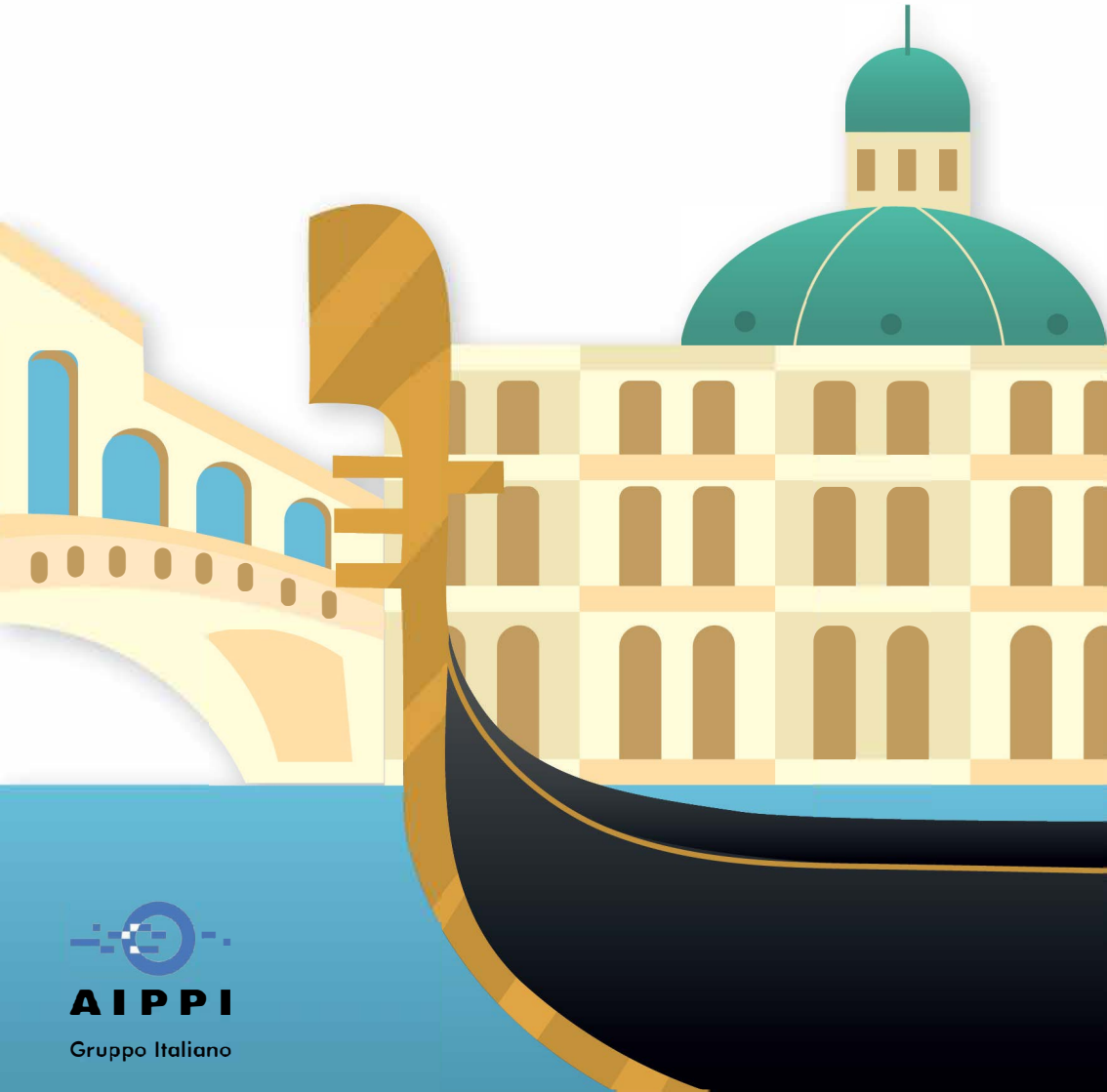




**SPORT, FASHION & DESIGN - TRENDS AND LEGAL ISSUES**  
*Proceedings of the Venice Conference of 31 March 2023*

***AIPPI ITALY – FRANCE – SPAIN***



**AIPPI**

Gruppo Italiano

**Sport, Fashion & Design - Trends and Legal issues**  
*Proceedings of the Venice Conference of 31 March 2023*

The Skill Press, luglio 2023

«Sport, Fashion & Design - Trends and Legal issues»  
*Proceedings of the venice conference of 31 march 2023*

AIPPI Italy - France - Spain

*With contributions from:* Giulia Cortesi, Inmaculada de la Haza, Gualtiero Dragotti, Emil Edissonov, Maite Ferrándiz, Eléonore Gaspar, Tania Kern, Simona Lavagnini, Santiago Mediano, Béatrice Moreau-Margotin, Francesca Morri, Stefan Naumann, Laurent Nowak, Daniele Roncarà, Fabrizio Sanna, Andrea Sirimarco, Paolina Testa, Alessandra Vitagliano.

**Vol. 38**

**[www.theskillpress.it](http://www.theskillpress.it)**

## Index

<b>Foreword</b>	7
Simona Lavagnini President of the AIPPI Italian Group, attorney-at-law LGV Avvocati, Milan	
<b>First Panel - <i>How to ensure the Protection of the Appearance of a Product? Copyright, design, trademarks and unfair competition</i></b>	9
Francesca Morri Secretary of the AIPPI Italian Group, attorney-at-law Studio legale Crespi, Milan	10
<i>How to ensure the Protection of the Appearance of a Product? Copyright, design, trademarks and unfair competition, Italy</i>	
Eléonore Gaspar Chair of the AIPPI Standing Committee on Trademarks, attorney-at-law DTMV Avocats, Paris	15
<i>How to ensure the Protection of the Appearance of a Product? Copyright, design, trademarks and unfair competition, France</i>	
Maite Ferrándiz attorney-at-law partner of GRAU & ANGULO, Barcelona	29
<i>How to ensure the Protection of the Appearance of a Product? Copyright, design, trademarks and unfair competition, Spain</i>	
<b>Second Panel - <i>How to ensure the protection of a sport, fashion or design event – Sport events, fashion shows and trade/design exhibitions</i></b>	39
Paolina Testa past President of AIPPI Italian Group, attorney-at-law FCCT studio associato, Milan	40
<i>Rules for the ambush marketing: the Italian way</i>	
Fabrizio Sanna Chair of the AIPPI Italian Group Committee on Design, attorney at law Orsingher Ortu, Milan	49

*How to ensure the protection of a sport, fashion or design event  
Sport events, fashion shows and trade/design exhibitions, Italy*

Tania Kern and Giulia Cortesi 56  
attorneys-at-law  
Kern & Weil, Paris

*How to ensure the protection of a sport, fashion or design event  
Sport events, fashion shows and trade/design exhibitions, France*

**Third Panel - Value Generation through patents in Sport and  
Fashion a case history and comparative perspectives** 70

Alessandra Vitagliano 71  
attorney-at-law  
AV&Partners - Legal and Business consulting

*Value Generation through patents  
in Sport and Fashion - a case history*

Béatrice Moreau-Margotin 78  
attorney-at-law  
J.P. Karsenty & Associes, Paris

*Value Generation through patents  
in Sport and Fashion, France*

Andrea Sirimarco 84  
attorney-at-law  
Legaleaders, Madrid

*Value Generation through patents  
in Sport and Fashion, Spain*

**Fourth Panel - Enforcement in a Digital Environment  
Dynamic and Blocking Injunctions** 94

Inmaculada de la Haza 95  
Attorney-at-law  
Balder IP, Madrid

*Short Summary of the Panel*

Gualtiero Dragotti 100

past President AIPPI Italian Group, attorney-at-law  
DLA Piper, Milan

*Enforcement in a Digital Environment  
Dynamic and Blocking Injunctions, Italy*

Stefan Naumann 107  
attorney-at-law  
partner at Szleper Henry Naumann, Paris

*Enforcement in a Digital Environment  
Dynamic and Blocking Injunctions, France*

Santiago Mediano 113  
attorney-at-law  
Chairman of Santiago Mediano Abogados, Madrid

*Enforcement in a Digital Environment  
Dynamic and Blocking Injunctions, Spain*

**Fifth Panel - Metaverse and IP Rights** 121

Daniele Roncarà 122  
attorney-at-law  
Head of Copyright, IP, Collecting at SKY, Italy

*Some thoughts about the metaverse, NFT and future scenarios*

Laurent Nowak 126  
French and European Trademark and Design Attorney  
Plasseraud IP , France

*Metaverse and IP Rights, France*

Emil Edissonov 138  
attorney-at-law  
Curell Suñol SLP, Barcelona

*Metaverse and IP Rights, Spain*



Simona Lavagnini  
President of the AIPPI Italian Group, attorney-at-law  
LGV Avvocati, Milan

## ***Foreword***

This text is a tribute to the study initiatives of AIPPI, the International Association for the Protection of Intellectual Property, which has been active for many years on a local and international level in the in-depth study of industrial and intellectual property law issues. In this context, the Italian Group, the French Group, and the Spanish Group had planned to hold a first trilateral event of the Groups, which was to take place in Venice on 27 March 2020. The intention was - now as then - to initiate a fruitful debate between experts from different jurisdictions and with different backgrounds, to originate exchanges of opinions and ideas and to allow creative debate on new initiatives and proposals. This, after all, belongs deeply to our association, which was founded many years ago with a strong international vocation, precisely because intangible intellectual property rights are by their very nature cross-border in their use as well as - now increasingly - in their creation.

Precisely in March 2020, the Covid pandemic emergency unfortunately broke out, so that the event could not be held. For many months we all unfortunately had to give up seeing each other in attendance, resigning ourselves to online meetings and seminars. However, at the end of the pandemic, towards the end of 2022, we were able to resume the organization of the project, which finally took place on 31 March 2023, again in the wonderful location of Venice, and dealt with “Sport Fashion & Design - Trends and Legal Issues”. The members participated in large numbers and with enthusiasm, discussing the various topics and comparing different experiences. Italian, French, and Spanish speakers took part in each panel, telling the audience about their respective experiences, dealing with the protection of the shape of products, the protection of events in the different sectors identified, the patent valorization of innovations, enforcement in the digital world (including dynamic injunctions), as well as IP rights in the metaverse world.

The stimuli were indeed many and confirmed the validity of the idea of organizing regular events of this kind, where experts in the field can di-

scuss, confront each other, and generate new ideas and proposals. It was therefore decided to continue with the organization of other Trilateral events, and the hope is to meet again soon, this time in Spain. The success of the initiative also prompted the Italian Group to ask the speakers to provide a written contribution summarizing the oral presentations, to compose a reference text that could be offered to all members.

My heartfelt thanks go to all those who worked hard to organize this event, starting from Paolina Testa, Past President of the Italian Group, to the Presidents of the French and Spanish Groups, Corinne Vedel and Santiago Jordà, to all the other AIPPI members involved in various capacities (in addition to the speakers, who you will find on the following pages, Elena Marietti, Chiara Pappalardo, Alessandro Masetti, Leonardo Seri, Raffaella Arista and others).



# First Panel

*How to ensure the Protection of the Appearance of a  
Product? Copyright, design, trademarks  
and unfair competition*

Francesca Morri  
Secretary of the AIPPI Italian Group, attorney-at-law  
Studio legale Crespi, Milano

## ***How to ensure the Protection of the Appearance of a Product? Copyright, design, trademarks and unfair competition, Italy***

### **1. General background**

In Italy the appearance of a product may be protected as a design, a trademark, an artwork, an invention/utility model, depending on the function of the features of the product.

We have also the possibility to protect the appearance of a product under the Italian Unfair Competition law (you can find it in the Civil Code, articles 2598-2601). It is important to stress that, as a rule, only the distinctive features of a product may be protected, provided that they are not dictated by technical needs or do not give substantial value to the product. Nonetheless, also the imitation of non distinctive, or technical/ornamental features may be considered unfair, on a case-by-case assessment, taking in consideration all the circumstances in case of parasitism.

Italian Courts very long ago ruled that not only the imitation that causes a likelihood of confusion is unfair, but also parasitism. At the beginning the legal meaning of the word “parasitism” was “to follow the footprints of a competitor, imitating any commercial step, product or advertising” of a competitor, irrespective of the absence of any likelihood of confusion. Currently the word “parasitism” often encompasses the not confusing imitation, down the minimum and unnecessary details, of a competitor’s product, especially when [a] the copycat products are manufactured by a possible client, after a business contact with the producer of the original product, or [b] the imitated product is a very famous one and, due to the fact that the copycat product looks alike the former, the average consumer may link the two products, transferring to the imitating product the good reputation of the famous one.

Finally, one must pay attention to the Italian Cultural Heritage Code. According to this Act (D. Lgs. 22 Gennaio 2004, n. 42, articles 107-108)

it is not possible to reproduce for a profit purpose an object or an artwork belonging to the Italian cultural heritage without the consent of the competent Italian public administration (for example a museum), even if the work is free from copyright.

## **2. Italian Cultural Heritage Code: case law**

According to the news last year the Uffizi Museum sued a fashion Maison over unauthorized reproduction of the Botticelli's Venus on their garments. We do not have the decision yet, but Italian Courts have already protected other famous artworks over unauthorized uses.

In 2022 the Court of first Instance of Venice granted protection to the Vitruvian man over unauthorized reproduction on a puzzle (order dated Nov. 23, 2022). In 2017 the Court of first Instance of Florence protected the Michelangelo's David, reproduced by a travel agency on unofficial tickets to the Gallerie dell'Accademia di Firenze Museum, on advertising leaflet and on their website (order dated Oct. 26, 2017).

## **3. Copyright protection on design works: case law**

According to the Italian Copyright Act (art. 2 n. 10 L. 633/1941) only designs that display creative character and artistic value are eligible for copyright protection. Italian Courts generally assess the artistic value of a design taking into consideration several objective factors such as: the product has been displayed in exhibition or museums; has been awarded; institutional establishments recognized the aesthetic and artistic qualities of the design (for example in a very famous Italian case, the Moon Boots case, the product was listed by the a Museum among one hundred iconic designs of the twentieth century); the designer has a reputation; etc.

It is very important for the claimant to file robust evidence in Court of some of the above factors, because if no evidence, or few evidence, are provided the claim is dismissed. For example, some famous pendants could not access the copyright protection in Italy because the plaintiff did not provide the Court with enough evidence of the several objective factors I listed before.

This was not the case of the Vespa scooter.

The Court of instance of Turin acknowledged, in two different lawsuits (Court of Turin, decision dated March 17, 2017, confirmed by the Court of Appeal in 2019; order dated Nov. 11, 2022), that the design of the X50 Vespa scooter has an artistic value. The plaintiff could prove that this was an iconic piece of design (it was awarded, displayed in books and design reviews, exhibited in museums and so on).

In my opinion this case is interesting for several reasons, but I want to stress two of them.

The Court of Turin granted protection to this Vespa model also as a 3D mark, rejecting the defendant's claim that the registration was invalid because the shape gives substantial value to the goods. One may ask how it could be possible that, considering EU Case Law, a design with an artistic value does not have an influence in the consumer's purchasing decision, but the Court assessed that the appearance of a scooter is not an element that consumers consider when they purchase a scooter, being rather more attracted by the price and the performances.

The other interesting part of both decisions of the Court of first instance of Turin can be found in the infringement assessment. Only one in four products has been labelled as an infringement. In the Court opinion the other shapes are enough different both in the copyright perspective and in the trademark one. The point is that, according to the Court, this kind of products have a common inspiration which is part of the state of the art. For this reason only the characteristic features of the Vespa Scooter can be protected against the imitation. And the protection is granted only when all these features can be found in a competitor's product.

At the same conclusion arrived the EU General Court in Case T 219/18, ruling on the validity of a Piaggio's competitor design registration for a model of scooter.

Another interesting case is the Rubik's Cube one. The Court of first instance of Naples, in an interim injunction (order dated March 1st, 2022), granted copyright protection to this shape applying Italian case law criteria on the artistic value. The owner of the rights proved that this product was an iconic piece of design, exhibited in museums, awarded with prizes, reproduced in books, etc. As you know a patent was granted on this cube, but the Court did not consider at all whether a once patented product may be protected by copyright. This was probably since – at least according to

the wording of the decision - the defendant did not raise the issue of the overlapping between copyright protection and patent protection, focusing on the lack of creativity of the shape (claimed to be just a “common” cube).

The Rubik’s cube was registered as a 3D mark, which was challenged by a competitor. According to the 2019 EU General Court decision on this mark, the Rubik puzzle must be shaped this way for a technical reason (General Court 2019, in case T-601/17).

I wonder whether it could be maintained that, according to the Brompton case (EUCJ, June 11, 2020, C-833/18), the designer of the Rubik cube had some freedom in its creativity.

In any case I hope that the Courts will deepen the problem of the overlapping of copyright and patent protection. Of course, such problem may arise only when copyright protection is claimed for preventing competitors from manufacturing and selling the product for its proper use, and not as iconic shape of different products.

#### **4. Unfair competition case law**

In a very famous case of some years ago, two fashion companies clashed in many countries, with different results. The Italian lawsuit dealt with an alleged trademark infringement and unfair competition, with counterclaims mainly related to the alleged invalidity of the plaintiff’s marks. The interesting part of the case is the claim related to parasitism, in the meaning I explained at the beginning (“to follow the footprints of a competitor”). The Court of first instance of Milan (May 2nd, 2013) dismissed all the plaintiff’s claims, ruling that each product was different enough to avoid any risk of confusion, that the sharing of the same style is very common in the fashion industry and that one cannot maintain that the quantity of the alleged imitations can lead to an overall assessment of “unfairness”. The Court of appeal set aside the decision in this part and ruled in favour of the plaintiff (Court of Appeal of Milan, Sept. 15, 2014).

The case is interesting because in each decision one can find a different position in relation to parasitic competition, which reflects the corresponding different positions of the Italian scholars. One maintains that a number of lawful imitations is unlawful, showing a parasitic aim. Another says

the opposite: the sum of much zero is always zero, never can be one. In other words: what is licit when considered by itself remains licit also when appreciated in a broader context of other licit imitations.

The last case I choose for this quick Italian case law overview deals with the “new” concept of parasitism. In this case, related to famous sandals, the plaintiff claimed that the defendant’s products infringed its trademark rights on the sole and that the imitation of the shape of its sandals was an unfair competition act. The Court of Milan (Oct. 22, 2020) dismissed the claim based on the trademark but granted protection against parasitism. In the Court’s view, although the imitation of the plaintiff’s products was not causing any likelihood of confusion, there was parasitism, because the imitation was down to the smallest and unnecessary details. In cases like that Italian Courts tend to protect the famous product against the imitation, because the imitator does not make any effort to differentiate its product.

## **5. Final remarks**

In current days in Italy, it is easier to obtain protection of the appearance of a product also under the copyright law and the unfair competition law, but remember: [a] to provide the Court with strong evidence of the artistic value of the design, or of the distinctive character of at least some features of the shape, or [b] to show details that reveals a parasitic aim. And don’t forget the Italian Cultural Heritage Code!

Eléonore Gaspar

Chair of the AIPPI Standing Committee on Trademarks, attorney-at-law  
DTMV Avocats, Paris

## ***How to ensure the Protection of the Appearance of a Product? Copyright, design, trademarks, and unfair competition, France***

1. Main Intellectual Property rights to protect the appearance of a product are authors rights and designs.

In France, cumulative protection has existed for more than a hundred years, and even before the EU Directive.

Indeed, it is expressly mentioned by French law that works of applied arts can be protected by copyright. Article L 112-1 of the French Intellectual Property Code (hereinafter French IPC) provides that copyright protects all works whatever their genre, form of expression, merit, or purpose. Article L.112-2 of the French IPC, which proposes a non-exhaustive list of works that can be protected by copyright, expressly lists the works of the applied arts (“oeuvres des arts appliqués”) (10°) and the creations of the seasonal clothing and parure industries (14°) which are defined as industries that for reasons of fashion frequently renew the form of their products.

The protection of a design intervenes without prejudice to the protection granted by copyright (Article L.513-3 of the French IPC). This is what is called the unity of art, and it means that there is a possible cumulative protection, both by design and by copyright provided the conditions of protection for each IP right are fulfilled.

To benefit from copyright protection, a work of industrial design does not have to meet conditions higher than what is required for a pure work of art. There is no need for a higher degree of originality or artistic value. Any work of design can potentially be protected not only by design, but also by copyright, provided the specific conditions of each right are filled in.

As a result, to benefit from protection of designs, the work must fulfill the requirements of novelty and individual/proper character and to benefit from copyright protection, the work must be original. Originality is defined as the print of the personality of the author, which implies free and creative choices.

In the past, courts have sometimes assessed protection from the two rights by confusing the protection criteria, but the general trend is that Courts now assess the conditions of protections specific to each IP right separately, namely novelty and individual character for designs and originality for copyright protection. Same reasoning applies for the enforcement of each right. There is copyright infringement when the original characteristics of a product are reproduced and there is design infringement in case of same overall impression.

## Copyright

French decisions do grant copyright protection to works of applied art even if case law is more restrictive than before.

As an example, the Paris Court of Appeal has ruled on June 4, 2019 that the RIMOWA suitcases could be protected by authors rights as the combination of the various elements claimed, among which the characteristic grooves on the side of the suitcase, reveals creative choices in order to give a particular aesthetic aspect and confers to them an originality justifying that they benefit from the protection of the author rights.

The Court has ruled that there is copyright infringement as the FRANCE LANCINE suitcase had reproduced the characteristics constituting the originality of the RIMOWA suitcase, i.e. the original elements.

The elements noted by FRANCE LANCINE on its suitcase, which are not found on the RIMOWA suitcase protected by author rights, were considered to be details (rectangular shape rather than square, four single wheels rather than four double wheels, absence of grooves on the upper part of its suitcase or difference in the handle), which cannot rule out the



adoption by the FRANCE LANCINE suitcase of the characteristics constituting the originality of the RIMOWA suitcase.



On June 29, 2021, the Paris Court also granted protection of authors rights to ANTIFER ring of REPOSSI

The court recognized the originality of the ANTIFER ring, noting in particular that the personal choices of the author were clearly explained and that none of the documents produced by the companies MANGO FRANCE and PUNTO FA showed that these choices were the resumption of a common fund or that they differed from the previous productions only by differences in detail. The ring was also protected by a design and the Court recognized the individual character of the model. The incriminated ring was found to infringe both upon authors rights and design rights.



On January 20, 2023, the Paris Court of Appeal also accepted to grant copyright protection to a bracelet that is not only a thin and open bracelet with triangular patterns adopting the graphics of an Aztec pyramid,

but also a jewel of which originality is characterized by the association of horizontal patterns in staircase giving an effect of alignment of pyramids and smooth triangular spaces but also by the fineness of these patterns, the fine engraving, in combination with the graphic elements and the shape of the bracelet conferring to this one a clean and original aesthetic aspect reflecting the imprint of the personality of its author. Nevertheless, the incriminated bracelet was not found to be infringing.



The Paris Court of Appeal also accepted on April 15, 2022, to grant authors rights protection to the handle of a knife.



