 110) 37.

113 Jakob Soren Hedegaard and Stefan Wrbka, *'The Notion of Consumer Under EU Legislation and EU Case Law: Between the Poles of Legal Certainty and Flexibility'* in Mark Fenwick and Stefan Wrbka, *Legal Certainty in a Contemporary Context: Private and Criminal Law Perspectives* (eds.) (Springer 2016) 69, 73.

114 Ibid.

115 Mark Fenwick and Stefan Wrbka (n 103) 9–10.

116 Rasmus Dalgaard Laustsen, *The Average Consumer in Confusion-based Disputes in European Trademark Law and Similar Fictions* (Springer 2020) 1, 149; Interflora v Marks & Spencer [2012] EWCA Civ 1501 § 13.

117 Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs, OJ L 289/28 Art. 5(1).

118 Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs, OJ L 003 Art. 6 (1).

119 Maria Mercedes Frabboni, *'Fashion designs and brands: The role of the informed user and the average consumer'* (The Journal of World Intellectual Property, Volume 23, Issue 5-6, 2020) 815, 816.

120 Maria Mercedes Frabboni (n 119) 817; Judgement of 20 October 2011, *PepsiCo, Inc. v Grupo Promer Mon Graphic SA*, C-281/10 P, EU:C:2011:679 § 53.

121 Naina Khanna and Jasmeet Gulati, *'Knowledge/ Skill Standards of a 'Person Skilled in Art': A Concern Less'* (The John Marshall Review of Intellectual Property Law 2018) 588, 590.

122 Ibid.

123 Rasmus Dalgaard Laustsen (n 116) 168; The Guidelines for Examination at the EPO, Part G, Chapter VII-3 <https://www.epo.org/en/legal/guidelines-epc> accessed on 10 May 2024.

124 Maria Mercedes Frabboni (n 215) 818.

125 Ibid 815–816.

126 Ibid.

127 Judgement of 29 April 2004, *Procter & Gamble Company v EUIPO*, Joined Cases C-468/01 P to C-472/01 P, EU:C:2004:259 § 57.

should be adapted to specific circumstances.[128] This is because the level of attention of the 'average consumer' can vary in accordance with the specific goods or services concerned.[129]

Secondly, another normative model appears in trade mark law but this time in a different context i.e., one of the offenses against morality. In case such grounds are suspected to be applicable, there shall be an examination which is to be assessed from the viewpoint of a 'reasonable person with average thresholds of sensitivity and tolerance',[130] which should be juxtaposed with 'objective circumstances in which the allegedly offensive mark would be used'.[131] Such a normative concept introduced objectivity into the assessment test regarding the morality of marks which, as the word 'morality' itself suggests, connotes an immensely subjective perspective.[132] If EU trade mark law established a firmly objective standard for such a subjective concept like morality, which, by definition, is 'a set of personal or social standards for good or bad behavior and character',[133] one cannot help but wonder why the same has not yet been done with regards to the application of 'bad faith'.

Each of these normative concepts has come into existence to enable an objective assessment of facts so as to be able to reach 'the correct level of rational an unbiased intellect for an accurate assessment' of the particular cases.[134] Normative models help to reduce the problems arising basically from the sheer 'difficulty in truly putting oneself in another's shoes, in thinking about how the world might look to someone who doesn't share one's own physical and cognitive abilities'.[135] And although fictious models are not completely free from the subjectivity or ambiguity,[136] they are nonetheless a technique which is applied 'to resolve trouble in the legal environment'.[137]

128 Maria Mercedes Frabboni (n 119) 815; EUIPO Guidelines, Section 4, 1, 57 <https://guidelines.euipo.europa.eu/binary/2214311/2000150000> accessed on 10 May 2024.

129 Judgement of 22 June 1999, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, C-342/97, EU:C:1999:323 § 26.

130 Judgement of 27 February 2020, *Constantin Film Produktion GmbH v EUIPO*, C-240/18 P, EU:C:2020:118; Jennifer Davis and Łukasz Żelechowski (n 10) 889; EUIPO Boards of Appeal, *'Case-law Research Report – Trade marks contrary to public policy or accepted principles of morality'* 1, 6 <https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/about_euipo/boards_of_appeal/research_reports/Public%20policy%20and%20morality_final_en.pdf> accessed on 10 May 2024.

131 Jennifer Davis and Łukasz Żelechowski (n 10) 889; EUIPO Trade Mark Guidelines, Section 3 <https://guidelines.euipo.europa.eu/2214311/2044563/trade-mark-guidelines/3-accepted-principles-of-morality> accessed on 10 May 2024.

132 Jennifer Davis and Łukasz Żelechowski (n 10) 889; EUIPO Trade Mark Guidelines, Section 3 (n 131).

133 Cambridge Dictionary <https://dictionary.cambridge.org/dictionary/english/morality> accessed on 10 May 2024.

134 Naina Khanna and Jasmeet Gulati (n 121) 589.

135 Laura A. Heymann, *'The reasonable Person In Trademark Law'* (St. Louis University Law Journal, Forthcoming, William & Mary Law School Research Paper No. 08-05, June 2008) 781, 783.

136 Gulcin Cankiz Elibol, *'Informed User: The Fictive Assessor of Industrial Designs as Part of Industrial Property Right'* (SGEM International Multidisciplinary Scientific Conferences on Social Sciences and Arts 2015) 1, 1.

137 Rasmus Dalgaard Laustsen (n 116) 138.

This problem solving essentially comes down to two aspects. First, it serves to increase the predictability of the judicial decisions' outcomes.[138] Second, it ensures an enhanced coherence and consistency in law.[139] The former dimension is achieved because 'when used wisely, [fictions] are inherently dynamic sources that allow courts, over time, to balance flexibility and responsiveness with stability and predictability'.[140] The latter facet, i.e., the enhanced coherence is attained as 'legal fictions create consistency when judges have to decide like decisions and a predictable outcome of current and future decisions'.[141]

3.5 Author's Proposal on the Construction of the Normative Model

The author draws inspiration from three respective judgements i.e., *Gromax*,[142] *Neratax*,[143] and *Constantin*,[144] and creates her own standard for the test to be applied. She proposes a blended approach towards the creation of a normative model that could hopefully contribute to enhancing legal certainty within the interpretation and assessment of 'bad faith' in the EU. She believes that the following objective test could be considered in future legal disputations: *'Bad faith' defines acts not fulfilling* the accepted norms of commercial conduct, *assessed by a* reasonable person *who is* knowledgeable about the standards of fair commercial practice.

One can observe that the suggested approach consists of three tiers to be applied in the assessment process. The first requirement follows the reasoning of the *Gromax* judgement, which in its test towards the assessment of 'bad faith' referred to 'bad faith' as actions that 'fall short of the standards of acceptable commercial behavior'.[145] Such a measure enables one to place the point of reference to an objective standard that shall be seen as the ordinary behavior in commerce that is expected from the parties participating in its practices. It disregards the extreme behaviors, and instead focuses on the average and looked-for mode of attitude. The second and third tiers introduce a normative model by way of creating a fictious legal person. The proposed standard refers to a reasonable person, however this concept as such is claimed by some to be quite ambiguous.[146] That is why, the third tier serves to specify and narrow down the traits of the viewpoint of the legal fiction by demanding from him certain qualities. The author purposefully places him in the position of a knowledgeable person with the understanding of the fair commercial practices because it further restricts the mod-

138 Ibid 140–141.

139 Ibid 147.

140 Ibid 140.

141 Ibid.

142 *Gromax* (n 85).

143 *Neratax* (n 83).

144 *Constantin* (n 130).

145 Richard Davis, Thomas St Quintin and Guy Tritton 3(n 89) 79.

146 Rasmus Dalgaard Laustsen (n 116) 178.

el's cognizance and puts an emphasis on his awareness of which actions could constitute 'bad faith', as opposed to the behavior that he would normally be prepared to expect in the commercial setting. The introduction of a normative point of reference was inspired by the *Gromax* and *Constantin* rulings,[147] while the additional description determining his viewpoint is the author's own wording, which in turn embodies the ideas put forward by the *Constantin* and *Neratax* cases.[148]

Introducing this 'external viewpoint for identifying bad faith'[149] allows to desist from the subjective quest into the EUTM applicants' motivations, and consequently enables more objective and predictable outcomes of the judicial decisions which would contribute to enhancing the overall legal certainty. Legal scholars outvoice their concerns as they believe that 'by failing to establish an objective, external standard for bad faith, it is suggested that bad faith is an outlier in European [...] trade mark law'.[150]

4. BAD FAITH AS A UNIFIED GROUND FOR REFUSAL?

4.1 The History and Current State of Bad Faith in EUTMD and EUTMR

The author now turns to examine the legislative origins and historical implications behind the creation of the two most quintessential provisions with regards to 'bad faith' i.e., Art. 4 (2) of the EUTMD and Art. 59 (1) (b) of the EUTMR. The earliest legislative attempts towards the creation of a European trade mark law date back as far as to 1964 when a Working Group, appointed by the European Commissioner – Hans von der Groeben, delivered the first 'Preliminary Draft Agreement concerning European Trade Mark Law'.[151] Nevertheless, this proposal has not seen the light of the day for almost the entire upcoming decade due to political considerations that were unrelated to the IP field.[152] Another Working Group was created in 1974, and their work was crowned with the submission of a report to the Commission two years after its establishment.[153] For the purposes of this article, the most vital outcome of the second legislative proposal was the suggestion of a dualistic approach 'aiming for unification through the creation of a 'Community Trade Mark system' and for harmonization of the domestic trade mark legislation of the Member States'.[154] While the former goal was later incarnated by the Community Trade Mark Regulation (CTMR – the predecessor of the EUTMR), the latter was turned into the Trade Mark Directive (TMD – which is now replaced by the EUTMD).[155] Both documents were supposed to 'coexist and complement one another, each in its own way contributing to the Europeanisation of trade mark law [...]'.[156] And to this day, 'in essence there is no hierarchical distinction between them'.[157]

First proposals regarding the wording and substance of the two pieces of legislation were presented in 1980 by the Commission to the Council and Parliament, after multiple expert meetings which shaped both of the texts.[158] Despite the fact that the Commission first began with the negotiations concerning the provisions pertaining to the CTMR, it was the TMD that was adopted the earliest. It was in 1988 that the Directive has finally been adopted, while it took additional five years to adopt the Regulation.[159] The reasons behind a later endorsement of the expectedly parallel legislative document related to political discordances and the procedural issue regarding the choice of governing languages.[160]

The idea to consider the introduction of the notion of 'bad faith' appeared, for the very first time, in 1978 upon the initiative and suggestion of the Dutch delegation towards the ultimate creation and enactment of the Regulation.[161] Nonetheless, it was the German delegation's proposal in 1984 that truly constituted the basis for recognizing 'bad faith' within the wording of the CTMR.[162] In consequence, the German initiative got approved by the Working Group in 1985, and a year later it was implemented in the text of the Regulation.[163] The result of this proposal, although after some further developments and changes that were proposed by different countries, could be seen in the Art. 51 (1) (b) of the Regulation that stated that 'bad faith' is an absolute ground for invalidation 'where the applicant was acting in bad faith when he filed the application for the trade mark'.[164]

When it comes to 'bad faith' in the TMD, the primary initiative once again appeared from the side of the Dutch delegation. In 1986, this country demanded for 'bad faith' to be introduced in the wording of the Directive as a ground for both invalidation but also refusal.[165] And it was after this proposal that the Danish delegation suggested to create the Directive's 'bad faith' provision on the basis and with the inspiration drawn from its own national

147 *Gromax* (n 85); *Constantin* (n 130).

148 *Constantin* (n 130); *Neratax* (n 83).

149 Jennifer Davis and Łukasz Żelechowski (n 10) 862.

150 Ibid 873.

151 Alexander von Muhlendahl, Dimitris Botis, Spyros Maniatis and Imogen Wiseman *Trade Mark Law in Europe* (Oxford University Press, 3rd Edition, 2016) 1, 3; Alexander Tsoutsanis (n 29) 48.

152 Alexander Tsoutsanis (n 29) 48.

153 Ibid.

154 Ibid.

155 Alexander von Muhlendahl, Dimitris Botis, Spyros Maniatis and Imogen Wiseman (n 151) 4.

156 Alexander Tsoutsanis (n 29) 49; Alexander von Muhlendahl, Dimitris Botis, Spyros Maniatis and Imogen Wiseman (n 151) 15.

157 Alexander von Muhlendahl, Dimitris Botis, Spyros Maniatis and Imogen Wiseman (n 151) 14.

158 Ibid 4.

159 Ibid.

160 Ibid.

161 Alexander Tsoutsanis (n 29) 49.

162 Ibid 53–54.

163 Ibid 54.

164 Ibid 54 and 67; Council Regulation (n 18) Art. 51 (1) (b).

165 Alexander Tsoutsanis (n 29) 57.

legislation.[166] This is how Art. 3 (2) (d) of the TMD came into being. And its wording explained that 'bad faith' shall not be registered, or shall be subject to invalidation if 'the application for registration of the trade mark was made in bad faith by the applicant'.[167]

The development of these provisions, over the past years, brought about certain impactful amendments. The author starts with an investigation of Art. 3 (2) (d) TMD, which is the equivalent of the currently applicable Art. 4 (2) of the EUTMD. During the time that the TMD, adopted in 1988, remained a valid legislation, 'bad faith' constituted an optional ground for refusal, and also a facultative ground for invalidation. Legal scholar – Joanna Adamczyk states with this regard that the concept is frequently perceived as a not 'self-evident' solution, while another legal practitioner – Alexander Tsoutsanis believes that the electiveness of the application might be a result of the conviction that the protection following from Art. 6bis and Art. 6septies of the Paris Convention was already enough to cover the issue.[168]

Even after replacing the 1988 TMD with its new version in 2008,[169] the situation has not undergone any substantive amendments, and in consequence 'bad faith' continued to be a non-mandatory ground for refusal and invalidation.[170] Moreover, even the numbering of the protagonist provision remained the same.[171] It was only in 2015 when a major change occurred with the introduction of the current EUTMD.[172] The previous Art. 3 (2) (d) changed into Art. 4 (2).[173] However, of crucial importance to this research paper is the fact that 'bad faith', as a ground for invalidation, changed its facultative status to a mandatory one.[174] Nevertheless, the same did not happen in case of 'bad faith' as a ground for refusal.[175]

This paragraph continues to scrutinize the parallel development of Art. 51 (1) (b) of the 1994 CTMR, which is currently substituted by Art. 59 (1) (b) of the EUTMR. After analyzing the same provision which was replaced three times i.e., by Regulation of 2009,[176] the next Regulation adopted in 2015,[177] and the final replacement that occurred in 2017, in the shape of the EUTMR,[178] it must be concluded that the wording of the provision has not been substantively amended. It means that 'bad faith' in EU Regulation has always maintained its status of merely a ground for invalidation. The only change appeared in the numerology since Art. 51 (1) (b) was transferred to Art. 52 (1) (b) in the Regulation of 2009,[179] and was so maintained in Regulation of 2015,[180] while from 2017 the provision can be found under Art. 59 (1) (b).[181] This state of affairs attests to a major discrepancy between the wording of the EUTMD and the EUTMR, because although the Directive allows 'bad faith' to constitute (even if merely facultatively) a ground for refusal, the Regulation does not provide such an option. Experts in the legal field believe that such conjuncture is 'debatable'.[182] That is why, the author decided to put this divergence under a careful examination, and research whether aligning the EUTMR with the current approach of EUTMD could bring about a positive outcome for the EU trade mark regime.

4.2 Empirical Research of the Notion's Practical Application

Turning now from theory to practice, the author decided to conduct her own empirical research aiming to present how particular EU Member States procedurally approach the application of 'bad faith' in their respective national laws. To this end, she contacted national trade mark offices of all of the twenty-seven EU Member States and posed the following question: *"I would like to make an enquiry about whether this country and its trade mark office examines 'bad faith' in its national trade mark law as: 1) merely a ground for invalidation (in accordance with Art. 59 (1) (b) of the Regulation 2017/1001) or 2) it also allows for the possibility for 'bad faith' to constitute a relative ground for refusal (in accordance with Art. 4 (2) of the Directive 2015/2436)."* She received responses from seventeen national offices, which accounts for over half of the EU Member States.

On the one hand, all of the Benelux countries, Czech Republic, Lithuania and Malta confirmed in no uncertain terms that their national offices treat 'bad faith' merely as a ground for invalidation. Consequently, around 35% of the respondent Member States do not consider the protagonist notion as a ground for refusal. On the other hand, a different position is claimed by Finland, Germany, Hungary, Ireland, Latvia, Slovakia and Sweden where the national offices answered, in black and white, that they approach 'bad faith' as both a ground for invalidation and refusal. This constitutes approximately 41% of the respondent EU countries. However, four more trade mark offices also approach the notion as a ground for both invalida-

166 Ibid 58.

167 Ibid 61; First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, OJ L 040 (TMD) Art. 3 (2) (d).

168 Joanna Adamczyk, *Zgłoszenie znaku towarowego w złej wierze* (Wolters Kluwer, Warszawa 2023) 104; Alexander Tsoutsanis (n 29) 42.

169 Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks, OJ L 299.

170 Joanna Adamczyk (n 168) 108.

171 Ibid.

172 Directive (n 14).

173 Joanna Adamczyk (n 168) 110; Directive (n 14) Art. 4 (2).

174 Joanna Adamczyk (n 168) 109.

175 Ibid.

176 Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark, OJ L 78.

177 Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 on the Community trade mark, OJ L 341.

178 Regulation (n 13).

179 Council Regulation (n 176).

180 Regulation (n 177).

181 Regulation (n 13).

182 Joanna Adamczyk (n 168) 135; Alexander Tsoutsanis (n 29) 152.

tion or refusal, nonetheless these authorities provided extensive explanations regarding the national procedures. Consequently, without an immersion into the additional explanations from Bulgaria, Denmark, Poland and Portugal, one can calculate that in theory the numbers rise when it comes to EU Member States approaching 'bad faith' as a ground for both invalidation and refusal. Therefore, while circa 35% of the respondent states allow 'bad faith' to be invalidated only after the registration stage, almost 65% enable the additional option of the concept being a ground for refusal.

