

## Norway

# Chairs, chocolate and challenging decisions: an overview of IP case law

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## Copyright

### Copyright protection and design by function

In the wake of a Supreme Court judgment of June 27 2012, creative industrial design and distinct applied arts will enjoy a broader scope of protection in Norway. The Supreme Court ruled that the Scandinavian design icon TRIPP TRAPP children's chair designed by Peter Opsvik is protected by copyright, and that the scope of protection embraces designs based on the characteristic and stringent L-shape of the product. Stokke's worldwide sales of the TRIPP TRAPP children's chair exceed eight million units.

It has been 50 years since the Supreme Court decided a case pertaining to applied arts. Its previous decision from 1962 held that a table designed by Danish designer Wegner was protected by copyright, but that the scope of protection did not extend to an alleged copy that did not have the same artistic finishing. Following that decision, and supported by case law from the courts of first instance, it has been maintained that the threshold for granting copyright protection for applied arts is high, and that the possible copyright protection of such designs will be narrow.

In its recent decision, the Supreme Court held that this restrictive view is not an obstacle when it comes to such a distinct and original work as the TRIPP TRAPP chair. It may therefore be assumed that when engaged in industrial design and applied arts, creative designers will benefit from wider protection embracing less successful copying or products that are at a certain distance to the original

work, as long as the overall artistic impression is present in the infringing product.

The Supreme Court did not accept the allegation from Stokke and the designer that a common European threshold for copyright protection has been established, and that such a threshold is easier to overcome than that which has been traditionally maintained in Norwegian jurisprudence. Nevertheless, even though the Supreme Court clearly stated that no European case law or legislation is binding on Norwegian copyright law in this respect, its decision was in line with the case law actually presented to it, specifically two Danish Supreme Court decisions from 2001 and 2011.

## Trademarks

### Trademark dilution

Norwegians share a passion for chocolate at Easter along with many Europeans; however, the passion among Norwegians for the combination of chocolate, criminal literature and hiking in the mountains at Easter time is probably rare. The chocolate bar KVIKK LUNSJ has been ranked as one of the 10 best known trademarks in Norway, and is a popular choice as provisions for families trekking in the mountains at Easter.

Publishing company Juritzen Forlag took advantage of the well-known mark by introducing a selection of crime short stories entitled *Påske krim* ('Easter Crime') adorned with a book jacket that was almost identical to the wrapping of the Kvikk Lunsj chocolate bar. Even though there were no similarities in the goods – books versus chocolate – the Borgarting Court of Appeals held in its decision of May 9 2012 that the cover was an infringement of the well-known mark KVIKK LUNSJ pursuant to Section 4(2) of the Trademarks Act, reflecting Article 5(2) of the

EU Trademarks Directive (2008/95/EC). The court did not exclude that the marketing of the book could, in parallel and unintentionally, serve as a marketing tool for the chocolate and increase its sales, which nevertheless reach their annual peak during the Easter period. However, it was held that the use of the mark as a book cover did harm the well-known mark, as such use could lead to dilution of the mark, depriving it of its distinctive character and as an indicator of the origin of goods and services.

### Trademark user

The publisher in the above-mentioned case did not put forward the argument that the cover had been used artistically in order to give an edge to the criminal novel, as opposed to use of the mark as a trademark for goods and services. As a party to the Agreement on the European Economic Area, Norway has undertaken to implement EU directives and regulations, including the Trademarks Directive. Thus, only use as a trademark for goods or services is prohibited as an act of infringement under Section 4 of the Trademarks Act.