Indeed, it was ruled that “These arbitrary and aesthetic choices, even if they borrow from the polyhedral and adamantine style, make that the global aspect of the work taken in the combination of each of its elements, even if they are known, make of it a model of knife with a contemporary and purified style which carries the print of the personality of its author.” However, there was no infringement in this particular case because despite similarities, the challenged knife handle did not reproduce the other original characteristics. Indeed, the eight facets composing each side of the handle of the ‘Pablo’ knife being of different shapes forming quadrilaterals and triangles, and the end comprising two sides and not only one confer to the global aspect of the handle a more complex character and not a purified appearance of a cut diamond.



To the contrary, the Paris Court of Appeal on February 15, 2022, has refused to protect by copyright bracelets as they strongly evoke the bracelets called ‘Brazilian’, traditionally made in Latin America. Even if the bracelets differ from the Brazilian cotton bracelets as they are made of more noble materials (silver, silk...) and in more chic colors (gold, black, silver...) or feminine (pink, nude), the mere choice of materials and colors to ‘revisit’ a genre cannot be sufficient to confer on the bracelets invoked the imprint of the personality of their author and justify the benefit of copyright protection.



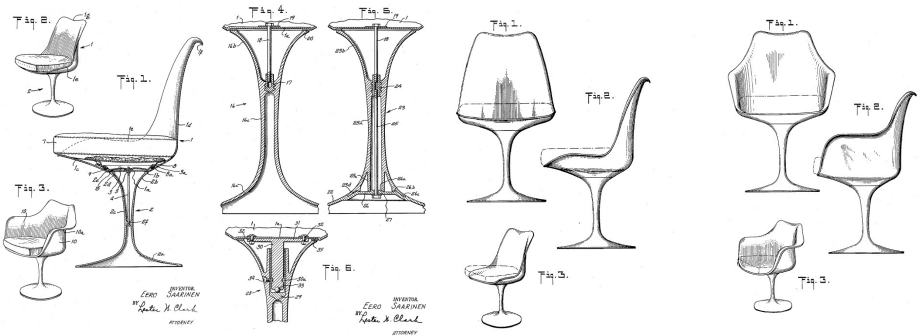
As a result, even if copyright protection has a lot of advantages (no registration needed, no costs of registration, long duration of protection, worldwide protection, for all products), it is not always easy to get protection and it is even more difficult to prove copyright infringement by reproduction of the original elements. This is also interesting to keep in mind, as defense, that Article 2-7 of the Berne Convention provides

that : *“Works protected in the country of origin solely as designs and models shall be entitled in another country of the Union only to such special protection as is granted in that country to designs and models; however, if no such special protection is granted in that country, such works shall be protected as artistic works.”*

This article cannot be claimed between European countries, but it can be invoked when the country of origin is outside EU. This is what happened to the very famous Knoll’s Tulip chairs.

Indeed, the country of origin of these Tulip chairs were the US and, in the US, copyright protection is excluded for a utilitarian object unless it contains separable artistic elements which can be considered in themselves as pictorial, graphic or sculptural works, in which case the protection extends only to these elements. As a result, as per US law, it was ruled that the shape of the Tulip chair and armchair certainly obeys aesthetic research but responds to functional objectives taking into account the imperatives of economy of construction, solidity, and comfort for the user,

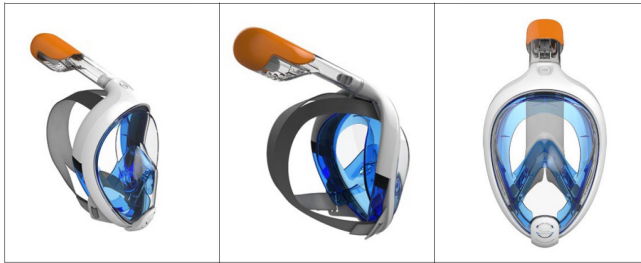
which the author recalled in the description of the application for the patent that he filed. As a result, as no artistic element can be separated from this functional form under applicable US law, it was ruled that the Knoll companies cannot seek copyright protection in France (French Supreme Court, October 7, 2020).



## Designs

The designs on the DECATHLON's Easybreath mask were validated both by the Paris Court of Appeal (January 28, 2022) and by EUIPO (July 19, 2022)

Indeed, the technical function of the Easybreath mask was not the only one to determine the characteristics of its appearance, and aesthetic considerations have played a decisive role in the shape of the mask.



Nevertheless, the Court of Appeal denied design infringement on the basis that the similarities between the two masks in question were mainly due to the fact that the mask accused of infringement has taken on characteristics imposed by the technical function of the product, only the transparency of the lower part of the glass and the crescent shape of the upper part of the glass being taken on without necessity. The other elements of the mask not imposed by the technical constraints, such as the shape of the frame or the top of the snorkel, present notable differences which are rightly noted by the court.



## 2. Other IP rights can be invoked to protect the appearance of a product.

### Trademarks

We know that trademark protection on the form of a product is not easy to obtain. However, it can also be claimed when it can be proved that the form diverges from the norm and habits.

As an example, the shape of the Guerlain lipstick could be protected (European General Court, 14 July 2021, Case T-488/20) on the basis that the relevant public with a medium to high level of attention will be surprised by this easily memorable shape and will perceive it as significantly diverging from the norm and habits of the lipstick industry capable of indicating the origin of the goods concerned.



As regards the smiley shape of the Mc Caine potato chips, there are conflicting decisions:

- The Paris Court of Appeal, 11 February 2022 considered that the trademark for 😊 is devoid of distinctive character since it will be perceived as intended to convey a message according to which the products concerned would have positive characteristics so as to infer a favorable opinion as to the properties and qualities of these products.

- The European General Court has been more flexible in its decision concerning a EU trademark which represents almost the same sign 😊 and concerns the same products (European General Court, 14 December 2022) by considering that the shape of a smiling face represented by the contested trademark diverges significantly from the habits of the food sector and, therefore, fulfils the function of an indication of commercial origin.

Even when a sign is protected as a trademark, the use of a similar sign is not necessarily a trademark infringement. As an example, even if the figurative mark of the Burberry tile is valid and well known there is no violation of the reputation whereas the marketing of the contested products is centered on the character of Violetta, highlighted on the products as well as on the displays, so that the public will not make the link with the Burberry mark.



### Possible impact of a registered name

It was ruled that the reproduction of the shape or appearance characterizing a product covered by a registered name is prohibited where that reproduction is liable to lead the consumer to believe that the product in question is covered by that registered name (Court of Justice of the European Union, December 17, 2020) and this principle was applied by the Paris Court of Appeal on November 18, 2022 as regards the Morbier cheese. Indeed, it was ruled that the general appearance of Montboissié



cheese (both in terms of its shape and its color, the appearance of its orange-coloured rind, its ivory-coloured paste with small cavities and a darker line running right through its center) is reminiscent of Morbier cheese and is likely to mislead the consumer as to the true origin of the product. Because of this very similar appearance, the consumer makes a link with the Morbier designation of origin as a reference image, the differences in the composition of the cheese or in the color of the central line being insufficient to eliminate this risk of confusion, as are the differences in the labeling and the name.



3. Finally in France, it is also possible to rely on unfair competition and parasitism and these are very powerful tools in litigation either in addition to the violation of IP rights or when there are no valid IP rights (even if on the basis of freedom of trade, a product that is not protected by IP rights can be freely reproduced).

Unfair competition is the fact of creating, either by carelessness or negligence, confusion or likelihood of confusion with the company of a competitor or with its goods or services. It is therefore possible to prevent all acts of such nature as to create confusion.

Parasitism is established when an individual or a legal entity is inspired by or copies, at no expense, on a profitable basis and in an unjustified way, someone else's individualized economic value which is the result of know-how, intellectual work and investments and which grants it a competitive

advantage. Parasitism is following the wake of a third party to take advantage of its efforts, success or reputation.

As an example, Paris Court of Appeal on June 15, 2022 recognized that the marketing of a range of no less than 11 pieces of jewelry very similar to those of the ‘Happy Diamonds’ collection of Chopard, both in terms of their shape and because of the insertion of mobile diamonds visible by transparency, and moreover under the brand name ‘Dancing Diamonds’ evocative of the ‘Happy Diamonds’ collection, both by the choice of the English language and the image of dancing generated by the mobile nature of the diamonds within the jewelry, can be a source of confusion for the consumer and characterizes wrongful acts of unfair competition. It also recognized parasitism.



On February 1, 2022, the Paris Court of Appeal (Dior/Zara) ruled about the promotion of the Zara collection that if none of these covers, taken individually, is in itself faulty, their accumulation, which cannot be fortuitous since they are seasoned and recognized companies in the world of fashion, characterizes the clear desire of the companies ZARA and INDITEX to be part of the same universe as the singular one, created and renewed on the occasion of these two collections, by the company Dior, whose reputation is established in France and throughout the world as synonymous with luxury and elegance.

By proceeding in this way, ZARA and INDITEX have undeniably gained a competitive advantage over Dior, since they have been able to mar-

ket clothing and accessory models, while limiting their costs and the time spent on their creations, drawing inspiration from the themes, materials, models, prints, and also from the communication used by the haute couture house. ZARA and INDITEX created a link between their collection and the world of luxury goods, thus saving substantial investments and allowing them to sell their own products at a lower cost. All of these actions characterize parasitic behavior demonstrating that they wanted to follow on the wake of DIOR, on a lucrative and unjustified basis, by obtaining a competitive advantage, since they benefited both from the efforts to create the universe of products of DIOR and from the very significant investments made by the latter to publicize and promote its products in the high-end luxury segment.



*Dior*

*Zara*

But parasitism can also be accepted in cases in which the infringement of IP rights was denied. For example, in the DECATHLON case mentioned before, design infringement was denied, and the court also considered there was no unfair competition in view of the differences. But the court ruled that there was parasitism and granted DECATHLON 100.000 Euros as damages on this basis.

**In conclusion**

The advantages of authors rights protection are numerous. Indeed, there is no need of any registration, and the work is protected as of creation

even unachieved, for the term of copyright protection (generally life of the author + 70 years), in a broad way with no territorial limitation and for all products and services. And there is a presumption of ownership for the one exploiting under its name. The downside is that whether the product is protected is assessed by the Court in case of litigation which leads to a certain uncertainty. This is in any case a protection that should be considered in case no design was filed.

The best way to protect the appearance of a product is in any way to combine the different types of protection when possible and some products are indeed protected by authors rights and designs but also through trademarks. That was for example the case of the perfume bottles of Jean-Paul Gaultier in the shape of a male bust or of a female bust which were protected by various trademarks and designs, but also by copyright. While the Company exploiting these bottle perfumes has been very successful a few years ago to prevent use of similar perfume bottles (Supreme Court July 1, 2008), it was less successful in a recent case where no infringement was recognized (Lyon, Court of Appeals, March 16, 2023).

In the last years, unfair competition and parasitism became very powerful tools that can be claimed before the Courts, in addition to IP rights or when the court refuses to grant a protection as IP right or refuses to consider there is infringement of IP rights. Indeed recently, Courts have often recognized unfair competition or parasitism after having denied IP infringement.

Best advice is therefore to consider all and any IP right, and when no filing was made, as a design or as a trademark, there is still the possibility to claim authors rights (possibly unregistered designs) and in any case unfair competition or parasitism.

Maite Ferrándiz  
attorney-at-law  
partner of GRAU & ANGULO, Barcelona

## ***How to ensure the Protection of the Appearance of a Product? Copyright, design, trademarks and unfair competition, Spain***

I would like to give you an overview of the situation in Spain with regard to the legal protection of the appearance of industrial products and how the Spanish Courts are interpreting this protection.

I will mainly focus on copyright protection and its accumulation with design protection as this is an issue of special interest in the Spanish jurisdiction due to the change of paradigm brought by the European Court of Justice (ECJ) ruling of 12 September 2019 in the Cofemel case (C 683/17).

The Spanish Copyrights Act (Royal Legislative Decree 1/1996 of 12 April 1996), in its Art. 10.1 e), allows for copyright protection of artistic works applied to the industry provided that they are **original** and **expressed by any means or medium**.

Article 10.1 e) of the Spanish Copyright Act: *“The subject matter of intellectual property shall comprise all original literary, artistic or scientific creations expressed by any means or medium, whether tangible or intangible, known at present or that may be invented in the future, including the following: (...) e) Sculptures and works of painting, drawing, engraving and lithography, picture stories, cartoons or comics, including drafts or sketches therefore, and other works of three-dimensional art, whether applied or not”*.

In its turn, Art. 3 of the Spanish Copyright Act allows the copyright protection to be **cumulated with other industrial property rights** that may exist over a work.

Article 3 of the Spanish Copyright Act: *“Copyright is independent, compatible and cumulative with: (...) 2º The industrial property rights that may exist over the work”*.

The issue is how the Spanish Courts have been interpreting these rules, in particular, the requirement of originality needed for industrial products to be protected under copyrights.

Traditionally, there had been different criteria among the Spanish Courts. Some applied a criterion of “subjective originality”, understood in the sense that a work is original if it has not been copied from a previous work and reflects the personality of the author; and others applied a criterion of “objective originality”, understood as meaning that a work is original if it is novel in respect of any previous existing work.

However, the ultimate tendency of the Spanish Courts prior to the ECJ’s Cofemel judgment was to require an “objective originality”, but with the addition that the work had to have a certain degree of artistry. Consequently, not all novelty was sufficient.

Let me cite, as examples, the following decisions in which Spanish Courts had held that designs deserved copyright protection:

- Judgement of the Madrid Commercial Court of 10 February 2010, which conferred protection on copyrights to the appearance of the “Brompton” bicycle:



- Judgement of the Madrid Court of Appeal of 15 September 2017, in which the Longchamp handbag “Le Pliage” was considered an original creation worthy of copyright protection:



- Judgement of the Alicante Court of Appeal of 18 March 2019, concerning different pieces of furniture that were afforded copyright protection:



With the ECJ judgment in the Cofemel case the situation changed substantially since the ECJ in such judgment does not apply a criterion of “objective originality” nor does it require an artistic degree to the works to be protected by copyright, as the Spanish Courts had been requiring. On the contrary, the ECJ considers a work to be original to the extent that (1) it reflects the personality of its author, manifesting the author’s free and creative decisions, which is closer to a criterion of “subjective originality” and (2) provided that the work is identifiable with sufficient precision and objectivity.

The interpretation of which products can be protected by copyright has therefore broadened in Spanish jurisdiction after the Cofemel ruling, to the extent that doubts have arisen as to how cumulative copyright and design protection should operate, since there is a certain risk that design protection could be somewhat disfigured, given that the term of protection for copyright is much longer than for designs (70 years after the author's death vs. a maximum of 25 years).

*So, how are the Spanish courts applying the ECJ Cofemel case law in their judgments?*

To answer this question, it is worth highlighting the judgment of **6 March 2020 of Section 15th of the Barcelona Court of Appeal**, which specializes in intellectual property matters and is known for the quality of its rulings, in the “LATINA” case.

The proceedings in such case started with a lawsuit by a well-known Spanish architect who had designed a peculiar streetlamp, referenced as the “LATINA” streetlamp, which had been placed in several cities, such as Barcelona and Rotterdam.

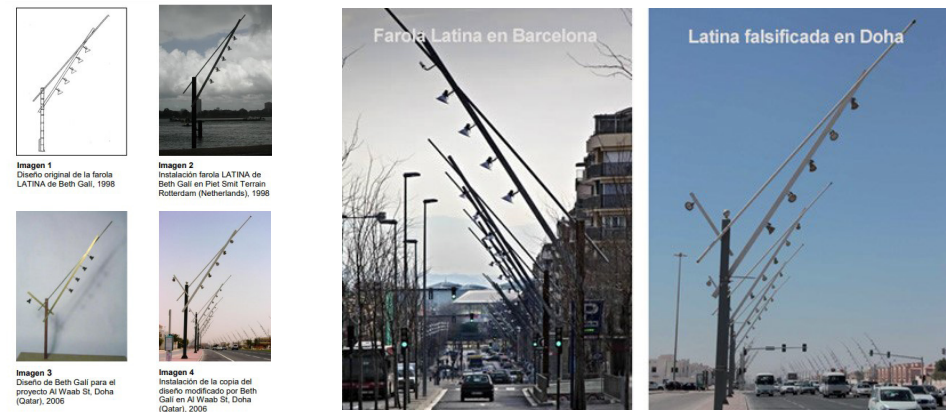
The claim was brought against the State of Qatar and the Qatari public works company Ashghal for the installation on a major avenue in the city of Doha (Al Waab Street) of streetlamps identical to the “LATINA” streetlamps designed by the plaintiff, which, besides, had structural problems and defects.

In the complaint, the plaintiff alleged infringement of her moral rights of disclosure, paternity and integrity of the work. She did not exercise the economic rights over the work because she had assigned them to the company Santa & Cole, which was responsible for marketing the streetlamps and which was not a party in the proceedings.

Prior to the installation of the streetlamps, Santa & Cole and the defendant Ashghal had been in talks to install the “LATINA” streetlamps on the avenue in question, and for this purpose Santa & Cole had given Ash-



ghal a quote of several million euros, which was finally rejected by Ashghal. After rejecting that quotation, Ashghal commissioned a third local company to install the disputed streetlamps.



Asghal and the State of Qatar replied to the complaint by raising a number of procedural issues and denying infringement of the applicant’s moral rights. The Court of First Instance upheld the infringement of those rights, and the defendants appealed the judgment before the Barcelona Court of Appeal.

When deciding on the case, the Court of Appeal’s first question was how the requirement of originality of an industrial product should be interpreted in order to be eligible for copyright protection. In its judgment, the Court refers first of all to its most recent case law, in which it had been requiring a certain artistic value in order for industrial products to be eligible for copyright protection (in fact, this was the Court’s first judgment following the ECJ’s judgment in Cofemel). In this respect, the Court of Appeal states that, in the light of the Cofemel judgment, the Court must change its previous criterion, and it declares that artistic value can no longer be required in order to consider the appearance of a product to be original. In the terms of the Cofemel judgment, it states that what is relevant for this purpose is that the product reflects the author’s own personality, manifesting the author’s free and creative choices.

However, the Court wonders how the cumulative protection of designs and copyright should be interpreted after the Cofemel judgment, stating that cumulative protection does not apply in all cases and that certain limits must be established to avoid the risk of emptying the design protection system.

It understands that, following Cofemel, in order to set these limits, it is not necessary to require a higher creative value, as the Court had been doing in the past, but rather to analyze whether the industrial product in question can be considered a work protectable by copyright and, therefore, whether or not it reflects the free and creative decisions of its author. To this end, in line with Cofemel, it understands that the fact that the work generates an aesthetic effect is not sufficient to consider that the product is a work protectable by copyright. On the other hand, it states that aspects related to the functionality of the work must also be examined.

As regards the “LATINA” streetlamp, the Court considers that it is original and that can be protected under copyright because:

- First, it is a new creation different from the usual shape of streetlamps. In this regard, the Court refers to the fact that, although the defendants made an enormous effort to provide evidence of third party streetlamps, none of them came close to the design of the “LATINA” streetlamp.
- Second, the “LATINA” streetlamp reflects a free and creative choice of the author, as the streetlamp is inspired in the shape of a harbor crane (the Court took into account that the plaintiff alleged that there was a “dialogue” between the streetlamps and the harbor cranes);
- Third, the Court considers that the streetlamp is dominated by purely creative rather than functional aspects.

Having agreed on the originality and protection of the work, the Court examined whether the lampposts placed in Doha infringed the plaintiff’s moral rights and considered that they did infringe the rights of authorship and integrity of the work, since the lampposts were identical in appearan-

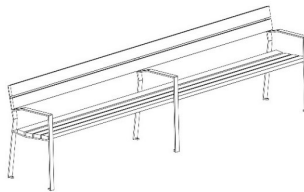
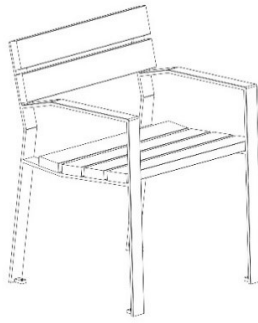
ce but had serious defects that affected the integrity of the work. It did not consider that the right of disclosure of the work had been infringed, as the first communication of the work had not been made by the defendant Ashgal.

In these circumstances, the Court declared the infringement and condemned Ashgal (but not the State of Qatar, which did not hold it responsible) to remove the lampposts from the public highway, to publish the content of the judgment in a general newspaper and in a specialized magazine, to pay €100,000 for the damages caused to the plaintiff and to bear the costs of proceedings.

Another precedent to be highlighted is a recent **judgment, dated 29 November 2022, of the European Union Trademark Court of Appeal in Alicante**, in which the accumulation of protection of street furniture both through Community designs and through copyright was discussed, and unfair competition was also invoked. The background of the case is the following:

Santa & Cole is the owner of two Registered Community Designs (RCD 002333401-0001 and RCD 002333401-0003) on the appearance of an urban chair and bench that Santa & Cole, together with the company Urbidermis, market under the name “HARPO”. In addition to the Santa & Cole designs, both companies claim copyright protection for the appearance of the mentioned chair and bench. The designs were designed by a well-known designer, Mr. Miguel Milà, who had assigned the economic rights over the work to Santa & Cole and Urbidermis.

These companies brought actions for infringement of Community designs, copyright and unfair competition against the company Parques y Jardines Fábregas (hereinafter, “Fábregas”) for the marketing of urban chairs and benches that reproduce the plaintiffs’ designs. The Fábregas furniture had been placed in an important square in the city of Barcelona, the Glòries square.



The court of first instance dismissed the claim on the ground that the Fábregas' products were different from the plaintiffs' models. The plaintiffs appealed the decision.

First, the Court of Appeal examines the action for infringement of Community designs. To do so, it first refers to the figure of the "informed user" and understands that the informed user in this case must be the companies that decide on the acquisition of the furniture to be installed in a public space, not the final user who would not pay attention to the appearance of the urban furniture when sitting on them in the street.

The Court considers, on the other hand, that the degree of freedom of the author in urban chairs and benches is wide, since the only conditioning elements are that they have a seat and a backrest and there is a wide range of possible formal alternatives containing these elements.

The Court finally concludes that the Fábregas street furniture produces the same overall impression as the Santa & Cole designs. In reaching that conclusion, it declares that the Court of First Instance made a mistake in examining the overall impression of the designs and products because it took into account an expert report submitted by the defendant which merely noted the differences between the designs, without taking into account their overall impression. The Court considers to be more appropriate the expert report submitted by the plaintiffs, which defines the essential elements of the designs, and concludes that, although there are certain differences, these are to be found in elements of detail. On the contrary, the essential elements of the designs are similar.

In addition to finding protection by design, the Court of Appeal considers that the plaintiffs' "HARPO" chairs and benches are also protectable by copyright. The Court finds that the "HARPO" street furniture is original and that by incorporating the essential elements of the "HARPO" chairs and benches into the defendant's street chairs and benches, the defendant has also infringed the plaintiffs' copyright.

Finally, the Court dismisses the unfair competition action on the grounds

that they are directed against the same acts that justify the actions for infringement of designs and copyright, which are already resolved by the application of the industrial and intellectual property law.

In these circumstances, the Court declared the infringement and condemned the defendant to cease marketing the urban furniture in question, to destroy the molds necessary for the production of the furniture, to publish the judgment in a national newspaper, to pay damages, the quantification of which was left for a later enforcement procedure, and to pay the costs of proceedings.

In conclusion, it seems that the Spanish Courts have taken good note of the Cofemel judgment, and that, although with limits, they are increasingly tending to confer copyright protection on industrial products and to cumulate such protection with that of designs. It remains to be seen whether this will affect over time the design protection.