In the quest for complementing the missing data, the author turns to International Trademark Association's (INTA) International Survey on 'Bad Faith Trademark Filing Across the Globe'.[183] Nevertheless it shall be taken into account that this collected data is accurate as of December 2019.[184] It follows from the report that 6 more EU Member States treat 'bad faith' as merely a ground for invalidation and these are: Austria, Croatia, Italy, France, Slovenia and Spain.[185] Meanwhile, the more inclusive path is taken by: Estonia, Greece and Romania.[186] It must be noticed however that both Estonia and Greece stressed that using the notions as a ground for refusal is rather uncommon and unlikely.[187] Nevertheless, there still remains one more EU country that has neither responded to the author's empirical research nor was taken into consideration in the INTA's Survey i.e., Cyprus. This country takes the broader approach and treats 'bad faith' also as a ground for refusal, as follows from its national legislative provisions.[188]

When the results of all the sources are blended in together, the ratio indicates that in practice the majority i.e., around 56% of the national trade mark offices, from the entire EU, already treats 'bad faith' as both a ground for invalidation and refusal. In consequence, this finding strongly reiterates the proposal to align the wording of the EUTMR with the legislative text of the EUTMD, so that 'bad faith' should additionally be worded as a ground for refusal. The author believes that the status of 'bad faith' within the EUTMD shall be adjusted so that it does not constitute merely an optional, but rather a mandatory ground for refusal and she propounds for the EUTMR to be aligned accordingly. This way, the ambiguous legal landscape could be avoided in favor of a more uniform and legally certain trade mark procedure across the entire EU environment.

4.3 Rationale Behind the Idea of Bringing EUTMR in Line with EUTMD

The current state of art might bring about severe repercussions for the functioning of the trade mark system within the EU law ambient, but also the global trade mark law position at large. First and foremost, leaving the legislative situation unchanged contributes negatively to the cluttering of the trade mark register.[189] Such marks remain inscribed in the register, despite their abusive character, for a considerable period of time before they can be eventually invalidated after the mark's registration and the initiation of infringement proceedings targeting it.[190] This means that certain words become less available or less likely to be opted for, which in turn brings about further consequences in the shape of trade mark depletion. The practical implication of depletion is that since 'all the good brand names are already taken', it becomes a troublesome task to find a good name that can be registered for one's commercial practice.[191] This issue will, undoubtedly, not be utterly solved by introducing solely the suggested amendment,[192] however it could be significantly mitigated.

The scarcity of available names within the EU has been thoroughly studied by legal scholars – Barton Beebe and Jeanne C. Former. Their research from May 2023 presents the seriousness of depletion across the EU by empirically examining the abundance of words in five major EU languages (English, French, German, Italian and Spanish)[193] and later contrasting it with their actual availability in the EUIPO register.[194] The results are rather astounding and they emphatically emphasize the gravity of the problem. It has been found that 'when we use English, more than three-quarters of the time we are using a word that identically matches a registered trademark at the EUIPO'.[195] Furthermore, 'by 2017, 55.4% of French word usage consisted of words identically matching a registered mark', while the percentage was even higher for Spanish (62.8%) and Italian (65.7%).[196] The greatest availability of names was acknowledged for the German language 'with only 46.2% of word usage consisting of words identically matching a registered mark in 2017'.[197]

The described contention prompts a yet further outgrowth. Because of the difficulties in finding an available name that can be registered, the applicants are left with

183 International Trade Mark Association, *'Bad Faith Trademark Filing Across the Globe – Summary of Survey Responses'* (Bad Faith Task Force of the Enforcement Committee, April 2021).

184 Ibid 1.

185 Ibid 3–4.

186 Ibid 4.

187 Ibid 3.

188 The Trademarks Law, Cap. 268, as amended by Law Nos 63 of 1962, 69 of 1971, 206 of 1990, 176(I) of 2000, 121(I) of 2006, 63(I) of 2020 and 107 of 2021, Section 6 <https://iclg.com/practice-areas/trade-marks-laws-and-regulations/cyprus> 2.2 accessed on 10 May 2024.

189 Tamar Khuchua (n 15) 124–125.

190 Ibid.

191 Barton Beebe and Jeanne C. Fromer, *'The Future of Trademarks in a Global Multilingual Economy: Evidence and Lessons from the European Union'* (New York University School of Law, May 2023) 902, 934.

192 Ibid 908–909.

193 Victor Ginsburgh, Juan D. Moreno-Ternero and Shlomo Weber *'Ranking Languages in the European Union: Before and After Brexit'* (European Economic Review, 93, 2017) 1, 18.

194 Barton Beebe and Jeanne C. Fromer (n 191) 940.

195 Ibid 941 [The research has been conducted on all active registrations, at the EUIPO, in 2017].

196 Ibid 943.

197 Ibid.

two choices i.e., they can either continue their 'hunt' for an available name that has not yet been registered (which again reduces the general availability of names) or they may apply for the name regardless of previous registrations, hoping that it will proceed to be registered anyway.[198] While the former option leads to a deeper trade mark depletion, the latter path results in the so-called 'trade mark crowding'.[199] It is claimed that such crowding of highly similar or identical marks not only causes the consumers to be confused regarding the origin of the particular goods or services with the consequent rise in their search cost, but it also negatively impacts the trade mark owners who 'suffer the resulting loss in brand differentiation and selling power'.[200] This can be particularly harsh for smaller businesses lacking 'the resources to compensate for their mark's loss of distinctiveness through greater advertising'.[201]

The above-mentioned problem, resulting from the cluttering of the trade mark register, leads directly to another concerning issue, being one of the consequent unfair competition. The described limited choice of 'competitively effective'[202] names that can be registered and the ensuing need to settle for less attractive options equals an uneven position between the competitors on the market.[203] Before applying for a mark, the applicants usually have to undergo costly clearance processes that become more and more lengthy and complex.[204] Moreover, the adverse effects are especially prejudicial to smaller businesses which often lack the financial resources for complex IP clearance, costly litigation or invalidity proceedings.[205] Such a detrimental situation was long feared of within the trade mark law landscape, which 'has traditionally operated according to the principle that it will grant exclusive rights in a trademark only if competitors still have access to "a latitude of competitive alternatives", to adequate alternative means of describing and designating the source of their products'.[206] The current situation puts the competitors in an unfair position because they are forced to choose the lesser evil, and therefore they are not on an equal footing with each other.

Moreover, when 'bad faith' is treated as merely a ground for invalidation, as per Art. 59 (1) (b) EUTMR, it can also mean a significant impairment to the principle of sound administration.[207] This is due to the fact that even in cases of blatant 'bad faith' on the part of the applicant, the EUIPO first undergoes the entire procedure of the mark's registration. Legal scholar – Tamar Khuchua holds a strong opinion on the current state of art and claims '[...] all that time and resources spent on the registration by the EUIPO is certainly wasted, let alone the time and resources of the courts that need to hear the invalidity claims as well as the parties themselves'.[208] Therefore, it can be concluded that aligning the EUTMR with the wording of the EUTMD and allowing for 'bad faith' to also become a ground for refusal, would additionally concur to economizing the procedural application of the notion by 'conserving judicial and administrative resources',[209] and the interested parties' finances, to a considerable extent. It shall be stressed that a uniform landscape of EU law is imperative for the proper functioning of such a diverse legal environment and for ensuring homogeneity of IP law across all EU Member States.[210]

The author would additionally like to suggest that for the legislative change, of adding 'bad faith' as a ground for refusal into the EUTMR, to be legally certain and efficient, a non-exhaustive list of 'bad faith' indicators shall be added into the wording of the same legal document. Such a solution was also put forward by legal scholar – Tamar Khuchua, who stated that 'circumstances constituting 'bad faith' must be provided in legislation'.[211] This solution would enable the officers, at the trade mark application stage, to conduct a legally certain examination that is based on an objective assessment. Such a list of 'bad faith' indicators could be created on the grounds of factors that have already been found in the CJEU case law. The author believes that the non-exhaustive index shall include all the factors from CJEU cases on 'bad faith', which were neatly summarized in the CP 13.

5. CONCLUSION

This article endeavors to provide a portrayal of the concept of 'bad faith' in the context of the EU trade mark legal regime. The research put a limelight on the matter of legal certainty, within the discussed problem, in a two-faceted manner. Consequently, the paper can be compared to a road that splits into two seemingly separate paths, but at the end eventually leads to a crossroad with a common conclusion.

The reader was taken on a bumpy ride through 'bad faith's' intricate interpretation and application. All sections sought to demonstrate the disruption of legal certainty on multiple tiers within the understanding and application of the concept of 'bad faith' in the EU trade

198 Ibid 960.

199 Ibid.

200 Ibid 962.

201 Ibid 976.

202 Ibid 938.

203 Tamar Khuchua (n 15) 124–125.

204 Barton Beebe and Jeanne C. Fromer (n 191) 938.

205 Max Walters, *'Counsel demand bad faith to be used in trademark oppositions'* (Managing IP 2023) <https://www.managingip.com/article/2b75v357c0hjtoem1u29s/counsel-demand-bad-faith-to-be-used-in-trademark-oppositions> accessed on 10 May 2024 1.

206 Barton Beebe and Jeanne C. Fromer (n 191) 973; Taco Cabana Int'l, Inc. v. Two Pesos, Inc., 932 F.2d 1113, 1119 (5th Cir. 1991); Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992).

207 Tamar Khuchua (n 15) 125.

208 Ibid.

209 International Trademark Association Resolution, *'Bad Faith Trademark Applications and Registrations'* (The Enforcement Committee, November 2020) 1, 4.

210 Pinja Hoffrichter (n 28) 38; Tamar Khuchua (n 15) 126.

211 Tamar Khuchua (n 15) 125.

mark law regime. That is why the author has not only attested to that problematic aspect but also put forward certain ideas and solutions on how the matter could be further developed. She hopes that her proposals regarding the creation of a normative model to be used for the assessment of 'bad faith', and her suggestion to bring the wording of EUTMR with the EUTMD, so that the concept constitutes both a ground for invalidation and refusal, might positively contribute to increasing legal certainty within the understanding and application of 'bad faith', and the overall efficiency of the EU trade mark system.

The author proposes that the notion of 'bad faith' should be put under a further magnifying glass of scholars who could further contribute to the debate on increasing the concept's legal certainty. The issue shall not be left for the mere case by case adjudication since while the judges' role is to '[...] apply, and thus not fundamentally question a valid legal rule at hand, it is part of the scholars' professional business to take a critical, evaluative perspective on their legal system'.[212] This would be especially vital because, as follows from this research, 'bad faith' in EU trade mark law should be considered as a road under construction, meaning one that is in constant progress and development. And it is commonly known that taking the way with construction works on it, usually results in unpredictable turns and unexpected maneuvers. The author of this article identified such possible dysfunctions, and aimed at proposing ideas for solving them. She and all the potential legal scholars who decide to participate in the discussion, can be perceived as the 'actors in the process of building European private law'.[213] The author feels honored that she could participate as the 'builder', and she would like to express her hopefulness for the creation of a steady and clear path towards the overall understanding of 'bad faith', within EU trade mark law, to emerge sooner rather than later.

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212 Nils Jansen (n 71) 243.

213 Ibid.

The Challenge of Balancing Artistic Autonomy and AI Training

– Evaluating the Effectiveness of the Opt-Out Mechanism under Art 4(3) DSM Directive for Artist Protection

Anna Buss

ABSTRACT

The introduction of Article 4 of the DSM Directive was intended to create a commercial exception for text and data mining. The intention behind the article was to foster innovation and to create a legal framework to accommodate this. However, the article is not very well drafted, particularly in relation to the rise of generative AI and the training of AI systems. The article contains a reservation of use clause that allows authorsauthors to opt-out of the use of their works for text and data mining. The absence of an EU standard of opt-out declaration creates certain complications.

The AI Act initially seemed to constitute a promising solution, but the opportunity to eliminate legal uncertainties was not utilised. Instead, there is a high chance of blocking future technological innovations.

1. INTRODUCTION

Since the launch of ChatGPT by OpenAI in November 2022, legal issues in the field of AI have become more relevant than ever.

The special feature of generative AI is that the outputs can hardly be distinguished from human creations. For instance, a canvas print in the style of the Old Masters[1] created by AI was sold for almost half a million dollars at a Christie's auction in 2018.[2]

However, in order to understand how these outputs are produced, one needs to looked into how the AI systems work on the input side.

The interest in these matters is growing rapidly in the legal literature and research. Therefore, there is a great need for legal clarity.

While, authors are calling for bans, remuneration and transparency,[3] AI developers are pointing out that overly strict regulatory requirements could make the EU increasingly unattractive as a business location for development of AI technology.[4]

In order to evaluate the legal framework that is to regulate AI, it is of importance to look into the technical perspectives and understand what is covered by the term AI,

1 The term "Old Master" is used to describe famous European authors who existed between about 1300 and 1800, covering the Early Renaissance to the Romantic period via "Old Masters" (*The Art Story*) <https://www.theartstory.org/definition/old-masters/> accessed on 04 October 2024.

2 *Portrait of Edmond Belamy* (2018) constructed by arts-collective *Obvious*, sold for $432,500 (original estimate of $7,000-$10,000) via Allyssia Alleyne, "A sign of things to come? AI-produced artwork sells for $433K, smashing expectations" (*CNN*, 25 October 2018) <https://edition.cnn.com/style/article/obvious-ai-art-christies-auction-smart-creativity/index.html> accessed on 04 October 2024.

3 The use of copyright protected data was called the largest art heist in history in an open letter written by a coalition of authors, journalists and actors, via "Restrict AI Illustration from Publishing: An Open Letter" (Center for Artistic Inquiry and Reporting, 2 May 2024) <https://artisticinquiry.org/AI-Open-Letter>; Other statements: Initiative Urheberrecht *(Initiative Copyright)* "Ruf nach Schutz vor generativer KI" (Initiative Urheberrecht, 19 April 2023) <https://urheber.info/diskurs/ruf-nach-schutz-vor-generativer-ki>; "Joint statement from authors' and performers' organisations on Artificial Intelligence and the AI Act" (The Federation of European Screen Directors, 9 February 2023) <https://screendirectors.eu/joint-statement-from-authors-and-performers-organisations-on-artificial-intelligence-and-the-ai-act/>; "Our Manifesto for AI companies regulation in Europe" (European Guild for Artificial Intelligence Regulation, 4 November 2023) <https://www.egair.eu/#manifesto>; Matthew Butterick and Joseph Saveri, "We've filed a lawsuit challenging Stable Diffusion, a 21 st-century collage tool that violates the rights of authors" (Image generator litigation) <https://stablediffusionlitigation.com>, all links were accessed on 04 October 2024.

4 Enrico Bonadio, Luke McDonagh, "Artificial intelligence as producer and consumer of copyright works: evaluating the consequences of algorithmic creativity" (2020) 2 IPQ 112.

2. A TECHNICAL AND LEGAL EXAMINATION OF AI TRAINING

2.1 Technical Background

AI is an area of computer science with no universal definition.[5]

It can be said that AI is an umbrella term that encompasses various rule-based computer technologies.[6]

Machine learning describes the learning process of a computer system that teaches the system to identify new patterns in data and to apply this knowledge to new data, as well as to generate new output.[7] Broadly speaking, the learning process entails an algorithm that receives training data, reflecting past knowledge or experience, and generates information usable by other algorithms for tasks like prediction or decision-making.[8] The great capability of the system can be traced back to this artificial neural network. This form of machine learning is called "deep learning".[9] Developing machine learning presupposes the use of a large amount of data that is to be fed into the model during the training process. As an example, Stability AI used the LAION-5B data set, which consists of 5.85 billion links to filtered image-text pairs, for the training of Stable Diffusion.[10]

In order to obtain as much authentic high-value data as possible, the data is taken from the Internet by "web scraping".[11]

Due to the multi-stage process, the question of copyright infringement must be considered both in the context of the collection and storage of data for training purposes (Step 1) and in the storage of information from the data in the neural network (Step 2).

2.2 Reproduction during the Data Collecting (Step 1)

The definition of reproduction given by Article 2 of the InfoSoc Directive implies that reproduction includes any physical act capable of rendering the work directly or indirectly perceptible to the human senses.[12] Consequently, it is irrelevant whether this is done consciously or unconsciously.[13]

It can be concluded that the process of data collecting results in copyright-relevant action which therefore requires consent.

Most developers will not have licenses for the data used for them and therefore the use initially constitutes an infringement of the rights of the rightholders.[14]

2.3 Reproduction in the Neuronal Network (Step 2)

The question of whether storage results in reproduction is currently the subject of controversial debate.

The prevailing opinion is that the storage of information does not result in reproduction.[15] It is argued that neural networks do not contain protected works, but merely information such as patterns or correlations from the training data.

Other voices are convinced that reproduction occurs during storage.[16]

The arguments here relate to the fact that reproduction is technology-neutral. This means that if reproduction is possible, then there is *de facto* reproduction. One of the main arguments is that clever prompts can be used to get the AI to reproduce the protected works under certain circumstances.[17]

The wording of Article 2 of the InfoSoc Directive, which states: "in any way and in any form", speaks in favour of the view that storage occurs. Consequently, this must also include processes that take place in the neural network.[18]

However, this must be countered by the fact that the developers' intention is not to reproduce, but rather that the system should use the information to derive patterns and abstract relationships in order to independently create new things.[19]

5 Ryan Calo, 'Artificial Intelligence Policy: A Primer and Roadmap' (2017) 399, 404.

6 Josef Drexl, Reto Hilty et al., 'Technical Aspects of Artificial Intelligence: An Understanding from an Intellectual Property Law Perspective'(2019) Max Planck Institute for Innovation and Competition Research Paper 19-13, 3 <https://ssrn.com/abstract=3465577> accessed on 04 October 2024.

7 European Commission, Artificial Intelligence for Europe, COM (2018) 237 final, 10.

8 Jyh-An Lee, Reto Hilty, Kung-Chung Liu, 'Artificial Intelligence and Intellectual Property' (2021) Oxford University Press 2021-13, 11 <https://ssrn.com/abstract=3802232> accessed on 04 October 2024.

9 Martin Kretschmer, Thomas Margoni, Pinar Oruç, 'Copyright Law and the Lifecycle of Machine Learning Models' (2024) 55 IIC 110, 114.

10 <https://laion.ai/projects/> accessed on 04 October 2024.

