

# NEWSLETTER

IP / MEDIA



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## Entry into force of the agreement on a Unified Patent Court on June 1, 2023

Germany's signature on February 17, 2023 finalizes the ratification of the Agreement on a Unified Patent Court (UPCA) by the 17 participating EU Member States.

As a reminder, participating states are: Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovenia and Sweden.



## INTELLECTUAL PROPERTY

### Entry into force of the agreement on a Unified Patent Court on June 1, 2023

Germany's signature on February 17, 2023 finalizes the ratification of the Agreement on a Unified Patent Court (UPCA) by the 17 participating EU Member States (as a reminder: Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovenia and Sweden). The entry into force of the agreement is set for June 1, 2023 and will allow any person to request the unitary effect of his European patent in these 17 Member States. This is possible if a declaration is made at the latest 1 month after its grant.

The UPC's purpose is to ensure a uniform interpretation of the law on the new unitary patent introduced by regulations no. 1257/2012 and no. 1260/2012. The unitary patent allows to significantly reduce the costs related to the translation of patent descriptions and the maintenance of the patent legal title.

In order to anticipate the application of this agreement, the European Patent Office (EPO) has set up two transitional procedures for European patent applications that will soon be granted, before or after June 1, 2023:

- The early request for unitary effect: which allows to file requests for unitary effect in advance, before the entry into force of the unitary patent system;
- The request to postpone the decision to grant a European patent: which allows to request a delay in issuing the decision to grant a European patent to avoid having to give up the possibility of obtaining a unitary patent during the transitional phase.



### Splitting the text and music of a song: non violation of the integrity of the work

French Court of Cassation, 1st Civil Division, February 8, 2023, No. 21-23.976

The French Court of Cassation, pursuant to articles L. 121-1 and L. 122-5, 3° of the Intellectual Property Code, recalls that the rights of paternity and integrity of the work, which are elements of moral rights, are limited, in particular by the quotation exception.

In this case, the testamentary executor in control of Jean Ferrat's moral rights had sued the publisher of the singer-songwriter's biography for infringement, by reproducing in this book 131 excerpts of his songs. The plaintiff argued that a song created by a single author-composer is an indivisible whole and that quoting the lyrics without music constituted an infringement of the integrity of the work, and that the quotation exception could not be invoked.

The French Court of Cassation nevertheless held that separating the text and the music of a song does not necessarily infringe moral rights since they belong to different genres and are therefore dissociable. Moreover, these quotations intended to put the lyrics into perspective through the stages of the artist's life and were thus justified by the pedagogical and informational nature of the biography.



## INTELLECTUAL PROPERTY

### 8.7 million in damages for wrongful termination of a trademark license agreement

Paris Commercial Court, January 31, 2023, No. 2022041232, Bragard Inc. and M.B. Liebermann-Bragard v. Bragard SAS

The Paris Commercial Court has ordered a company accused of wrongful termination of agreement to pay its former contractual partner damages up to 8.7 million euros. The case concerned an exclusive license agreement for the "BRAGARD" trademark on the American territory, granted in 2012 by the French trademark holder to an American company.

On May 13, 2022, the French licensor decided to terminate the license agreement and grant a short-term delay of a few days, invoking several contractual breaches by the US licensee, among which the failure to attain the minimum sales requirement, the refusal to submit to an audit, the misleading presentation of Bragard products on the Internet, and the failure to comply with the contractual quality and image standards.

The Commercial Court held that these justifications were insufficiently grounded and did not qualify as wrongful acts allowing a contractual termination without notice. The licensor therefore committed a fault generating a loss of opportunity for the licensee to continue the contract until its term, on December 31, 2028, i.e. over a period of 6 years and 6 weeks. Based on the licensee's precise accounting data and figures, the Court assessed the loss at 8.7 million euros, to be paid by the licensor in damages. The licensor has announced that it intends to appeal the decision.

### International

#### Metabirkins NFTs deemed Counterfeit

United States district Court, southern district of New York, February 8, 2023, No. 1 :22-cv-384-JSR, Hermès v. Mason Rothschild

We invite you to read our previous issue in which we discussed this NFT and counterfeiting case. This is the [link](#) to read it.

The U.S. District Court for the Southern District of New York has finally ruled in favor of the luxury brand Hermès and found that Mason Rothschild's Metabirkins constituted acts of infringement, trademark dilution and cybersquatting.

