

Sweden

Keeping up with IP developments

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During the past year Sweden signed the controversial Anti-counterfeiting Trade Agreement (ACTA), only to see it struck down by the European Parliament. However, the legislature has continued the process of amending the Copyright Act, and a number of noteworthy judgments and decisions have been handed down.

Amended laws and regulations

New Copyright Act postponed again

As reported in the Swedish chapter of *IP Value 2012*, work on the new Copyright Act has been ongoing since 2008, when the Copyright Commission was appointed to conduct a review and propose revisions to the existing act. The aim is to make the new act more transparent and more easily accessible. However, as yet there have been no legislative changes and the expected date for the proposal to come into effect has once again been postponed.

The commission's review is looking at three areas:

- certain issues concerning extended collective licences (enabling the clearance of copyright through a collecting society, whether the copyright holder is a member of such society or not);
- the provisions on the transfer of copyright; and
- the entire copyright regulation in editorial and linguistic terms.

A proposal on the amendments concerning extended collective licences is expected to be

ready around the end of Summer 2012 and formal legislative amendments are likely to follow in early 2013.

The rest of the work concerning the editorial changes and copyright transfer will begin in the latter half of 2012. Therefore, the proposed new Copyright Act will not come into force in January 2013 as planned.

New regulation on governmental financial support for digitalisation of cinemas

Most film distribution will soon be digitalised. This risks pushing cinemas, especially those in small communities, to the brink of collapse due to high conversion costs. To facilitate the transfer from analogue to digital cinema equipment, the government recently decided to provide financial support to cinemas.

Between 2011 and 2014 the *Stiftelsen Svenska Filminstitutet* will provide Skr15 million each year in order to increase access to a wide range of films throughout the country. To receive financial support, the theatre must be in a small or medium-sized municipality, have a certain range of films and have no more than three screens. The financial support is primarily directed to cinemas in municipalities where no other cinemas with digital equipment operate.

Sweden joins TMView

On January 30 2012 the Swedish Patent and Registration Office (PRV) joined TMView, a free-of-charge platform that makes all trademark data from the official trademark offices in participating countries searchable in one place.

At the time of writing, 20 EU member states have been added to the database, and the remaining states are slated to be added within the year. The website is updated daily by the trademark offices and is available in 22

languages. Its aim is to provide data from all 27 member states, in addition to the information available from the Office for Harmonisation in the Internal Market and the World Intellectual Property Organisation – in total, covering some 8.5 million trademarks.

Swedish patent applications in English?

There are currently three ways to apply for a Swedish national patent:

- filing a national application;
- pursuing an international application in Sweden; or
- seeking a validation in Sweden of an application granted by the European Patent Office (EPO).

Current Swedish regulations stipulate that a national patent application must be translated into Swedish before it is published.

Sweden joined the London Agreement in 2008. As a result, an EPO application pursued in Sweden need not be translated into Swedish in its entirety. However, the part of the patent application that defines the scope of protection (ie, the patent claims) must still be translated into Swedish.

In a recent report concerning European and Swedish regulations (SOU 2012:19), Judge Cecilia Renfors recommended that the use of English in Swedish patent applications be allowed, to simplify and reduce the cost of filing patent applications. In the report, it is recommended that Swedish national patent applications be considered and granted in English by the PRV. This would harmonise the language provisions of national patents with those of European patents validated in Sweden. A patent application written in English could be filed with the PRV as well as with the EPO and the US Patent and Trademark Office without being translated in its entirety, markedly reducing the costs of such an application. An additional agenda of the proposal is to make the national application procedure more attractive and thereby incentivise more patent applications through the PRV.

The report has been submitted for consideration, and it may take some time yet before it matures into a legislative proposal.

European Parliament votes against ACTA

ACTA is an international treaty that aims to

standardise IP rights enforcement worldwide. It seeks to curb both the trade of counterfeited goods and copyright infringement in the digital environment.

In January 2012 22 EU member states, including Sweden, signed ACTA, giving rise to widespread criticism that it would have a chilling effect on online freedom of expression. In Sweden, the Pirate Party, the Swedish Green Party and the Left Party of Sweden have continuously protested against ACTA. After the treaty was signed, thousands of Swedes across the country protested against the treaty in February and June 2012.

On July 4 2012 the European Parliament voted to reject ACTA in plenary session, with 478 voting against the treaty, 39 in favour and 165 abstaining.

Key cases

Supreme Court case on genuine use requirement for business names

The Supreme Court recently decided a case concerning the genuine use requirement for business names.

According to the Trade Names Act, a registered business name can be revoked if it has not been put to genuine use for the past five years, except where there are justified reasons for non-use. Similar provisions can also be found in the Trademarks Act. The rationale behind this requirement is to avoid the cluttering of registers, which can increase costs when assessing the viability of a business name.

Pursuant to these provisions, an action was brought against TV7 Stockholm AB for the cancellation of its registered business name due to non-use.

The Supreme Court held that in order to meet the genuine use requirement, it is insufficient to use the business name only in advertising, business documents and similar. Rather, it must also be used within the company's registered business. What this entails may vary according to the circumstances of each case. Sometimes it may be required that the primary operation of the business have actually started; while for complex operations it may be sufficient that measures have been taken to pursue the aims of the business, such as preparatory acts.