It is to be highlighted that there is no total unanimity as some magistrates do not seem totally comfortable with this increased copyright protection. For instance, 2 of the 5 magistrates of the Barcelona Court of Appeal in the “LATINA” case issued a dissenting pronouncement, what is not very usual in Spanish Courts, because they did not consider that the “LATINA” streetlamp was eligible for copyright protection.

In any case, it is advisable that designers and companies keep proof and records of the creation process and the chain of title for the event that copyright actions need to be brought.

## **Second Panel**

*How to ensure the protection of a sport, fashion or design event – Sport events, fashion shows and trade/design exhibitions, Italy*

Paolina Testa

past President of AIPPI Italian Group, attorney-at-law  
Studio FTCC, Milan

### ***Rules for the ambush marketing: the Italian way***

- The ambush marketing, also known as parasitic marketing, is a communication technique originated in the United States at the end of the 1980s, which consists of associating a trademark or product with an event of great media resonance, carried out without the authorisation of the event organiser. It is attributed to a certain Mr. Jerry Welsh, at the time Managing Director of American Express. By the way, during the Winter Olympics in Lillehammer (Norway), sponsored by VISA, American Express released a campaign with the headline «You don't need a visa to go Norway».

This technique has been in the limelight for some time now in Europe as well, due to the ever-increasing importance of sponsorships and their ever-increasing economic value, which on the one hand has unleashed the inventiveness of companies and their communications consultants in an attempt to create unauthorised but at the same time not unlawful, or at least not blatantly unlawful, forms of association with the event.

On the other hand, ambush marketing has generated strong negative reactions on the part of the organisers of major events, especially sports events, who see this technique as a threat to their sponsorship revenue, and have multiplied their efforts to obtain from the countries hosting such events increasingly stringent regulations aimed at limiting as far as possible all forms of unauthorised association.

- The central question that arises in relation to this communication technique is whether ambush marketing is licit or illicit.

The problem obviously does not exist for the conducts that, according to the applicable legislation, are unlawful.

This is the case of the conducts prohibited by the special rules enacted to



protect a particular event or its distinctive signs: for example, the Treaty of Nairobi of 26 September 1981 on the protection of the Olympic symbol (ratified by Italy with law No. 434/1985) prohibits the registration of the Olympic symbol as a trademark, as well as its use (and the use of signs containing the symbol) for commercial purposes, except with the authorisation of the C.I.O.; and it obliges the States hosting the Olympic Games to enact national laws conforming to these principles. With specific regard to Italy, Art. 8, paragraph 3 of the Industrial Property Code prohibits the registration as trademarks by parties other than the rightful owners of well-known signs used in sporting contexts, as well as well-known names and abbreviations of events of any kind. In more general terms, Art. 20 of the IPC defines the sphere of exclusivity of the trademark owner.

Beyond these cases, however, the question to be resolved is whether the general area of interest relating to an event falls within the exclusivity of the organiser of that event, and consequently of its sponsors; or whether, and within what limits, this area may be occupied by anyone who is not the sponsor.

My conviction is that there is a need to balance two opposing requirements: on the one hand, the protection of the event organiser's investments, and of the entity that sponsors that event; on the other, the freedom of expression (as an aspect of the freedom of economic initiative, protected by Article 41 of the Constitution of the Italian Republic) of all other market operators, who cannot be precluded from making reference in their commercial communication to events of great media resonance, just as they cannot be prevented from referring to any topical issue.

In short, it is necessary to identify a criterion for deciding whether communication initiatives such as those described below, which do not conflict with the prohibitions contained in the Nairobi Treaty, are lawful or not.



- The Italian legislator has repeatedly dealt with ambush marketing, offering - with the most recent law enacted on the subject - a criterion that is certainly useful for resolving in general terms the problem of the lawfulness of ambush marketing.

Historically, the first prohibition of ambush marketing can be found in Law No. 167/2005 (containing «Measures for the protection of the Olympic symbol in connection with the Torino 2006 Winter Games»).

Article 2, paragraph 3, applicable only until 31 December 2006, prohibits «engaging in parasitic marketing activities (ambush marketing), understood as activities parallel to those carried out by economic or non-economic entities, authorised by the organisers of the sporting event, in order to make a financial profit».

However, this is an entirely generic definition, which does not clarify what the prohibited conduct consists of.

Ten years later, the Italian legislator is also dealing with ambush marketing, if possible, in an even more generic manner. The occasion is Expo 2015 and it is, once again, an intervention of a temporary nature: Article 5, paragraph 2 bis, point e), of the Law Decree No. 43/2013 (converted into law by art. 1 of the Law No. 71/2013), establishes that «with a decree of the President of the Council of Ministers [...] to be issued by 30 April 2013 [...] specific interventions are identified aimed at repressing activities parallel to those exercised by economic or non-economic entities, not authorised by Expo 2015 S.p.A., aimed at engaging in parasitic marketing activities in order to gain visibility or economic profit (the phenomenon of so-called “ambush marketing”), also providing for the relative administrative sanctions from a minimum of 5.000 euros to a maximum of 250.000 euros, without prejudice to the sanctions already provided for by current legislation». The regulation remained essentially a dead letter, because the Decree of the President of the Council of Ministers was never enacted, thus making the envisaged administrative sanction inapplicable.

The real turning point in the matter occurred in March 2020, and was stimulated by the holding (believed to be imminent) of the 2020 European Football Championship, later postponed to 2021 due to the pandemic. The Legislative Decree No. 16 of 11 March 2020 (converted into law by Law No.

31 of 8 May 2020) in fact contains a general regulation of ambush marketing, although limited to certain events. Article 10, paragraph 1 states that «parasitic advertising and marketing activities carried out on the occasion of sporting events or trade fairs of national or international relevance that have not been authorised by the organisers and whose purpose is to gain an economic or competitive advantage are prohibited».

The general definition follows those contained in the laws previously mentioned, but there is an important innovation, consisting of the typification - in the second paragraph of Article 10 - of the conduct of «parasite commercialisation».

This concerns, precisely, four types of conduct, which are likely to mislead

the public as to the identity of the sponsor, and which may be summarised as follows: a) the creation of an indirect connection between a trademark (or other distinctive sign) and one of the events referred to in paragraph 1, capable of misleading the public as to the identity of the official sponsors; b) the false representation or statement that a company is an official sponsor of one of the events referred to in paragraph 1; c) the promotion of one's own brand (or other distinctive sign) by any action, not authorised by the organiser and carried out on the occasion of one of the events referred to in paragraph 1, that is likely to attract the attention of the public and create the false impression that the author of the initiative is a sponsor of the event.

However, conducts carried out in the execution of sponsorship contracts concluded «with individual athletes, teams, artists or participants in one of the events referred to in paragraph 1» shall be lawful; d) the sale and advertising of products or services improperly distinguished, even only in part, with the logo of one of the events referred to in paragraph 1, or with other distinctive signs likely to create the erroneous perception of any connection with the event or its organiser or persons authorised by the latter.

The prohibition of ambush marketing is applicable from the date of registration of the official logo of the protected event until the 180th day after the official end date of the event; the competence to ascertain the violation lies with the AGCM (the Italian Competition Authority), which may impose an administrative sanction ranging from a minimum of 100.000 euros to a maximum of 2.500.000 euros.

To date, the AGCM has only applied the regulations on ambush marketing once, with decision No. 30099 of 2022, in which it censured the Zalandò's billboard advertising reproduced below, affixed in the immediate vicinity of the "Football Village" set up by UEFA, for ambush marketing in relation to the European Football Championship.



According to the Authority's assessment, the advertisement in question was capable - both in terms of its content and the place where it was made - of creating a link between the Zalando trademark and the UEFA Euro 2020 football event, such as to lead the public to believe that Zalando was the official sponsor of the event.

- The rules referred to above provide protection of a public nature, which coexists with protection of a private nature and which, in my opinion, offers a guideline for the application of the latter. Moreover, Article 13 of the Law Decree No. 16/2020 preserves the applicability of the rules (of a private nature) for the protection of persons claiming the infringement of their rights and interests as a result of the conduct referred to in Article 10.
- Apart from the regulations protecting trademarks, already mentioned (Article 8 paragraph 3 and Article 20 IPC), the regulations on the prohibition of unfair competition contained in Article 2598 No. 2 (prohibition of appropriation of a competitor's merits) and No. 3 of the Civil Code (prohibition of conduct that does not comply with the principles of professional fairness and is likely to damage others' company) of the Civil Code are primarily taken into consideration. I am convinced that also from the unfair competition perspective the distinction between lawful ambush marketing and unlawful ambush marketing is the suitability of the ambusher's conduct to mislead the consumers as to the identity of the sponsor. If there is no infringement of the distinctive signs of the event organiser/sponsor, nor infringement of other absolute rights of one or the

other, only initiatives that mislead the public into believing that the title of sponsor belongs to the ambusher rather than to the official sponsor may in my opinion be repressed as an act of unfair competition for appropriation of merit, or for misleading advertising.

- The rules on unfair competition have been applied in relation to ambush marketing by the Court of Milan on two occasions. The first time was with the injunction of 30 July 2010, *Panini v. Topps EU Ltd.*, which at the request of Panini (the official licensee for the production of the figurines of the teams participating in the 2010 World Cup) prevented a competitor from advertising its collection of figurines in the following terms: «This summer there will be 32 teams from all over the world competing for victory in South Africa! In the Match Attack packets you will find lots of talent from the various national teams, from Algeria to the United States». The injunction refers to ambush marketing as a «communication offence», but does not go on to analyse and indicate why it is an offence.

- The second occasion is represented by a case that opposed two telephonic companies, Telecom Italia and Wind Tre. Telecom (which was acting in the proceedings together with its advertising agency specialising in promotions) was the official licensee of the rights to the characters of the Star Wars film series, and had created an advertising and promotional campaign concomitant with the release of the film “Star Wars and the Last Jedi”. During the same period, Wind Tre had run a promotion in which it offered a plurality of free gadgets (as many as 33 different gadgets), including a toy in the likeness of the droid BB-8.



- Of all the gadgets, the only one to be widely advertised was precisely the latter: on the BB-8 droid, Wind Tre had set up an intense advertising campaign, starring a well-known comedian. In its decision of 23 April 2020, confirming the injunctions issued during the interim phase, the Court of Milan considered that Wind Tre’s conduct was unfair from a competition point of view, due to parasitic attachment to the Star Wars series on whose characters Telecom had obtained exclusivity, and restrained the defendant from continuing the unlawful conduct, as well as condemning it to pay damages quantified at over two million euros.

- Finally, ambush marketing may also be illicit with reference to the Self-Regulation Code of Marketing Communication, in light of Articles 2 (prohibition of deceptiveness) and 13 paragraph 2 (prohibition of exploiting the notoriety of others).

There is only one precedent in this regard, namely the decision No. 52/2014. A company producing chips, which had long been a sponsor of the national football team, had submitted to the Self-Regulation Jury the advertising initiatives of a competitor, in which the images of two footballers, Lionel Messi and Fabio Cannavaro, former captain of the Italian national football team that had won the 2006 World Cup, were reproduced.



However, the Jury excluded the violation of Article 2, considering that the advertisement was not likely to create the belief in the public that Lay’s was a sponsor of the national team, since Cannavaro no longer played for the national team, and that the only link with the latter was the blue

jersey worn by the player, which was different from the national team uniform. It also excluded the link to the applicant's notoriety, since only the notoriety of the two players had been exploited for advertising purposes, moreover with the latter's consent.



Fabrizio Sanna

Chair of the AIPPI Italian Group Committee on Design, attorney at law  
Orsingher Ortu, Milan

## ***How to ensure the protection of a sport, fashion or design event – Sport events, fashion shows and trade/design exhibitions, Italy***

- Sport, fashion and design events are assets of enormous market value thanks to their ability of attracting a large number of spectators and investments from companies interested in participating in the event to increase their visibility and market share. The protection of this asset is therefore critical both from the perspective of the event content and format which is determinative to attract the public, as well as from the perspective of the so called “event selling power” which is the ability of attracting sponsors or other business involvement in the event. These two aspects, i.e., event content and format and event selling power, are strictly related: the success of the content and format with the public can be improved and preserved as long as funds are received from outside sponsors who believe that being associated with the event represents a good business opportunity given the large audience anticipated.

Through time, the economic importance of sport, fashion and design events and the issue of securing their value have become more and more apparent. As a consequence, the legislator has introduced specific remedies and case law has developed new approaches in the application of already existing law to grant adequate protection to the events. The following sections of this paper provide an overview of the remedies available for the protection of events’ selling power, as well as content and format.

- Securing the event selling power. The event selling power deals with the event ability of attracting sponsors and collaborations with external companies. Securing the event selling power means therefore adopting specific remedies to prevent the sale and advertising of products or services marked with the logo of the event, as well as preventing false statements or suggestions of being a sponsor of the event or of being otherwise connected with the organiser of the event by establishing a link capable of

attracting the attention of the public.

To prevent such conducts, the event organizer has available a bunch of remedies ranging from ad hoc administrative solutions, to general civil remedies set for the prevention of trademark infringement and unfair competition, to the safeguards offered by the Code of Marketing Communication of advertising if applicable.

- From the administrative law perspective, Law Decree 11 March 2020 No. 16 has been adopted in connection with the Olympic and Paralympic Winter Games -edition Milano Cortina 2026. The Decree not only introduces a specific protection for the symbols and emblematic elements associated with the Olympic and Paralympic Winter Games (Articles 5bis and 5ter), but additionally set a general protection for sport events or trade fairs having national or international importance (Article 10-13) introducing a general prohibition of parasitic activities that can be sanctioned by the Italian Competition Authority (AGCM) with an administrative fine ranging from 100K euro up to 2,5 MIL euro. In particular, Article 10 provides that “Advertising and marketing activities (a) *carried out in connection with the organisation of sporting events or trade fairs of national or international importance*; (b) *not authorised by the organisers*; (c) *that are parasitic, fraudulent, deceptive or misleading*; and (d) *having the purpose of gaining an economic or competitive advantage*”. The Article further clarifies that the prohibited advertising and marketing activities may consists in the creation of a misleading direct or indirect link between a trademark or other logo and the protected event, falsely declare or represent of being an official sponsor of the protected event, promoting a trademark or other logo during the protected event creating the impression of being a sponsor of the event, selling or advertising products and services bearing the logo associated with the protected event or any other misleading sign.

The outlined discipline represents a significant step forward towards an enhanced protection of events, however it must be noted that the protection is limited to sport events/trade fairs of national or international importance and is available only from the date of registration of the official marks of the events until the 180th day following the end date of the event.



Given its recent introduction, the discipline of Law Decree No. 16/2020 has registered a limited application by the AGCM so far. Still the AGCM has issued a relevant decision n. 3099 of 29.3.2022 where Zalando has been sanctioned with a 100K euro fine for having placed the below reproduced billboard representing a sport t-shirt and the flag of the nations participating to the football competition “UEFA Euro 2020” in the proximity of the Football Village area set up by the UEFA, i.e. the organizer of the event, thereby creating the impression that Zalando was an official sponsor of the event.

The decision has also unequivocally clarified that the applicability of the discipline set by Law Decree No. 16/2020 is not limited to Olympic and Paralympic Winter Games edition Milano Cortina 2026 but grants protection also to sport events at large having national or international importance.

- Regarding safeguards granted in the civil area of the law, event organizers wishing to preserve the selling power of the event against unfair exploitation, may benefit from the protection recognized by both trademark law and the discipline on unfair competition. Regarding trademark law, protection is granted both at the level of trademark registration and at the level of trademark exploitation. As to registration, Article 8.3 of the Italian Intellectual Property Code provides that the names of sport events, images reproducing trophies, names and initials of events as well as the emblems characteristic of them, when well-known, may be registered as

a trademark only by or with the consent of the person entitled. From the point of view of trademark exploitation the law recognizes to the holder of the trademark associated with the sport event the general exclusive right of use of the trademark as well as the ordinary protection in case of unauthorized use, enhanced if the trademark is well-known. In case of infringement of the trademark the organizer of the event has in fact access to the general remedies consisting in the obtainment of an injunction to stop the infringing activities, the seizure of infringing products, a penalty for the non-compliance to the injunction (e.g., 1,000 euro for each day of delay in complying with the order), the publication of an abstract of the court's decision in one or more newspapers/trade magazines, compensation for damages suffered.

Switching to the unfair competition perspective, the relevant provision is Article 2598 of the Italian Civil Code which prohibits slavish imitation and/or poaching of qualities among competitors. The provision is apt to cover the acts prohibited also under Law Decree 11 March 2020 No. 16 insofar competitor's behavior "*determines in the mind of the consumer the belief of the existence of a co-marketing or licensing link with the owners of the intellectual property rights*". Based on such discipline and long time before the entry into force of Law Decree No. 16/2020, on 30 July 2010, the Court of Milan issued decision *Panini v. Topps EU Ltd* where it found that "*Launching a collection of cards and a game mode characterized by a series of references to the world championship of football*" amounts to unfair completion against the "official licensee of the exclusive '*merchandising*' of the events related to the *World Championship 2010*" that "*holds exclusive rights to exploit the image of the official uniforms, the colors and emblems of the teams participating in the Championship, acquired from its federations or national associations*" (Court of Milan, 30.7.2010, *Panini v. Topps EU Ltd*).



As final remark, it must be noted that the discipline of unfair competition and Law Decree No. 16/2020 are not perfectly overlapping regarding the protection recognized to sport events. Contrary to the Decree, the unfair competition discipline actually requires the existence of a competition relationship involving services or products that are directed at the same customers and intended to meet a common need. It can also be applied to all events generally, not just sporting events and trade fairs of significant national or international significance.

- Finally, misleading advertising using logos or signs associated with the event or falsely suggesting any kind of sponsorship relationship, could also amount to infringement of the self-regulation rules on misleading advertising and in particular of Articles 2 and 13 of the Self-Regulation Code of Marketing Communication of the Italian Advertising Self-Regulatory Body (the IAP Code), according to which “*any exploitation of the name, trademark and corporate image of others*” must be avoided. The Self-Regulation Code of Marketing Communication is binding however only companies associated to the Italian Advertising Self-Regulatory Body and their assignees.

- Securing the event content and format. Securing the event content and format against unauthorized imitations is key to preserve the event repu-

tation, enhance the public and the consequent interest of the sponsors. To this end, event organizers have available a set of remedies, which vary also depending on the nature of the event.

- Sports events of championships and cups organized at national level benefits from the special protection of Legislative Decree 9 January 2008 No. 9 on the “*market for audiovisual rights of sports events of championships professional team championships, cups and tournaments and related sporting events, organised at national level*”. In relation to the events in scope of the Decree, the Decree provides that the competition organizer and the event organizer are co-owner of the audiovisual rights to the events of the competition; while the organizer of the event is the exclusive owner of archive rights relating to each event of the competition. Regarding the right of exploitation of the above-mentioned audiovisual rights and of the right of audiovisual production of the events, the Decree establishes that they belong to the event organizer. The illustrated set-up suffers a limited exception only relating to highlights, being media operators granted with the right to report on each event of the competition within specific limits (overall eight minutes per day and maximum three per event).

- For the rest, content and format of events are protected through the ordinary remedies offered by the discipline of copyright and unfair competition. Regarding copyright, a different protection is granted depending on whether the object of the protection is the event content or the format.

- Rights on the content of the show itself have been recognized only in limited circumstances, while ordinarily rights have been recognized to the producer in case the event is also transformed into an audiovisual work. The decision issued by the Court of Milan on 24 November 2010 has marked a turning point in the protection of the show itself by recognizing that the Oscar Night Show is an event protected by copyright whose rights belong to the organizer.

No doubts exist instead as to the protection of the single elements composing the event (as opposed to the show itself): right on image and data of talents (e.g. players, models), right of reproduction and communication to the public of the intellectual property asset involved (e.g. design works),

right of reproduction and communication to the public of the intellectual property asset created for the event (e.g. set), right of reproduction and communication to the public of other third parties elements (e.g. music). All these rights are unanimously recognized to be object of copyright protection.

- Rights of the event format were initially excluded from copyright protection based on the Italian Supreme Court decision No. 1264/1988 and have been gradually recognized in most recent years by a series of case law on TV format of the same Supreme Court that seems to have overruled the previous principle according to which event format was per se excluded from copyright protection (Supreme Court decision No. 3817/2010, No. 211172/2011, and No. 18633/2017). Despite the new approach adopted by the Court, the protection remains however hard to obtain in practice considering that strict requirements need to be met, i.e. the format needs not to consist of mere idea and present sufficient complexity (as regards the narrative structure/event sequence, the stage set, the fixed characters), to have an accomplished expression and meet a sufficient creativity/originality threshold. As a consequence, most of the lower courts still deny protection to event formats. To exemplify, the Court of Bologna held that in principle archaeological exhibition are not excluded from copyright protection however it excluded that in the case brought at its attention the exhibition could actually be protected (Court of Bologna 9.5.2007); the Court of Bari has denied copyright protection to a design context (Court of Bari 31.3.23); the Court of Rome has established that the Rome Cinema Festival did not meet the requirements for copyright protection lacking sufficient creativity (Court of Rome 10.5.2010).

- Finally, regarding unfair competition, the act of copying the format of a competitor event may amount to unfair competition pursuant to Article 2598 of the Italian Civil Code prohibiting parasitic competition insofar as the competitor imitates all of a competitor's business ventures, even synchronously. Equally to what stated above in relation to the protection of the event selling power, under the discipline of unfair competition, the protection is available as long as the parties involved are competitors.

Tania Kern and Giulia Cortesi  
attorneys-at-law  
Kern & Weil, Paris

## ***How to ensure the protection of a sport, fashion or design event – Sport events, fashion shows and trade/design exhibitions, France***

There are many different ways to protect Sport, Fashion or Design Events under French Law. Such protection is archived thanks to the protection of the names and logos of these live events (1.) and to the protection their content (2.).

- **Protection of Sport, Fashion or Design Event names and logos**

Sport, Fashion or Design Event names and logos are protected in France by trademark and copyright laws, unfair competition and also ad hoc legislations.

### **1. Protection by trademark law**

Any name or logo which is distinctive can be registered as a trademark and thus be protected by trademark law.

The distinctivity of live events names is however often questionable because such names are often descriptive of the event they cover. However, the criteria of French Courts and of the French IP Office (“INPI”) to assess the distinctivity of live events names and more specifically of sport events names remain surprisingly low.

Indeed, as an example, the French trademark “**COUPE DU MONDE 2006**” (Worldcup 2006) has been assessed distinctive for “*figurines, statues [...], figurines, trophies, badges [...] games and toys*” the Court having considered that “*it does not only refer to the world sporting event which takes place every four years, and is not generic or usual, but wholly arbitrary, and thus valid.*” (Court of First Instance of Bobigny, May 22, 2007, No 06/05978).



The trademarks “EURO 2016”, “EUFA” and “UEFA EURO 2016” registered in class 16 for “*tickets and other access rights*” and in class 39 and 41 for “*various services related to the reservation and supply of tickets, the organization and promotion of events, especially sports events*” and the trademark “EURO 2020” have also been considered distinctive for among others services in class 41: “*Organization of competitions; betting and gaming services relating to sports; provision of sports facilities; coverage of radio and television sports events; ticket reservation services and information services for sports events or entertainment*” (INPI July 17, 2018 and December 11, 2017 - International trademark registration No 1 360 890 - and Court of First Instance of Paris May 31, 2019, No 16/11073).