The decision found that the Hermès trademark had been infringed due to its notoriety, which meant that there was no reason to limit the scope of its protection to the classes in which it was registered under the specialty principle. Indeed, the registered trademark "Birkin" does not cover virtual or digital products, which are covered by class 9. On the other hand, it means that a trademark that is not reputed must, in order to protect itself from possible infringing NFTs, ensure protection in the classes covering virtual and digital goods and services.

Moreover, the jury refused to see in these NFTs a work of art justifying the application of the freedom of speech exception protected by the First Amendment of the United States Constitution. These Metabirkins must therefore be considered as commercial merchandise.

The artist Mason Rothschild was fined \$133,000 in damages for infringement and cybersquatting. He announced in February that he intends to appeal the decision.



# INTELLECTUAL PROPERTY

## The risk of confusion retained despite two weakly distinctive trademarks

General Court of the EU, March 1, 2023, No. T-25/22, Canai Technology Co. Ltd v. EUIPO - Trend Fin BV (HE&ME)

A company owning the Benelux trademark "ME" registered in class 25, filed an opposition against the international trademark "HE&ME" for goods in class 25.

The General Court found that the distinctive character of the elements "HE", "ME" and "&" are all equally weak. Indeed, "HE" and "ME" refer to the characteristics of the goods in question and may refer to fashion items that simply reflect the personality of the author. In addition, the ampersand is a symbol perceived internationally to refer to the words "plus" or "and" without attracting consumer attention.

However, because of the identity of the goods and the reproduction of the earlier sign "ME" in the challenged sign, the court confirmed the risk of confusion. The sign "ME" is not hidden or faded into the background in the trademark "HE&ME". Moreover, the presence of the ampersand emphasizes the two elements "HE" and "ME", which reinforces this impression.

The fact that the element "ME" is considered to be weakly distinctive, is therefore not sufficient to exclude a likelihood of confusion.



## Counterfeit seizure with provisional sequestration, the only authorized measure to protect business secrets

French Court of Cassation, Commercial Chamber, February 1, 2023, No. 21-22.225

The French Court of Cassation has ruled on the optional or mandatory nature of the specific procedure of provisional sequestration provided for by Articles R.615-2, last paragraph, of the Intellectual Property Code and R.153-1 of the Commercial Code. This procedure was introduced by Decree No. 2018-1126 of December 11, 2018 on the protection of trade secrets, issued for the application of Law No. 2018-670 of July 30, 2018. It allows to protect the confidentiality of the object temporary seized, and to allow the applicant to have access to the documents seized when no request for revocation has been made within one month.

In this case, the company Teoxane, owner of a European patent, considered that one of Vivacy's patents was infringing, and had obtained two orders authorizing it to carry out seizure operations within this company. To protect Vivacy's trade secrets, the judge decided to place the seized documents under seal. Vivacy asked for the orders to be revoked, considering that the only procedure that the judge could order was that of provisional sequestration provided for in Article R.615-2 of the Intellectual Property Code.

The French Court of Cassation overturned the decision of the Court of Appeal, which had considered that such a procedure was optional for the judge; stating that in order to guarantee the confidentiality of the seized party's trade secrets, the judge can only resort, if necessary ex officio, to the special procedure of seizure of counterfeit goods with provisional sequestration, and that the procedure of placement under seal must be excluded in this situation.

## MEDIA ENTERTAINMENT ADVERTISING



### **ECHR confirms the decisions of the French audiovisual authority Arcom (ex-CSA) and reminds us of the limits to the freedom of expression in audiovisual matters**

ECHR, February 9, 2023, No. 58951/18 and No. 1308/19, C8 v. France

ECHR has ruled on the limits to the freedom of expression in audiovisual matters: the right to humor is not absolute, and freedom of expression must coexist with duties and responsibilities.

Following a decision of the CSA, now known as Arcom, which fined Canal 8 (C8) 3 million euros and imposed a two-week suspension of advertising broadcasts, C8 appealed to the European Court of Human Rights, invoking the infringement of the freedom of expression protected by Article 10 of the European Convention on Human Rights (ECHR).

The Court considers that interference with this freedom is possible when it is provided for by law and pursues a legitimate aim. As regards the first requirement, article 42-1 of law no. 86-1067 of September 30, 1986 provides that Arcom may, under certain conditions, impose a financial penalty. The second requirement was also retained, as the footage in question were prejudicial to the image of women as well as to the private life, image and reputation of homosexual individuals. Indeed, the sanction was more widely aimed at protecting individuals rights.