11 Tsaone Swaabow Thapelo et al., 'SASSCAL WebSAPI: A Web Scraping Application Programming Interface to Support Access to SASSCAL's Weather Data' (2021) 20 Data Science Journal <https://datascience.codata.org/articles/10.5334/dsj-2021-024> accessed on 04 October 2024.

12 Directive (EC) 2001/29 of the European Parliament and of the Council of 22 May 2001 on the harmonization of certain aspects of copyright and related rights in the information society.

13 A subjective element is only relevant for the criminal law assessment, see Artur Wandtke, Winfried Bullinger, *Praxiskommentar Urheberrecht* (6th edn, CH Beck 2022) para. 29.

14 Jonathan Pukas, 'KI-Trainingsdaten und erweiterte kollektive Lizenzen – Generierung von Werken als KI-Trainingsdaten auf Basis erweiterter kollektiver'(2023) GRUR 614, 615.

15 Consenting: Benjamin Raue, 'Die geplanten Text und Data Mining-Schranken (§§ 44b und 60d UrhG-E)' (2020) ZUM 172, 173; Benjamin Raue, 'Rechtssicherheit für datengestützte Forschung'(2019) ZUM 684, 686; Andrea Hagemeier, *BeckOK UrhR: § 44b UrhG* (37th edn, CH Beck 2023) para. 1–3; Haimo Schack, 'Schutzgegenstand, „Ausnahmen oder Beschränkungen" des Urheberrechts' (2021) GRUR 904, 905; Niklas Maamar, 'Urheberrechtliche Fragen beim Einsatz von generativen KI-Systemen' (2023) ZUM 481, 483.

16 Dissenting: Haimo Schack, 'Auslesen von Webseiten zu KI-Trainingszwecken als Urheberrechtsverletzung de lege lata et ferenda' (2024) NJW 113, 115.

17 Malte Baumann, 'Generative KI und Urheberrecht – Urheber und Anwender im Spannungsfeld'(2023) NJW 3673, 3674: Researchers have succeeded in getting AI systems to reproduce a novel word for word or to reproduce images identically.

18 Consenting: Paulina Jo Pesch, Rainer Böhme, 'Artpocalypse now? – Generative KI und die Vervielfältigung von Trainingsbildern' (2023) GRUR 997, 999; Marcus von Welser, 'Generative KI und Urheberrechtsschranken' (2023) GRUR 516, 517.

19 Franz Hofmann, 'Retten Schranken Geschäftsmodelle generativer KI-Systeme?' (2024) ZUM 166, 167.

The explicit aim here is not to reproduce, but to create.[20]

A visit to a museum can inspire individuals through exposure to art pieces. If subsequent work is created based on this inspiration that meets the requirements for copyright protection, it constitutes a new copyrighted work. Consequently, there is no infringement of the artist's rights, as copyright law does not protect the right to consume a work for inspiration.[21]

This can also be applied to AI. A computer should be free to break down a work into its individual parts in order to extract information for new art from it.

Information must remain a free good as it is anchored in Article 11 of the Charter of Fundamental Rights.[22] A monopolisation of information would lead to a severe restriction of freedom of expression.

On the other hand, reproduction in the human brain cannot really be compared with the recording of information in a neural network.

AI is a tool and even if the neural network stores the information, one could come to the conclusion that this is a reproduction.

However, it must be taken into account here that Recital 9 of the DSM Directive states that pure data in the form of factual information does not constitute copyright-relevant acts.[23] It is not the protected works themselves that are stored in the trained AI model, but the information obtained from machine learning.[24] This corresponds to the free enjoyment of the work which is secured by Article 13 of the Charter of Fundamental Rights.

Overall, it must be concluded that storage in the neural network does not constitute reproduction.

2.4 Conclusion

The storage of data in neural networks does not constitute an act of reproduction within the meaning of Article 2 of the InfoSoc Directive due to the absence of copyright-relevant actions. Nevertheless, the data collection processes are clearly to be regarded as acts of reproduction.

This result is welcome. On the one hand, it establishes that information and thus the pure enjoyment of a work is freely accessible, while on the other hand, the interests of authors are taken into account. Recognising reproductions in the data collection process ensures that works may not be used without the author's permission. Therefore, the unauthorised use of the data constitutes copyright infringement.

3. THE SCOPE OF ARTICLE 4 OF THE DSM DIRECTIVE

The EU copyright system aims to create a balance between the interests of authors and the general public and users. This is done by recognising that although authors have an exclusive right to their works, their right is not unlimited. Article 3 and Article 4 of the DSM Directive contain exceptions for uses of text and data mining. Article 4 allows TDM in the case of lawfully accessible works that are not subject to a machine-readable reservation of the rights holder.

The aim of the European legislator was to remove legal uncertainty for data analysis and thus strengthen European competitiveness in (digital) markets and thus the EU as a business location.[25] Therefore, Article 4 of the DSM Directive is referred to as the commercial exception.[26]

Although AI is not explicitly mentioned in the DSM Directive, the meaning and purpose of the directive speaks in favour of it being formulated openly and consequently including AI. Any other interpretation would not be coherent and would contradict the legislator's intention, which was to clearly extend the directive to the development of new technologies.

This is supported by the wording of Recital 18, which refers to the further development of new technologies, implying thus the training of AI falls under text and data mining.

Ultimately, Article 53(1)(c) of the AI Act speaks of: "Providers of general purpose AI models shall: [...] put in place a policy to comply with Union law on copyright and related rights, and in particular to identify and comply with, including through state-of-the-art technologies, a reservation of rights expressed pursuant to Article 4(3) of Directive (EU) 2019/790".[27]

Consequently, the training of generative AI falls under the text and data mining exception.

As a result, there is legal legitimation to collect copyright protected works during AI training and create a training corpus from them.

4. THE OPT-OUT MECHANISM UNDER ARTICLE 4(3) OF THE DSM DIRECTIVE AS AN ADEQUATE PROTECTION FOR AUTHORS

The question is whether the opt-out mechanism in Article 4(3) of the DSM is an effective protection for authors. As the provision does not specify exactly how the opt-out

20 Paulina Jo Pesch, Rainer Böhme, 'Artpocalypse now? – Generative KI und die Vervielfältigung von Trainingsbildern' (2023) GRUR 997, 1006.

21 Jonathan Pukas, 'KI-Trainingsdaten und erweiterte kollektive Lizenzen – Generierung von Werken als KI-Trainingsdaten auf Basis erweiterter kollektiver' (2023) GRUR 614, 616.

22 Charter of Fundamental Rights of the European Union, OJ C 326, 26 October 2012.

23 Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market.

24 Katharina de la Durantaye, '»Garbage in, garbage out« – Die Regulierung generativer KI durch Urheberrecht' (2023) ZUM 645, 647.

25 Benjamin Raue, 'Die Freistellung von Datenanalysen durch die neuen Text und Data Mining- Schranken (§§ 44b, 60d UrhG)' (2021) ZUM 793, 794.

26 ibid.

27 Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act).

is to be declared, this question can only be answered by analysing the specific requirements of the provision. This is also necessary in order to identify the weaknesses of the provision in the next step.

Recital 18 of the DSM Directive indicates that the reservation by the rightholder needs to be in an appropriate manner and differentiates between content which has been made publicly available online and other cases.

With regards to content made publicly available online it is only considered appropriate by fulfilling the requirement of machine readability.[28]

The CJEU ruled in *VG Bild-Kunst* that the adoption of effective technological measures within Article 8(1) and (3) of the InfoSoc Directive is necessary.[29]

This is intended to ensure both legal certainty and the functionality of the Internet.[30]

The DSM Directive itself does not specify what machine-readability means. Therefore, this needs to be analysed with different approaches.

4.1 Machine Readability

With regard to the practicability of the opt-out mechanism, many legal scholars have already expressed doubts.[31] The question that arises is how to declare the opt-out effectively.

Article 4(3) of the DSM Directive states that the TDM exception in Article 4(1) of the DSM Directive is subject to a reservation of use by the rightholder, provided that the rightholder has declared it in an appropriate manner. As stated above, the provision refers to a declaration in machine-readable form as appropriate. The reason for this is that automated crawlers are used for data collecting.[32]

However, the term machine-readable is not defined by the directive and only little information about machine-readability is provided. Recital 18 of the DSM Directive states: "to reserve those rights by the use of machine-readable means, including metadata and terms and conditions of a website or a service", meaning that all textual forms of expression are covered.[33] Furthermore, metadata and terms and conditions of a website or a service are mentioned by way of example and not exhaustively. This is emphasised by the "including".

There is also no technical standard for machine readability within the EU yet.

Furthermore, the national legislators have not made use of their possibility to implement a definition into national legislation.[34]

It is therefore necessary to look into what constitutes "machine-readable" outside the DSM Diective

The Cambridge dictionary defines machine-readable as: "(of information or printed text) able to be understood and used by a computer."[35]

This definition is not particularly enlightening, one interpretation could be that Machine-readable could be understood to simply mean a digital expression of the opt-out. Consequently, any written language that can be digitalised would be covered.

Recital 35 of Directive 2019/1024 states:

> A document should be considered to be in a machine-readable format if it is in a file format that is structured in such a way that software applications can easily identify, recognise and extract specific data from it. Data encoded in files that are structured in a machine-readable format should be considered to be machine-readable data. A machine-readable format can be open or proprietary. They can be formal standards or not. Documents encoded in a file format that limits automatic processing, because the data cannot, or cannot easily, be extracted from them, should not be considered to be in a machine-readable format. Member States should, where possible and appropriate, encourage the use of a Union or internationally recognised open, machine-readable format.[36]

Consequently, machine-readable in this context would cover a declaration which is readable for a computer system. Accordingly, machine-readability is only given in the case that the declaration is technical-coded and as a result machine executable.[37]

Recital 35 informs that there is currently no standard for machine readability, emphasising that Member States should use a standard recognised in the Union or internationally. However, the standard does not explicitly advocate a specific standard but simply requires the use of a declaration in machine readable form. Therefore, different Union-wide recognised standards need to be investigated.

28 Eleonora Rosati, *Copyright in the Digital Single Market, Article-by-Article Commentary to the Provisions of Directive 2019/790* (OUP 2021) 89.

29 Judgment of the Court (Grand Chamber) of 9 March 2021, *VG Bild Kunst*, C-392/19, ECLI:EU:C:2021:181.

30 Eleonora Rosati, *Copyright in the Digital Single Market, Article-by-Article Commentary to the Provisions of Directive 2019/790* (OUP 2021) 90.

31 Doubting: Niklas Maamar, 'Urheberrechtliche Fragen beim Einsatz von generativen KI-Systemen'(2023) ZUM 481, 484; Marcus von Welser, 'Generative KI und Urheberrechtsschranken' (2023) GRUR 516, 519.

32 Malte Baumann, 'Generative KI und Urheberrecht – Urheber und Anwender im Spannungsfeld' (2023) NJW 3673, 3675.

33 Benjamin Raue, 'Die Freistellung von Datenanalysen durch die neuen Text und Data Mining- Schranken (§§ 44b, 60d UrhG)'(2021) ZUM 793, 795.

34 No member state has implemented a definition of machine-readability into their national transformation of the DSM Directive.

35 <https://dictionary.cambridge.org/dictionary/english/machine-readable> accessed on 04 October 2024.

36 Directive (EU) 2019/1024 European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information.

37 Malek Barudi, *Das neue Urheberrecht* (1 st edn, Nomos 2021) para. 14.

4.2 Different Concepts to Declare the Opt-Out in a Machine Readable Form

In the following, three different approaches to opt-out declaration in machine readable form are investigated and evaluated.

4.2.1 Declaring the Reservation of TDM Rights through Terms and Conditions

In Recital 18 of the DSM Directive it is stated that: "it should only be considered appropriate to reserve those rights by the use of machine-readable means, including metadata and terms and conditions of a website or a service".

This suggests that opting out may be considered effective if the rightholders reserve their rights in the terms and conditions of a website. However, this overlooks the fact that a website user is not necessarily bound by the terms and conditions or user agreements stored on a website. Furthermore, a declaration in written language is likely not in a machine-readable form as there is no standardized wording that an automated system can verify, and it is unclear which language should be used.

As discussed in Recital 35 of Directive 2019/1024, it can be inferred that "machine-readable" within this context refers specifically to information encoded in computer language that can be processed by automated crawlers. Finally, it is also important to mention that a general reservation such as "all rights reserved" should not be sufficient, as Article 4(3) DSM Directive speaks of an explicit reservation.[38]

4.2.2 Declaring the Reservation of TDM Rights through Robots.txt

Another current practice is the use of so-called robots.txt files.[39]

The robots exclusion standard allows website operators, including search engines such as Google, to recognise whether they are allowed to index the content and display it to their users.[40]

The instruction to exclude a crawler from a website could look like this:

User-agent: *
Disallow: /

However, this has certain disadvantages. Currently, the robots.txt files cannot recognise TDM declarations.[41] In the absence of a TDM declaration, this would not be an explicit reservation, but only an implied reservation, which is not sufficient under the wording of the law.

Another problem is that the use of the robots.txt file can lead to the reserved works no longer appearing in search engines.

This outcome is not desirable, especially since commercial authors rely on being easily discoverable through conventional search engines. A reservation of use in accordance with Article 4(3) of the DSM Directive should not lead to unequal treatment compared to other uses, especially not when displayed as a search engine result. There is therefore a tension between the reservation of use and the interest in being found and listed by search engines. Moreover, it does not align with the legislative intent.[42] However, exceptions can be formulated in the robots.txt file.[43] This means that individual crawlers can be excluded. This can prevent from no longer being listed by the search engine crawlers.

4.2.3 Declaring the Reservation of TDM Rights through TDM Reservation Protocol

This is a proposal by the World Wide Web Consortium in response to a missing definition of machine readability in the DSM Directive.[44]

The objective of this protocol is to enable a rights holder to express their preferences regarding text and data mining of web resources under their control. This facilitates recipients of such declarations to modify their scraping practices accordingly or to negotiate a separate agreement with the rights holder that accommodates all involved parties.[45]

The protocol specifies that the reservation of use is defined as a variable that is assigned the value 0 or 1 by the rights holder. This reservation is already implemented in the HTML source code.

However, the TDM Reservation Protocol is currently still a draft and not an official standard.[46]

4.2.4 Conclusion

Even if certain approaches already exist, they are not mandatory for operators as they are not legally binding.

There remains significant legal uncertainty regarding declaring effectively a reservation of use. Consequently, it is common practice for rights holders to employ multiple standard methods for declaring such reservations concurrently and therefore there is presently often a parallel

38 Martin Ebers, Christian A. Heinze, Björn Steinrötter, *Künstliche Intelligenz und Robotik* (1 st edn, CH. Beck 2020) para. 31.

39 Niklas Maamar, 'Urheberrechtliche Fragen beim Einsatz von generativen KI-Systemen' (2023) ZUM 481, 484.

40 Ian Peacock, 'Showing Robots the Door, What is Robots Exclusion Protocol?' (1998) <https://ariadne.hosting.lboro.ac.uk/issue/15/robots/> accessed on 04 October 2024.

41 Niklas Maamar, 'Urheberrechtliche Fragen beim Einsatz von generativen KI-Systemen' (2023) ZUM 481, 484.

42 Recital 18 of the DSM Directive:" Other uses should not be affected by the reservation of rights for the purposes of text and data mining."

43 David Bomhard, *BeckOK UrhR: UrhG § 44b* (41 st edn, CH. Beck 2024) para. 34.

44 <https://www.w3.org/community/reports/tdmrep/CG-FINAL-tdmrep-20240202/> accessed on 04 October 2024.

45 ibid.

46 The W3C states on their website: "This specification was published by the Text and Data Mining Reservation Protocol Community Group. It is not a W3C Standard nor is it on the W3C Standards Track." <https://www.w3.org/community/reports/tdmrep/CG-FINAL-tdmrep-20240202/> accessed on 04 October 2024.

use of declaring the opt-out in natural language, through robots.txt, as well as through the TDM Reservation Protocol.[47] This is due to the continuing high level of uncertainty among rightholders regarding on how to effectively protect themselves.

It also shows how inefficient the declaration of the opt-out currently is due to the lack of an EU standard.

Introducing an EU standard that is comprehensible and readily accessible is therefore crucial. This would eliminate one of the greatest weaknesses of Article 4(3) of the DSM Directive and lead to an increased legal certainty. The TDM Reservation Protocol is a promising concept in this regard.

To conclude, it would be desirable to see further development by 2026 so that it can be incorporated into the DSM Directive as a common EU standard.

The necessity to declare the opt-out in machine-readable form represents a significant obstacle to the effective application of Article 4(3) of the DSM Directive, as the declaration of the opt-out is inherently associated with considerable uncertainties.

4.3 Lawful Accessibility

Article 4(3) of the DSM Directive states that in order to claim the TDM exception, the content must be "made publicly available online".

Recital 14 of the DSM Directive clarifies that the work must be lawfully accessible. It defines it more clearly regarding cultural heritage institutions and research organizations as "content based on an open access policy or through contractual arrangements", but broadens the scope in the fourth and final sentence of the Recital by stating: "Lawful access should also cover access to content that is freely available online."

The DSM Directive thus only refers to lawful access to the work, but not explicitly to the lawfulness of making the work available.[48] This means that as long as the rightholder does not place his works behind a login or paywall barrier, lawful access can be assumed.[49]

This is where the next problem of effectiveness arises, as training with online piracy sites[50] remains theoretically permitted. Nevertheless, rightholders do not have the ability to opt-out of such platforms, leaving the opt-out mechanism ineffective.[51] The question arises as to whether and how this complexity can be addressed.

Firstly, it might doubtful whether the Directive needs to be amended in the first place.

It can be argued that the requirement is only logical.[52] As analysed, the legislator wanted to promote innovation and thus create legal certainty with creating the TDM exception.

Evidently, the interests of developers were prioritised over the interests of rightholders.

This encounters certain confusion.[53]

For instance, it should not be possible to invoke the TDM exception in the case of obviously illegal websites. Our constitutional state cannot afford to favour an exception via the diversions of illegality. This would contradict a central pillar of European law: the rule of law.

Article 2 TEU[54] states: "The Union is founded on the values of the (...) rule of law (...)".