Moreover, the Supreme Court held that the main function of a business name is principally different from that of a trademark, implying that the genuine use requirement cannot be interpreted in exactly the same way in these two different contexts.

The case at hand concerned television broadcasting. The court found that it is an expensive, complicated and time-consuming process to set up a television company and start broadcasting. The company in question could show that it had used the business name in the past five years in its financial statements, in correspondence with authorities and in a contract with a third party on the distribution of income and expenses. The name had also been used to a limited extent in online video broadcasting.

The Supreme Court found that the company had pursued its business by performing activities aimed at preparing for the commencement of broadcasting. Although no regular broadcasts were made, there had been genuine use of the company name within the company's business as registered.

Increased possibilities to register trademarks containing geographical names

Historically, under Swedish case law trademark applications including the name of a geographical place have generally not been registrable. The purpose of this position has been to keep geographical names free so that everyone can use them to identify the origin of products or services.

The Swedish Patent Appeal Court recently changed its approach as to the registrability of geographical names when it approved registration of the trademark NACKA FORUM for the rental of real estate, offices, commercial premises and apartments (Nacka Forum is a shopping mall in Nacka).

The court referred to Article 3.1(c) of the EU Trademark Directive and the European Court of Justice (ECJ) decision in joined Cases C-108/97 and C-109/97, *Windsurfing Chiemsee*, and held that marks including geographical names may not be rejected for being descriptive solely because the goods or services may originate in such a place. In accordance with *Chiemsee*, however, a trademark application may be rejected when the

geographic place is associated with the category of goods concerned, or it is reasonable to assume that such an association may be established in the future.

Therefore, if such a connection is evident or probable, the registration can be refused on this basis. Otherwise, it is possible to register a trademark including a geographical name. The court did not find that 'Nacka' was associated with the quality or other characteristics of the goods and services for which the mark was applied, or that there were any reasons to believe that such an association could be established in the future. Therefore, the court overturned the PRV's decision and held NACKA FORUM to be registrable.

In January 2012 this approach was confirmed when the same court ruled that MORBY CENTRUM (also a shopping mall) could be registered – Morby is a place and 'centrum' means 'centre'.

ECJ preliminary ruling in *ePhone* case

Background

The *ePhone* case (C-461/10) concerns a potential conflict between Swedish national legislation implementing the EU IP Enforcement Directive (2004/48/EC) and two other EU directives (the EU Data Retention Directive (2006/24/EC) and the EU Privacy and Electronic Communications Directive (2002/58/EC)).

Five publishers of audiobooks claimed that their copyright-protected works had been illegally shared by subscribers to internet service provider ePhone. The publishers filed an application with the district court to order ePhone to disclose the names and addresses of the people who had allegedly infringed their copyright. Challenging this, ePhone argued that the order sought was contrary to the Data Retention Directive.

The order was granted by the district court, but later set aside by the court of appeal. It was then appealed to the Supreme Court, which acknowledged the possible conflict between the national legislation and the EU directives, and thus referred the matter to the ECJ.

ECJ ruling

The ECJ's ruling was based on the premise that the information at issue had been retained in

accordance with Swedish national legislation, which allows the court to order an internet service provider to disclose information on people allegedly committing copyright infringement. Since the Data Retention Directive deals exclusively with the retention of data for the purpose of the investigation, detection and prosecution of serious crimes, it was held that the material scope of the Data Retention Directive did not apply to the data retained in this case.

The ECJ held that, read together, the IP Enforcement Directive and the Privacy and Electronic Communications Directive must be interpreted as not precluding member states from imposing an obligation in civil proceedings to disclose personal data in order to establish an infringement of IP rights.

However, the ECJ stressed that such national legislation must enable the national courts to weigh the conflicting interests involved on the basis of the facts of each case, taking into account the principle of proportionality. It held that the Swedish legislation in question fulfilled this requirement.

A trademark that is a business name can be registered

According to a recent decision of the Patent Appeal Court, the fact that a trademark has the character of a business name – that is, it includes ‘Aktiebolag’ or ‘Ltd’ – is not in itself sufficient to hold that the trademark is misleading as to the commercial origin of the goods or services, even where the applicant does not hold the rights to such name.

An application was made to register a device mark containing the text ‘Södertelje Bryggeri Aktiebolag’. The PRV found that this trademark could be misleading as the text clearly had the character of a business name, thereby conveying the impression that the goods and services had their commercial origin with a business of that name. Since the applicant did not own this business name, the application was rejected on the grounds that the mark was misleading.

However, the Patent Appeal Court observed that the new Trademarks Act includes no prohibition on the use of misleading trademarks. Instead, the use of misleading trademarks is regulated solely by the Marketing

Act. The court held that it is practically impossible within the framework of the registration procedure to assess how a trademark will be used in the future. Therefore, it found that the mere fact that a trademark has the character of a business name does not in itself make the trademark misleading. **iam**

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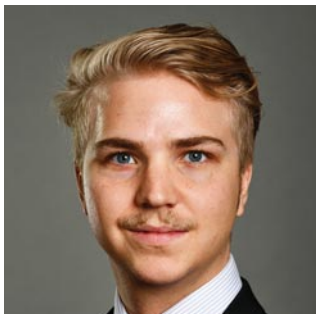
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