Finally, with regard to the requirements of proportionality and necessity of the infringements, the Court noted that the sanctioned comments did not participate in a public debate of general interest, but that they pursued a commercial purpose. Moreover, the existence and respect of sufficient procedural guarantees allow the ECHR to conclude that all the requirements established by article 10 are respected and that there was no violation of the freedom of expression.

### **Record-breaking fine pronounced by Arcom against C8**

Arcom Decisions, General Council, February 9, 2023, No. 2023-63 et 2023-64



Arcom sentenced C8 to a record 3.5 million euros fine, an amount it had never reached before. This amount will be allocated to the "Centre national du cinéma et de l'image animée" in application of article L. 116-5 of the Cinema and Moving Images French Code.

The events at the origin of the sanction took place during the TV program "Touche pas à mon poste" on November 10, 2022. A guest had been the subject of insulting remarks, made in a prolonged and repeated manner, undermining his honor and reputation.

Arcom found that the company had failed to comply with its obligations to control the broadcast content, and its obligations to protect individuals rights with respect to privacy, image, honor and reputation (articles 2-3-4 and 2-2-1 of its collective convention).

# MEDIA ENTERTAINMENT ADVERTISING

## Advertising - ARPP's 2022 report

French Agency for advertising "ARPP", Report on Advertising, Image and Respect for the Person, 2022

- This is the 16th ARPP report.
- 14,504 advertisements were analysed in 2022.
- 6 breaches of the provisions of the ARPP Recommendation "Image and respect of the person" were retained.
- Among these breaches, 3 opinions were issued by the Jury of Ethical advertising. This Jury's mission is to assess, with regard to the ethical rules in force, the complaints made by any natural person or legal entity against advertisements broadcast.
- Nature of the breaches noted: offences against dignity and decency, sexist stereotypes.
- Focus for the year 2022: toy advertising, diversity and inclusion.

## Bouygues sentenced to pay 308 million euros in damages to Free for deceptive practices in connection with its telephone subscription offer

Paris Commercial Court, February 9, 2023, No. 2019060265, Bouygues Telecom v. Free Mobile

In 2014, Free has sued Bouygues Telecom for deceptive practices and unfair competition, claiming 722 million in compensation for its losses. Indeed, between 2014 and 2021, Bouygues had offered to the public former offers known as "with subscription", consisting in selling a phone at a discounted price as part of a more expensive than average internet-mobile subscription.

According to Free, these offers were in fact disguised consumer credits, since they consisted, without informing the consumer, in spreading the price of the phone by billing a higher package than the other identical or similar packages offered. However, the irregular granting of consumer credit is an unlawful act under competition law. The Paris Commercial Court followed this argument and ordered Bouygues Telecom to pay 308 million euros in damages to its competitor with immediate execution. Bouygues Telecom announced it will appeal the judgment before the Paris Court of Appeal.

## Agreement ensuring minimum remuneration for documentary authorship

French Agreement between authors and producers of audiovisual documentary works, January 23, 2023

French Government policy on the extension of the agreement between authors and producers of audiovisual documentaries, February 22, 2023, No. 0055

An agreement was concluded on January 23, 2023 between French authors' organizations (GARRD, SCAM) and French producers' unions (SATEV, SPECT, SPI, USPA) concerning the minimum remuneration for the presentation of documentaries of at least 52 minutes, intended for a first audiovisual exploitation by television service publishers or audiovisual media services on demand

This minimum remuneration for authors is set at 2,000 euros before tax, of which 1,000 euros is definitively acquired, regardless of the funding finally obtained, plus an additional 1,000 euros when the producer accumulates 6,000 euros of funding, regardless of its provenance. This remuneration is not qualified as a salary, which is covered by the collective agreement.

The decree of February 22, 2023 makes the stipulations of the agreement mandatory for all audiovisual production companies. It will come into force on 5 March 2023.



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### 5 offices in France

- Angers
- Fort-de-France
- Marseille
- Paris
- Tours



### 7 offices in the world

- **United Arab Emirates:** Abu Dhabi and Dubai
- **Africa:** Abidjan in Ivory Coast and Niamey in Niger
- **Brazil:** Porto Alegre, Rio de Janeiro, and Sao Paulo