It is therefore questionable whether the wording in Recital 14 s. 2 is not an editorial mistake by the legislator.[55]

A clear answer cannot be given here, especially as the construct of editorial mistake by the legislator is shaky. However, it is clear that it would make sense to add to Recital 14 that obviously unlawful sources should be excluded from automated data collection. Given the current state of technology, the exclusion of explicitly unlawful pages is possible.[56]

Should there now be calls for important leaked protected subject matter, particularly in the context of journalistic activities, reference should be made to an interpretation in conformity with fundamental rights (Article 11 (2) CFR; Article 10 ECHR), which includes such protected subject matter in the scope of the text and data mining exception that is made accessible by third parties and in the content of which there is a legitimate interest in information that cannot be satisfied in any other way.[57]

This would only minimally interfere with the legislator's aim to foster innovate. In any case, it is questionable to what extent piracy sites can be conducive to innovation, considering that they inhibit innovation by weakening the financial basis of the creative industries, hindering investment, impairing legal markets and infringing intellectual property.

The minimal intervention on the part of developers is offset by a significant improvement in the protection of rightholders. A supplementary amendment or adaptation of the wording would therefore be essential to improve the effectiveness of Article 4 (3) of the DSM Directive.

47 David Bomhard, *BeckOK UrhR: UrhG § 44b* (41 st edn, CH. Beck 2024) para. 38.

48 Thomas Dreier, Gernot Schulze, *Urheberrechtsgesetz: UrhG, § 44b UrhG* (7th edn, CH. Beck 2022) para. 8.

49 Marcus von Welser, 'Generative KI und Urheberrechtsschranken' (2023) GRUR 516, 518; Malte Baumann, 'Generative KI und Urheberrecht – Urheber und Anwender im Spannungsfeld' (2023) NJW 3673, 3675.

50 In this context online piracy sites refer to "The illegal reproduction and distribution of copyrighted material on the Web" <https://www.pcmag.com/encyclopedia/term/internet-piracy> accessed on 04 October 2024.

51 Marcus von Welser, 'Generative KI und Urheberrechtsschranken' (2023) GRUR 516, 519.

52 David Bomhard, *BeckOK UrhR: UrhG § 44b* (41 st edn, CH. Beck 2024) para. 19.

53 Among others: Niklas Maamar, 'Urheberrechtliche Fragen beim Einsatz von generativen KI-Systemen' (2023) ZUM 481, 485; Malte Baumann, 'Generative KI und Urheberrecht – Urheber und Anwender im Spannungsfeld' (2023) NJW 3673, 3675.

54 Consolidated versions of the Treaty on European Union and the Treaty on the Functioning of the European Union 2012/C 326/01.

55 *Redaktionsversehen*, BVerwG (German Feder Administrative Court), I B 66.64.

56 Malte Baumann, 'Generative KI und Urheberrecht – Urheber und Anwender im Spannungsfeld' (2023) NJW 3673, 3675.

57 Benjamin Raue, 'Die Freistellung von Datenanalysen durch die neuen Text und Data Mining- Schranken (§§ 44b, 60d UrhG)' (2021) ZUM 793, 796.

4.4 Conclusion

At first glance, Article 4(3) of the DSM Directive appears to create a balance between the beneficiaries of the exception and the authors through the opt-out mechanism.

However, this impression proves to be deceptive. Although the intention behind the exception is laudable and offers theoretical the possibility for rightholders to protect both their economic and moral interests in their works, the reality reveals a different picture.

The opt-out mechanism proves to be insufficient for several reasons: there is a lack of a harmonised EU standard for machine-readability to adequately declare the opt-out and the weakness behind the criterion of "lawful accessibility" undermines the whole mechanism.

Furthermore, there is a lack of effective control mechanisms to monitor compliance with the opt-out mechanism and the problems of enforcing rights on the internet, in particular due to the principle of lex loci protectionis in Article 8(1) Rome II, remain.[58]

The question of the adequacy of protection for authors under the current form of Article 4(3) of the DSM Directive can be answered in the negative.

5. THE IMPORTANCE OF CHANGE

5.1 A Pessimistic Outlook for the Future

In recent times, authors have begun to articulate their concerns regarding their perception of AI systems and its developers.[59] They fear AI for various reasons, mainly due to its impact on their creative integrity, livelihood, and artistic rights. There is the fear of losing creative control.

Authors are concerned that AI systems could imitate or even reproduce their individual styles and techniques, leading to a loss of creative uniqueness and control over their work.

Further there is a concern regarding the economic impact.

The use of AI to create artworks may have an impact on the market for original artworks. Reproducible AI-generated artworks is potentially cheaper and more readily available.

Authors fear that this could potentially devalue the work behind it, and therefore their work, and cause them to lose competition with AI in the marketplace.

Authors are also concerned that their work will be used without proper credit and compensation, especially by AI developers and companies using these technologies.

In addition to the economic reasons, there is also an ideological controversy about the use of AI in art: the loss of authenticity and originality. While AI can create aesthetically pleasing works of art, some authors argue that they lack the emotional depth, personal experience and artistic expression of human creativity. The fear is that AI artwork could be seen as equal or even superior, leading to a loss of authenticity and originality in art. This would be a major step backwards for our cultural life.

But there are also questions of ethics, especially the control of technology.

Authors are concerned with the ethical issues surrounding the use of AI in art. The idea that algorithms and data about their work could be used to train or improve AI models raises issues of control, privacy and potential manipulation.

There are concerns among authors that AI could threaten their creative freedom, viability and artistic rights. It is crucial to address these concerns and take the necessary measures to protect the integrity and rights of authors in an increasingly digital world.

As individuals feel powerless against AI, researchers have resorted to innovative ways to outsmart it.

Professor Ben Zhao and his research team at the University of Chicago have developed two tools, Glaze and Nightshade, to protect authors from unwittingly contributing their work to AI training data.[60]

Nightshade manipulates pixels in a way that is imperceptible to humans, but can influence the AI training process by injecting poisoned data into the system, much like a Trojan horse. Manipulated examples can gradually (negatively) influence the entire model.[61]

Data poisoning can lead to the training data being changed in such a way that the model identifies the image of a cow as a horse, for example. Style manipulation is also conceivable, for example the interpretation of an impressionist work as cubist. This can lead to the model delivering inadequate results.[62]

Due to the large amount of training data entered, it is practically impossible for the developers to identify and delete the poisoned data.[63]

It is unfortunate that such drastic measures have to be taken. However, the researchers hope that Nightshade will not only act as a deterrent to AI companies, but also help to strengthen authors' rights and promote a more respectful treatment of their work by putting authors in a stronger position to negotiate with developers.

58 Regulation (EC) No 864/2007 of the European Parliament and of the Council of 11 July 2007 on the law applicable to non-contractual obligations (Rome II).

59 Martin Perhiniak (graphic designer) interviews several authors including Jon Lam, Patrick Brown, Steven Zapata in his documentary " AI vs Authors – The Biggest Art Heist in History "published on his YouTube Chanel <https://www.youtube.com/watch?v=ZJ59g4PV1AE> accessed 04 October 2024.

60 Shawn Shan, Wenxin Ding, Josephine Passananti, Stanley Wu, Haitao Zheng, Ben Y. Zhao, 'Prompt-Specific Poisoning Attacks on Text-to-Image Generative Models' <https://arxiv.org/abs/2310.13828> accessed on 04 October 2024.

61 Melissa Heikkilä, This new Data Poisoning Tool Lets Authors Fight Back Against Generative AI' (2023), MIT Technology Review <https://www.technologyreview.com/2023/10/23/1082189/data-poisoning-authors-fight-generative-ai/> accessed on 04 October 2024.

62 James Thorpe, 'What is Data Poisoning & Why Should You Be Concerned?' (2021), International Security Journal <https://internationalsecurityjournal.com/data-poisoning/> accessed on 04 October 2024.

63 Patrick K. Lin, 'Can This Data Poisoning Tool Help Authors Protect Their Work from AI Scraping?' (2023) Center for art law <https://itsartlaw.org/2023/11/21/can-this-data-poisoning-tool-help-authors-protect-their-work-from-ai-scraping/> accessed on 04 October 2024.

The resistance within the arts industry shows how deeply rooted concerns are about the growing role of AI in creative fields. It highlights a central theme in the current debate about technology and the arts: the importance of preserving humanity and authenticity in an increasingly digital world.

If the opt-out mechanism is not adapted, a bleak picture for the future could be that mechanisms such as Glaze or Nightshade will become authors' preferred means of avoiding scraping, with the consequence that developers will no longer be able to adequately train their AI systems. Consequently, this would also have a negative impact on developers and their AI models, as they are highly dependent on the authenticity and quality of the training data. The risk of "garbage in, garbage out" is undeniable.[64]

Current legal norms are seen by some as too hostile to developers and too copyright-friendly.[65] However, it is clear that the ability of AI to imitate or reproduce artistic works poses new challenges to the integrity and rights of authors.

Resistance to AI in the art community is undeniable, as evidenced by ongoing court cases and the development of tools such as Glaze and Nightshade. These tools are designed to protect authors from unwanted participation in AI training processes and to preserve the integrity of their work. The need for such measures highlights the importance of striking the right balance between technological progress and the protection of artistic rights.

It is essential that legislation such as Article 4(3) of the DSM Directive is adapted accordingly to meet the needs of both authors and developers. This requires close cooperation between legislators, technology companies and their developers, and authors. Mechanisms need to be developed that respect the rights and creative expression of authors while fostering innovation and progress in AI technology.

Overall, the discussion on the role of AI in the arts highlights the need to preserve humanity and authenticity in an increasingly digital world. The development and use of AI should aim to support and enhance creative work without compromising the integrity and rights of authors.

5.2 Forecast: AI Act – Needed Change or Insufficient Block of Innovation?

It is the responsibility of legislators to create a legal framework that ensures a fair balance between developers and authors.

This may not be a utopia in an uncertain future, but an imminent reality due to the AI Act.

Article 53(1)(c) of the AI Act contains the obligation for providers to comply with European copyright law by stating: "put in place a policy to comply with Union law on copyright and related rights, and in particular to identify and comply with, including through state-of-the-art technologies, a reservation of rights expressed pursuant to Article 4(3) of Directive (EU) 2019/790".

While pleasantly, Article 4(3) of the DSM Directive and the opt-out mechanism are explicitly mentioned here, unfortunately, the AI Act fails to define machine readability.

This means that one of the major weaknesses of Article 4(3) of the DSM Directive – the effective declaration of a reservation of use – remains.

Further, Article 53(1) requires providers to "(a) draw up and keep up-to-date the technical documentation of the model, including its training and testing process and the results of its evaluation, which shall contain, at a minimum, the information set out in Annex XI for the purpose of providing it, upon request, to the AI Office and the national competent authorities; (b) draw up, keep up-to-date and make available information and documentation to providers of AI systems who intend to integrate the general-purpose AI model into their AI systems. Without prejudice to the need to observe and protect intellectual property rights and confidential business information or trade secrets in accordance with Union and national law, the information and documentation shall:(i) enable providers of AI systems to have a good understanding of the capabilities and limitations of the general-purpose AI model and to comply with their obligations pursuant to this Regulation; and (ii) contain, at a minimum, the elements set out in Annex XII".

It would have been desirable if companies had been obliged to produce detailed summaries in order to create more transparency with regard to training data. However, the high value of trade secrets must be taken into account here. Ultimately, however, confidentiality and transparency are logically mutually exclusive. The legislator has tried to strike a fair balance between the parties here, but the result is an unclear middle ground that does not significantly improve the situation for authors.

However, there is a possible clarification with regard to the tension with the "country-of-origin"-principle in Article 8 II Rome-Regulation and Article 4(3) DSM Directive: Recital 106 of the AI Act states that EU copyright law must be respected in other non-EU countries by saying: "Any provider placing a general-purpose AI model on the Union market should comply with this obligation, regardless of the jurisdiction in which the copyright-relevant acts underpinning the training of those general-purpose AI models take place."

In theory, this makes the EU an attractive location for potential developers, as operating within the EU provides a clear legal framework and therefore legal certainty.

In practice, the prognosis seems rather pessimistic.

An import ban on technologies in the digital age is much more difficult to enforce in practice, as the "goods" are not physically imported by ship or plane, but rather unnoticed via the internet.[66] Comprehensive monitoring of internet traffic would fall within the remit of EU cus-

64 Katharina de la Durantaye, '»Garbage in, garbage out« – Die Regulierung generativer KI durch Urheberrecht' (2023) ZUM 645, 660.

65 ibid.

66 David Bomhard, Jonas Siglmüller, 'AI Act – das Trilogergebnis' (2024) RDi 45, 46.

toms authorities.[67] There might be also potential constitutional problems with such comprehensive monitoring. For instance, this could violate the protection of personal data (Article 8 CFREU) and the freedom of expression and information (Article 11 CFREU).

Taking this into account, the "import ban" is theoretical good, but the future will show if it is practical and applicable to the "real world".

5.3 Conclusion

It should be noted that the AI Act is one of the first of its kind in the world.[68] The EU has created a legal framework for an important current and future topic relatively quickly. In view of the usually lengthy legislative procedures, this is a positive development.[69]

However, the negative aspects outweigh the positives.

The AI Act is not optimal due to its high level of detail and complexity. This can be seen in the following: while the first draft was 100 pages long, the final draft grew to over 400 pages. Such a detailed legal framework contains the risk that future innovations will be over-regulated. This in its turn is contrary to promoting innovation and the goal of "boosting innovation" as announced in Recital 2. While in the past many processes in the EU were often slow and inefficient due to bureaucracy, it would have been desirable for the AI Act to be less bureaucratic. Unfortunately, it is already failing due to the narrow regulatory framework.

It cannot be assumed that the necessary deep technical understanding is available among the officials involved.[70] Unfortunately, due to its theoretical complexity, the AI Act represents a missed opportunity to promote AI innovation in an appropriate way. It will be interesting to see how it is accepted in practice.

As a result, although in theory an obligation to comply with EU-copyright law and especially with respecting the opt-out is created and an attempt is made to solve the problem of the "country of origin"- principle, in practice this is not very promising.

Without an EU standard for machine readability Article 4(3) of the DSM Directive does not provide adequate protection for authors.

Copyright is indeed a special right for humankind. Its objects are the foundation of our culture. Culture encompasses the entirety of the intellectual, artistic and creative achievements of a community as an expression of human development.[71]

However, the economic aspects should not be underestimated. In modern society, culture has an important economic influence, which can be seen in the entire creative industry landscape. In addition to aesthetic aspects, the visual arts are also essential for a sense of identity and belonging. Both on the part of the authors and on the part of the consumers.

Culture is therefore not only a factor that enriches everyday life, but also an essential component of the development of our society as a whole.

As this article illustrates, there is a growing concern among a number of stakeholders that the rise of AI, and in particular generative AI, poses a threat to the appreciation and further development of cultural assets and the continued existence of cultural life as a whole. In this context, many authors are complaining that their creative output is being devalued by AI. It is therefore essential that intellectual property is adequately protected to the same extent as tangible property.

However, it should be noted that the creative industry has already been repeatedly exposed to technological innovation in the past. The introduction of the camera at the beginning of the 20th century initially posed a threat to the art industry.[72] Over time, however, photography established itself as a significant branch within the art industry.[73] This makes it clear that the application of AI does not necessarily offer great potential for the technology industry, but also for creators who can make use of this new technical tool.

Another current example can be found in the music and film industry. The introduction of online streaming services has presented the music and film industry with new challenges. However, it is evident that these industries have capitalised on the developments with the introduction of streaming services such as Netflix, Apple Music and Spotify.

This demonstrates that the perceived novel dangers associated with generative AI are, in fact, not a recent phenomenon. They are merely happening at an accelerated pace.

As a consequence, it can be stated that AI does not jeopardise our cultural assets and their continued existence or further development.

However, the interests of authors must also be taken into account in such innovations.

Authors are not remunerated for the creative process of their works, but only for the actual utilisation of their work. This ensures that their own income and livelihood

67 ibid.

68 The US is currently working on a AI bill of rights, to see latest development: <https://www.whitehouse.gov/ostp/ai-bill-of-rights/> accessed on 04 October 2024; China has regulations on AI since 2021 <https://carnegieendowment.org/2023/07/10/china-s-ai-regulations-and-how-they-get-made-pub-90117> accessed on 04 October 2024.

69 As mentioned above: This is particularly evident in the 18-year gap between the InfoSoc Directive (2001) and the DSM Directive (2019).

70 David Bomhard, Jonas Siglmüller, 'AI Act – das Trilogergebnis' (2024) RDi 45, 54.

71 John J. Macionis, Linda M. Gerber, *Sociology* (7th edn, PPH 2011) 53.

72 Anthony W. Lee, 'AI or No, It's Always Too Soon to Sound the Death Knell of Art' (2022) <https://www.wired.com/story/art-history-photography-painting-dalle-ai/> accessed on 04 October 2024.

73 This can be seen from the fact that total sales in the photo & video market amounted to around € 11.16 billion in 2022. According to the market forecast, a market volume of € 16.81 billion will be reached in 2027; this corresponds to expected annual sales growth of 9.37% (CAGR 2022–2027). This is only the service sector <https://de.statista.com/outlook/amo/app/foto-video/weltweit>; On the art market, photography has at least a comparable value, for example the photograph "Rhein II" by Andreas Gursky was auctioned for 4.3 million euros <https://design-lovr.de/magazin/fotografie/fotografie-rhein-ii-gursky/> both sources were accessed on 04 October 2024.

are secured. The use of works for AI training purposes constitutes such use. It is therefore only logical that authors should be remunerated accordingly.

There is currently no suitable, EU-wide technical standard for an adequate declaration of the opt-out mechanism. However, this is not an impossible hurdle. A first step would be the introduction of a standardised reservation of use to make the opt-out mechanism practicable feasible.

Although the AI Act provides some clarity, it generally represents a missed opportunity to both promote innovation and adequately protect authors. De facto, authors are currently defenceless against AI developers.

This entails the risk for authors will hide their works behind paywalls in the future, which could lead to a decline in the quality of AI training data in the next step. This situation would undesirable for both sides. It is crucial to establish trust and transparency between the two sides. In the course of the research, it became apparent that a significant number of authors have a negative attitude towards AI, as they fear the loss of human creativity and their work. However, this point of view must be countered by the fact that artificial "creativity" will never come close to human creativity. Instead, it is dependent on it. Without human authors, technical "authors" would not be able to develop further.