However, “CHAMPIONNAT D’EUROPE DE FOOTBALL 2016” has not been considered distinctive for products in class 25.

The judges have indeed retained that “for the average consumer who is a fan of sports competitions, the sign refers to a unique event, of great notoriety, and to it alone; for goods in class 25, this reference is not arbitrary, as clothing is traditionally sold as souvenirs or as a sign of support for a team during sports events of this type” (Court of Appeal of Aix-en-Provence, May 12, 2021, No 18/12224).

When a logo is added to a name, the distinctivity of the trademark is less problematic.

**aiR Guitar**

As an example, the trademark **Championnats de France** has been considered sufficiently distinctive as a whole taking into account the particular stylization fonts and shape even if the terms “CHAMPIONNATS DE FRANCE” and “AIR GUITAR” are descriptive (Court of Paris May 24, 2011, No 09/16662).



The trademark FESTIVAL INTERNATIONAL DU FILM has also been considered sufficiently distinctive to constitute a valid trademark as the terms “FESTIVAL INTERNATIONAL DU FILM” well-known for more than fifty years, are associated to the logo of a stylized palm (Court of Grasse, Feb. 13, 2001, No 97/04843).

## **2. Protection of names and logos by ad hoc legislations**

The names and/or logos of live events and in particular the Olympic symbols, are protected in addition to trademark law by ad hoc legislations.

### **2.1 Protection of the Olympic symbols by ad hoc legislations**

The Olympic symbols are protected by ad hoc legislations such as the Nairobi Treaty internationally and in France by the French Sport Code.

#### **A. The Nairobi Treaty**

The 55 States party to the Nairobi Treaty are under the obligation to protect the Olympic symbol (i.e. any sign consisting of or containing the Olympic symbol) against any use for commercial purposes (in advertising, on goods ...) without the authorization of the International Olympic Committee and to refuse or invalidate the registration as a mark of any sign consisting of or containing the Olympic symbol.

France is however not a signatory of this international Treaty.

#### **B. The French Sport Code**

Art. L.141-5 of the French Sport Code as lastly modified by the law of March 2, 2022 provides that:

*1. The French National Olympic and Sports Committee is the owner of the national Olympic emblems. It is also the depositary of:*

- 1° *The Olympic emblems, flag, motto and symbol;*
- 2° *The Olympic anthem;*
- 3° *The logo, mascot, slogan and posters of the Olympic Games;*
- 4° *The year of the Olympic Games “city + year”, in conjunction with the French Paralympic and Sports Committee;*
- 5° *The terms “Olympic Games”, “Olympism” and “Olympiad” and the acronym “JO”;*
- 6° *The terms “Olympic”, “Olympian” and “Olympienne”, except in common language for normal use excluding any use of one of them for promotional or commercial purposes or any risk of confusion in the mind of the public with the Olympic movement.*

The fact of registering as a trademark, reproducing, imitating, affixing, deleting or modifying the elements and terms above listed or their translations, without the authorization of the French National Olympic and Sports Committee are punishable by the same penalties than those provided for in Articles L. 716-9 to L. 716-13 of the French Intellectual Property Code i.e. criminal penalties provided for trademark infringement i.e. among others from 3 to 7 years imprisonment and from 300,000 to 750,000 euros fines (the highest figures correspond to dangerous goods or to acts committed by an organized group. Penalties are doubled in case of recidivism and are five times higher for legal entities).

As an example, the Paris first instance Court ruled that a Polo shirt Collection sold under the name “POLO RIO 2016 COLLECTOR” and polo shirts bearing figurative elements imitating the Olympic rings (5 interlaced hearts in blue, yellow, black, green and red) have infringed among others article L141-5 of the French Sport (Court of Paris, June 7, 2018 No 2016/10605).

## **2.2 Prohibition to sell tickets for a live event without the producer’s authorization**

Even if the name or logo of the live event is not protected by trademark law, the organizer or producer of the event can benefit from the protection of Article 313-6-2 of the French Criminal Code providing that:

*“The fact of selling, offering for sale or exhibiting for sale or transfer or providing the means for the sale or transfer of admission tickets to a sporting, cultural or commercial event or a live performance, in a habitual manner and without the authorization of the producer, organizer or owner of the exploitation rights of this event or performance, is punishable by a fine of €15,000. This penalty is increased to a fine of €30,000 in the event of a repeat offence.”*

Interestingly, on the basis of this article, in a case where Prodis Union (the National Syndicate of Producers) noticed on the Google search engine the presence of advertisements for the sale of tickets for Rammstein, Grand corps malade, Drake and Metallica shows, which referred to sites not authorized to sell by the producers, the Paris Court of Appeal upheld the judgment of the Paris Court of First Instance, which had prohibited Google from allowing the purchase of the keywords “purchase/sale, tickets/tickets and show/concert” via Google Ads for any advertisement aimed at a public located in France, with a view to selling show tickets without the written authorization of the concerned show producer. The Court also awarded to Prodis Union €300,000 as a compensation for the direct and indirect damage to the collective interests of the profession represented by the union and €60,000 as a compensation to the costs incurred in filing the procedure (Paris Court of Appeal March 29, 2023, No 21/00704).

Google defense that Google Ads constitutes a simple commercial communication that does not allow the sale or offer for sale of show tickets and that Article 313-6-2 of the Criminal Code would not allow the repression of the activity of intermediation platforms ensuring the occasional or authorized resale of show tickets has been rejected. The defense based on Article 6 I 2° of the LCEN limiting the liability of the host has also been rejected on the grounds that Google had been informed of the unauthorized sale of the tickets and had therefore been aware of their illegal nature.

### **3. Protection of event names by copyright law**

French law also allows names and logos to be protected by copyright if these names and logos are original, i.e. if these names and / or logos express the personality of their creator.

There are few examples in case law regarding the protection of the names of live events by copyright but one can refer to a Paris Court of Appeal decision where the figurative elements of the two UEFA trademarks reproduced below have been considered as original creations

There are few examples in case law regarding the protection of the names of live events by copyright but one can refer to a Paris Court of Appeal decision where the figurative elements of the two UEFA trademarks reproduced below have been considered as original creations entitled to copyright protection



The publisher who reproduced on the cover page of a magazine these two logos have been sentenced to pay in addition to damages based on trademark infringement, 60,000 euros damages based on copyright infringement (Paris Court of Appeal, May 21, 2021 Pole 5 chr 2, No 19/15976).

#### **4. Protection of live events against Ambush marketing by the concept of unfair competition / parasitism and by the Sport Code.**

Ambush marketing has been defined by French Courts as *“an advertising strategy aiming to associate the commercial image of a company with that of an event and thus to take advantage of the media impact of the said event without having paid the rights which are relative to it and without having obtained the prior authorization of the organizer of the event”* (Paris Court of Appeal, June 8, 2018, No 17/12912).

The fact to take advantage of a live event without being a sponsor can be considered as unfair competition / parasitism under French law. Indeed, French case law has developed the concepts of unfair competition and parasitism in application of Article 1240 of the French Civil Code that provides that *“Any act of man, which causes damage to another, obliges the person by whose fault it occurred to repair it.”* There is no list of specific conduct prohibited as in other EU countries.

Ambush marketing falls into the concept of parasitism which is the set of behaviors by which an economic agent interferes in the wake of others in order to profit from their reputation, know-how or investments, regardless of any risk of confusion.

In addition to unfair competition/parasitism, the French Sport Code provides to sport live events an ad hoc protection. Indeed, article L333-1 of the French Sport Code that provides among others that: “*Sports federations, as well as the organizers of sports events mentioned in Article L. 331-5, own the right to exploit the sports events or competitions they organize*” has been widely interpreted. The rights granted include exclusive rights to enter into sponsorship contracts and therefore to prohibit third parties to take advantage of a sport event or competition they do not sponsor.

The concept of parasitism and article L333-1 of the French Sport Code are of specific interest when economic actors that are not sponsors manage to take advantage of a live event without reproducing the name or logos or content of such live events. However, the limit between a statement which falls within the scope of freedom of speech and a statement which is prohibited can be difficult to draw.

As an example, the Paris Court of first instance has sentenced DIOR for posting Instagram stories during the Cannes Festival reproducing the Festival poster. The Court considered that the posts were suggesting that DIOR was an official partner of the Festival and sentenced DIOR for copyright infringement (reproduction of the poster), trademark infringement (reproduction of the trademark on the poster) and parasitism (Court of Paris, December 11, 2020, No 19/08543).

However, the French Supreme Court rejected the action of the French Rugby Federation based on illicit exploitation of a sports event (art. L.333-1 Sport Code) and parasitism (art. 1240 Civil Code) against Fiat in a case where Fiat issued the following statement: “*France 13 ENGLAND 24 - The Fiat 500 congratulates England for its victory and gives appointment to the French team [...] for France- Italy*”. The Court considered that the advertisement “*merely reproduces a current sports result, acquired and made public on the front*

*page of the sports news paper, and refers to a future match that is also known as already announced by the newspaper in a news article*” and that “*there is no risk of confusion and FIAT has not promoted its own commercial activity*” which is arguable (French Supreme Court May 20, 2014, No 13-12.102).

Finally, in a similar case, Pizza Hut was sentenced for illicit exploitation of sports events (art. L.333-1 Sport Code) and parasitism (art. 1240, Civil Code) for the broadcasting of an advertisement including the following sentence “*Football evening, tonight at 9pm, PARIS-ST ETIENNE, enjoy your game with: the 2 pizzas... 21€90*” (First Instance Court Paris, June 2, 2016, No 16/00754).

- **Protection of Sport, Fashion or Design Event content**

The content of Fashion, Sport, or Design Events can be protected in France through Copyright laws, unfair competition and ad hoc legislations.

## 1. Protection by Copyright

According to Article L.111-1 of the French Intellectual Property Code (IPC) , the author enjoys an exclusive intangible property right over his work, by the sole fact of its creation, which is enforceable against all, provided that the creation is original.

Originality is to be considered as the main criterion for protection and that it is up to the person claiming copyright protection to demonstrate the originality of the work.

We must therefore ask ourselves whether fashion shows can be considered original and therefore protectable by copyright.

To answer this question, with regard to fashion shows, we have to take a step back in time to what the fashion shows of the 1950s were and compare them to what fashion shows are today.

Vintage fashion shows were simply aimed at presenting clothes and acces-

sories to a limited and selected audience of customers invited to attend a catwalk.

Instead, today's fashion shows are real performances in collaboration in which different arts intertwine and communicate.

As an example, Maria Grazia Chiuri, Dior Artistic Director, for the Dior spring-summer 2023, decided to make different art forms dialogue within the fashion show asking various artists to collaborate within the show to create collective energy thanks to the contributions of various committed artists in such a way that the public can feel involved and become protagonists themselves.

The scenography of the Dior shows was created by artist Eva Jospin, a baroque cave inspired by the Buttes Chaumont grotto in Paris and two Dutch choreographers and dancers Imre and Marne van Opstal performed during the show.

Another example is the Issey Miyake's "*Theatrical floating dresses*" fashion show, where Satoshi Kondo, artistic director of Issey Miyake, presented the Spring/Summer 2020 collection in a very original way: the dresses coming down from the ceiling to be placed directly on the models.

One more example, during its Spring Summer 2023 show in Paris, Parisian fashion brand Coperni used a sprayable, liquid fibre to spray a dress onto model Bella Hadid in what can be described as a live performance art.

One last example, the French maison On Aura Tout Vu, presented in 2023 its sunlight power collection couture in Paris in a show integrating messages, dance and theatre performances.

The idea of this collection is that each of us becomes an energetic element that holds part of the solution to the current energy problem by inserting extremely thin and flexible photovoltaic elements into couture pieces.

While it is clear that the individual creative elements of a show (namely: a



set design, a theatrical performance, a ballet) may be protected by copyright if original, it needs to be understood whether: (1) the fashion show, taken as a whole, can be considered protected by copyright and (2) who is the rights holder as well as the enforcer of the rights.

A first answer came from French administrative Paris Court of Appeal in a case where the question was whether the services rendered by a choreographer and a director of a “*fashion show*” could be exempt from VAT as authors of intellectual works. The Court ruled that the creations were “*spectacles de mode*” and not “*défilés*” and therefore intellectual works among those protected by copyright (Court of Appeal of Paris October 2, 1997 n°89PA01692 & 89PA01691 “*Recueil Lebon*”).

Once it is assumed that a show can be protected as a whole, a necessary step is the qualification of the work within the categories defined by the French intellectual property code.

In fact, the qualification of the type of work has a direct consequence on the ownership of exploitation rights.

Article L.113-2 of the French IPC defines a work of collaboration as a work where several authors are contributing and a composite work as a work where a pre-existing works can be integrated without the collaboration of the author of the latter.

In the case of works of collaboration and composite work the rights holders are indeed the individual authors, which implies that the show organizers, the fashion houses, must ensure that the rights have been assigned to them to exploit the show.

We come to an entirely different conclusion if we qualify the show as a collective work within the meaning of Article L.112-2 of the French IPC where a collective work is:

- a work developed on the initiative of an entity, who will assume the direction and who present and exploit the work under his name;
- a work which is the result of the contribution of different authors, each

contribution having to merge into the whole.

In this case the ownership of the rights lies with the person who carries out the direction and coordination activity and who bears the costs and risks making it easier for the show organizers to exploit and defend the rights to the show.

A confirmation, albeit indirect, of the qualification of a fashion show as a collective work has come from case law.

In a judgment of 5 February 2008, the Court of Cassation upheld the ruling of the Court of Appeal that had held that: “*Fashion houses are the copyright owners on their creations as well as on their fashion shows, which are intellectual works benefiting from copyright protection as long as they are original*” (Court of Appeal of Paris, January 17, 2007 n°05/08545; Court of Cass. 07-81.387 February 5, 2008).

In this case it was decided that by photographing several fashion shows and contributing from French territory to the online distribution of the images thus obtained, without the authorization of the copyright owners (the Fashion houses), the photographs committed the criminal offence of counterfeiting.

In this regard we recall that, according to Article L122-4 of the French IPC, any representation or reproduction in whole or in part without the consent of the author or his successors or assigns is unlawful.

Nevertheless, Article L122-5 9° of the French IPC allows the reproduction or representation of a work for the exclusive purpose of immediate information in direct relation to the work. It is, however, an exception of very strict interpretation and difficult to implement.

To conclude on the protection of the content of a fashion show by copyright, it should be noted that a practice has existed in France since the 1960s known as “*press accreditation*”, which created at least “*an appearance of copyright ownership*” by fashion houses, even before the principle was confirmed by case law.

Indeed, journalists who wish to be accredited for fashion shows must sign a press commitment from the French Couture Federation stating that: *“the accreditation is equivalent to authorization to record, within the fashion shows, the images necessary to inform the public within the strict framework of the exercise of the right to information, to the exclusion of any commercial exploitation”*.

The press accreditation mentions the existence of an exception to copyright in the name of information, indirectly referring to an alleged right of fashion houses.

## 2. Protection by Unfair Competition

In certain cases, the content of a show may be protected subsidiarily, even in the absence of copyright by unfair competition law.

As an example, the French Supreme Court ruled on a light and music show presented in the quarries of the village of Baux en Provence (Court of Cass. 15-28.352, January 31, 2018).

In this case the Court has considered that the concept of immersing the spectator in images and music is only the expression of an idea, thus not protectable by copyright due to the idea/expression dichotomy principle.

On the other hand, the Court held that *“the Company Culturespaces had deliberately ride on the coat-tails of the company Cathédrale d’Images by maintaining a confusion about its status as the buyer and new operator of the shows with the aim of profiting from the success and reputation of these former shows”*.

## 3. Ad hoc legislation

Sport events benefit from specific and additional protection in the French Sport Code.

The French Sport Code clearly provide that Sports federations & organizers own the right to exploit the sports events or competitions they organize including the right to broadcast (Art. L.333-1).

Moreover, Article L.333-10 of the French Sport Code, in its version in force since 04 March 2022, provide for the possibility to obtain all proportionate measures to prevent and block illicit broadcasting of sport events through an accelerated procedure on the merits or in summary proceedings.

In a recent first case on this matter (*BeIN Sports v/ Orange*), BeIN Sports, holder of the audiovisual rights of the African Cup of Nations, obtained an order against Orange, one of the major ISP, to block several sites broadcasting the competition (Paris judicial Court, January 20, 2022 n°22/50416).

Following to this case, the results obtained applying this new measure are very encouraging in France considering that, in the first semester of 2022, the global illicit sports audience decreased by half and that the new law allowed the blocking of 1,299 sites that illegally broadcasted sports content online.

Moreover, it is important to highlight the fact that the ARCOM (the French Regulatory Authority for Audiovisual and Digital Communication), the four major French ISP (Orange, SFR, Bouygues Telecom, Free) and sports rights holders have just signed an agreement to protect sports broadcasts which includes agreed Best practices but also a repartition system of the costs of the blocking measures.

Finally, we are waiting for a further step, namely the conclusion of new agreements with hosting companies and the search engines.

## Conclusion

As a conclusion, live event protection is undoubtedly an important issue in the E.U., particularly against the illegal live streaming, which is very detrimental to rights holders.

In March 2023, the EUIPO Observatory Expert Group on Cooperation with Intermediaries issued a Discussion Paper on the *“Challenges and good practices from online intermediaries to prevent the use of their services for live event piracy”* in a view of the upcoming recommendation by the European

Commission on combating online piracy of live content.

The subject should therefore see some exciting developments in the coming months and hopefully a forthcoming legislative intervention at EU level.

# **Third Panel**

*Value Generation through patents in Sport and Fashion  
a case history and comparative perspectives*

Alessandra Vitagliano  
attorney-at-law  
AV&Partners - Legal and Business consulting

## ***Value Generation through Patents in Sport and Fashion***

*A case history and comparative perspective*

The discussion among panelists was meant to discuss what is happening inside fashion companies when IP protection processes are conceived and developed. As well as how the role of Patent Attorneys is not just a service function but also a need from the very beginning.

The discussion brought on stage is a live experience on:

1. how companies are creating long term value through intangible assets protection;
2. how the company's departments are interacting with each other and with the patents attorney in the drafting process of the patent;
3. how such process is impacting on the innovation pipeline of the company;
4. how the process effects the brand construction and the positioning of the product in the market place.

The prerequisite for a success story, it is that all the departments inside companies need to understand the value of IP assets. The interaction among them is important to reach the assigned goals.

In doing this, the dialogue with the IP's professionals from the very beginning it is an essential part of the process.

With these premises,

Dr. Marco Lucietti *Director strategic projects @ Sanko and Professor of Business Strategy @ La Sapienza University in Rome*

Dr. Erdogan Baris Özden - *Product Development Manager @ Sanko Holding /Isko Division*

Dr Gabriele Gislon - *Patent attorney and Partner @ Marietti, Gislon e Trupiano, IP Firm* brilliantly answered to my questions.

*Why protecting intangible assets in fashion is so important?  
Why in such a fast-moving business?*

Marco Lucietti

Fashion business is about colors, designs and performance.

Competition is high.

Building a difference in the market place is not that easy.

SANKO, ISKO Division is known in the market as being an innovative company; our innovations are always starting from the product team, as well as from close interactions among product development sales and marketing teams.

Whenever we think that innovations can be protected, we apply for protection.

Protecting our company's innovation is about protecting our customers and building long lasting value for our company and for our partners.

Under a pure strategic marketing POV, protected innovations serve to:

- creating segmented marketing approach to final consumers
- better targeting brands and retailers with a compelling pricing strategy
- creating content for our customers
- helping brands to tell a different story to final consumers and delivering a product experience rather than just trying to sell a "product @ price" overall in a market where brand loyalty vs hero brands is almost a reminder of the past;
- helping companies to create value in the P/L per se, since sometimes businesses are valued for the value of the intangibles embedded rather than for products and turnover.

Moreover, in the digital era protecting innovation is even more crucial than in the past.



## Baris Özden

Fashion industry is well known with copying. It's for fashion. It's also for ingredient brands like us which are supplying products for fashion brands. Most of the patentable ideas for us are about production systems, problem solutions and benefits for customers.

That's why protect an idea is a key to protect ourselves and our customers too.

## Gabriele Gislon

Protecting an idea by translating it into a patent is necessary if you want to become and remain different in a highly competitive and fast acting field. Even if the final outcome of the patenting process is not the desired one, the possible protection that could be obtained from an application generally can provide at least a few years of commercial advantage over competitors.

*Why all company functions need to be involved in the process?  
Can you describe the real process happening in a company when  
applying for a patent?*

## Marco Lucietti

Usually teams questioning themselves whether to apply for a patent or not are Product Development and R&D.

If we feel something is patentable, sales and marketing teams are trying to match the product with the market, in terms of pricing, customers, regions and consumers.

The process to applying for a patent is a teamwork involving the senior management of a company.

Sometimes the destiny of companies and their ability to prosper in the market depends on the ability to innovating and protection.

The business function of a company is starting the process together with the R&D and then is the end of the funnel in the process. Decisions around positioning, marketing strategy, branding strategy and communications

strategy are usually taken when the patent process is started. Marketing of patented products usually requires careful studies around also trademark protection because a patent without a TM is half protected.

## **Baris Özden**

There are two different teamwork:

1. teamwork for creating idea;
2. teamwork for patent writing.

We have different sources for ideas.

Trends, problems that customer face, our own creativity, what we see happening in the society.

R&D team is working on the ideas constantly.

Then, we need to team up with patent attorneys.

For example, even if we use English or our mother language, patents have another discipline to write in the same language.

That's why we need a powerful team for patent writing and excellent communication with patent attorneys.

The more I can explain the idea, the more patent attorney understands, better the innovation we want patented.

## **Gabriele Gislon**

Close interaction with inventors and R&D soon in the process will provide the patent attorney with the information necessary to start asking questions from (almost) the very beginning.

Most often, in addition to generating a response, the attorney's questions

can trigger a “lateral thinking” by the inventors. This will cause further reasoning on what the invention is and such further reasoning will result in possible additional facets of the idea becoming visible.

The following step is for R&D team trimming down to keep the useful branches only to have those branches bloom well.

Sometimes good ideas can be produced when facing the prior art.

*Can you please describe the necessary steps to be taken when applying for an IP in fashion?*

*Which are the most common pitfalls in this process?*

**Baris Özden**

Most of our ideas are about technical benefits, new solution for problems.

Also ideas/innovation/products that customer does not know yet or does not know that they will need.

Since these ideas can be applied on different fabrics, fast-moving fashion business is not a problem.

Actually, the benefits of the application helps our customers to sell their products faster.

In any case, writing a patent is a very long journey. Think about the different patent offices having different rules. Every time, we face the question: do we need to patent this idea if we cannot protect it properly?

**Gabriele Gislou**

There are two sides to applying for IP.

There is a technical side that pertains to patents and a strategic side that applies to both patents and TMs and relates to where to get protection.

Strategically speaking, the protection required for a TM may not be in the same countries as protection required for a patent.

With the UPC procedure, strategic decisions have to take into consideration if and where it is worth or advisable filing nationally in Europe instead or in addition to an EP filing.

From the technical side of the process, usually, the beginning steps include assessing the scope of existing IP rights in comparison to the “idea” object of the process. Close interaction at this stage would provide a smoother process later.