The Supreme Court's TRIPP TRAPP decision of June 27 2012 is interesting in this respect, as the slogan "This fabulous chair grows with your child" in the general description of the product included in the marketing material for the copy chair was held to be an infringement of Stokke's registered trademark slogan: "The chair that grows with your child." The Supreme Court maintained that it was not necessary to decide whether such use of the slogan was use as a trademark for goods, stating that this is not a requirement for infringement of well-known marks. It seems that the Supreme Court may have erred in that regard, as the wording of Section 4 of the Trademarks Act is clear in stating that only use of the mark for goods and services is prohibited, and this is also a requirement according to the Trademarks Directive. However, use of the slogan as an attribute to the chair would probably have been deemed as use of a trademark for goods had the Supreme Court analysed the issue further.

### Patents

#### New Patent Office Act to be enacted on January 1 2013 – what's new?

An independent appeals commission will

replace the Second Division of the Patent Office.

At all stages of proceedings, the Patent Office or the appeals commission shall assess and decide *ex officio* if it is useful to summon the parties to an oral hearing or meeting. If a party with valid reasons requests a meeting or a hearing, the Patent Office or the appeals commission must grant the request, to the extent that a responsible conduction of the business allows for it.

In order to ensure that administrative re-examinations of industrial rights are a plausible alternative to litigation in the courts, the law will be amended to make it possible to award costs.

It is possible, but unlikely, that there will be more administrative re-examinations, as the procedure is obviously considered less attractive than litigation in court. There have been only three re-examinations since they became available in 2008. Nor is it likely that there will be many hearings, since no significant increase in the funds available to the appeals commission is expected, and the time required to hold hearings is not available.

### Review of 'special measures'

Eight years after Norway implemented the EU Patent Directive (98/44/EC), the Ministry of Justice issued a consultation paper to review some of the implemented measures.

A heated public debate preceded Norway's implementation of the Patent Directive, which came into effect on January 1 2004. As a result of a political compromise to have the bill approved, certain special measures were put in place. When accession to the European Patent Convention came onto the agenda in 2006/2007, some further measures were introduced, such as the availability of administrative re-examinations through the term of the patent.

The special measures that will be affected if the proposed amendments are enacted are as follows:

- Measures relating to patents concerning naturally occurring biological material:
  - Applicants must comply with the requirement that patent applications concerning naturally occurring biological material must set out clearly how the material can be industrially

utilised will be a ground for revocation or invalidation; and

- The Ministry of Justice asks for comments and observations on a proposal to limit the scope of protection afforded to inventions that concern sequences or a partial sequences of a gene occurring in nature to such industrial applications as are clearly set out in the patent application.
- It is proposed that information mandatorily disclosed in patent applications about the country of origin of the biological matter that the invention concerns or uses should be accessible to the public.
- The special extended three-year opposition term that applies to oppositions based on the patent being in conflict with public order or morality is to be repealed, as administrative re-examinations will make challenge possible on the same grounds.
- Under the existing Patents Act, the Patent Office is to consult with a permanent ethics committee in cases where it is uncertain whether a patent application may be contrary to public order or morality. The Ministry of Justice expresses doubts as to the need for the ethics committee (consulted only once since 2004), but asks for comments on three possible alternatives:
  - the Patent Office will consult with the ethics committee in all cases where there could be a public order or morality issue;
  - all patent applications must be submitted to the ethics committee; or
  - a patent application must be submitted to the ethics committee at the request of any party.

The proposed amendments could come into effect within one to two years.

One interesting aspect among the proposed amendments is the widening of the basis for post-grant, post-opposition administrative invalidation of patents. If enacted, the Ministry of Justice proposal will add sufficiency/enableness to the list of potential grounds for invalidation in administrative re-examinations, and not just for patents concerned with biological material. This will potentially lower the threshold for challenging patents via the

administrative route. However, despite the fact that they are less costly than court actions, administrative re-examinations are at least as lengthy, and when all steps in the administrative process have been completed, judicial review is available.