In conclusion, it can be stated that Article 4(3) of the DSM Directive does not provide sufficient protection for authors.

Furthermore, in its current version, no balance between the interests of authors and developers can be recognised.

It is to be hoped that the DSM Directive will be re-evaluated adequately in 2026[74] so that the legislator can build a bridge between authors and developers.

The aim should be to use the legal framework to create a world that allows AI and human creativity to co-exist in harmony.

Anna Buss

Anna recently completed her LL.M. in European Intellectual Property Law at Stockholm University, where she dedicated her thesis to examining Article 4(3) of the DSM Directive and its effectiveness (or lack thereof) in protecting artists against the use of their works as AI training data. Previously, she studied law at the University of Mannheim (Germany), graduating with the First Examination in Law. Anna has a particular interest in art law and its further development, especially in the light of the rise of artificial intelligence. She will be starting her legal clerkship in Wiesbaden in November.

74 cf. Article 30 of the DSM Directive.

The Requirements of Art. 3(a) and (c) SPC Regulation and Post-grant Amended Patents

Anna Hofmann

ABSTRACT

SPCs are linked to a basic patent and presuppose the existence of such a patent. The requirements for the grant of an SPC in Art. 3(a) and (c) SPC Regulation depend on the basic patent and its content. However, patents can be amended, even after they have been granted. It is conceivable that a patent amendment could influence the assessment of these requirements and thus the granting or validity of an SPC. This issue is the subject of this contribution. It is approached by first analysing the requirements for the grant of an SPC in Art. 3(a) and (c) SPC Regulation, in particular their interpretation by the CJEU, as well as the procedural and substantive requirements for a patent amendment. Based on this, the interaction between these two areas of law is examined, recognising that there are similarities. Different potential scenarios are discussed with the result that the requirements for the grant of an SPC in Art. 3(a) and (c) SPC Regulation, in their current interpretation by the CJEU, are suitable to withstand a patent amendment and cannot be circumvented by such an amendment.

1. INTRODUCTION

The existence of a basic patent is a requirement for the grant of a supplementary protection certificate (SPC). The assessment of the requirements in Art. 3(a) and (c) of the Regulation (EC) No 469/2009[1] depends on the basic patent and its content. On the other hand, patent holders are allowed to amend their patents, also after they have been granted. Such a post-grant amendment can influence the assessment of Art. 3 SPC Regulation. It may be possible to circumvent the requirements for the grant of an SPC by a patent amendment. This could be a basis for evergreening strategies. This contribution addresses the question of whether such a risk exists and what an appropriate approach to amended European patents in the context of SPCs for medicinal products is.

The issue has not yet been addressed in the legislation or by case law.[2] The question was referred to the CJEU in *Actavis II*, but was not answered. In the underlying case, the company Boehringer applied for an SPC and received a suggestion from the UK IPO to amend its basic patent in order to qualify for an SPC. The patent was amended as suggested and an SPC was subsequently granted.[3]

In the following, the case law of the CJEU and its interpretation of the requirement in Art. 3(a) SPC Regulation [II] and the requirement in Art. 3(c) SPC Regulation [III] will be analysed. The interpretation by the CJEU is of special importance because the substantive provisions of the legislation correspond almost completely to the initial SPC Regulation, Regulation (EEC) No 1768/92[4], and are therefore over thirty years old. In addition to general criticism of the terms and text of the regulation[5], the phar-

1 Regulation (EC) No 469/2009 of the European Parliament and of the Council of 6 May 2009 concerning the supplementary protection certificate for medicinal products (Codified version), [2009] OJ L 152/1, as last amended by Regulation (EU) 2019/933 of 20 May 2019, [2019] OJ L 153/1 (hereinafter: SPC Regulation).

2 Cf. Frantzeska Papadopoulou, *Evergreening Patent Exclusivity in Pharmaceutical Products: Supplementary Protection Certificates, Orphan Drugs, Paediatric Extensions and ATMPs* (Hart Publishing 2021) 95–96; Frantzeska Papadopoulou, "Twenty Years of SPC Case Law: A Long Way to Go in the Quest for Clarity" in Hayleigh Bosher and Eleonora Rosati (eds), *Developments and Directions in Intellectual Property Law* (Oxford University Press 2023) 584. See also Christopher Hayes, "An Innovative Decision on Supplementary Protection Certificates for Combination Products?: Actavis Group PTC EHF & Actavis UK Ltd v Boehringer Ingelheim Pharma GmbH & Co KG, Case C-577/13, Court of Justice of the European Union, ECLI:EU:C:2015:165, 15 March 2015" (2015) 10 JIPLP 502, 504.

3 Judgement of 12 March 2015, *Actavis Group PTC and Actavis UK*, C-577/13, EU:C:2015:165 (hereinafter: *Actavis II*), paragraphs 9–24; 41.

4 Council Regulation (EEC) No 1768/92 of 18 June 1992 concerning the creation of a supplementary protection certificate for medicinal products, 1992 OJ L182/1 (hereinafter: initial SPC Regulation).

5 Frantzeska Papadopoulou, "Supplementary Protection Certificates: Still a Grey Area?" (2016) 11 JIPLP 372, 380; Frantzeska Papadopoulou 2021 (n 2) 133; Frantzeska Papadopoulou 2023 (n 2) 590; Gareth Morgan, Natalie Coan and Tom Errington, "Intellectual Property Rights and Medicines" in Peter Feldschreiber (ed), *The Law and Regulation of Medicines and Medical Devices* (Oxford University Press 2021) para 13.80; Verna Vesanen, "Has the Court of Justice of the EU Clarified for Once

maceutical sector has changed significantly during this period. Not only has technology evolved, but attitudes towards generic companies have also changed.[6] However, the judgements are not always stringent and are sometimes open to different interpretations and were criticised for this.[7] It can be said that the case law is still developing.[8]

The procedural and substantive requirements for post-grant patent amendments are displayed [IV] and the interaction between the requirements for the grant of an SPC and the requirements for patent amendments are considered. Potential circumvention scenarios are presented and discussed [V]. Conclusions and an outlook with regard to the proposal of a new regulation by the European Commission are the subject matter of section VI.

2. PROTECTED BY A BASIC PATENT IN FORCE, ART. 3(A) SPC REGULATION

2.1 Nature of SPCs and Purposes of the SPC Regulation

SPCs for medicinal products are based on Regulation (EC) No 469/2009. They are independent *sui generis* intellectual property rights. Independent in this sense means that the term of patent protection is not extended, but that they are formally separate rights. Nevertheless, the SPC is an ancillary right, requiring the existence of a patent for a medicinal product and a corresponding marketing authorisation in order to be granted. Even so the legislative background is a regulation, unlike other intellectual property rights, SPCs are currently not granted by a centralised European Union office. The right is applied for at and granted by a national authority. The territory of protection is therefore limited to the respective Member State. Also, revocation and enforcement actions take place on a national level.[9]

Art. 3 SPC Regulation presents four cumulative requirements for obtaining an SPC.[10] The product must be covered by a basic patent (a) and a marketing authorisation (b). It must not have been the subject of an SPC before (c) and the marketing authorisation must be the first for the product (d). The purposes behind the SPC Regulation can be discerned from its recitals and from the Explanatory Memorandum attached to the proposal of the initial SPC Regulation. The main objectives pursued with the regulation are the functioning of the internal market, the encouragement of research and development in the health sector and the improvement of the international competitiveness of the European Union.[11]

2.2 General Remarks on Art. 3(a) SPC Regulation

Art. 3(a) SPC Regulation requires the product to be protected by a basic patent in force. The paragraph therefore focuses on the patent. The term "basic patent" is further clarified in the SPC Regulation in Article 1(c). It is defined as a patent which protects a product as such, a process to obtain a product or an application of a product and which is designated by the patent holder for the purpose of the procedure for the grant of an SPC. The product must be protected by a basic patent and the basic patent must be in force. Only the first sub-requirement is related to the wording of the patent and is therefore relevant with regard to patent amendments and thus in the context of this contribution. The application of Art. 3(a) SPC Regulation has proven to be problematic, particularly because of the uncertain meaning of the term "protected". It is or was unclear whether the term is a reference to patent law or a concept of the SPC legislation and how it is to be understood.[12]

2.3 Rules Governing the Basic Patent

In the case *Farmitalia*, the CJEU was asked for the criteria relevant for determining whether or not a product is protected by a basic patent. The CJEU ruled that in this context "reference must be made to the rules which govern that patent".[13] The court argued that patent law is not harmonised in the European Union.[14] Therefore, the determination of the extent of protection of a patent has to rely on non-EU rules which govern the patent.[15]

The CJEU developed this finding further in the judgement *Eli Lilly*. The court added that the Unified Patent Package does not change that there is no EU-harmonisation regarding patent law.[16] It also clarified which these "rules governing patents" are. Relevant are the rules on the

and for All the Law on Supplementary Protection Certificates?" (2017) 39 EIPR 42, 48.

6 Frantzeska Papadopoulou 2016 (n 5) 381; Frantzeska Papadopoulou 2021 (n 2) 135; Frantzeska Papadopoulou 2023 (n 2) 589–590.

7 Verna Vesanen (n 5) 48.

8 Frantzeska Papadopoulou 2021 (n 2) 131–132; Frantzeska Papadopoulou 2023 (n 2) 589. There are currently two new cases pending before the CJEU, mainly concerning the interpretation of Art. 3(a) and (c) SPC Regulation. One is a referral from the Finish Markkinaoikeus (*Teva and Teva Finland*, C-119/22) and the other a referral from the Irish Supreme Court (*Merck Sharp & Dohme, C-149/22*).

9 Max Planck Institute for Innovation and Competition, "Study on the Legal Aspects of Supplementary Protection Certificates in the EU: Final Report" (Directed by Reto Hilty, Publication Office of the European Union 2018) 12–13.

10 Cf. ibid 173.

11 European Commission, Explanatory Memorandum to the Proposal for a Council Regulation (EEC), of 11 April 1990, concerning the creation of a supplementary protection certificate for medicinal products (COM(90) 101 final – SYN255) para 8. The Explanatory Memorandum can still be used, as the conditions for granting an SPC and the relevant recitals of the original proposal have not been changed. Max Planck Institute (n 9) 11.

12 Max Planck Institute (n 9) 180–181.

13 Judgement of 16 September 1999, *Farmitalia*, C-392/97, EU:C:1999:416, paragraph 29 and operative part.

14 At that time European Community. Judgement of 16 September 1999, *Farmitalia*, C-392/97, EU:C:1999:416, paragraph 26.

15 Ibid, paragraph 27.

16 Judgement of 12 December 2013, *Eli Lilly*, C-493/12, EU:C:2013:835, paragraphs 30–31.

extent of protection, which are Art. 69 EPC[17] and the Protocol on the Interpretation of Art. 69 EPC[18] for European patents and corresponding provisions of national patent law for national patents.[19] It follows from these rules, that the claims play a key role but that they need to be interpreted in the light of the description and the drawings.[20] The product must fall under the scope of protection of the basic patent.[21] Not relevant are the rules on the rights conferred by the patent.[22] It is not decisive whether the product would infringe the patent.[23] The CJEU also recognised to have no jurisdiction over the rules of the EPC since the European Union has not acceded to the Convention. It states that it therefore cannot give national courts further guidance on the determination of the extent of patent claims.[24]

2.4 Criterion "Specified in the Wording of the Claims"

In *Medeva*, the CJEU was asked whether Art. 3(a) SPC Regulation precludes SPCs for active ingredients not expressly mentioned in the wording of the claims. The court ruled that the active ingredient(s) of the product need to be "specified in the wording of the claims of the basic patent".[25] Also, on the basis of a claim related to an active ingredient in isolation only an SPC for a product containing a single active ingredient and on the basis of a claim related to a combination of active ingredients only an SPC for the combination can be granted.[26]

It follows indirectly from this that it is not sufficient that the product would infringe the patent, as this would also apply to the combination product if only the individual active ingredient is claimed.[27] Two opinions on the determination of the protection of a product by the basic patent within the meaning of Art. 3(a) SPC Regulation are stated at the beginning of the judgement. According to the first opinion, the wording of the claims is relevant and according to the second opinion it is important whether the product infringes the patent.[28] Although the court does not expressly endorse an opinion, the above and the fact that the formula "specified in the wording of the claims" is based on the wording favour the first view.

The criterion "specified in the claims" was confirmed in subsequent judgements of the CJEU.[29]

2.5 Functional Definitions and the Criterion the Claims Relate to the Product "Implicitly but Necessarily and Specifically"

In the judgement *Eli Lilly*, the CJEU provided more details on the meaning of the formula "specified in the wording of the claims".[30] The court ruled that an active ingredient does not need to be identified in the claims by a structural formula to fulfil the requirement laid down in Art. 3(a) SPC Regulation. An identification by a functional formula is sufficient, if the claims relate "implicitly but necessarily and specifically" to the active ingredient.[31] The court argues with the idea of compensation behind the SPC system and the purpose to incentivise research in the pharmaceutical field. This objective would be undermined without the condition that the product needs to be "specified" in the claims. The lack of such a specified identification would show that the patent holder has not carried out in-depth research and has not made related investments which could be compensated by the SPC protection.[32]

Reference is also made to the question of whether the criteria are different for single active ingredients and combination products.[33] This question was not returned to. However, as no differentiation is made in the further course, it can be assumed that the criteria should not dif-

17 The Convention on the Grant of European Patents (the European Patent Convention) of 5 October 1973 as revised by the Act revising the EPC of 29 November 2000, [2001] OJ EPO Special edition No 4 p 55 (hereinafter: EPC or Convention).

18 Protocol on the Interpretation of Art. 69 EPC of 5 October 1973 as revised by the Act revising the EPC of 29 November 2000, [2001] OJ EPO Special edition No 4 p 55 (hereinafter: Protocol on the Interpretation of Art. 69 EPC).

19 Judgement of 12 December 2013, *Eli Lilly*, C-493/12, EU:C:2013:835, paragraphs 32–33. It should be noted that these national rules are uniform in Europe, following the wording of Art. 8(3) of the Strasbourg Convention and Art. 69 EPC.

20 Ibid, paragraph 39.

21 Cf. Max Plack Institute (n 9) 196.

22 Judgement of 12 December 2013, *Eli Lilly*, C-493/12, EU:C:2013:835, paragraph 33.

23 Ibid, paragraph 37. Indirectly already from Judgement of 24 November 2011, *Medeva*, C-322/10, EU:C:2011:773, paragraph 27, cf. II.4. See also Franz-Josef Zimmer, Benjamin Quest and Markus Grammel, "Recent Decisions of the European Court of Justice of the European Union on Supplementary Protection Certificates: A Few Answers-Many Questions" (2014) 33 Biotechnology L Rep 171, 173.

24 Judgement of 12 December 2013, *Eli Lilly*, C-493/12, EU:C:2013:835, paragraph 40.

25 Judgement of 24 November 2011, *Medeva*, C-322/10, EU:C:2011:773, paragraph 18 and operative part.

26 Ibid, paragraph 26.

27 Cf. Frantzeska Papadopoulou 2016 (n 5) 377; Paul England, *A Practitioner's Guide to European Patent Law: For National Practice and the Unified Patent Court* (2nd edn, Hart Publishing 2022) 416.

28 Judgement of 24 November 2011, *Medeva*, C-322/10, EU:C:2011:773, paragraph 20.

29 Order of 25 November 2011, *Yeda*, C-518/10, EU:C:2011:779; Order of 25 November 2011, *University of Queensland*, C-630/10, EU:C:2011:780; Order of 25 November 2011, *Daiichi Sankyo*, C-6/11, EU:C:2011:781. See also Max Planck Institute (n 9) 187–189.

30 Cf. Max Planck Institute (n 9) 189.

31 Judgement of 12 December 2013, *Eli Lilly*, C-493/12, EU:C:2013:835, paragraph 39.

32 Ibid, paragraphs 41–43.

33 Judgement of 12 December 2013, *Eli Lilly*, C-493/12, EU:C:2013:835, paragraph 25.

fer.[34] The formula applies to products containing a single active ingredient and to products consisting of a combination of active ingredients.

2.6 The Two-step Test

In the judgement *Teva*, the Grand Chamber of the CJEU developed a two-step test for the application of the formula for functional definitions that the claims must relate to the product "implicitly but necessarily and specifically". First, the product must "necessarily fall under the invention" and second, the product must be "specifically identifiable".[35] The relevant perspective is that of a person skilled in the art.[36] The basis for assessment consists of the information disclosed by the basic patent, the prior art at the filing or priority date of the patent and the skilled person's common general knowledge.[37] This also applies for combination products. The combination must necessarily fall under the invention and each of the active ingredients must be specifically identifiable.[38]

The first condition of the two-step test is further clarified. The product must be "a specification required for the solution of the technical problem disclosed by the patent".[39]

The judgement *Royalty Pharma* is mainly a confirmation of the judgement *Teva*.[40] The CJEU provided more details on the second condition of the two-step test and the related level of disclosure. It must be possible to "infer directly and unambiguously" from the patent specification that the product falls within the scope of protection of the basic patent. The court also clarified that a product does not fulfil this condition if it is developed after the filing date of the patent application, following an independent inventive step.[41] This would extend the protection conferred by the basic patent and contradict the idea of compensation.[42]

2.7 Requirement for the Product to "Constitute the Subject Matter of the Invention"

In the judgements *Actavis I* and *Actavis II*, the CJEU developed the requirement that the product must be protected "as such" or "constitute the subject matter" of the basic patent. More details on the requirement can be found in part III on Art. 3(c) SPC Regulation, as it was initially developed in this context. In *Actavis II*, the CJEU refered to Art. 3(c) and Art. 3(a) SPC Regulation, which made the location of the requirement less clear.[43] After the *Actavis* judgements, it was discussed in the scholarly literature whether the CJEU adopted the concept of "core inventive advance", proposed by the referring court.[44]

In *Royalty Pharma* the CJEU clarified that the concept of "core inventive advance" is not relevant and is not applied in the context of Art. 3(a) SPC Regulation. Relevant are instead the claims and the technical specifications of the invention.[45] This condition, afterwards, is only relevant, if at all, in the context of Art. 3(c) SPC Regulation.