In some patents based on a new process for a known product, it is not easy to produce a valid product claim to provide the required protection for the product per se.

As for the pitfalls, the application might be drafted with too much emphasis towards an aspect that eventually will not result to be the most interesting and valuable one.

So, it is important to have in the application a fallback position including also other aspects.

Concerning the different approaches to examination by different PTOs, we can well understand the frustration of the inventor faced with inventive step objections in the US and with the EPO with almost always very different approaches.

## **Marco Lucietti**

The process is more an internal one here.

Marketing and business are a service function ensuring that when the patent is ready the business is ready as well to launch the product on the market place and to ensure that the patent is applied in all the countries where the company has business.

No reason to apply wherever not needed and where not selling or customers are not selling.

Please specify a bit more the Business results and opportunities coming from IP protection.

## **Conclusion**

### **Marco Lucietti**

When a patent is granted, the company gains mainly under a marketing positioning standpoint.

Applying for patents in fashion is not that common.

If you own patents and trademarks, (a lot) of brands and retailers are looking at your business with different eyes.

You are perceived in the market (and we all know that in marketing perception is key) as the leading innovator globally.

Exploiting patents means supporting positioning, ensuring protected business in complex markets and “sailing in blue oceans”, driving discussion out of price and building discussions based on value with brands.

In conclusion, the right approach to IP is more a way of doing business rather than just innovating.

Béatrice Moreau-Margotin  
attorney-at-law  
J.P. Karsenty & Associates, Paris

## ***Value Generation through patents in Sport and Fashion, France***

To introduce the topic “Value generation through patents in sport”, I will start with few general remarks on the links between patent and sport and then focus on the French story of Decathlon.

- **Few remarks on the links between sport and patent**

### **1. Patents and sport performance**

When we think of patents in sports equipment, we first think of how the sport performance can be improved.

Sport brands are naturally interested in equipping well-known athletes and thus need to help their sponsors in improving their performance.

Stronger and lighter sports equipment made with these high-tech materials has enabled sportsmen and women to reach new heights of achievement while minimizing the risk of injury.

Technological progress enables to elevate athletic performance and to change sports dramatically. If you think about a tennis match a fifty years ago, it is almost a different sport and this is mainly due to change in the equipment of tennis players. (rackets)

Additionally, some innovations have shaken some sport rules and thus the sport because they have brought more precisions into the measurement and control of sport performance. For example, the use of camera systems and instant video replay systems now assist and sometimes correct referees’ decisions that were only human-based, and thus not always flawless or fair.

- **Technical doping**

However, certain innovations may provide athletes with an unfair advantage if these athletes have the exclusivity/monopoly of such innovative product.

For example, the Speedo LZR Racer swimsuit caused many world records to be broken at the Olympic Games of 2008. This swimsuit compresses the body and traps the air and reduces skin friction with water and enables the swimmer to hold the body in a more hydrodynamic position. There are multiple patents around the Speedo product.

But this was problematic for the other swimmers who had exclusive contracts with other swimsuit makers and could not switch to Speedo.

The FINA (the International Swimming Federation) had to adapt to this new situation and decided to outlaw non-textile swimsuits and swimsuits that would cover the entire body because they were considered a way of technical doping.

### **Patents, sports and inclusion**

In fact, there are many examples of sport patents for sport prostheses, wheelchairs (even aquatic ones) that have been developed to accompany the performance of handicapped athletes, which in turn have benefitted disabled people who were not necessarily eager to play sport but discovered the value for their personal development.

Thus, these patents benefit not only the few handicap athletes but allow disabled people to increase their mobility in their daily lives.

But here again, athletic performance can sometimes be questioned when handicapped athletes with specific innovative equipment break records of non-handicap athletes. In some sports, it has been decided to prevent handicap-athletes to compete with non-handicap athletes, because of the possible competitive advantage given by the patented product.

## 2. Patent, sport and value creation

- Sport Patents used by well-known athletes enable sport brands to fully exploit the benefits of their patent by distributing such products to a much wider community, making the brand and all of its products attractive to the general public.

This in turn develops the sport and increases the need for the products.

Thanks to advertising campaigns and TV-broadcasted events and competitions, the public desires the latest sneakers or rackets which bears the name of the champion, making you feel you are almost close to this legend.

- **A French example: the DECATHLON company**

### A. Presentation

And we can illustrate these preliminary remarks with a French business success story, the DECATHLON company.

DECATHLON was founded inside the retail group AUCHAN, which is a big supermarket chain. This is a family-owned business from the North of France which also owns other big retail brands like IT equipment...

DECATHLON was created in 1976 but has expanded internationally. First in Europe, then in South America, Asia, Africa, North America and finally in Oceania.

As for other businesses of this French family group, Decathlon started as a big sport retailer, distributing products developed and manufactured by others. Most were low-priced (just like AUCHAN) but Decathlon also sold Nike or other well-known sport brands.

But quickly DECATHLON decided to create its own products and to include a lot of R&D in its products in order to outperform other sport retailers and sport brands. Indeed, Decathlon is quite unique because it covers many many sports, distributing its own products under 60 specific brands (one brand per sport, which makes it very easy for the customers to navigate) alongside competitors' products.



But the Decathlon products are often very cheap despite the fact that they are very innovative and practical.

Some recent examples of patents filed by DECATHLON:

- Equipment for playing basketball (EP 4056241);
- Set of clothing for practicing a winter sport (EP4000439);
- Squash racket frame provided with an overmoulded reinforcing insert at the distal part of the frame head (EP 3981478);
- A Modular sledge (EP3984859).

Innovation takes place at DECATHLON, in the heart of the R&D centers that create, test, design and conceive:

- Its leading design center, called DECATHLON campus, was created in 1994 to use, observe and design the products of the future.
- In 2001, they also created a design center in Hendaye (South of France) for watersports.
- In 2008, DECATHLON opened the Domyos center for fitness sports.
- In 2010 they opened the B'TWIN VILLAGE for cycling sports.

Each site is designed for devising, trialing, prototyping, and improving materials and processes.

The company maintains a close relationship with athletes to innovate. This allows the teams to observe the athletes during their training sessions and to collect their feedback.

DECATHLON creates an average of 2.800 new products per year and registers an average of 40 patents per year.

## **B. Two patented innovations**

I propose to focus on two very successful innovations made by DECATHLON.

### **a) The “2 seconds” tent, which is a patented innovation.**

- Presentation of the patent:

This is a pop-up tent designed for backpackers.

The tent can set itself up without any manipulation from the user.

The user only needs to pull on two cords and pressing the two push buttons, and the tent instantaneously, unfolds.

Since its creation in 2004, the “2 seconds” tent has been available in five ranges and has conquered the markets of thirteen countries and has been the subject of many patents.

Several infringement disputes based on French patent no. 0412210 illustrate DECATHLON’s determination to protect its innovation.

## **b) The EASYBREATH Mask**

The patent concerns a diving mask for snorkeling.

A patent has been registered in most countries of the world since 2014.

This is a mask that allows you to breathe both through your nose and mouth in a natural way thanks to two air flows.

The mask therefore allows:

- to breathe through the nose and mouth,
  - to eliminate fogging thanks to the dual airflow,
  - and to provide 180-degree vision.
- 
- Adaptations of the EASYBREATH Mask during the COVID 19 crisis:

During the COVID 19 crisis, the EASYBREATH Mask was adapted to protect medical personnel and infected people from airborne droplets that could transmit the coronavirus.

To do this, DECATHLON suspended all sales of EASYBREATH Masks and shared the plans and technical information about the mask with several hospitals in Europe.

Several adaptations of the EASYBREATH Mask were developed:

- A first adaptation was carried out by the Italian company ISINNOVA, in partnership with a hospital in Northern Italy.

A new component was designed to connect the mask to an artificial respirator. It is a 3D printed connection valve called the “Charlotte valve”.

This invention was subject of a patent application to control the diffusion of the technical solution of the invention.

- Another adaptation was made in France by an engineering school (Université de Technologie de Belfort Montbéliard) which adapted the mask in partnership with the Hôpital Nord Franche-Comté.

The aim of this new adaptation was to overcome the shortage of protective masks intended to protect hospital nursing staff in intensive care units.

In conclusion:

Decathlon has succeeded to make sport equipment available to the masses while continuously pushing for some innovations that benefit athletes and in some cases society at large.

Andrea Sirimarco  
attorney-at-law  
Legaleaders, Madrid

## ***Value Generation through patents in Sport and Fashion, Spain***

### **General Overview**

The use of patents in the sports and fashion industries has been a valuable tool for generating and protecting intellectual property. As we know, patents provide a legal framework to protect innovations and ideas, and also offer a means for companies to monetize their IPRs.

In both industries, patents can be used to protect new technologies, new designs, and other innovations, giving companies a competitive advantage to generate revenue by license agreements and other commercialization strategies to get royalties.

By protecting innovative technologies, designs, and manufacturing processes, companies can generate revenue, create new opportunities of business, differentiate their products from competitors, create exclusivity, drive innovation and command premium prices.

Indeed, patents may generate value in the sports and fashion industry through:

- Direct revenue generation – sales;
- Commercialization opportunities – licensing;
- Sustainable competitive advantage – Building of reputation (brand development), lead time by being first to market, market leadership and premium pricing;
- Exclusivity – Keeping competitors out;
- Driving innovation.

We can mention some cases of value generation through patents in the sports and fashion industries and provide comparative perspectives on how different industries, such as Sports and Fashion, can exploit patents and generate synergies and benefits.

### Sport Industry:

In the sport industry, patents have been used to protect a wide range of innovations.

1. One of the most famous examples of a sports-related patent is Nike's Air Jordan patent. This so called Flyknit technology provided a better comfort and performance to basketball players, and quickly became one of Nike's most successful products. It has been protected by several patents and has helped the company to monetize its intellectual property and expand the brand.

2. Another example is the use of patents in sports training by the companies CATAPULT and KINEXON that have developed wearable technologies.

3. In addition to equipment, patents have also been used to protect innovative training methods and techniques. A curious example is the "Total Immersion swimming method". This is an innovative swimming technique to improve the speed in the water patented by its creator, Mr. Terry Laughlin. Mr. Laughlin has licensed the method to coaches and instructors around the world, generating revenue since he also became a best-selling author and producer of swimming videos with millions of views.

### Fashion Industry:

Patents have also been used in the fashion industry to protect innovative materials, designs and manufacturing processes.

For example, GORETEX has patented its waterproof and breathable technology. Another example is Lululemon's patent of its "V-shaped wai-

stband” design, which has been used in many of Lululemon’s products. An example of using patents to protect new manufacturing processes is the patent of Adidas “Speedfactory” manufacturing process, which uses advanced robotics and a 3D printing technology to produce shoes more quickly and efficiently than traditional manufacturing methods. Another example is the Levi’s WaterLess process, which uses significantly less water in the production of denim.

All these patents helped companies to generate significant revenues using the technology and to be leaders in their respective market.

### Perspectives from a Spanish Point of view

In Spain, patents have also been used in the sports and fashion industries to generate value and protect intellectual property.

In the **SPORTS INDUSTRY**, Spanish companies like Joma and Munich have used patents to protect their innovative footwear designs and technologies.

- **JOMA** has patented its “Flexo technology”, which provides flexibility and durability to the sole of the shoes. Spanish company **JOMA Sport** has registered several patents for its sports footwear products. These patents have helped this company to establish itself as a major player in the global sports footwear market.

- **MUNICH** has patented its “X-Grip technology” which improves the stability on the field of athletes. This patented technology allowed this company to differentiate their products and increase their market.

In the **FASHION INDUSTRY**, Spanish companies like **Zara** and **Mango** have used patents to protect their innovative designs and manufacturing processes.

- **INDITEX** (i.e. **Zara**) has patented its **RFID** (Radio-Frequency Iden-

tification) technology, which allows the company to track inventory and optimize its supply chain.

Indeed, Zara has registered several patents related to its fast garment production system, allowing it to design, manufacture, and distribute new fashion collections within weeks instead of months. These patents have helped Inditex Group to maintain a competitive advantage in the fast fashion market and generate revenue through licensing agreements and the production of its clothing.

- MANGO has patented its sustainable denim manufacturing process, which uses recycled materials and reduces water consumption. In the fashion industry, Spanish company Mango has registered several patents for its clothing designs, including its 3D printing technique, which allows the company to control the entire production process, from design to manufacturing.

Another Spanish company, CUSTO Barcelona, has licensed its patented printing technology to other companies in the fashion industry. These patented technologies and processes have allowed these companies to improve their efficiency, reduce costs and be highly competitive in a global market.

ADDITIONAL Spanish Relevant Examples in Sport and Fashion Industry:

- SEPIIA is a Spanish company that has developed an innovative solution for sustainable fashion. Their patented technology involves treating clothing with a plant-based solution that makes it water-repellent, stain-resistant, and odorless, without using harmful chemicals or damaging the fabric. This technology helps to extend the life of clothing, reduce the need for washing, and minimize the environmental impact of the fashion industry.

Sepiia's innovation has been recognized with several awards, including the National Award for Innovation and Design in Spain. Sepiia's innova-

tive technology is a clear example of how patents can be used to protect and commercialize sustainable innovations in the fashion industry, while also generating value for the company and contributing to a more sustainable future.

- **ROLY** has developed an innovative fabric technology called “Stay Dry”, which is used in its sports clothing line.
- **SystemDots**: This company developed a patented technology for creating smart textiles, which incorporate sensors and other electronics elements.
- **TERNUA Group** is an outdoor clothing company that has developed several innovative technologies for its clothing line, including a patented insulation technology called “Eco Stormshell”.
- **BQ** is an education focussed technology company that has patented a 3D printing technology that allows them to create custom-fit sports equipment.
- **DESIGUAL**, the famous fashion company, has patented several innovative textile technologies, including one that allows them to create reversible clothing with different designs on each side. These patents have helped Desigual stand out in the fashion industry.
- **ORBEA** is a Spanish bicycle manufacturer. This company has patented several new technologies for its bikes, including an integrated suspension system and a new carbon fiber production process. These patents have helped Orbea compete with larger bicycle manufacturers and generate revenue.
- **BALENCIAGA**. This Spanish luxury fashion brand has patented several innovative design elements, including a special technique for creating three-dimensional garments.
- **Altitude** is a Madrid company that has developed a patented training



system for athletes that simulates high-altitude conditions to improve their endurance and performance. The system involves a specially designed mask that restricts oxygen intake, forcing the body to adapt to lower oxygen levels.

- **TECNOCONVERTING.** Engineering has patented an innovative technology for treating textile wastewater. The technology is more sustainable and cost-effective than traditional wastewater treatment methods and has helped this company to be a leader in the water treatment market of textiles.

All these companies have used their patents to establish themselves as leaders in the market and generate revenue through licensing agreements with other companies and/or sales of its own products. It is clear that patents play a crucial role in the value generation and protection of intellectual property in the Spanish sports and fashion industries since they create a competitive advantage and generate revenue in a highly competitive global market.

### **Comparative Perspectives:**

While patents have been used successfully in both the Sport and Fashion Industries to generate value, there are also some important differences in how they are used and perceived in each industry.

#### **a) One key difference is the Role of Innovation.**

In the sport industry: innovation is often seen as a “key driver” of success, as companies compete to develop new technologies that give them an advantage over competitors.

In the fashion industry, on the other hand, innovation is often seen as secondary to aesthetics and branding. While companies may still seek patents to protect new designs and manufacturing processes, they may also trust more heavily on copyright and trademark protections to safeguard their brands and prevent infringements.

## **b) Another difference is the Role of licensing agreements.**

In the sport industry, licensing agreements are a common means of generating revenue from patented technologies.

In the fashion industry, licensing agreements are also used, but in a different approach since companies often prefer to keep their designs and manufacturing processes in-house.

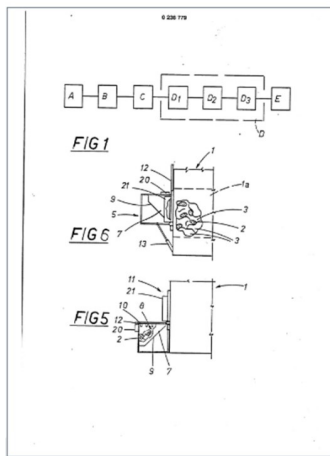
Further, please also note that a range of factors influences the value generation in Spain. For example:

1. Cultural difference: there are differences on how patents are perceived and used in different cultures. For example, in Spain and other Mediterranean cultures, there may be a greater emphasis on creativity and innovation.
2. Legal frameworks: the legal frameworks that govern patents vary between different European countries, and this can affect the way that companies use and value patents.
3. Market competition: the level of competition in different markets can also influence the value of patents.
4. Sustainability and ethical concerns: there is an increasing awareness of sustainability and ethical concerns in the fashion and sports industries, and this can influence the way that patents are used and perceived.
5. Collaborative innovation: in Spain there is a growing trend towards collaborative innovation in both the fashion and sports industries, with companies and research institutions working together to develop new technologies and materials. It is common for companies of both sectors to establish collaboration agreements with private entities with the purpose of optimizing resources and results.

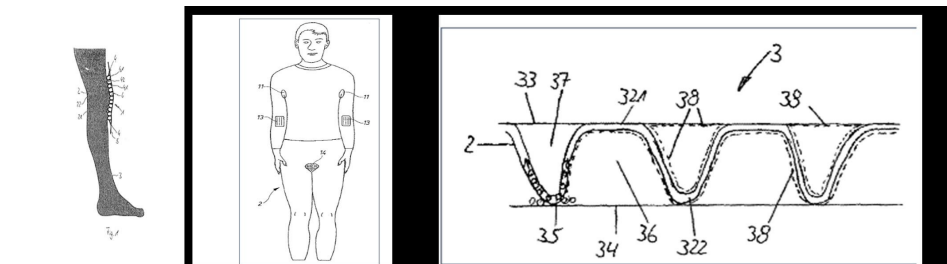
We have approached this issue under the perspective of the usefulness of protecting assets by patent proceeding as a source of value, but it should

not be forgotten that it is just as important for the company to protect their own assets, as it is to prevent others from infringing on them. We can underline some curious cases that reveal that in the fashion and sports sector nothing can be taken for granted and even patents can be infringed (recording details are not mentioned since they are all under confidentiality):

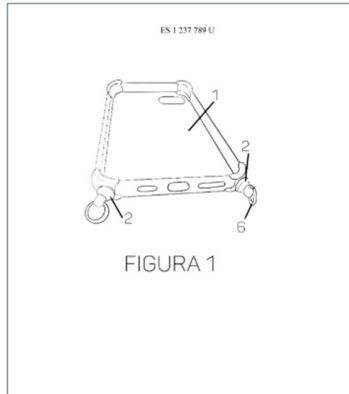
1. Claim based on EP \*\*\*\*\*, in relation to the marketing of a well known fashion brand distinguishing clothing produced by a manufacturing method to make the garments appear “used”.



2. Claim in which is also involved a big Spanish Company for the marketing of sports shirts and leggings based on several EP \*\*\*\*\*.

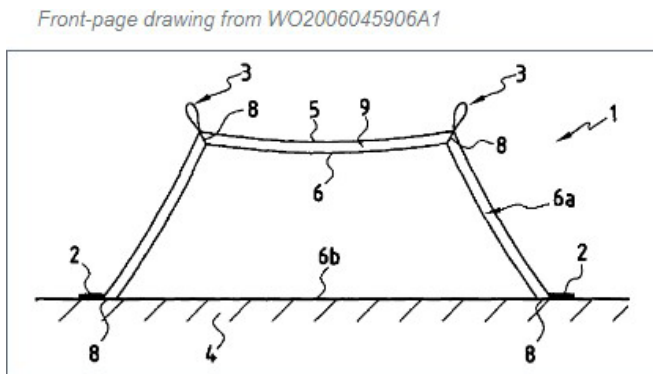


3. Complaint for infringement of IPRs in accessories, one of them based on a Spanish Utility Model for mobile anchoring.



Please note that in Spain the risk is double, because utility models are granted without an examination and without a report on the state of the art.

4. Lawsuit against one Company for a self-unfolding tent that allegedly infringed an EP \*\*\*\*\*.



## Conclusions

By way of conclusion, I would underline some considerations regarding the measures that companies must adopt internally.

For example: (1) do not take anything for granted; (2) prevent guarantees with your suppliers contractually; (3) carry out investigations prior to launching products that may directly or indirectly involve any technical and/or legal issue and remember that Spain is also different in this regard due to the existence of Utility Models.

# Fourth Panel

*Enforcement in a Digital Environment  
Dynamic and Blocking Injunctions*

Inmaculada de la Haza  
Attorney-at-law  
Balder IP, Madrid

## ***Short Summary of the Panel***

### **1. EU Background**

The main EU Background consists of the following Standards:

- InfoSoc Directive: Directive (EC) 2001/29 of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society
- E-commerce Directive: Directive (EC) 2000/31 of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market
- Enforcement Directive: Directive (EC) 2004/48 of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights
- Copyright Directive: 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
- Digital Markets Act: Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828
- Digital Services Act: Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC

### **2. Italy approach**

The main Italian Standards are the following:

First of all, Law 22 April 1941 n. 633 (Italian Copyright Law), which was amended and updated multiple times, also in order to comply with EU

and International laws.

Also, Legislative Decree 9 April 2003 No. 70 on the implementation of the e-commerce Directive. It is accompanied by the AGCOM Regulation No. 680/13/CONS which laid down the regulation relating to the protection of copyright on electronic communications networks, pursuant to Legislative Decree No. 70/2003; and the AGCOM Resolution No. 233/21/CONS, containing significant amendments to the Regulation No. 680/13/CONS

Furthermore, it is important to mention the Legislative Decree 27 November 2021 No. 177 70 on the implementation of the Copyright Directive. Finally, we would like to highlight the Italian Criminal Code.

Regarding the case Law Evolution, there are three relevant cases to mention:

The Court of Milan, 18 November 2015, 13 January 2016, 9 March 2016, *Rojadirecta*, which constitutes a first opening to multiple DNS and IP blocking.

In addition, the Court of Milan, 27 July 2016, *Calcion* that addresses a number of matters such as the infringer party of the proceedings, no dynamic injunction, term to comply 10 days and *astreinte* of EUR 5.000 per day.

The Court of Milan, 3 September 2019, 24 December 2019, 14 January 2020 established that block access to *“the aliases resulting from changes to the second level domain relating to all current sites-showcase and those associated with the main servers indicated provided that – in addition to referring to the same illegal content considered above – the subjective connection with the subjects responsible for the illegal activity currently in place is objectively detectable also through communications from the subjects responsible to their respective subscribers of specific indications to reach another site otherwise named”*.

There is an extent list of different Optional Subhead that we can highlight. For example, the no need to involve the infringer or the hosting providers,



the proceedings by default, the technical report required, the Ex parte orders granted in days/hours, IP + DNS blocking orders, the dynamic nature [*blocking is extended to all 'alias' sites (same illegal content, same or linked infringers; link to be supported by independent evidence)*].