#### **Decision on use of prosecution history in patent claim interpretation**

In a patent infringement case brought by AstraZeneca against generic company Krka, the Oslo District Court recently had to deal with the relevance of the prosecution file when construing patent claims. AstraZeneca had sued Krka for infringement of its Norwegian esomeprazol patent, relying on a patent claim that concerned a pharmaceutical “containing an optically pure compound according to any of claims 1-4”. Krka’s product contained esomeprazol with an enantiomeric purity between 98.74 and 99.5%. Krka claimed that in order to be ‘optically pure’, the esomeprazol had to have a purity of 99.8% enantiomeric excess or more, since in its European patent AstraZeneca had set out this limit in the claim. According to Krka, the term ‘optically pure’ in the Norwegian claim had to be construed to mean that the same purity was required, and since in its product the esomeprazol purity did not exceed 99.5%, the claim had not been infringed.

The district court thought otherwise. It rejected Krka’s argument, quoting from a non-prejudicial court of appeal decision concerning the preliminary injunction that had been granted to AstraZeneca against Krka, in which the Court of Appeal had said that: “As a rule, patents are to be construed in each individual country or association of countries on the basis of the patent specification and the patent claims granted in that jurisdiction. The fact that the patent claims are worded differently in the European patent can not lead to a similar limitation of the Norwegian patent. The Court of Appeal agrees with AstraZeneca that the specification and the formulation of the claims of the EP ‘461 patent should be seen against the background of the EPO Board of Appeal’s revocation of the EP ‘872 patent. By including such a definition of the level of purity one could be sure to avoid the revocation of EP ‘872 and the limitation had support in a prior divisional application.”

It can be inferred from this that Norwegian courts will look to the prosecution history of parallel applications in other jurisdictions, but they will consider whether there were reasons why the applicant phrased the claims differently, so that the claim language chosen in other jurisdictions is not decisive when interpreting the claims of the Norwegian patent.

### Inventive step

In a decision of December 5 2011 the Second Division (Board of Appeal) of the Patent Office quashed a first division decision to revoke, in opposition proceedings, a patent that concerned a new and simplified system and method for the filing of classified advertisements for publication. The system allows customers to submit advertisements in SMS form from a mobile telephone to a server, which has three interfaces:

- an interface for receiving SMSs;
- an internet interface for forwarding the text of the advertisement for publication in the relevant media; and
- a third interface with the mobile services provider to enable automatic billing of the customer.

The second division found that systems with the third interface were not publicly known at the date of filing of the patent application, although at least one was found to have been in use for years. Even though customers were actually charged for their advertisements on their mobile phone bills, using the service would not enable a skilled person to learn how the supplier obtained payment for its service. Hence, the invention was novel.

The second division found that inventive step was also present, noting that the objective problem solved was “the provision of automatic invoicing without any form of manual effort, in connection with electronic transmission of classified ads”. The first division had found that an average person skilled in the art could be expected to propose such a computer-based implementation of the invoicing function, but the second division held otherwise, stating that once the problem had been defined (automatic invoicing), a computer-based solution was within reach by simple adaptations of the art. However, the second division noted that the

advantages achieved were considerable both for service providers and customers, and the patent therefore promised to lead to significant commercial success. The second division held that a skilled person would not have formulated the task of this patent, and therefore the inventor’s formulation of the problem should be taken into account when assessing the inventive step. In view of the inventor’s considerable contribution to the technology, by formulating the problem and proposing a simple functional solution, the second division found there to be an inventive step.

While it is not uncommon for the formulation of a problem to be solved to contribute to the inventive step, and for the commercial success of an invention to be considered as an indication of inventive step, it is surprising that the second division relied on an anticipated commercial success that has not yet materialised. *iam*

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His practice includes IP law, especially patents and trademarks, both transactions and litigation. He also advises clients on competition law issues and assists in corporate transactions. He is chairman of the board of the Norwegian Association for Industrial Property Rights and president of the Norwegian national group of the International Association for the Protection of Intellectual Property. Mr Svendsen regularly writes articles and speaks on subjects of patent law, IP enforcement and international dispute resolution.