It is unclear whether the concept of "core inventive advance" is the same as the concept "subject matter of the invention". Nevertheless, the CJEU already in *Teva* did not base its statement that the combination product in the main proceedings does not seem to fulfil Art. 3(a) SPC Regulation on the ground that one active ingredient does not "constitute the subject matter of the invention", but on the ground that the new two-step test does not seem fulfilled. After the *Actavis II* decision, it was in any case not clear whether the condition applies in the context of Art. 3(a) SPC Regulation and seems now denied.

3. EARLIER SPC, ART. 3(C) SPC REGULATION

It is obvious that the requirement in Art. 3(a) SPC Regulation depends on the basic patent and its content. The requirement in Art. 3(c) SPC Regulation, on the other hand, at first glance seems to depend only on the existence of earlier SPCs. It follows from the case law of the CJEU that the basic patent and its content are also relevant for the interpretation of this provision in certain cases.

Art. 3(c) SPC Regulation requires that the product has not already been the subject of an SPC. In the centre of this provision is therefore the product. The term "product" is defined in Art. 1(c) SPC Regulation and means the active ingredient or combination of active ingredients of a medicinal product. The relevant differentiations for Art. 3(c) SPC Regulation are whether the same or different patent holders are involved and whether the same or different products are at issue. The latter differentiation is used in cases of minor changes to the product, for example the use of a different salt or ester,[46] and for cases concerning combination products.

34 Cf. Roberto Romandini, "Art. 3(a) SPC Legislation: An Analysis of the CJEU's Ruling in Teva (C-121/17) and a Proposal for Its Implementation" [2019] GRUR Int. 9, 10.

35 Judgement of 25 July 2018, *Teva UK and Others*, C-121/17, EU:C:2018:585, paragraph 52.

36 Ibid, paragraph 47.

37 Ibid, paragraphs 48–50.

38 Ibid, paragraphs 53, 55.

39 Ibid, paragraphs 47–48.

40 Cf. Oswin Ridderbusch and Alexa von Uexküll, *European SPCs Unravelled: A Practitioner's Guide to Supplementary Protection Certificates in Europe* (2nd edn, Kluwer Law International BV 2021) s 1.02.B.1.

41 Judgement of 25 July 2018, *Teva UK and Others*, C-121/17, EU:C:2018:585, paragraph 50 and operative part.

42 Ibid, paragraph 46.

43 Judgement of 12 December 2013, *Actavis Group PTC and Actavis UK*, C-443/2012, EU:C:2013:833 (hereinafter *Actavis I*), paragraph 43 and operative part; Judgement of 12 March 2015, *Actavis Group PTC and Actavis UK*, C-577/13, EU:C:2015:165, paragraph 39 and operative part. See also Max Planck Institute (n 9) 195; Roberto Romandini (n 34) 10.

44 Max Planck Institute (n 9) 195; Tony Rollins, Nicola Dagg and Steven Baldwin, "From Takeda to Teva v Merck: Are We Treading the Right Path on Combination Product SPCs? (Part 2)" (2017) 39 EIPR 697, 699; Verena Vesanen (n 5) 47.

45 Judgement of 30 April 2020, *Royalty Pharma Collection Trust*, C-650/17, EU:C:2020:327, paragraphs 31–32.

46 Explanatory Memorandum (n 11) para 36; Jules Fabre and Sarah Taylor, "Supplementary Protection Certificates in Europe: Clarity at Last?"

Criteria for the differentiation whether an active ingredient and a combination containing that active ingredient are the same or different products were developed in the *Actavis* judgements. The CJEU ruled that an SPC for a combination, additional to an already granted SPC for a single active ingredient, can only be granted, under Art. 3(c) SPC Regulation, if the added active ingredient is protected "as such" or "constitutes the subject matter of the invention" of the basic patent.

It follows from *Actavis I* that, although the product is at the centre of Art. 3(c) SPC Regulation, the basic patent must be taken into account when deciding whether the product is the same as of an earlier SPC of the applicant.[47] In the situation that several SPCs or SPC applications are based on the same patent, it is decisive under Art. 3(c) SPC Regulation whether the concerned active ingredient(s) is/are protected "as such" by the basic patent within the meaning of Art. 3(a) SPC Regulation. The combination of active ingredient A with active ingredient B, which is protected as such by the basic patent, is a different product than active ingredient A in the context of Art. 3(c) SPC Regulation. The combination of active ingredient A with active ingredient B, which is not protected as such by the basic patent, is the same product as active ingredient A.

In *Actavis II*, the CJEU interprets the expression "as such" with the conclusion that it means that the product needs to "constitute the subject-matter of the invention".[48] The expression belongs to the requirement for SPC protection in Art. 3(a) and Art. 1(c) SPC Regulation. The product must be protected as such by the basic patent. The expression needs to be interpreted autonomously.[49] A product is protected "as such" by the basic patent within the meaning of Art. 3(a) and Art. 1(c) SPC Regulation if it "constitutes the subject matter if the invention". Then it is a different product in the context of Art. 3(c) SPC Regulation. It is also interesting, with regard to patent amendments, that even so the combination product in the main proceedings was expressly mentioned in the claims of the patent, that was not enough. Something more is required, the product needs to "constitute the subject matter of the invention".[50]

The concept of "core inventive advance" was not mentioned anymore in this decision, which makes the adoption of this concept even more uncertain.[51] In this regard, after the explicit rejection of the applicability of this concept in the context of Art. 3(a) SPC Regulation by the CJEU in *Royalty Pharma*, the question was raised how this influences the interpretation of Art. 3(c) SPC Regulation.[52] This question was also referred to the CJEU for a preliminary ruling by the Finish Markkinaoikeus (Market Court).[53] Here the view is taken that the requirement, that active ingredient B of a combination product must "constitute the subject matter of the invention" and therewith be protected "as such", is still applicable. In *Teva* the CJEU still referred to this requirement[54], while in *Royalty Pharma* it was expressed that a "core inventive advance" test was already not adopted in *Teva*.[55] Besides, the CJEU never expressly adopted a "core inventive advance" test, also not in the context of Art. 3(c) SPC Regulation. The formula "constitute the subject matter of the invention" could implement a different test.

4. POST-GRANT PATENT AMENDMENTS

In the following, it will be dealt with the procedural and substantive conditions for post-grant patent amendments of European patents as a prerequisite for the later analysis. This discussion will address post-grant amendments, that are amendments to the patent, as opposed to pre-grant amendments, that are amendments to the patent application. Corrections also belong to the category of amendments, but will not be discussed further as they relate to linguistic errors, errors of transcription and obvious decisions which cannot influence the granting of an SPC.[56] To be permitted, patent amendments must be admissible and allowable.[57] It is important to consider both, the formal and substantive aspects, in order to fully assess the possibilities and freedoms of the patent holder.

4.1 Admissibility of Amendments

The admissibility of an amendment depends on the type of procedure.[58] European patents can be amended before

(2021) 40 Biotechnology L Rep 325, 330.

47 Cf. Christopher Brückner, "Wie Geht Es Weiter Nach Actavis?" [2015] GRUR Int. 896 para 13; Christopher Brückner and Robert Lelkes, "Abstract Functional Combinations after Actavis: What Future?" (2016) 11 JIPLP 212, 213; Franz-Josef Zimmer, Benjamin Quest and Markus Grammel (n 23) 175; Max Planck Institute (n 9) 194; 250; Peter Meier-Beck, "Kein Schutzzertifikat Für Äquivalente?: Oder: What Is Meant by „the Product Is Protected by a Basic Patent in Force"?" [2018] GRUR 657, 661.

48 Judgement of 12 March 2015, *Actavis Group PTC and Actavis UK*, C-577/13, EU:C:2015:165, paragraph 38.

49 Ibid, paragraph 32.

50 Charleen O'Keeffe and John Sugrue, "The Supplementary Protection Certificate for Medicinal Products: Recent Developments and Outlook" [2022] EHPL 127, 129; Christopher Hayes (n 2) 503–504; Frantzeska Papadopoulou 2016 (n 5) 374; Frantzeska Papadopoulou 2021 (n 2) 95; Frantzeska Papadopoulou 2023 (n 2) 583; Oswin Ridderbusch and Alexa von Uexküll (n 40) s 1.02.B.3.

51 Frantzeska Papadopoulou 2016 (n 5) 374–375; Frantzeska Papadopoulou 2021 (n 2) 95; Frantzeska Papadopoulou 2023 (n 2) 583.

52 AstraZeneca v Swedish Patent and Registration Office, Supreme Court (Högsta domstolen) Ö 5978-21 73 (2024) GRUR Int. 231, 233; Jules Fabre and Sarah Taylor (n 46) 330.

53 Referral *Teva and Teva Finland*, C-119/22.

54 Judgement of 25 July 2018, *Teva UK and Others*, C-121/17, EU:C:2018:585, paragraph 42.

55 Judgement of 30 April 2020, *Royalty Pharma Collection Trust*, C-650/17, EU:C:2020:327, paragraph 31.

56 Rule 139, 140 of the Implementing Regulations to the Convention on the Grant of European Patents (November 2023) (hereinafter: Implementing Regulations).

57 Guidelines for Examination in the European Patent Office (EPO 2023) s H.I.

58 Ibid s H.II.1.

the EPO and before national authorities and courts. Something all post-grant amendments have in common is that they take retroactive effect.[59]

Patent amendments in front of the EPO take effect in all Contracting States. The first option is the limitation procedure, regulated in Art. 105a–105c EPC. It can be initiated by the patent holder (Art. 105a EPC). The limitation is an amendment of the claims. The description and drawings may be changed if necessary due to changes in the claims.[60] The patent holder is limited in such a way that the limitation is a "reduction in the extent of protection conferred by the claims".[61] The second option is the opposition procedure, regulated in Art. 99–105 EPC. The subject matter of the amendment is not limited, possible are amendments of the claims, the description and the drawings. The patent holder is limited in such a way that the opposition procedure cannot be initiated by the patent holder[62] and that the amendments must be occasioned by the grounds for opposition in Art. 100 EPC.[63] The amendment must therefore be related to the patentability requirements in Art. 52–57 EPC (Art. 100a EPC), to the sufficiency of disclosure (Art. 100b EPC) or to subject matter not disclosed in the original application in accordance with Art. 123(2) or Art. 76(1) EPC (Art. 100c EPC).

Patent amendments in national instances are possible in all procedures relating to the validity of the patent. Even so a national procedure, the revocation procedure is partially regulated in the Convention in Article 138. The amendments concerned are amendments of the claims. They are national amendments and therefore only take an effect on the respective territory.[64] It follows from Art. 138(2) and (3) EPC that a patent amendment is only possible in form of a limitation. It follows from the above that the patent holder already from the procedural perspective is somehow limited.

There is another relevant perspective on these procedures. Failure to comply with Art. 123(2) EPC is a ground for opposition (Art. 100(c) EPC) and for revocation (Art. 138(1)(c) EPC) and failure to comply with Art. 123(3) EPC is a ground for revocation (Art. 138(1)(d) EPC). They can be raised by third parties to take action against unlawfully amended patents.

4.2 Allowability of Amendments

Patent amendments are allowable if they comply with Art. 123(2), Art. 123(3) and Art. 84 EPC. This means they do not contain subject matter which extends beyond the content of the application as filed (Art. 123(2) EPC), extend the protection conferred by a patent (Art. 123(3) EPC) or introduce deficiencies with regard to Art. 84 EPC.[65] Also, the amended patent must fulfil requirements that have to be met by all patents.[66]

The limitations in Art. 123(2) and (3) EPC must be assessed separately.[67] They are mutually independent.[68] The applicable burden of proof is the strict standard of "beyond reasonable doubt".[69]

4.2.1 Added Subject Matter, Art. 123(2) EPC

According to Art 123(2) EPC, a European patent application or a European patent may not be amended in such a way that it contains subject matter which extends beyond the content of the application. Since this contribution deals with post-grant amendments, only these will be discussed and referred to in the following. The purpose of the provision is to ensure a fair balance between the interests of the patent holder and the interest in legal security of third parties. The patentee is not allowed to gain an unwarranted advantage by adding subject matter to the patent not disclosed in the original application.[70]

An important step for developing a standard for the assessment of Art. 123(2) EPC was made by the Enlarged Board of Appeal in opinion G 3/89 and decision G 11/91.[71] The court held that the term "content of the application" in Art. 123(2) EPC means the parts of the patent relating to the disclosure, more concrete the description, the claims and the drawings.[72] In its order, it stated that a correction of these parts can only be made "within the limits of what a skilled person would derive directly and unambiguously, using common general knowledge, and seen objectively and relative to the date of filing, from the whole of these documents as filed".[73] In other words, the

59 Guidelines for Examination in the European Patent Office (EPO 2023) s H.IV.3.1.

60 Rule 95 of the Implementing Regulations.

61 Guidelines for Examination in the European Patent Office (EPO 2023) s D.X.4.3.

62 L Bently and others, *Intellectual Property Law* (6th edn, Oxford University Press 2022) 461.

63 Rule 80 of the Implementing Regulations.

64 Cf. Kiefer, "EPÜ Art. 138" in Uwe Fitzner, Sebastian Kubis and Theo Bodewig (eds), *BeckOK Patentrecht* (30th edn, CH Beck 2023) para 1.

65 Guidelines for Examination in the European Patent Office (EPO 2023) s H.I.

66 Ibid s H.IV.2.1; L Bently and others (n 62) 461.

67 Guidelines for Examination in the European Patent Office (EPO 2023) s H.IV.3.4.

68 Decision of the Enlarged Board of Appeal of 2 February 1994, *Limiting feature/ADVANCED SEMICONDUCTOR PRODUCTS*, G 1/93, EP:BA:1994:G000193.19940202, paragraph 13; Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.2.

69 Decision of the Technical Board of Appeal 3.3.3 of 27 February 2007, T 307/05, EP:BA:2007:T030705.20070227, paragraph 3.3.1; Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.5.

70 Decision of the Enlarged Board of Appeal of 2 February 1994, *Limiting feature/ADVANCED SEMICONDUCTOR PRODUCTS*, G 1/93, EP:BA:1994:G000193.19940202, paragraph 9; Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.1.1; Guidelines for Examination in the European Patent Office (EPO 2023) s H.IV.2.1.

71 Cf. Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.1.1.

72 Opinion of the Enlarged Board of Appeal of 19 November 1992, G 3/89, EP:BA:1992:G000389.19921119 and Decision of the Enlarged Board of Appeal of 19 November 1992, *Glu-Gin/CELTRIX*, G 11/91, EP:BA:1992:G001191.19921119, paragraph 1.4 and headnote I. The Technical Board of Appeal considered the questions of the pending referral in G 3/89 to be decisive and referred the same questions. Therefore, the answers and reasonings in both decisions are the same.

73 Ibid, paragraph 3 and headnote I.

relevant perspective is that of a skilled person. She or he must, on the basis of the description, the claims and the drawings and her or his common general knowledge, be able to derive the changes to be made objectively, directly and unambiguously. The relevant point in time is the date of filing. In decision G 2/10 it is referred to the formula developed in G 3/89 and G 11/91 as the disclosure test or "gold standard" for the assessment of the compliance of an amendment with Art. 123(2) EPC.[74] At the latest since this decision, it is clear that the formula applies not only to corrections, but to all types of amendments.

4.2.2 Extension of Protection, Art. 123(3) EPC

According to Art. 123(3) EPC, a European patent may not be amended in such a way as to extend the protection it confers. This provision applies only to granted patents and not to patent applications. Rules for determining the extent of protection conferred by a European patent, as referred to in Art. 123(3) EPC, can be found in Art. 69 EPC and its Protocol. According to Art. 69(1) EPC, the protection conferred is determined by the claims of the patent. The claims are interpreted in the light of the description and the drawings.[75] Therefore, Art. 123(3) EPC does not only apply to amendments to the claims, but also to amendments to the description and the drawings.[76] In the EPC 2000, this now results directly from the wording.[77] The purpose of Art. 123(3) EPC is the protection of third-party interests. Third parties should be able to rely and base their actions on the scope of protection of the patent as granted, knowing that protection can only be limited, not extended, and that an act which does not infringe the patent as granted does not infringe an amended version.[78] The patent holder is, within these boundaries, free to change the wording and terminology of her or his patent.[79]

The protection conferred must be differentiated from the rights conferred. The rights conferred are, in accordance with Art. 64(1) EPC, regulated by the national law of the Contracting States. The protection conferred is determined by the claims, in accordance with Art. 69 EPC and its Protocol. The rights conferred depend on the extent of protection but also on the national provisions relating to infringement, which, for example, regulate which acts of third parties are infringing and what remedies the patent holder is entitled to. The determination of the protection conferred can be described as a determination of "what" is protected, while the rights conferred are related to the "how" of protection. In the context of Art. 123(3) EPC only the protection conferred is relevant.[80]

The assessment of Art. 123(3) EPC requires a comparison of the extent of protection of the patent before and after the amendment. The comparison does not relate to the single amended claims, but to the claims in totality or the claims as a whole. The totality of claims before the amendment is compared to the totality of claims after the amendment.[81]

If the protection is extended depends on whether the subject matter of the claims is "more or less narrowly defined" after the amendment.[82] The subject matter of a claimed invention consists of two aspects, first, the category or type of the claim and second, the technical features.[83]

5. INTERACTION AND POTENTIAL CIRCUMVENTION SCENARIOS

Comparing the findings in section II and III with the substantive limitations for patent amendments in Art. 123(2) and (3) EPC, there appear to be some similarities. For the assessment of Art. 3(a) SPC Regulation, it is essential to determine the scope of the basic patent. The scope of protection is also central to the limitation in Art. 123(3) EPC. It must not be extended. In the context of both provisions, the extent of patent protection is determined in accordance with Art. 69 EPC and its Protocol. The provisions on limitation and revocation procedures also relate to the scope of patent protection. In these procedures the scope can only be narrowed.

There are also strong similarities between the formula used in *Royalty Pharma* to define the criterion that the product must be "specifically identifiable", the second condition of the two-step test for functional definitions, and the disclosure test or "gold standard" for the assessment of Art. 123(2) EPC. The product is "specifically identifiable" if it falls within the limits of what a person skilled in the art is objectively able, at the filing date or priority date of the basic patent, to infer directly and unambiguously from the specification of that patent as filed, based on that person's general knowledge in the relevant field at the filing or priority date, and in the light of the prior art at the filing date or priority date.[84]

74 Decision of the Enlarged Board of Appeal of 30 August 2011, *Disclaimer/SCRIPPS*, G 2/10, EP:BA:2011:G000210.20110830, paragraph 4.3.