Finally, we can summarize the developments in the following milestones: 1) The notion of «active» hosting provider: Supreme court, 19 March 2019, Nos. 7708 & 7709, Yahoo; 2) Premiere movies: Court of Milan, 14 January 2020, Tolo Tolo; 3) Magazines and books: Court of Milan, 10 June 2020, 17 July 2020, and 12 October 2021, Mondadori; 4) CDN services: Court of Milan, 11 July 2022, confirmed by court of Milan, 22 September 2022; 5) From copyrights to trademarks: Court of Milan, 31 August 2021, Golden Goose; 6) Open issues: evidence of the infringement, exhaustion of right; 7) Injunctions limited to specific infringing domain names; aliases limited to different TLDs; 8) Term: 10 working days, with EUR 5.000 penalty; 9) See also: CJ 22 Dec. 2022, C-148/21 (Louboutin)

### 3. French approach

As regard the French case law, we would like to explain the following point. Unsurprisingly, the arguments that revolved around scope, technical feasibility, cost and who bears the cost, and effectiveness were arguably among the most interesting ones the courts in France addressed. Interestingly, the issues of proportionality, freedom of expression, prohibition of general surveillance by ISPs, territory and duration of the measures did not seem to give the courts much difficulty.

It is relevant to explain the blocking domain names topic. To reach this outcome, the courts found that the injunctions were targeted and limited in time, complete effectiveness was not required, ISPs were free to choose the technical means according to their internal organization and work methods, ISPs' freedom of enterprise was preserved, and the conditions and terms of the injunctions are determined by the national laws of EU member states. Also, pursuant to EU Directives 2000/31 and 2001/29, ISPs are required to contribute to combating unlawful content including infringing content since they are best positioned to do so even if this results

in a substantial cost for them.

Having said that, concerning the delisting domain names, the courts ordered Google, Microsoft and Yahoo to prevent (block) search results (1) in response to a query from users in French territories (2) that manifestly link to one of the pages of the blocked websites (3) that can be accessed notably through specifically identified domain names.

To reach this outcome, the courts found different points, such as, the providers of search engines are intermediaries within the meaning of Article 8(3) of Directive 2001/29; providers of search engines can contribute to remedy IP rights violations; the accumulation of remedies ordered against different intermediaries is appropriate because this increases the effectiveness of the blocking measures by other ISPs alone; complete effectiveness was not required; depriving Internet users of access to certain search results was not disproportionate in light of the massive amount of infringing works; users' freedom of expression was not violated since the chat rooms of the blocked websites were only used to discuss availability of and access to pirated films and series.

On the issue of technical feasibility, the courts found that Google had developed and used for its own business purposes technical tools that allowed it to identify new access paths to any given content and hence to identify new access paths susceptible to give access to the infringing sites (Redirection 301, Content ID, Google Search Console).

The one issue on which the courts did agree with the ISPs is that rights holders should inform the ISPs during the term of the blocking and delisting measures if some of the identified access routes were to become inactive or if all the infringing content to which they lead has manifestly been deleted.

The foregoing is only an overview of and introduction to the rich and detailed state of French case law on dynamic blocking injunctions. It illustrates how the French courts have used French and EU law to address rights holders demands for more effective and efficient anti-piracy and

anti-counterfeiting measures, while preserving Internet users' freedoms and ISPs freedom of enterprise.

#### 4. Spanish approach

*The main Spanish Background consists of the Spanish Legislation Adopted the Rules of the Information Society Directive, the Law 19/2006 Subsequently Modified the Intellectual Property Act by Incorporating the Rules Of The 2004 Directive, the Law 2/2011, Of 2nd Of March ("Sinde" Act) and Royal Decree 1889/2011 on the Development Of The Functions Of The Second Section Of The Commission For Intellectual Property.*

The Phases of compliance with the dynamic blocking measure are the Phase 1: 72 hours to implement the blocking; the Phase 2: communication to the holder that the blocking has been carried out; and the Phase 3: access blocked within 3 hours of being notified of the new listing on a weekly basis.

The one issue on which the courts did agree with the ISPs is that rights holders should inform the ISPs during the term of the blocking and delisting measures if some of the identified access routes were to become inactive or if all the infringing content to which they lead has manifestly been deleted.

The foregoing is only an overview of and introduction to the rich and detailed state of French case law on dynamic blocking injunctions. It illustrates how the French courts have used French and EU law to address rights holders demands for more effective and efficient anti-piracy and anti-counterfeiting measures, while preserving Internet users' freedoms and ISPs freedom of enterprise.

Gualtiero Dragotti  
past President AIPPI Italian Group, attorney-at-law  
DLA Piper, Milan

## ***Enforcement in a Digital Environment Dynamic and Blocking Injunctions, Italy***

### ***Summary***

*Italian courts have set dependable standards to protect IP rights online by granting both blocking and dynamic injunctions. Such an approach is aligned with EU legal framework and case law. The courts' solution was mainly developed by the court of Milan, with decisions spanning from the protection of live sport events to other copyrighted content. The Italian lawmaker recently approved a draft law on the prevention and suppression of the unlawful dissemination of copyrighted content through electronic communication networks. The law provides extended tools and measures to protect copyright in the digital environment, including granting injunctive power to AGCOM.*

### **Introduction**

Italian law provides for effective civil remedies, including injunctions and damages, against infringement of Intellectual Property rights. The challenges brought by the digital environment have, however, called for increased measures and enhanced legal tools to ensure that rights holders can effectively enforce their rights.

To address these challenges, Italian courts made available to IP rightsowners measures such as blocking and dynamic injunctions.

Blocking injunctions require internet service providers (ISPs) to block access to infringing websites. Dynamic injunctions are injunctions that are issued, for example, in cases in which materially the same website becomes available immediately after issuing the injunction with a different IP address or URL. They are drafted in a way that makes it possible to extend the blocking order without the need for a new judicial procedure.

These measures are even more important for infringements involving streaming of live events, including sport matches, often made available on multiple platforms with very little advance notice by organizations of infringers operating from abroad whose identity and location is not easy to trace.

Hence the need to directly target the ISPs, requiring them to adopt suitable measures to block access to infringing content, a result that could be obtained by multiple technical means, including DNS resolution blocking, IP address blocking, uniform resource locator (URL) filtering, and de-indexing. Often, an effective blocking is the result of a combination of these measures.

The notion of ISP shall be construed considering the development of the online environment, and presently includes Over-the-Top media services (OTT), hosting providers, mere conduit and caching providers, Content Delivery Networks (CDN), search engines, marketplaces and e-commerce platforms, and storage and cloud solutions providers.

## **EU Background**

The EU has been at the forefront of adopting measures to protect Intellectual Property rights in the digital sphere. The main legal texts include the following:

- E-commerce Directive: Directive (EC) 2000/31 of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market
- InfoSoc Directive: 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
- Enforcement Directive: Directive (EC) 2004/48 of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights
- Copyright Directive: Directive (EU) 2019/790 of the European Parlia-

ment and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market

- Digital Markets Act: Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828
- Digital Services Act: Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market for Digital Services and amending Directive 2000/31/EC

While each piece of legislation contributes to regulate specific issues, the overall framework provided by the above legal texts sets a rather strong level of protection for Intellectual Property rights in the EU.

As for ISPs, the EU framework makes a distinction between mere conduit, caching and hosting providers, on the one hand, and online content-sharing service providers, on the other hand.

While mere conduit and caching providers benefit from a safe harbor from liability for the transmission of illegal content, hosting providers are required to act promptly to remove or disable access to illegal content upon notification.

Online content-sharing service providers, such as social media platforms and video-sharing websites, are subject to more stringent obligations, including the obligation to conclude licensing agreements with rightsholders and to implement measures to prevent the upload of infringing content, failing which they risk liability for copyright infringement.

Overall, the EU framework strikes a balance between protecting Intellectual Property rights and promoting innovation and access to information in the digital environment.

Against this background, the jurisprudence of the EU Court of Justice provides a reliable guidance to the protection of Intellectual Property rights in the digital environment.

On the specific issues of the liability of ISPs and the possibility to target them with blocking and dynamic injunctions it is worthwhile to mention at least the following decisions:

- *L'Oréal: 12/07/2011, C-324/09, L'Oréal-eBay*

The decision is customarily mentioned as it sets a precedent for greater responsibility for online marketplaces in preventing and removing infringing goods from their sites.

- *Telekabel: 27/03/2014, C-314/12, UPC Telekabel Wien GmbH v Constantin Film Verleih GmbH and Wega Filmproduktionsgesellschaft mbH*

Telekabel established, inter alia, the principle that Internet Service Providers may be held liable for infringements of copyrighted material if they do not take action to stop the infringement upon being made aware of the facts. The decision also established that ISPs must put in place adequate measures to prevent further infringement of copyright works.

- *McFadden: 15/09/2016, C-484/14, Tobias Mc Fadden v Sony Music Entertainment Germany GmbH*

The decision established that individuals who download copyright-protected material from an online source are liable for any damages resulting from their actions. The decision also clarified the responsibilities of content hosting services to monitor the activity of their users and prevent any illegal activity.

## **In Italy**

Among the several laws and regulations relevant to deal with online infringement in Italy there are the following ones:

- Law 22 April 1941 n. 633 (Italian Copyright Law), that has been amended and updated multiple times, also to comply with EU and International laws;

- Legislative Decree 9 April 2003 No. 70 on the implementation of the e-commerce Directive;
- AGCOM Regulation No. 680/13/CONS which laid down the regulation relating to the protection of copyright on electronic communications networks, pursuant to Legislative Decree No. 70/2003;
- AGCOM Resolution No. 233/21/CONS, containing significant amendments to the Regulation No. 680/13/CONS;
- Legislative Decree 27 November 2021 No. 177 70 on the implementation of the Copyright Directive;
- The Italian Criminal Code.

Italian Courts have applied and interpreted those legal texts to set dependable standards for protecting IP rights online, granting both blocking and dynamic injunctions, when necessary, if conditions are met.

The scope and content of these injunctions correspond to a de-facto template, mainly developed by the Court of Milan, starting in 2015 with the *Rojadirecta* string of decisions (Court of Milan, 18 November 2015, 13 January 2016, 9 March 2016) that confirmed, *inter alia*, the possibility to grant injunctions against ISPs, with a first opening to multiple DNS and IP blocking.

Then came the *Calcion* decision (Court of Milan, 27 July 2016), with an injunction extended to multiple ISPs assisted by an *astreinte* and a 10-days term to comply.

Said decision was seen as a victory for copyright owners and a blow to illegal streaming websites and paved the way to multiple proceedings, that soon allowed dynamic injunctions, often drafted in terms of an extension of the order to *“aliases”* websites, i.e. resources *“resulting from changes to the second level domain relating to all current sites-showcase and those associated with the main servers indicated provided that – in addition to referring to the same illegal content considered above – the subjective connection with the subjects responsible for the illegal activity currently in place is objectively detectable also through communications from the subjects responsible to their respective subscribers of specific indications to reach another site otherwise named”* (this definition is now a standard



and can be found in multiple decisions; see, for example, Court of Milan, 3 September 2019, 24 December 2019, 14 January 2020).

Dynamic injunctions in the above terms, targeted to ISPs, to be complied with immediately and in any case within two working days, assisted by an *astreinte* of 5.000 euros, became the standard solution to protect the rights of copyright owners, in particular in connection with football matches and live events in general. These kinds of orders were routinely granted *ex parte*, with no opposition by the ISPs (in particular the major telcos, in their capacity of internet access providers), that set up internal procedures to comply with the orders, including the take down of aliases, directly liaising with rightsowners.

The same approach was adopted also to protect copyrights on books and magazines (see Court of Milan, 10 June 2020, 17 July 2020, and 12 October 2021, *Mondadori*) as well as *premiere movies* (Court of Milan, 14 January 2020, *Tolo Tolo*).

Meanwhile the Courts clarified the notion of “active hosting provider”, setting an enhanced liability regimen (see in particular Supreme Court, 19 March 2019, Nos. 7708 & 7709, *Yahoo*).

A string of decisions dealt with the delicate role of Content Delivery Networks (CDN) and other providers used to improve website performance, reduce bandwidth costs, and increase reliability and security of Internet operators (see Court of Milan, 11 July 2022, confirmed by Court of Milan, 22 September 2022, *Cloudflare*). The same approach has been adopted also to fight trademark infringements in the digital environment, in particular when the counterfeited goods were offered by a network of interlinked websites and sources. Notwithstanding some success stories, the need to collect the evidence of the sale of infringing goods on all the concerned sources, as well as the need to deal with possible second-hand sales and exhaustion of rights limited the scope of the injunctions and their dynamic reach (see Court of Milan, 31 August 2021, *Golden Goose*).

## In the (near?) future

While the solution provided by the Courts and summarized above contributes to an effective protection of IP rights in the digital environment, the technical evolution and the increasing importance of the online market pushed the Italian lawmakers to intervene.

On 22 March 2023, the lower chamber of the Italian Parliament approved the draft law No. 217-648-A *on the prevention and suppression of the unlawful dissemination of copyrighted content through electronic communication networks*.

Said draft, still to be discussed by the higher chamber of the Parliament, provides an extended set of instruments and measures to protect copyright in the digital environment.

For this purpose, the Telecommunication Authority (AGCOM) will be provided with the power to grant injunctions, preventing DNS resolution and blocking of IP addresses of online resources “*unambiguously intended for illegal activities*”; those measures would be dynamic, extending to sources and platforms providing access to “*identical or same nature content*”.

AGCOM orders would be granted *ex parte* and are expected to be enforced by the ISPs within 30’ minutes; the targets would have the right to appeal and are expected to provide the rightsowners with information on the infringement, including financial data. The actual infringers (not the ISPs) would also face enhanced criminal liability.

## Conclusions

Protecting copyright and other IP rights in the digital environment poses significant challenges, not fully addressed by the current legislative framework. The judiciary, in the last decade, contributed to integrate the answer to online infringement, with substantially effective results. It is probably time, for the lawmakers, to step in and reframe the available solutions, enhancing the level of protection for the IP rights while keeping a balanced approach to other rights, such as freedom of expression and access to information, keeping also into account the need to continue fostering innovation.

Stefan Naumann  
attorney-at-law  
partner at Szleper Henry Naumann, Paris

## ***Enforcement in a Digital Environment Dynamic and Blocking Injunctions, France***

French Law and case law on dynamic and blocking injunctions are particularly clear and robust.

### **The Law**

The relevant law in France is article L.336-2 of the French Intellectual Property Code:

*«Where there is an infringement of a copyright or related right caused by the content of an online public communication service, the Chief judge of the first level court, ruling in an expedited procedure on the merits [previously “where appropriate in the form of a procedure for interim measures”], may order, at the request of the holders of rights in protected works and subject-matter, their successors in title, collective management organizations governed by Title II of Book III or professional defense organizations referred to in Article L. 331-1, any appropriate measures to prevent or put an end to such an infringement of a copyright or related right against any person likely to contribute to remedying it. The request can also be made by the Centre national du cinéma et de l’image animée. » (emphasis added)*

### **French case law**

The specific issue of dynamic and blocking injunctions was thoroughly litigated in a number of lawsuits filed by French syndicates representing film distributors and producers, video editors and the French Cinematographic Center against the five largest French telecommunication operators, Google, Microsoft and Yahoo.

For the sake of clarity, I have listed the cases in chronological order, fol-

lowed by an overview of some of the salient issues.

March 15, 2016

The Paris Court of Appeal held that ISPs must bear the cost of implementing the dynamic and blocking injunctions ordered by the Paris first level court on November 28, 2013.

*(Cour d'appel de Paris, Pôle 5, chambre 1, n°14/01359)*

July 6, 2017

The French Supreme court confirmed that requiring ISPs to bear the cost of implementing these injunctions is legally justified.

*(C.cass., Chambre civile, ECLI CCASS 2017 C100909)*

December 14, 2018

The Paris first level court ordered the French telcos to block access to specifically identified websites and ordered Google «*to take or cause to be taken, [...] for a period of 12 months from the date of this Decision, all appropriate measures to prevent the appearance on the services of the Google search engine of any result in response to a request from Internet users from French territories, including the overseas collectivities, New Caledonia and the French Southern and Antarctic Territories, manifestly linking to one of the pages of the [blocked] websites [...] notably accessible via the paths [blocked domain names].*» *(emphasis added)*  
(TGI Paris, 3-2, n°18/10652)

May 23, 2019

The Paris first level court again ordered Google «*to take or cause to be taken, [...] for a period of 18 months [...] all appropriate measures to prevent the appearance on the services of the Google search engine of any result in response to a request from Internet users from French territories [...] manifestly linking to one of the pages of the [blocked] websites [...] notably accessible via the paths [blocked domain names].*» ( TGI Paris, 3-1, n° 19/01744)

It is arguably fair to state that the defendants in these lawsuits left no stone unturned.

By way of example, Google had argued that (1) it was not an ISP, (2) it could only verify web pages identified by the specific URL for each page, (3) a website cannot be considered a set of homogeneous and determined content, (4) a dynamic injunction would require it to verify URL by URL whether each new access leads to the infringing content, (5) rights holders had to notify it of infringing content URL by URL (notice and take down), (6) it did not have technology allowing it to identify automatically without risk of error current or future domain names linked to an identical curated infringing content as that of the domain names identified in the lawsuits, (7) blocking measures must be limited to strictly necessary measures to avoid filtering out lawful content, (8) a dynamic injunction would require it to carry out a prohibit general surveillance and (9) the implementation of general (dynamic) injunctions “*would subject it to unbearable constraints of a nature to put into peril the viability of its business model.*”

As a result, we have the benefit of the French courts’ careful review and analysis of and findings on many issues and arguments for and against dynamic and blocking injunctions.

In reaching their decisions, the French courts extensively referred to and discussed EU Directives 2001/29 (Article 8(3) and Preamble), 2004/48 (Articles 3 and 11 and Preamble), 2000/31 (Articles 12(3) and 18(1)), and the Charter of Fundamental Rights of the EU (Articles 11, 16 and 17(2)), as well as EU case law including Attorney General opinions.

Having reviewed in detail EU law and CJEU case law, the French courts rejected requests to submit prejudicial questions to the CJEU on the issue of dynamic injunctions since the courts considered that all of the issues raised by the defendants had been addressed and could be unambiguously resolved in the litigation in France by applying the guidance from the CJEU.

## **A brief discussion of selected issues**

Set out below are the outcomes and, in bullet point format, a very short selection of some but not all of the most interesting issues discussed by the French courts.

Unsurprisingly, the arguments that revolved around scope, technical feasibility, cost and who bears the cost, and effectiveness were arguably among the most interesting ones the courts in France addressed. Interestingly, the issues of proportionality, freedom of expression, prohibition of general surveillance by ISPs, territory and duration of the measures did not seem to give the courts much difficulty.

### **Blocking domain names**

The French courts ordered the French telecommunication companies to block access to websites (1) accessible through specifically identified domain names (2) by their subscribers in French territories (3) for a period of twelve months.

To reach this outcome, the courts found that:

- the injunctions were targeted and limited in time;
- complete effectiveness was not required;
- ISPs were free to choose the technical means according to their internal organization and work methods;
- ISPs' freedom of enterprise was preserved;
- the conditions and terms of the injunctions are determined by the national laws of EU member states;
- pursuant to EU Directives 2000/31 and 2001/29, ISPs are required to contribute to combating unlawful content including infringing content

since they are best positioned to do so even if this results in a substantial cost for them.

## **Delisting domain names**

The courts ordered Google, Microsoft and Yahoo to prevent (block) search results (1) in response to a query from users in French territories (2) that manifestly link to one of the pages of the blocked websites (3) that can be accessed notably through specifically identified domain names.

To reach this outcome, the courts found that:

- providers of search engines are intermediaries within the meaning of Article 8(3) of Directive 2001/29;
- providers of search engines can contribute to remedy IP rights violations;
- the accumulation of remedies ordered against different intermediaries is appropriate because this increases the effectiveness of the blocking measures by other ISPs alone;
- complete effectiveness was not required;
- depriving Internet users of access to certain search results was not disproportionate in light of the massive amount of infringing works;
- users' freedom of expression was not violated since the chat rooms of the blocked websites were only used to discuss availability of and access to pirated films and series.

On the issue of technical feasibility, the courts found that Google had developed and used for its own business purposes technical tools that allowed it to identify new access paths to any given content and hence to identify new access paths susceptible to give access to the infringing sites

(Redirection 301, Content ID, Google Search Console).

The one issue on which the courts did agree with the ISPs is that rights holders should inform the ISPs during the term of the blocking and de-listing measures if some of the identified access routes were to become inactive or if all the infringing content to which they lead has manifestly been deleted.

The foregoing is only an overview of and introduction to the rich and detailed state of French case law on dynamic blocking injunctions. It illustrates how the French courts have used French and EU law to address rights holders demands for more effective and efficient anti-piracy and anti-counterfeiting measures, while preserving Internet users' freedoms and ISPs freedom of enterprise.



Santiago Mediano  
attorney-at-law  
Chairman of Santiago Mediano Abogados, Madrid

## ***Enforcement in a Digital Environment Dynamic and Blocking Injunctions, Spain***

### **1. Background**

If there is one issue that has dominated the debate on the protection of Intellectual Property Rights (IPRs) over the last few years, it has undoubtedly been the following: the possibility for rightsholders to request the cooperation of Internet Service Providers (ISPs) in their fight against infringements of IPRs committed over the Internet, given that other methods previously used to prevent the illegal flow of protected content over the network had not produced expected results and has proved to be ineffective.

The option of prosecuting users directly has proved costly, unpopular and of doubtful preventive effectiveness, if not impossible to implement owing to the interpretation of data protection rules by the courts in some countries, making it impossible to identify infringers. Ultimately, the possibility of bringing legal action against operators of websites that directly or indirectly infringe intellectual property rights, has turned out not to be any easier, since these websites -precisely in order to avoid legal action- tend to operate from countries where legislation or its application by the courts is much more permissive.

Against this backdrop, rightsholders have turned their attention to ISPs to obtain their cooperation in the fight against the illegal distribution of protected content.

### **2. EU Directives as a starting point**

The possibility of bringing an injunctive action against non-infringing intermediaries has its origins in EU law. Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 (the E-Commerce Directive) expressly addresses the liability of non-infringing intermediaries. Articles 12, 13 and 14 of the E-Commerce Directive provide for an

exemption from liability for non-infringing intermediaries. However, this exemption from liability is limited by the possibility of an injunctive action against such ISPs, as set out in Recital 45 of the same Directive.

Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 (Infococ Directive) went a step further, establishing the obligation for Member States to take interim measures to prevent the harmful effects of illegal exploitation of copyrighted content.

In this context, the position of ISPs, also known as gatekeepers, has been seen as privileged, as they are best placed to bring infringements to an end. Although Recital 59 of the Infococ Directive expressly refers to those who transmit the infringement over the network (i.e., network operators and access providers), the power to issue a cease-order should also be extended to all intermediary service providers in a broad sense.

A similar approach was adopted by Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 (IPRE Directive). The IPRE Directive recognises the injunction as both an interim measure and as a measure to be taken in proceedings on the merits. Thus, Article 9(1)(a) of the IPRE Directive imposes on Member States the obligation to introduce injunctions against intermediaries whose services are used by a third party to infringe these rights; and Article 11 contains the same obligation, but with respect to final measures resulting from decisions on the merits.

In any case, the IPRE Directive specifies that these measures, like other procedures and remedies necessary to ensure the enforcement of IPRs covered by the IPRE Directive, shall be fair and equitable and shall not be unnecessarily complicated nor costly, nor entail unreasonable time-limits nor unwarranted delays. They must also be effective, proportionate, and dissuasive, and should be applied in such a manner as to avoid the creation of barriers to legitimate trade and to allow the application of safeguards against their abuse.

The fact that the problem has been addressed mainly at the level of Directives in the context of the EU has meant that, in the process of transposition, it is up to each Member State to determine which mechanisms, and/or legal actions, should be put in place to protect IPRs.

### 3. Spain

Act 23/2006, of 7 July 2006, amending the Consolidated Text of the Spanish Copyright Act (SCA), approved by Royal Legislative Decree 1/1996 of 12 April 2006 (Act 23/2006), introduced the content of the Infosoc Directive into Spanish law, while the IPRE Directive was transposed by Act 19/2006, of 5 June 2006, extending the means of protection of IPRs (Act 19/2006).

Act 19/2006 modifies Art. 138 SCA, by means of a new third paragraph in which it recognises the possibility of bringing an action for injunctive relief - both interim and definitive - against intermediaries whose services are used by a third party to infringe IPRs. The same Act includes the definitive injunctive action in Art. 139.1 SCA; without specifying its content, it merely states that it may include the suspension of the services provided by intermediaries. The possibility of requesting an interim injunction was introduced with Act 23/2006. Thus, art. 141 SCA expressly includes, among the interim measures in intellectual property matters, the means of suspending the service provided to third parties.

After the appropriate adjustments, the injunctive action against the non-infringing intermediary is regulated in our legal system by articles 138.IV, 139.1.h) and 141.6 SCA.

IV SCA affirms the passive standing of intermediaries with respect to cease-claims even where they are not responsible for the infringement; secondly, art. 139.1.h) SCA specifies injunctive measures for the prohibition of the infringing activity that can be requested against non-infringing intermediaries; and, thirdly, art. 141.6 SCA recognizes the suspension of the service provided to the IP infringers as one of the means to be requested as a precautionary measure.

Concerning regulation of this injunctive action under the SCA, it should be noted that art. 138.IV, in short, expressly refers to the need for the measures adopted against non-infringing intermediaries to be objective, proportionate, and non-discriminatory, an idea that takes as its starting point the EU Directives - where it is required that measures be effective, proportionate, and dissuasive. The CJEU has interpreted this requirement as the search for a fair balance between the various fundamental rights at stake: intellectual property rights, the right to effective judicial protection

of the person interested in obtaining their protection, the intermediary's freedom to conduct a business, and the freedom of expression and information of Internet users.

On the other hand, on the question of when it is appropriate to resort to injunctive action against the non-infringing intermediary, art. 138.IV SCA requires that the measures in question be appropriate.

Consequently, when the Internet is the medium used to infringe intellectual property rights, the appropriateness of the claim for injunctive relief - precautionary or definitive - against those who provide intermediary Internet services must take various issue into account, including: the need to act quickly to cut off unlawful activities; the ease of identifying and pursuing infringers; and the possibility for the intermediary to implement the measure in the least burdensome way possible.

In relation to injunctions sought against non-infringing intermediaries, what both Directives establish (as does the Intellectual Property Act which implements them into national law) is that the exercise of such an action is not conditioned upon making intermediaries liable for infringements that have been committed using their services.

In any event, beyond questions of liability, there is an obligation to respect the Act on Information Society Services (LSSI), being a requirement that takes on its full meaning when applied to the duty of collaboration that it imposes on intermediaries. This is based on the fact that, even if the intermediary has not been sued in the declarative process – i.e. the injunctive action has not been brought against him - it will be possible to require him to collaborate with the courts in enforcement proceedings in the event that the convicted infringer does not voluntarily comply with the obligation to put an end to the unlawful acts, provided that the executing party has requested that enforcement be entrusted to a third party.

#### **4. Practical application of injunctions against non-infringing intermediaries**

##### **A. Administrative-judicial proceedings before the Second Section of the Commission on Intellectual Property (SCA)**

The administrative-judicial procedure against infringements of IPRs by those responsible for information society services was established by Act

2/2011, of 4 March, on Sustainable Economy (SINDE Act), and developed by Royal Decree 1889/2011, of 30 December, which regulates the functioning of the Intellectual Property Commission (CPI). This had the consequence that two types of actions were attributed to the Second Section of the CPI.

Firstly, the possibility of requesting from the intermediary service provider the identification details of the potential offender.

Secondly, that rightsholders, or their representatives, may initiate an administrative-judicial procedure before the ICC to request the restoration of legality, a procedure that may end with two restrictive measures: the interruption of the provision of the information society service (suspension), or the removal of the illegal content.

In practice, the exercise of the injunction before the Second Section of the CPI has not proven itself to be so effective, since it fails to block - as such - the applicable website, there is a lack of financial resources, the procedure is too lengthy, and it is subject in any case to a prior judicial check.

#### **B. Proceedings before the Commercial Courts (dynamic blocks)**

For IPR holders, knowing where people who commit IPR infringements via the Internet are geographically located can be a major problem.

Having found that other enforcement mechanisms previously employed have been unsuccessful, rightsholders have focused their efforts in recent years on a new strategy: getting intermediary service providers to cooperate. The aim of this new strategy? To confine the infringer to Spanish territory by restricting or blocking users' access to the infringing websites.

To this end, rightsholders are using the possibility of judicial injunctions against Internet access providers to block their users from accessing websites from which illegal content, or content that infringes the rights of third parties, is disseminated or distributed. This is a formula that seems to have become established in different jurisdictions, mainly in Europe, in the fight against piracy of digital content.

How is this being done in practice? Rightsholders can apply to the Commercial Courts for a final injunction to block or prevent access by users

from Spanish territory to pirate websites identified by the rightsholders in their written claim to court. This action for cessation of the unlawful activity is brought against the intermediaries, requesting that the unauthorised use of their intellectual property rights be prevented, even if the acts of those intermediaries do not in themselves constitute an infringement, as we have already seen. As a consequence, it is not necessary to sue the infringer at the same time, but the desired objective can be achieved by suing the intermediary directly.

So how have intermediaries been made to cooperate with rightsholders? In practice, intermediaries are acquiescing to rightsholders' claims, and the courts are not finding that such acquiescence is contrary to law or public policy, or that it harms third parties. Thus, from a procedural point of view, not only is it relatively easy to obtain the blocking, but there is also no need to impose costs.

What other advantages to the injunctive action against intermediaries before the Commercial Courts can we highlight? Principally, that it is a quicker and more effective means and mechanism to put an end to this type of infringing activity, given the difficulties that rightsholders often face in identifying and locating the actual infringers.

Rightsholders are not only able to block users' access to infringing websites but are also able to avoid having to track down the infringers.

The reaction of the Courts to these lawsuits has been positive. However, infringers, being aware of blocking, were able to change location, domain name, etc., and within a matter of hours could be up and running again, requiring a new lawsuit to be filed with the corresponding costs and loss of time. Following this, a second subsequent step was to be able to ask for the IP addresses of the offending services in the execution of the judgement. But this too proved to be ineffective.

As a consequence, dynamic blocking measures have been developed. Rightsholders not only have the power to request the blocking of certain infringing websites, but they can also request that the blocking measure be applied with dynamic continuity to websites, mirror domains or pla-

tforms that may be created or have points/connections with the original infringing website.

Dynamic blocking measures are not limited to a specific order to block pirate websites, but rather to block the infrastructure created by infringers to circumvent blocking orders. What does this mean? It means that even if infringers change the URLs, domains or IP addresses of pirate websites, rightsholders will inform intermediaries directly on a weekly basis of the new URLs, domains, and IP addresses they have identified, so that the blocking order is kept up-to-date.

However, these dynamic blocking orders are limited in time. This time limit is determined by analogical application of article 24.4 of Royal Decree 1889/2011, of 30 December, which regulates the functioning of the Intellectual Property Commission. Article 24.4 limits the suspension of the intermediation service to one year from the execution of the blocking measure or until legality is restored.

Regarding the singularity of the infringer's activity, Ruling no. 955/2021, of Barcelona Commercial Court no. 6, states that in platforms equipped with large technical resources, a simple measure of blocking specific web pages can be easily circumvented by creating new platforms.

This implies that it is considered appropriate, coherent, and proportionate with the protection being sought, that other complementary means of a dynamic nature be adopted, to implement measures that facilitate the weekly updating of new identifications of URLs, websites, domains, and IP addresses, with respect to servers that are facilitating access to content. This results from the fact that the blocking measure must be complemented by a measure concerning the future, albeit a limited future.

So far, we have seen how rightsholders can request the blocking of infringing websites from intermediaries, but what happens after a judgment has been handed down? Ruling no. 2174/2019 of the Commercial Court no. 7 of Madrid clearly differentiates 3 phases that must be fulfilled to comply with the measure to cease the unlawful activity.

In the first phase, it is agreed that Internet access operators will block access to the pirate websites identified in the judgment handed down by the Court within a maximum period of 72 hours from the notification of the judgment.

In the second phase, Internet access operators notify the rightsholder of the effective execution of the blocking, identifying all the blocked web resources, and the day, hour, and minute of the execution of the blocking.

As mentioned above, the blocking is limited in time. And, of course, the block can be suspended if the infringer proves that the blocked website is disabled on the Internet, and it does not provide illegal content anymore. In the third and final phase, Internet access operators, in the case of dynamic blocking, block access to pirate websites that the rightsholder identifies on a weekly basis. The blocking of new websites must be carried out within a maximum of 3 hours of notification of the new list.

## 5. Conclusions

In the field of development of online services, the need to prevent infringement of IPRs arises. However, the infringing parties have become more sophisticated, able to offer infringing services without being identifiable or locatable within the jurisdiction where protection is sought.

Traditional remedies and measures have proven themselves to be ineffective in such circumstances.

As a consequence, in recent years, rightsholders have been filing lawsuits before the Commercial Courts to block access to users located in Spain, so that the blocking of certain infringing websites is applied with dynamic continuity to websites, mirror domains or platforms that may be created or have points/connections with the original infringing website. In this way, even if infringers modify the URLs, domains or IP addresses of pirate websites, rightsholders can directly inform intermediaries on a weekly basis of the new URLs, domains, and IP addresses that they have identified, so that the blocking order is kept up to date.



# **Fifth Panel**

*Metaverse and IP Rights*

Daniele Roncarà  
attorney-at-law  
Head of Copyright, IP, Collecting at SKY, Italy

## ***Some thoughts about the metaverse, NFT and future scenarios***

We often wonder whether the metaverse will have such a relevant impact on our lives in the near future. Some people believe that it will be a revolutionary phenomenon and go so far as to wonder whether it will be regulated by ordinary laws or whether a new legal system will end up being formed, and other people on the other hand believe that all this enthusiasm is unwarranted.

It is true that the metaverse is certainly an easier phenomenon for the younger generation to understand: just consider the category of gamers who spend much of their spare time in a virtual world where, however, they spend real money to earn points to then spend in the gaming environment.

However, it's true that already in the past we have been faced with some projects appearing as revolutionary as metaverse appears today. One of the glaring examples might be "Second life".

Well, the 2003 Second life world, which is not that much different from the today's metaverse, after having had a great success at the beginning, around 2007 it has been defined as a flop by a lot of newspapers and companies that have invested some money on it.

Moreover, reading in newspapers all of us know that today also the main social networks are facing an important crisis. In this contest, it might be led to believe that the virtual world is often characterized by centralizing curves of interest on the part of the public that then after some time deflate in favor of new phenomena.

## Uses of NFT in the entertainment industry

While the metaverse is a parallel universe yet to be explored there are now tools such as NFTs coupled with blockchain that can have immediate practical applications and solve many critical issues that have always marked the copyright industry.

Let's take as an example the music industry where we have broadcasting companies, radios, disco club etc. that really need to make use of a variety of single content. For each song there is more than a subject to be remunerated (such as author, editor, artists taking part in the performance). In this field a joint application of the NFT and blockchain technology can be really a revolution for the market. More specifically using NFT and blockchain, authors, editors and artists or collective management organizations will be able to track the consumption and usage of their contents and this will also facilitate them in obtaining the payments of the royalties. Moreover using smart contracts, all the parties involved in the production of a content will be able to determine at the beginning how the payments must be split between them.

In addition we know that NFTs are unique and they can never be replicated. This makes it difficult for pirates to make illegal copies of any music and distribute them.

In my opinion all the points above concern not just the music industry but also the film industry and, speaking in general terms, all the copyright industry. We can use as an example also the pictures market: in many cases it is truly difficult to understand who is really the author of a picture and/or who is the person to be addressed and paid if someone is interested in using it. In many cases there are conflicts also between well known agencies. In this field also this NFT together with blockchain and smart contract tools may be an appropriate solution.

## New virtual environment and old problems: piracy

We need to consider that all new web tools, application, social network developed over the years have been sooner or later used also for not legal purposes. On the web we have various kind of illegal behaviors, but I would like to focus the attention here on IP infringements. Making some examples:

- Cyberlocker, which theoretically are services enabling users to share heavy files, are often used by pirates to illegally share or sell TV series or movies;
- Messaging applications, enabling users to send and receive messages, are often used by pirates, to illegally share third parties content such as the last edition of daily newspapers often illegally distributed in the early morning,
- Also social network and video sharing platforms are often used to illegally share infringing contents.

During the years copyright owners have struggled or are continuing to struggle to obtain cooperation by the providers above. And to do so in many cases it has been necessary to wait for specific laws and regulations and/or case law governing providers' liability.

Making an example, video sharing platforms at the beginning claimed to be just hosting providers and were not to be obligated by law to remove illegal contents: only after many Courts decisions and after the implementation of the Copyright Directive, video sharing platforms appear now to be persuaded that they have an obligation to take down illegal contents.

In this framework, it can be expected that the metaverse will also soon be exploited to illegally sell or in any way share infringing contents. And my concern here is to see again a movie we have already seen in the past:

1. With the impossibility to identify users or pirates directly involved in sharing or selling illegal content;

2. With web service providers involved in the metaverse operativity providers claiming to be completely not liable for the use that is made of their services,

3. With rights holders forced to face again new/old problem.

Of course copyright protection can not limit the progress or the development of new services. At the same time we may expect that if in the future we will be faced with massive copyright infringement in the metaverse, web providers, in any way able to stop the infringements, will cooperate with rightholders without oppose ungrounded legal arguments.

It is predictable that some cases will go before a Court, and I hope that the Judges also will apply the existing rules offering effective protection to rights holders without the need to wait for new regulations governing this new environment.

Laurent Nowak  
French and European Trademark and Design Attorney  
Plasseraud IP, France

## ***Metaverse and IP Rights, France***

### **Definition of Metaverse**

Most of us discovered the word Metaverse at the end of 2021 when Facebook changed its name into META and announced that the metaverse would change our lives! At the same time, META launched their own metaverse called HORIZON WORLDS. We knew Web 1, which was kind of a passive way of accessing information, we knew Web 2.0 which is based on participation, sharing of information and contents such as YouTube, Facebook, Wiki and all in a second, we entered in the world of the Web 3.0 which is supposed to be the future of the Internet, with more interaction, AI, computers that can interpret and distribute contents adapted to users.

The METAVERSE can be defined as an immersive, interactive and persistent digital environment in 3D, which allows the users to have a new and different experience.

One of the first metaverses, called SECOND LIFE, is actually not that recent and dates back to 2003: it was already a 3D video game in which users/players had their own AVATAR, with which they could play and interact with other players. But the market was probably not mature enough and it only lasted for a few years.



But in the 2010's, we saw 2 phenomena which are (1) the massive growth of the gaming industry and (2) the development of the blockchain technology which allowed the creation of cryptocurrencies and NFTs, which both explain the buzz around metaverses.

There are two kinds of METAVERSES:

(1) First there are Internet-based metaverses such as one of the most famous video games FORTNITE (the avatar has to survive in an open-world and battle with others and can also team-up with friends; it is also possible to go to concerts in FORTNITE (for example Ariana Grande gave several shows which gathered hundreds of thousands of people). HORIZON WORLDS, which is the new Facebook, is also an example: a social network in a 3D world where you can meet people, chat and interact;

FORTNITE:



HORIZON WORLDS by META:



(2) Then there are Blockchain-based metaverses such as the SANDBOX, a game in which players can buy digital plots of land, and also DECENTRALAND, in which you can play games, exchange collectibles for avatars, buy and sell digital real estate, socialize, and interact with other people.



The Sandbox:



Decentraland:

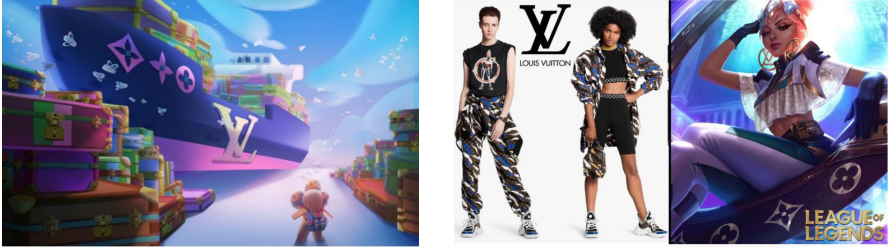
Another interesting example of a blockchain based metaverse that was directly created by Louis VUITTON and is called Louis the Game. Louis VUITTON is really a good example of a brand capitalizing on the new generations and the new tools that exist to target new consumers and give to them a “young” image:

- They are a historical partner of the famous video Game League of Legends, for which there are international competitions and they provide the case for the trophy;
- They have created “skins”, which are virtual clothes and accessories for the avatars of this game;
- They have also created a real collection of clothes that is inspired by the world of League of Legends;
- And they have launched their own metaverse called Louis the Game which is inspired by the life of Louis VUITTON and allow the players to know the history of VUITTON, discover digital art and to access exclusi-



ve products that are only sold in this metaverse.

Example of Louis Vuitton’s involvement in NFTs and the Metaverse:



- The Metaverse is therefore not limited to a sole and unique space, as there are approximately 150 of them to date.

## Definition of NFT

NFT is the acronym for “Non-Fungible Tokens” which means that these blockchain tokens cannot be duplicated or divided and that makes them unique.

Non-Fungible Tokens are made of 3 things:

1. The token itself which is a block, like a stamp in the blockchain;
2. The asset, which is a file in most cases hosted outside of the blockchain, that can be anything:
  - an image, a video, an audio file
  - an avatar or any collectible / wearables
  - collection card or a ticket for an event;
3. The smart contract, which is everything but a contract and rather a computer program, which is the link between the token and the asset.

The interest of NFTs is that unlike physical goods, they cannot be modified or falsified without it to be recorded in the blockchain by the peers (the blockchain is a peer-to-peer network).

- This means that NFTs are “supposed to be unviolable” and are real digital certificates of authenticity.

NFTs can be used in the blockchain-based metaverses for example as a collectible, virtual clothes or even a piece of land.

Another interesting way to use NFTs in the Sport Industry is fan tokens: Many Sport Clubs have launched these Fan Tokens in order to create a new source of income for them (apart thus from TV rights, Sponsors, Ticketing/Hospitalities and Merchandising). Fans can buy and trade these tokens which give access to exclusive activities or contents such as:

- Match ticket discounts;
- Voting rights on some decisions of the clubs (ex: design of the jersey);
- Following the team when they travel;
- Even spending some time with players;

## HOW TO PROTECT A TRADEMARK IN THE METAVERSE?

Even if they are not yet interested in web 3 developments, companies / right holders should ask themselves if:

1. Their current protection is sufficient if they want to sell their Goods and Services in the Metaverse?
2. If they would be able to enforce their IP rights in the Metaverse.

As far as the protection of their rights is concerned, the first issue is to determine whether or not their current protection is sufficient, and notably to make a decision as to whether or not protection for “classic” classes of the International Classification of Goods and Services is sufficient.

EU Trademark case Law is quite clear on the fact that when assessing the similarity between goods and/or services, all the relevant factors must be taken into account, which include, in particular, their nature, their destination, their use as well as their competing or complementary character.

For the time being, there is no clear case Law ruling on the similarity

between physical goods and virtual goods. My opinion is that, in most cases, such goods do not have the same nature, the same destination or the same distribution channels and cannot be substituted.

In the absence of such case Law, it is probably wise to seek additional protection for class 9, as virtual goods are computer programs.

During the year 2022, the main Trademark Offices finally issued guidelines in which they confirmed that virtual goods belong to class 9 and should be considered as:

- Computer programs by the USPTO
- Downloadable contents or images by the EUIPO.

However, the items “virtual goods” or “NFTs” as such are considered to be too vague and must be specified => For example, “virtual goods, namely virtual clothes”. And since the 1st January 2023, VIRTUAL GOODS and NFTs have entered the Nice Classification in class 9.

Goods	Class	EUIPO	USPTO
<i>Virtual goods</i>	09	✘	✘
<i>non-fungible tokens</i>	09	✘	✘
<i>downloadable virtual goods, namely, virtual clothing</i>	09	✓	?
<i>downloadable digital files authenticated by non-fungible tokens</i>	09	✓	?
<i>non-fungible token-based goods for use in online virtual worlds, namely clothing, Shoes, Headgear</i>	09	✓	✓
<i>Downloadable virtual goods, namely computer programs featuring (e.g. articles of clothing) for use in online virtual worlds</i>	09	✓	✓
<i>Downloadable computer game software featuring virtual goods, namely (e.g. jewelry, sunglasses, etc.) for use in online virtual worlds</i>	09	✓	✓

To my knowledge, the similarity between virtual goods and physical goods has not yet been discussed before the EUIPO or in France, but there are 2 interesting refusals that have been issued by the USPTO which concern two US trademark applications filed by individuals for GUCCI and PRADA and both covering classes 9, 35 and 41 for “downloadable virtual goods, namely clothing, footwear, handbags, etc” and their related retail services in class 35 and related entertainment services in class 41.

Trademark application	GUCCI	PRADA
US Serial Number	97112038	97112054
Filing date	6th November 2021	
Applicant	Fenesha Amana HOLMES	Mohammed REATH
Goods & Services	« Downloadable virtual goods, namely, computer programs featuring footwear, clothing, headwear, eyewear, handbags, laptop bags, backpacks, luggage, briefcases, art, toys, jewelry, watches, hair accessories, pet collars, accessories and charms for use in online virtual worlds » in class 9 and their related « retail store services » in class 35 and « <u>entertainment services</u> » in class 41	

**2 Grounds for refusal:**

1. Suggests a **false connection** with PRADA / GUCCI, as PRADA / GUCCI are so **well-known** that consumers would presume a connection (Section 2(a) of the Lanham Act)
2. Likely to cause a **risk of confusion** with PRADA / GUCCI's prior trademarks in the US which are registered for physical goods as « *Internet evidence shows that luxury brands, including the registrants, are selling virtual versions of their physical goods in virtual worlds* » (Section 2(d) of the Lanham Act)

**The overriding concern is not only to prevent buyer confusion as to the source of the goods and/or services but to protect the registrant (i.e. PRADA / GUCCI) from adverse commercial impact due to the use of a similar mark by a newcomer.**

The USPTO concluded that virtual goods and real goods can, in some circumstances, be considered as similar. However, my opinion is that this outcome is mostly due to the fact that GUCCI and PRADA are well-known trademarks, which means that their scope of protection is not limited to the identical and/or similar Goods and Services that their prior marks cover but extend to goods and services that they may be likely to sell.

These two trademark applications have been finally refused on 14 March 2023 because the applicants did not respond to the office actions.