75 Cf. Guidelines for Examination in the European Patent Office (EPO 2023) s H.IV.3.2.

76 Decision of the Enlarged Board of Appeal of 2 February 1994, *Limiting feature/ADVANCED SEMICONDUCTOR PRODUCTS*, G 1/93, EP:BA:1994:G000193.19940202, paragraph 11; Guidelines for Examination in the European Patent Office (EPO 2023) s H.IV.3.2.

77 Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.2.

78 Decision of the Enlarged Board of Appeal of 2 February 1994, *Limiting feature/ADVANCED SEMICONDUCTOR PRODUCTS*, G 1/93, EP:BA:1994:G000193.19940202, paragraph 9; Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.2.1; Guidelines for Examination in the European Patent Office (EPO 2023) s H.IV.3.1.

79 Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.2.2.

80 Decision of the Enlarged Board of Appeal of 11 December 1989, G 2/88, EP:BA:1989:G000288.19891211, paragraph 3.3.

81 Ibid, paragraph 3.2.

82 Ibid, paragraph 4.1.

83 Ibid, paragraph 2.6.

84 Judgement of 30 April 2020, *Royalty Pharma*, C-650/17, EU:C:2020:327, paragraph 40.

In the following, the individual criteria identified by the CJEU are analysed in detail and possible circumvention scenarios are presented. These scenarios are then compared with the possibilities offered by patent law.

5.1 Patent Amendment in *Actavis II* and the Criterion "Constitute the Subject Matter of the Invention"

The patent amendment in *Actavis II*, mentioned in the introduction, will be discussed first. The claim previous to the amendment related to a combination of active ingredient A and another active ingredient, described by a functional definition. After the amendment a specific combination of active ingredient A and active ingredient B was claimed. The CJEU held that an SPC for the combination cannot be granted because, even so expressly mentioned, the active ingredient B does not "constitute the subject matter of the invention" and is therefore not protected "as such" by the basic patent. The patent amendment therefore did not enable the granting of an SPC.

In the context of Art. 3(c) SPC Regulation it is decisive whether an active ingredient "constitutes the subject matter of the invention" and is protected "as such" by the basic patent. A changed outcome therefore only seems possible by an amendment related to the "subject matter of the invention" of the patent. The meaning of this phrase has not yet been fully clarified. In the scholarly literature, it was partially followed from *Actavis I* that the combination of active ingredients must be a separate invention from the single active ingredient A.[85] This could be examined by an inventive step analysis, as known from patent law, on the basis of a fictional prior art, including the active ingredient A.[86] It was also assumed that the combination could be a separate invention if it had a new therapeutic effect, which was not the case in *Actavis I*.[87] Therefore, it could be helpful to clearly state a new therapeutic effect in the patent description and therewith present the combination as a separate invention.[88] This would have to be compatible with the requirements for patent amendments. The clarification of an effect by an amendment of the description is not contrary to Art. 123(2) EPC if the technical feature was clearly disclosed in the application as filed and the effect, not or not fully mentioned before, can be deduced without difficulty by a person skilled in the art from the original application.[89] Regarding a new effect, compliance with Art. 123(2) EPC must be carefully assessed.[90] The combination of active ingredients must therefore be clearly disclosed in the original application. The new effect must be directly and unambiguously derivable from the claimed combination and the rest of the application for a skilled person to satisfy the disclosure test. This seems difficult because the new effect, since it is new, is not part of the common general knowledge and was not deduced from the patent specification in the examination. Such a patent amendment will usually not be possible.

Significance was also attached to the granting of a new patent.[91] On the other hand, the existence of a separate patent does not mean that the combination product is a separate invention. It is, for example, possible to file a divisional application (Art. 76 EPC) or a subsequent application (Art. 87 EPC).[92] Also, it follows from Art. 3(2) s. 1 of Regulation (EC) No 1610/96[93] that only one SPC can be granted to the same patent holder for the same product, even so she or he owns more than one basic patent for that product. This indicates the legislator's intention that whether products are the same does not depend on protection in one or more basic patents.[94] Consequently, the *Actavis* case law should also be applicable in this situation.[95] The existence of a separate patent therefore does not make a difference.[96]

It should be kept in mind that the conditions, except the condition "subject matter of the invention" are not clarified or approved by the CJEU. It seems difficult to make a change to the subject matter of the invention of a patent by an amendment because it goes to the very substance of the patent.[97]

85 Christopher Brückner (n 47) para 13; Christopher Brückner and Robert Lelkes (n 47) 213; Christopher Hayes (n 2) 504; Franz-Josef Zimmer, Benjamin Quest and Markus Grammel (n 23) 175; Max Planck Institute (n 9) 194; 250; Oswin Ridderbusch and Alexa von Uexküll (n 40) s 1.02.B.3; 1.02.D.4.b; Paul England (n 27) 426; Tony Rollins, Nicola Dagg and Steven Baldwin (n 44) 703.

86 Max Planck Institute (n 9) 207.

87 Judgement of 12 December 2013, *Actavis Group PTC and Actavis UK*, C-443/2012, EU:C:2013:833, paragraph 15; Christopher Brückner (n 47) para 14; Christopher Brückner and Robert Lelkes (n 47) 213; Markus Ackermann, "Aus Eins Mach Zwei: Mit Teilanmeldung & Co. Zum Zweiten Schutzzertifikat?" [2019] PharmR 429, 439; Markus Ackermann, "Lies Don't Travel Far: Article 3(c) of the SPC Regulation from a German Perspective: Germany, Higher Regional Court of Düsseldorf, I-2 U 63/18, 15 March 2019" (2019) 14 JIPLP 918, 920: 921. See also Darren Smyth and Timothy Belcher, "Another SPC Referral from the UK: High Court Asks CJEU for 'More' Guidance...: Teva UK Ltd & Ors v Gilead Sciences Inc [2017] EWHC 13 (Pat)" (2017) 12 JIPLP 535, 536.

88 Franz-Josef Zimmer, Benjamin Quest and Markus Grammel (n 23) 179 also suggests providing as much information as possible about possible combination products.

89 Decision of the Technical Board of Appeal 3.5.1 of 29 July 1983, *Low-tension switch/ SIEMENS*, T 37/82, EP:BA:1983:T003782.19830729, headnote I; Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.1.11.6; Guidelines for Examination in the European Patent Office (EPO 2023) s H.V.2.1.

90 Guidelines for Examination in the European Patent Office (EPO 2023) s H.V.2.2.

91 Frantzeska Papadopoulou 2021 (n 2) 96; Frantzeska Papadopoulou 2023 (n 2) 584; Franz-Josef Zimmer, Benjamin Quest and Markus Grammel (n 23) 177; 178; Max Planck Institute (n 9) 207; Oswin Ridderbusch and Alexa von Uexküll (n 40) s 1.02.B.3; D.5.

92 Markus Ackermann PharmR (n 87) 434; Max Planck Institute (n 9) 207.

93 Regulation (EC) No 1610/96 of the European Parliament and of the Council of 23 July 1996 concerning the creation of a supplementary protection certificate for plant protection products, [1996] OJ L 198/30, as last amended by the Treaty of Accession of Croatia of 24 February 2012, [2012] OJ L 112/10.

94 Markus Ackermann PharmR (n 87) 439.

95 Ibid.

96 Ibid; Mike Snodin, "Three CJEU Decisions That Answer Some Questions but Pose Many More" (2014) 9 JIPLP 599, 604.

97 This is also what Justice Arnold said about the "core inventive advance" test. A criterion that focuses on the substance and not on the wording of the patent cannot be circumvented by drafting (or an amendment). *Teva UK Ltd & Ors v Gilead Sciences Inc* [2017] EWHC 13 (Pat), para 97.

5.2 Criterion Product "Falls under the Scope of Protection of the Basic Patent"

For the purposes of Art. 3(a) SPC Regulation, the product must fall under the scope of protection of the basic patent as determined by claim interpretation in accordance with Art. 69 EPC and its Protocol. If the product does not fall under this scope, it would be conceivable to extend the scope in a way that the product falls within it. This would be contrary to Art. 123(3) EPC. The provision prohibits the extension of the patent scope by an amendment. The amended version of the patent can therefore only have the same or a narrower scope compared to the original patent. The scope of protection is determined on the basis of the same rules (Art. 69 EPC and its Protocol). Therefore, if the product does not fall under the scope of the original patent, this cannot be changed by an amendment. It should also be noted that in the procedures initiable by the patent holder, the limitation and the revocation procedure, only a limitation, which means a narrowing of the patent scope, is allowed.

5.3 Criterion Product is "Specified in the Wording of the Claims"

5.3.1 Claims to Single Active Ingredients and to Combinations

The product for compliance with Art. 3(a) SPC Regulation must also be "specified in the wording of the claims". It follows from this that if the patent claims a single active ingredient, only an SPC for a single active ingredient can be granted and not for a combination product. The grant of an SPC for a combination product would no longer fail on this ground if the patent was amended in a way that the claim refers to a combination of active ingredients. Regarding Art. 123(3) EPC, a claim to a combination of active ingredients is narrower than a claim to a single active ingredient, because the active ingredient is no longer protected in absolute terms, but only in the combination. The amendment would therefore be in accordance with Art. 123(3) EPC[98] and could also be initiated by the patent holder because it is a limitation. The amendment must also comply with Art. 123(2) EPC. The resulting combination must fulfil the disclosure test or "gold standard". It is not necessary that the information is contained in the claims. It is enough if it follows from the description or the drawings.[99] Such a patent amendment therefore seems possible in certain individual cases in which the combination can be directly and unambiguously derived from the description or drawings.

In the opposite situation, the patent claims a combination of active ingredients, amending the patent in a way that it claims a single active ingredient, is not possible because of Art. 123(3) EPC. The scope of a claim for a single active ingredient is broader than of a claim related to a combination.[100] Such an amendment can, depending on the individual case, also be contrary to Art. 123(2) EPC. The removal of features from a claim, if there is no "clear and unambiguous basis for a claim lacking these features in the application as originally filed" adds subject matter within the meaning of this provision.[101]

5.3.2 Structural and Functional Definitions

The product can be "specified in the claims" by a structural or a functional definition. Since there is an additional condition for functional definitions, it could simplify the procedure for the grant of an SPC if a functional definition is amended into a structural definition.[102] A structural definition is typically narrower than a functional definition. The change of a functional definition into a structural definition can at least not broaden the scope of the patent and is therefore in line with Art. 123(3) EPC. Such an amendment is also allowed by Art. 123(2) EPC if the active ingredient(s) defined by the structural definition are disclosed in the original patent, whereby an implicit disclosure is sufficient. A functional definition does not disclose a specific active ingredient, but it might be deducible from the rest of the patent specification.[103]

Since functional definitions are also sufficient in the context of Art. 3(a) SPC Regulation, one can only speak of an actual circumvention if the conditions differ. To be precise, a circumvention is only possible if the disclosure standard in the context of patent amendments is broader than the conditions for functional definitions in the context of the SPC Regulation, because then a product can be added to the claims which would not have been accepted on the basis of the functional definition before.

5.4 Criterion Claims Relate to the Product "Implicitly but Necessarily and Specifically"

The product can be "specified in the claims" by a functional definition if the claims relate to the product "necessarily and specifically". This needs to be assessed by a claim interpretation in accordance with Art. 69 EPC and its Protocol. The formula contains two cumulative conditions. Both conditions need to be assessed from the perspective of the person skilled in the art on the basis of the

98 Cf. Decision of the Enlarged Board of Appeal of 11 December 1989, G 2/88, EP:BA:1989:G000288.19891211, paragraph 4.1; Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.2.5.1.

99 Cf. Guidelines for Examination in the European Patent Office (EPO 2023) s H.V.3.2.

100 Cf. Ibid s H.V.3.1; Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.2.4.1.

101 Decision of the Board of Appeal of 20 February 2009, *Delivery of audio recordings/KOCHIAN*, T 1726/06, EP:BA:2009:T172606.20090220, paragraph 1.3.1; Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.1.4.2. See also Guidelines for Examination in the European Patent Office (EPO 2023) s H.V.3.1.

102 Cf. Franz-Josef Zimmer, Benjamin Quest and Markus Grammel (n 23) 178.

103 Cf. Decision of the Technical Board of Appeal 3.2.6 of 11 August 2016, T 88/12, EP:BA:2016:T008812.20160811, paragraph 4; Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.1.10.1. See also Guidelines for Examination in the European Patent Office (EPO 2023) s H.IV.2.4 example three.

patent specification, that person's general knowledge and the prior art at the filing or priority date of the patent.

5.4.1 Sub-criterion Product Must "Necessarily Fall under the Invention Covered by the Patent"

First, the product must necessarily fall under or come within the invention covered by the patent. This sub-condition was interpreted to require the product to fall under the scope of protection of the basic patent with a qualification. From the use of the term "necessarily" and also the formula "a specification required for the solution of the technical problem disclosed by the patent" and the emphasis on the use of the term "optionally" in the basic patent in *Teva*, it was followed that it is not sufficient if the product is only covered by the claims by an optional element.[104] It should be repeated at this point that in the case of a combination product the sub-condition must be fulfilled with regard to the combination as a whole.

The qualification makes the criterion narrower than the substantive limitations for patent amendments, more concrete Art. 123(3) EPC, for which only the extent of patent protection is relevant, without a qualification. It seems like the criterion could be fulfilled by amending an optional element into a necessary one, for example cancelling the term "optionally" in a patent. This would be consistent with Art. 123(3) EPC because a claim related to a necessary and an optional element is broader than a claim related to two necessary elements. The former contains two alternatives, protection for the necessary element alone and protection for the necessary element combined with the optional element. The claim related to two necessary elements does not protect one of these elements alone. Since the amendment is a limitation, a procedure for a patent amendment can be initiated by the patent holder. Such an amendment may also be in accordance with Art. 123(2) EPC, if it has a basis in the original application and the resulting combination of features is "in line with the teaching of the application as originally filed".[105] This will have to be assessed on a case-by-case basis.

5.4.2 Sub-criterion Product Must Be "Specifically Identifiable"

The second sub-condition of the formula that the claims must relate to the product "necessarily and specifically" is that the product must be "specifically identifiable". It should be repeated in this context that with regard to combination products, each of the active ingredients of the combination must be "specifically identifiable". This condition could be a disclosure standard.[106] This is supported by the fact that the CJEU in *Royalty Pharma* uses the expression "level of disclosure" in this context.[107] If the condition is a disclosure standard, this could be an own standard of the SPC system or a disclosure standard from patent law. There are two different disclosure standards in European patent law. First, there is the disclosure standard for sufficiency of disclosure, regulated in Art. 83 EPC. According to the provision, the European patent application shall disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art. This standard is satisfied if a skilled person can reproduce the invention on the basis of the original application documents and common general knowledge without any inventive effort and undue burden.[108] This standard applied to the SPC system would be nothing more than a direct infringement test. Any product that falls under a valid patent claim, interpreted in accordance with Art. 69 EPC, would satisfy Art. 3(a) SPC Regulation.[109] The second disclosure standard is the one already introduced above, applicable in the context of Art. 54, Art. 87 and Art. 123(2) EPC. Disclosed is what "a skilled person would derive directly and unambiguously, using common general knowledge, and seen objectively and relative to the date of filing, from the whole of the

104 Oswin Ridderbusch and Alexa von Uexküll (n 40) s 1.02.B.1; Roberto Romandini (n 34) 16.

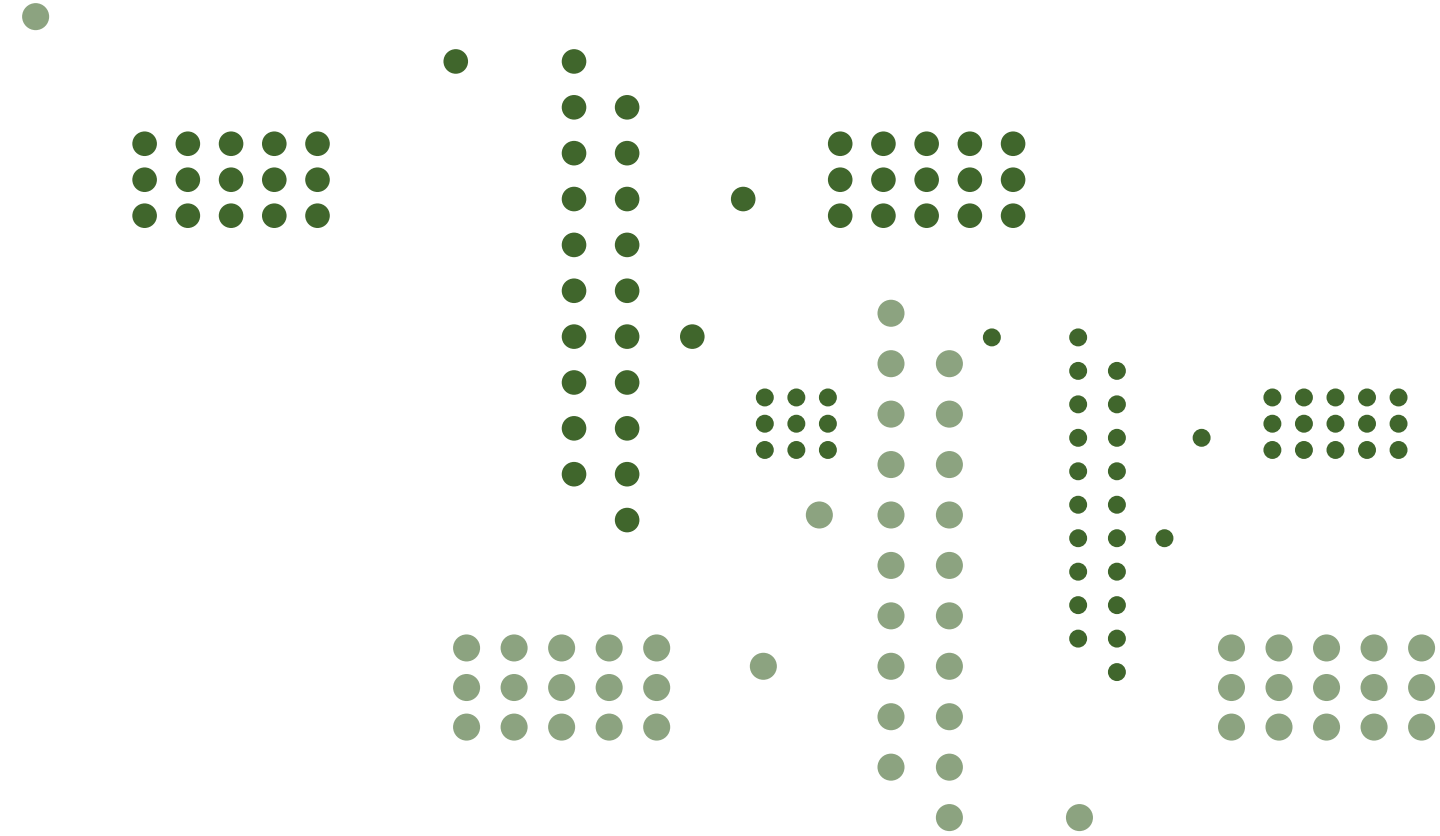
105 Decision of the Technical Board of Appeal 3.3.3 of 4 January 1996, *Water-soluble polymer dispersion/HYMO CORPORATION*, T 583/93, EP:BA:1996:T058393.19960104, paragraph 4.5; Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.1.11.4.