So overall, brand owners should probably seek additional trademark protection for their strategic trademarks in class 9 at least, and when it is

relevant also in class 35 for retail services of virtual goods, in class 36 for cryptocurrencies and in class 41 for entertainment services which are related to virtual goods.

## What about IP rights?

Apart from trademarks, designs may be a useful tool in some cases considering that they are not protected for a specific list of goods and services as trademarks – and this would avoid the uncertainty of the comparison between virtual and physical products.

It must also be noted that most of the editors of the metaverses or even NFT marketplaces such as OPENSEA or RARIBLE have implemented infringement report systems which are very efficient and which are, in most cases, based on the DMCA, the US Digital Millennium Copyright Act. It is therefore possible to base a takedown notice and have infringing contents removed on the basis of French or EU Design registrations.

To date, there is no decision in France about design enforcement in the metaverse but there is an interesting case for a video game (Cour de Cassation, 8 April 2014) involving Ferrari and the editor of the well-known video game Grand Theft Auto IV:

What happened is that the hero of the game can use and drive many vehicles in the game and one of them, called TURISMO by an imaginary car manufacturer called “GROTTI”, was very similar, according to Ferrari, to one of its model called MODENA 360:

- Ferrari filed a lawsuit against the editor and claimed (1) copyright infringement, (2) design infringement and (3) unfair competition.



GTA's Modena Typhoon car



Ferrari Modena 360 ®

In 2010, Ferrari lost on the grounds of copyright and design infringement but won on the ground of unfair competition and parasitism. Ferrari claimed in this regard that the editor of the game, Take Two, had chosen on purpose (1) a logo of a sitting horse that is very similar to its well-known logo of a prancing horse and (2) the name “GROTTI” which sounds Italian, and the confusion was confirmed by some comments made by people on the Internet.

It went then up to the Supreme Court after Ferrari’s claims were totally rejected by the Court of Appeal, even on the ground of unfair competition and parasitism. The Supreme Court considered that the Court of Appeal correctly judged that :

- “the combination of the characteristics giving its originality to the Ferrari MODENA 360 model was not the same”, thus excluding copyright infringement;
- In relation to the design registrations owned by Ferrari, it ruled that “the front shape of the Turismo vehicle had similarities with the Modena 360 vehicle but that the rear and side shapes had significant differences, which means that it would not be likely to produce the same overall impression on the informed observer”. So no design infringement as well.

However, the Judges quashed the decision of the Paris Court of Appeal regarding the claim of unfair competition and parasitism and considered that the Court of Appeal should have overallly assessed these claims and not separately.

Eventually, the subsequent Court of Appeal rejected Ferrari's claim on unfair competition and parasitism.

This is an interesting case which confirms that IP rights can be enforced in a digital environment such as a video game and therefore, it should not be different with the metaverse.

### Emil: COPYRIGHT / WORKS THAT ARE CREATED OUTSIDE THE METAVERSE AND USED IN THE METAVERSE

In this regard, the owner of an iconic 5 stars hotel in Amsterdam, the Conservatorium Hotel, has sent a cease and desist letter to Activision, which is the editor of the game Call of Duty Modern Warfare, because their hotel, which has been recently refurbished by an architect, is reproduced in the game and appears damaged / bombed. And I understand that they claim copyright infringement and damages to the reputation of their hotel. It will be interesting to follow up if they end up filing a lawsuit:



### THE BIRKIN CASE

One of Hermès most iconic handbag is the BIRKIN and it has been sold for over 35 years:

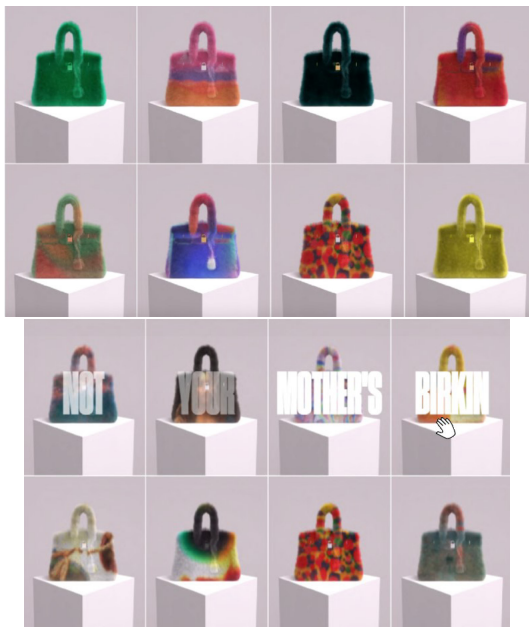


Hermès owns TM Registration for the wordmark BIRKIN in class 18 and a US reg. trade dress.

In September 2021, an artist called Mason Rothschild created an NFT named BABY BIRKIN featuring a 40 week-old foetus on a transparent BIRKIN bag and sold it on Opensea.io, the most famous NFT marketplace, for 23K\$ and it was then resold for 47K\$:



This gave him the idea to create a collection of 100 collectible NFTs called the METABIRKIN, which he presented as “a tribute to Hermès”. In December 2021, he started selling these NFTs on OPENSEA and he also advertised the sales of these NFTs on a dedicated website metabirkin.com also with funny slogans such as “NOT YOUR MOTHER’S BIRKIN”.





Hermès sent him a C&D letter asking for the removal of the NFTs and Mason Rothschild just added a disclaimer saying “We are not affiliated, associated, endorsed or in any way connected to Hermès”.

Hermès asked Opensea to remove the NFTS, which they did, but they soon reappeared on another marketplace, Rarible. In 1 month, the sales reached more than 1 Million \$.

So in January 2022, Hermès filed a lawsuit in New York on several grounds, including TM Infringement, false designation of origin and TM dilution. The decision was issued by the jury earlier this year and confirmed that the MetaBirkin NFTs were infringing on Hermès rights.

Most of the discussion is not relevant to us Europeans, as it concerns whether or not the NFTs qualify as artistic works, which is the defense invoked by Mason Rothschild, and therefore whether the Court should apply the Rogers vs. Grimaldi test for artistic works or the Gruner Jahr test for general trademark infringement. On this point, the Court ruled that Rothschild’s creations could be considered as an artistic form of expression and that the Rogers test should apply. The Jury however ruled that this infringement would not fall under the protection of the First Amendment on freedom of speech.

On the second part of the case, the jury considered that the domain name metabirkins.com was confusingly similar to Hermès trademark BIRKIN and that Rothschild had acted in bad faith to profit from the Birkin trademark reputation. Hermès succeeded therefore on the grounds of trademark infringement, trademark dilution and cybersquatting.

This decision is of course interesting, although not as much as what we could have expected, because it confirms that a brand owner was able to enforce its IP rights in relation to goods for which it did not have a proper protection, but once again, the outcome of this decision is mostly due to the extraordinary reputation of Hermès and the Birkin trademark.

Emil Edisonov  
attorney-at-law  
Curell Suñol SLP, Barcelona

## ***Metaverse and IP Rights, Spain***

### **1. Types of metaverses**

When we talk about the metaverse, we refer to the network or collection of the different metaverse platforms. There are hundreds of them. They are, in principle, independent, not interoperable.

There are different types of metaverses or metaverse platforms. Two kinds of metaverses exist based on their underlying technology – traditional (centralized) and blockchain.

The traditional (centralized) metaverses are web2<sup>1</sup> types of metaverses. They do not integrate blockchain into their mechanism and operate on a centralized system. They are controlled by a central organization that holds the users' data. Examples include Fortnite, Second Life, Grand Theft Auto V online (GTA V), Minecraft or Roblox.

The blockchain metaverses are also known as web3<sup>2</sup> types of metaverses. They function on payments of cryptocurrencies. Users can also find there NFTs to trade. They are divided into decentralized and centralized, where one entity is in charge, like the geolocational metaverse Earth2.

In the decentralized blockchain metaverses, the decision-making power does not lie with a central organization, but with the users. They are usually based on a system called DAO, which stands for Decentralized Autonomous Organization. They are the most successful form of the metaverse. They have the particularity of creating a community dynamic, where the balance of power is reversed; the concept of wealth redistribution makes more sense, as the governance system is horizontal<sup>3</sup>.

---

<sup>1</sup>Web2 is the Internet as we know it. It is social-based; it commenced with the emergence of social media platforms. In web2, usually, one intermediary controls the user's data.

<sup>2</sup>Web3 is the next evolution of the Internet. It is supposed to be decentralized, permissionless, and trustless; it has native payments (it uses cryp-tocurrency). For more information, visit <https://ethereum.org/en/web3/>

<sup>3</sup><https://metav.rs/blog/different-types-of-metaverse/>

That is the case of The Sandbox, Axie Infinity, Decentraland, Cryptovoxels or Somnium Space.

Examples of metaverse spaces or events in the sports, fashion and design field include:

- Decentraland's annual Metaverse Fashion Week (the second edition was held between March 28 and March 31, 2023). It highlights advances in digital fashion and features runway shows, after-parties, immersive experiences, and shopping. Participating brands included Diesel, D&G, Adidas, DKNY, or Coach;
- Nikeland on Roblox;
- Gucci Town on Roblox;
- LaLigaLand on Decentraland.

## 2. Technology to enjoy the metaverse

Since the metaverse is a 3D virtual world, experiences in the metaverse are best lived through a set of virtual reality (VR) headsets, which enable users to fully experience the metaverse because they put them right in the middle of the 3D world, which the metaverse is supposed to be in the first place<sup>4</sup>.

Users may also enjoy the metaverse with a naked eye on a flat screen of a laptop or a PC, but it is not the same and not the point. They will be missing the immersive experience.

VR, Augmented Reality (AR), and Mixed Reality (MR) head-mounted devices are better choices. But they may be expensive, uncomfortable or too heavy. Besides, conventional VR, AR, and MR systems may suffer from accommodation-convergence mismatch problems that cause eye-strain, headaches, and/or nausea in users. Fortunately, some companies, including the Big Tech<sup>5</sup>, are working on it.

---

<sup>4</sup>Ian Khan, *Metaverse for dummies*, Wiley, 2023, p. 81.

<sup>5</sup>Google, Amazon, Apple, Meta Platforms, and Microsoft.

Examples of patents on inventions that are trying to solve the problem include the following:

- US patent of Apple Inc. US11215829B2 “Display device with a holographic combiner” for AR and/or MR direct retinal projector of that may resolve the convergence-accommodation conflict in head-mounted AR, MR, and VR systems.
- US patent application of US20230082117A1 “Alleviating eye fatigue” of Meta Platforms Technologies for a computer-implemented method and a system for alleviating eye strain or eye fatigue occasioned by use of a head AR and/or VR device. According to the patent specification (and claim 1), the method detects, through an eye fatigue sensor of the head mounted AR and/or VR device, that a user is experiencing eye strain detection or eye fatigue detection, and, in response to the eye strain detection or fatigue detection, initiates at least one remedial action to alleviate the detected eye strain detection or eye fatigue detection.

Another example of a useful technology for the metaverse is the US patent of Activision Publishing, Inc. US9808722B2 “Determining whether object is genuine or fake in metaverse” (filed in 2012). It relates to a technique (computer-implemented method) for determining whether an object is genuine or fake in a Metaverse, for example, where the object is a luxury brand item that is an accessory object for avatars in the Metaverse, like a bag. The patent specification features an interesting definition of a metaverse: a three-dimensional virtual world formed as electronic data, such as a virtual world or a massively multiplayer online role-playing game.

### **3. Other uses of NFTs related to IP**

#### **a) Authenticate genuine products**

Because NFTs are unique items verified and secured by a blockchain, they can provide authenticity of origin. IP (trademark) owners may create an NFT as a digital twin of a physical product of theirs, existing in the blockchain. By tracking the NFT linked to their physical product, they

can gain immediate visibility of the product's steps through the supply chain. Every time the product is subjected to a trade, the movement is recorded on the blockchain and is immediately visible. That way, IP (trademark) owners can deliver unprecedented transparency and authenticity to their customers<sup>6</sup>.

With that, we want to mention the US patent of Nike Inc. US10505726B1 “System and method for providing cryptographically secured digital assets” associated with articles of footwear. It relates to, inter alia, a method for automating generation of cryptographic digital assets associated with articles of footwear or digital design files representative thereof, and a decentralized computing system for automating generation of cryptographic digital assets associated with articles of footwear or digital design files representative thereof. According to the patent specification, an authenticated pair of physical shoes may be created and assigned a Unique Product Identifier (UPID). Upon purchase by a consumer, the UPID is used to unlock a cryptographic digital asset — a “Crypto-Kick”— composed of a collectible digital shoe and a unique non-fungible token (NFT) operating on a blockchain-based distributed computing platform.

## b) Ongoing royalty

Another ground-breaking aspect of NFTs is that the creator can set an ongoing royalty<sup>7</sup>. With that feature, every time the NFT is sold in the future, a chosen percentage will automatically go back to its creator (to the designated wallet address). That way, artists can earn from future sales of their creations in NFT without having to do anything more.

Creators should note that if they create NFTs on a certain marketplace and set an ongoing royalty for their NFTs, the royalty might not be paid if the NFT is sold on a different marketplace<sup>8</sup>.

---

<sup>6</sup><https://authena.io/how-to-authenticate-physical-products-and-prevent-them-from-tampering-with-nfts-in-the-metaverse/>.

<sup>7</sup>Matt Fortnow et al., *The NFT Handbook*, Wiley, 2022, p. 41.

### c) NFT books

Because NFT content can be just text, such as a poem, a short story, or even an entire book, NFTs can be another avenue to monetize writings<sup>9</sup>.

## 4. Classification of goods and services for the metaverse

A good example of a fashion brand for the metaverse is EUTM 018740328 CAROLINA HERRERA, filed on 01/08/2022 and granted on 06/12/2022 in Classes 9, 35, 41. Its list of goods and services can serve as an example of how to classify some goods and services for the metaverse.

Accordingly, if a company or individual wants to create and sell digital goods on the metaverse, these can be protected in Class 9, such as: *downloadable virtual goods, namely, virtual perfumery, virtual toiletries, virtual cosmetics, virtual make-up, virtual personal care preparations, virtual footwear, virtual clothing, virtual headwear, virtual eyewear, virtual bags, virtual jewellery, virtual watches, virtual fashion accessories and virtual art.*

If the goods are to be authenticated by NFTs, they can be protected in Class 9 with the following wording: *downloadable virtual perfumery authenticated by non-fungible tokens; downloadable virtual cosmetics authenticated by non-fungible tokens; downloadable virtual footwear authenticated by non-fungible tokens; downloadable virtual clothing authenticated by non-fungible tokens; downloadable virtual headwear authenticated by non-fungible tokens; downloadable virtual eyewear authenticated by non-fungible tokens; downloadable virtual bags authenticated by non-fungible tokens.*

If a company or individual wants to open a shop or a store in the metaverse, the retail services may be classified under Class 35 as: *on-line retail store services relating to downloadable virtual perfumery, downloadable virtual toiletries, downloadable virtual cosmetics, downloadable virtual make-up, downloadable virtual personal care preparations, downloadable virtual footwear, downlo*

---

<sup>8</sup>Idem.

<sup>9</sup>Idem, p. 23.

*adable virtual clothing, downloadable virtual headwear, downloadable virtual eyewear, downloadable virtual bags.*

And if they want to provide a metaverse, they can obtain protection in Class 41 such as: *entertainment services, namely, providing a metaverse for people to browse, accumulate, buy, sell, and trade virtual perfumery, virtual toiletries, virtual cosmetics, virtual make-up, virtual personal care preparations, virtual footwear, virtual clothing, virtual headwear, virtual eyewear, virtual bags, virtual jewellery, virtual watches and virtual accessories for use in virtual environments created for entertainment purposes.*

Virtual perfumery or cosmetics may look surprising today, but, in the future, metaverse worlds are expected to provide touch and smell experiences.

Out of curiosity, EUTM 017872900 DECENTRALAND covers in Class 41 “merely” *Education, entertainment and sport services; Publishing and reporting; Translation and interpretation; Education, entertainment and sports.* Probably because it is too “old” for the new “metaverse” classification: it was filed on 12/03/2018.

Apart from buying virtual goods, in the metaverse we (our avatars) can order food that can be delivered to our physical door for us to eat. If you want to open a restaurant in the metaverse, you may use as an example the services specification of Class 43 of EUTM 018650927 McDONALD’S (filed on 08/02/2022 and granted on 20/08/2022): *Operating a virtual restaurant offering actual food and beverages; operating a virtual restaurant featuring actual home delivery.* In our opinion, it is also advisable to add Class 39, which includes food and pizza delivery services.

## 5. Copyright in the metaverse

We have identified three key scenarios, namely:

### a) Works that consist of a metaverse or of elements making up a metaverse

Can a metaverse be protected by copyright as such, as “a whole”? In our opinion, it can, as a complex “*literary and artistic work*”<sup>10</sup> if it is original, which in the EU happens where it is its author’s own intellectual creation, that is, where it reflects the personality of its author, as an expression of his free and creative choices (judgment of the Court of Justice of the EU of 12/09/2019, *Cofemel*, C-683/17, EU:C:2019:721, paragraphs 29 and 30).

What about the metaverse elements? If they have an independent existence and are original, they may be protected by copyright as independent works. For instance, the software/computer program can be protected by copyright as literary work [Article 1(1) and (3) of the Software Directive 2009/24/EC]. Another autonomous part of the audiovisual display of the metaverse, such as music, voices, dialogues, character appearance, avatars, landscapes, maps, icons, items, logos, user interface, plot, skins, etc. may also be protected by copyright as independent works if they meet the threshold of the originality requirement.

We note that the Court of Justice found that copyright subsisted in video games themselves in case C-355/12, *Nintendo and Others*, EU:C:2014:25, paragraph 23. It held that video games constitute complex matter comprising not only a computer program but also graphic and sound elements, which, although encrypted in computer language, have a unique creative value which cannot be reduced to that encryption. It added that, in so far as the parts of a video game, in this case, the graphic and sound elements, are part of its originality, they are protected, together with the entire work.

---

<sup>10</sup>That would be the case, for instance, if the metaverse is a video game.



## b) Works created outside the metaverse and used in the metaverse

The use in the metaverse of protected works may imply a change in their format, e.g. from physical to digital, or the creation of new works of digital art. In that case, we could be before a reproduction and/or a transformation of protected works that may infringe the author's moral rights (e.g. of integrity and disclosure of the work) and/or the copyright owner's economic rights (e.g. of reproduction, transformation, and public communication).

## c) Works created in the metaverse

Some metaverses allow their users to create content, e.g. to make changes in a video game. That scenario raises the question of who the owner of the IP rights/copyright of content is created in the metaverse by the metaverse users. The users or the owners of the metaverse (platform)?

The answer may depend on the metaverse in question. For instance, in Decentraland (decentralized blockchain metaverse), all title, ownership and IP rights over the content created by users belongs to the users who created said content. Neither the Foundation nor the DAO have any IP rights over the user's content (Clause 12.4 of Terms of Use).

In Decentraland users may buy land and create content for visitors to enjoy. They may impose their own terms, conditions and licenses for access and use of their content.

In other cases, users may retain ownership over their content but must grant an irrevocable permission (licence) to the metaverse platform.

In Minecraft (traditional centralized metaverse), users who have bought the game may play around with it and modify it by adding modifications, tools, or plugins, which we will refer to collectively as "Mods". If users make any content available on or through Minecraft, they agree to give Minecraft developer Mojang a permission to use, copy, modify, adapt, distribute, and publicly display that content and to permit other people to

use the content.

Similarly, in Fortnite (traditional centralized metaverse), users grant its developer Epic Games a perpetual and irrevocable license to use whatever content they create.

Therefore, it is advisable that creators (or their lawyers) carefully read and consider the applicable terms and conditions before they create contents in the metaverse.

## **6. Enforcement**

As examples of enforcement in Spain, we may mention the IP fast action protocol for Mobile World Congress (MWC) Barcelona 2023 and the Mango case.

### a) MWC

MWC is the world's largest and most influential congress for the mobile and connectivity industry. It brings together the latest innovations and leading-edge technology alongside today's most influential visionaries (<https://www.mwcbarcelona.com/>). It is held once a year in Barcelona.

To tackle potential conflicts between participants, notably, with infringements of IP rights during the congress, the Commercial Courts of Barcelona and Alicante set up every year an on-call and fast action protocol that allows holders of IP rights to obtain preliminary injunctions and other measures in an extraordinarily short time, e.g. within 48 hours.

A major new feature of 2023 was the said Courts' commitment to adopt and extend the immediate enforcement of the preliminary injunctions and/or urgent measures in the metaverse or any other type of environments and virtual worlds. This year, there were no such cases. We will see next years when the use of the metaverse is expected to be greater.

b) Mango case (Court orders of 21/10/2022 & 28/10/2022 of the Commercial Court No. 9 of Barcelona)

The parties are Visual Entidad de Gestión de Artistas Plásticos (VEGAP) plaintiff, and Punto Fa, S.L, respondent.

Punto Fa belongs to Grupo Mango, which owns 5 paintings (of 3 authors). These paintings have been digitalized, changed, and transformed into audiovisual recordings, in particular, into virtual catwalks for MANGO avatar models. Respondent uses them in NFTs, on social media (LinkedIn, Instagram, TikTok), on the metaverse Decentraland, on the marketplace OpenSea and in a physical shop in New York.

VEGAP sues, on behalf of the 3 authors/painters, for infringement of their moral rights (integrity and disclosure) and economic rights (reproduction, transformation, and public communication).

The main issue at stake is the extent of the right of exhibition of the owner of the support of a copyright work, in the case at hand, are the painting.

The Court partially upheld VEGAP's application for preliminary injunctions. It ordered the NFT marketplace OpenSea to transfer the NFTs in question to a wallet that would remain in custody of the Court until the end of the proceedings. It found, in particular, that it was doubtful that the right of exhibition of the owner of the medium of the works could justify the reproduction and transformation of the works by creating a new work of digital art that incorporates and transforms the works into an NFT or that it could be considered an "innocuous use".

The Mango and the US Birkin cases, discussed above, demonstrate that if IP holders know the identity of the potential infringer, they may go to the (traditional) Courts of Justice to enforce their rights although these might be infringed in the metaverse and/or in NFTs.

c) Other scenarios

But what if IP holders do not know infringers identity? Then, they might

want to contact the metaverse platform in question to submit a take-down notice.

For instance, if the alleged infringement takes place on Decentraland, IP right holders or their lawyers may contact the Decentraland Foundation and submit a take-down notice by email (to [legal@decentraland.org](mailto:legal@decentraland.org)), providing contact information and the circumstance of the infringement, including a description of the IP right claimed to have been infringed and a description of where the infringing material is located (see clause 17 of the Terms of Use on <https://decentraland.org/terms/>).

What would happen next? The Foundation should try to reach the would-be infringing party to forward the claim. It is not in a position to assess the legal merits of claims. As it does not control the content being uploaded by the users, if the user does not agree with the claim and/or does not accept to withdraw the infringing content, the DAO, as per the votes of the community, may take any of the following measures, (i) block the infringing content so as to render it inaccessible through the Tools (although it could be still accessible through other clients); (ii) block the infringing user's account.

Roblox has set up a similar procedure under the US Digital Millennium Copyright Act. IP right owners or their lawyers may submit a claim by email (at [copyright\\_agent@roblox.com](mailto:copyright_agent@roblox.com)).

Unfortunately, not all the metaverse platforms have implemented a straightforward procedure.