106 Roberto Romandini (n 34) 17.

107 Judgement of 30 April 2020, *Royalty Pharma*, C-650/17, EU:C:2020:327, paragraph 39.

108 Decision of the Board of Appeal 3.5.1 of 6 July 2007, *RAID apparatus/FUJITSU*, T 629/05, EP:BA:2007:T062905.20070706, paragraph 4.; Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.C.4.1; Roberto Romandini (n 34) 17.

109 Roberto Romandini (n 34) 17.



patent specification as filed".[110] It is also referred to as "individualised disclosure".[111]

There are several pro- and con-arguments regarding the adoption of one of these standards. The fact that the CJEU does not explicitly refer to either of these disclosure standards from patent law is an argument against them.[112] On the other hand, the CJEU consistently refers to the law governing the basic patent for the determination of the condition "protected by the basic patent" within the meaning of Art. 3(a) SPC Regulation, which implies that the relevant distinction is a distinction from patent law.[113] One particular argument against the adoption of the first described disclosure standard is that it would introduce an infringement test and the CJEU did not consider a patent infringement by the product to be sufficient or relevant in the context of Art. 3(a) SPC Regulation, for example in the judgements *Medeva* and *Eli Lilly*.

Regarding the second disclosure standard, there are some parallels. The CJEU in *Royalty Pharma* stated that the condition is not fulfilled for a product developed after the filing date, following an independent inventive step. Such a product would also not be individually disclosed since the assessment is made from the perspective of a skilled person on the filing date. At this point in time, the product had not yet been developed and the skilled person is not inventive.[114] Therefore, she or he cannot derive the active ingredient directly and unambiguously from the patent specification at that time. Also, the formula the claims relate to the product "necessarily and specifically" resembles formulations used in the context of the disclosure standard in relation to implicit disclosure.[115]

Furthermore, it is noticeable that the formula defining the disclosure test for Art. 123(2) EPC and the formula used by the CJEU to concretise the expression "specifically identifiable" are similar. "Specifically identifiable", according to the CJEU, means that the product is "within the limits of what a person skilled in the art is objectively able, at the filing date or priority date of the basic patent, to infer directly and unequivocally or unambiguously[116] from the specification of that patent as filed, based on that person's general knowledge in the relevant field at the filing or priority date, and in the light of the prior art at the filing date or priority date."[117] In both formulas, the perspective is that of a skilled person. She or he must objectively be able to infer the product or subject matter directly and unambiguously from the patent specification as filed.

Two aspects seem different. First, while the relevant point in time in the CJEU judgements is the filing date or priority date of the basic patent, the Enlarged Board of Appeal regarding the second disclosure standard from patent law only refers to the filing date. This allows two

110 Opinion of the Enlarged Board of Appeal of 19 November 1992, G 3/89, EP:BA:1992:G000389.19921119 and Decision of the Enlarged Board of Appeal of 19 November 1992, *Glu-Gin/CELTRIX*, G 11/91, EP:BA:1992:G001191.19921119, paragraph 3 and headnote I.

111 Roberto Romandini (n 34) 17.

112 Cf. Ibid 18.

113 Cf. Max Planck Institute (n 9) 206; Roberto Romandini (n 34) 10.

114 Cf. Paul England (n 27) 7.

115 Max Planck Institute (n 9) 192. According to Decision of the Technical Board of Appeal 3.3.6 of 28 September 2004, *Particulate detergent composition/UNILEVER*, T 860/00, EP:BA:2004:T086000.20040928, paragraph 1.1 implicitly disclosed is "what any person skilled in the art would consider was necessarily implied by the patent application as a whole". See also Case Law of the Boards of Appeal of the European Patent Office (10th edn, EPO 2022) s II.E.1.3.3.

116 Judgement of 30 April 2020, *Royalty Pharma*, C-650/17, EU:C:2020:327, paragraph 42.

117 Ibid, paragraph 40.

interpretations. The reference to the filing date could mean the effective date of the patent, which is usually the filing date, but could also be the priority date. On the other hand, according to a literal interpretation of the formula, what is meant is the filing date, irrespective of the effective date of the patent. This second interpretation would have the consequence that the common general knowledge for the respective assessments could differ. There can be up to twelve months between the priority date and the filing date (cf. Art. 87(1)(b) EPC). Second, in both cases the skilled person's common general knowledge is relevant but the CJEU also refers to the prior art.[118] The prior art as such is not relevant for the disclosure test,[119] but a piece of prior art can be part of the common general knowledge.[120] It could be concluded that prior art in the CJEU formula means common general knowledge.[121] On the other hand, it does not seem likely that this was intended since both, the prior art and the common general knowledge are mentioned in the judgements *Teva* and *Royalty Pharma*. It seems more likely that both of these sources of information should be taken into account.[122] This interpretation leads to a further difference in comparison with the disclosure test. Even so there is an overlap between the common general knowledge and the prior art,[123] the consideration of the prior art can lead to a different outcome.[124]

In the patent at hand in *Royalty Pharma*, the active ingredient "sitagliptin" was not disclosed in individualised form.[125] The CJEU was asked by the German Bundespatentgericht (Federal Patent Court) whether the product must be "provided as a specific embodiment".[126] This expression from German law is equal to the individualised disclosure.[127] The CJEU held that this is not necessary, but that the product must be "specifically identifiable, in the light of all the information disclosed by that patent, by a person skilled in the art, based on that person's general knowledge in the relevant field at the filing date or priority date of the basic patent and on the prior art at that date."[128] This is another argument against the standard for patent amendments and the standard in the context of Art. 3(a) SPC Regulation are the same.

Taking into account these arguments, it seems like "specifically identifiable" does not implement a disclosure standard from patent law but is an SPC-own standard. Comparing the disclosure test for the assessment of Art. 123(2) EPC and the criterion "specifically identifiable", the relevant point in time for the latter is the effective date of the patent, while for the former it may always be the filing date. The relevant point in time differs for subsequent applications for which the effective date is the priority date. There can be a period of up to twelve months between the two dates. During this time, the skilled person's common general knowledge may have changed. In particular, new information may have been added. This may have an influence on what the skilled person can derive from the patent specification. The criterion from the SPC Regulation appears to be narrower in this regard. The other difference is the inclusion of prior art in the context of Art. 3(a) SPC Regulation. This creates a greater diversity of sources of information. In addition, the prior art is more up-to-date and more open to new ideas and developments. In this respect, the criterion of the SPC Regulation appears to be broader. If one takes both differences together, the basis of the common general knowledge on the filing date and the basis of the prior art on the priority date, the differences no longer seem so great because it takes some time for a piece of prior art to become common general knowledge. The result may be different in individual cases, but in general the criterion of the SPC Regulation seems broader than the disclosure test for Art. 123(2) EPC. In addition, the first difference is not certain. It therefore does not seem possible to circumvent this criterion by amending the patent.

6. CONCLUSIONS AND OUTLOOK

Summarising the above, for most of the criteria it is not possible to achieve a different result by amending the patent. The requirement in Art. 3(a) SPC Regulation and the requirements for a patent amendment are even partially similar. To achieve a different result is only possible in individual cases. It is possible under certain circumstances to amend a claim related to a single active ingredient to a claim related to a combination of active ingredients V.3.1. The other scenario that has been identified is that an optional feature is amended to an essential feature V.4.1. Both cases do not seem very attractive for patent holders, as they limit the scope of patent protection and thus also the scope of a potential SPC. Both cases also result in a combination of active ingredients to which Art. 3(c) SPC Regulation applies, if the patent holder has already obtained an SPC for one of the active ingredients.

It can therefore be concluded that there is no risk that the conditions for granting an SPC in Art. 3 SPC Regulation, in their current version and interpretation, can be circumvented by patent amendments. Consequently,

118 Cf. Jules Fabre and Sarah Taylor (n 46) 332.

119 Paul England (n 27) 421; Roberto Romandini (n 34) 18.

120 Paul England (n 27) 13.

121 *Teva UK Limited and Others v. Gilead Sciences Inc* [2018] EWHC 2416 (Pat), para 17.

122 Roberto Romandini (n 34) 18 with reference to Darren Smyth, "Teva v Gilead – C-121/17 Provides Some Clarity on Combination Product" (*The IP Alchemist*, July 26, 2018) <http://www.ipalchemist.com/blog/teva-v-gilead-c-12117-provides-some-clarity-on-combination-products/> accessed March 7, 2024. See also Oswin Ridderbusch and Alexa von Uexküll (n 40) s 1.02.B.1; Paul England (n 27) 421.

123 Opinion of AG Hogan of 11 September 2019, *Royalty Pharma*, C-650/17, EU:C:2019:704, paragraph 70.

124 Cf. Roberto Romandini (n 34) 18.

125 Roberto Romandini (n 34) 18.

126 Judgement of 30 April 2020, *Royalty Pharma*, C-650/17, EU:C:2020:327, paragraph 21.

127 Federal Patent Court, 14 W (pat) 12/17 2017, para 10; *Sandoz Limited and Hexal AG v GD Searle LLC and Janssen Sciences Ireland UC* [2018] EWCA Civ 49, para 74; Roberto Romandini (n 34) 19.

128 Judgement of 30 April 2020, *Royalty Pharma*, C-650/17, EU:C:2020:327, paragraph 43.

there is no reason not to base the examination on the patent in its currently valid version. From the author's point of view, this is a positive outcome. The SPC Regulation and the conditions for the grant of an SPC result from certain purposes. The principal aim of the SPC legislation is to provide a financial incentive to the patent holder, but this aim is not without limits. At the same time, the purpose is to achieve a balance with other interests, in particular public health. Art. 3(c) SPC Regulation in particular is based on this purpose. The provisions of the SPC Regulation create a balance of interests. This should be respected, regardless of whether one personally considers the balance of interests to be successful or in keeping with the times. The patent holder should not be able to gain an unjustified advantage by amending the patent. This is also the general background to the substantive legal limitations on patent amendments.

On 27th April 2023, the European Commission has issued proposals for new SPC regulations as part of the Intellectual Property Action Plan.[129] Regarding the substantive aspects, the Explanatory Memoranda to the proposals expressly state that these features and their current interpretation by the CJEU are not to be modified or further clarified.[130] These regulations also make no explicit statements on patent amendments. Despite this, new recitals have been added, which are intended to implement CJEU case law. The Explanatory Memoranda refer to *Teva*, among others, as settled case law.[131] Recital 8 of the proposal for national SPCs and homonymous recital 16 of the proposal for unitary SPCs implement CJEU case law on Art. 3(a) SPC Regulation, in particular *Teva* and *Royalty Pharma*. The "product should fall within the scope of one or more claims of that patent, as interpreted by the person skilled in the art by the description of the patent on its filing date". Functional definitions are sufficient if the active ingredient(s) is or are "specifically identifiable in the light of all the information disclosed by that patent". In the Explanatory Memoranda it is also stated that a product corresponding to a functional definition must "necessarily [come] within the scope of the invention covered by that patent, even if it is not indicated in individualised form as a specific embodiment in the patent, provided that it is specifically identifiable from the patent".[132] This phrase from *Royalty Pharma* was seen as an argument against the adoption of the disclosure test for Art. 123(2) EPC. The proposals also seem to accept that a single active ingredient and a combination of active ingredients can be the same product,[133] which can be followed from the *Actavis* judgements. It is noticeable that only fragments of the case law of the CJEU are adopted. For example, the criterion "specified in the claims" is not addressed. Furthermore, the wording chosen differs in part from the judgements of the CJEU. The term "filing date" is used, although according to case law, the effective date is decisive. In addition, the controversial question of the relevance of the concepts of "core inventive advance" and "constitute the subject matter of the invention" in the context of Art. 3(a) and (c) SPC Regulation, which is also the subject of the new referrals to the CJEU, is not addressed.

The proposals do not contain any changes to the aspects identified as relevant with regard to patent amendments, but rather confirm the case law. If the proposed regulations are adopted as they stand, this will not lead to a change in the statements made on the relationship to patent amendments.

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Anna is a recent graduate from the LLM programme in European Intellectual Property Law and delivered her master thesis on the topic of this article.

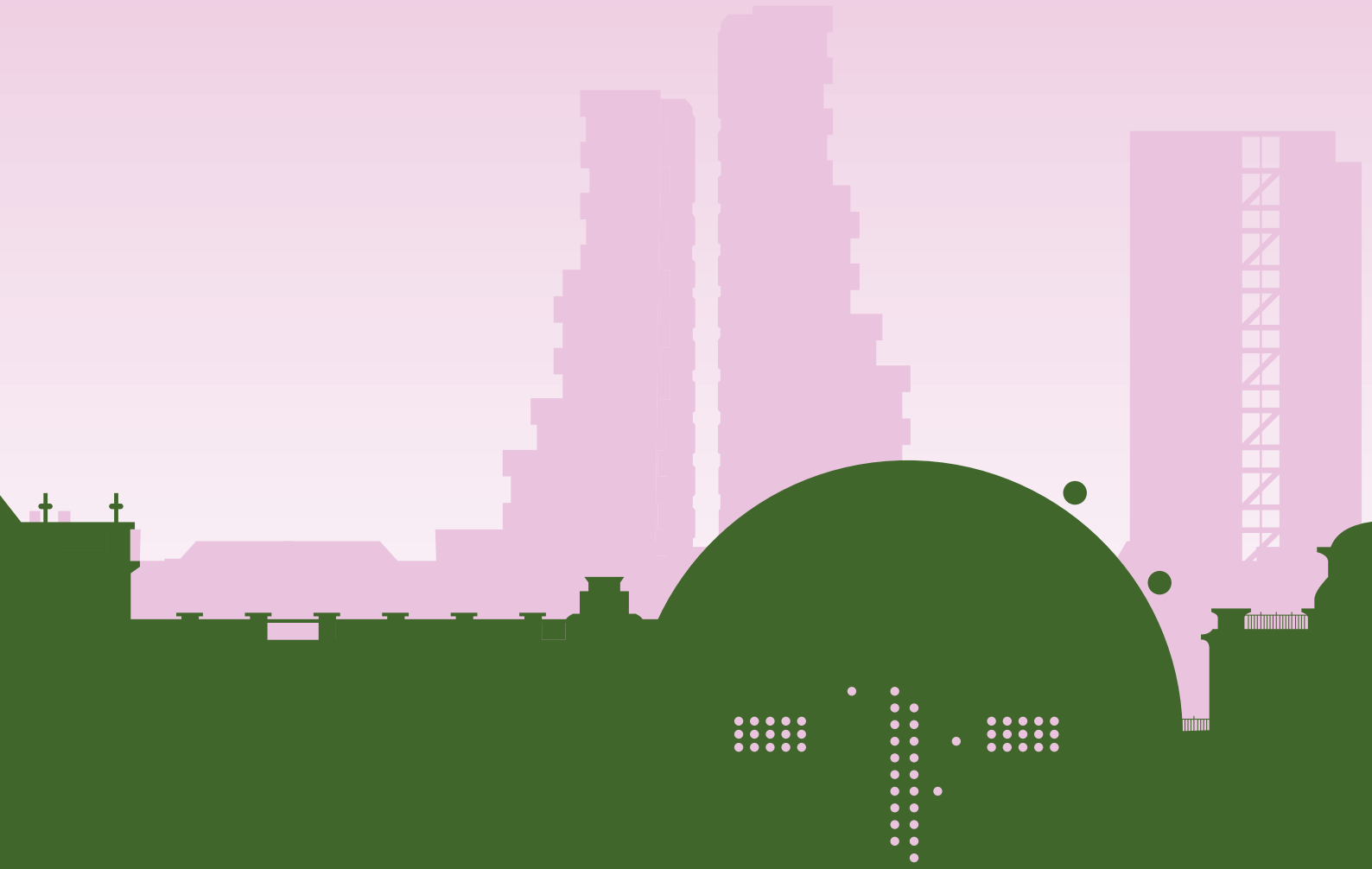
129 Proposal for a Regulation of the European Parliament and of the Council on the unitary supplementary certificate for medicinal products, and amending Regulation (EU) 2017/1001, Regulation (EC) No 1901/2006 as well as Regulation (EU) No 608/2013, COM(2023) 222 final 1; Proposal for a Regulation of the European Parliament and of the Council on the supplementary protection certificate for medicinal products (recast), COM(2023) 231 final 1–2.

130 Proposal for a Regulation on the unitary supplementary certificate for medicinal products (n 129) 11; Proposal for a Regulation on the supplementary protection certificate for medicinal (n 129) 11.

131 Proposal for a Regulation on the unitary supplementary certificate for medicinal products (n 129) 11; Proposal for a Regulation on the supplementary protection certificate for medicinal products (n 129) 12.

132 Proposal for a Regulation on the unitary supplementary certificate for medicinal products (n 129) 11; Proposal for a Regulation on the supplementary protection certificate for medicinal products (n 129) 12.

133 Cf. Proposal for a Regulation on the unitary supplementary certificate for medicinal products (n 129) recital 17; Proposal for a Regulation on the supplementary protection certificate for medicinal products (n 129) recital 9.



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