

Top 10 IP&TMT CJEU judgments of 2021

What to expect in 2022



Introduction



Karol Laskowski

Head of Warsaw Intellectual Property and Technology practice team

The preceding 12 months have brought us a plethora of judgments that will affect the uniform interpretation of EU legal instruments related to intellectual property, technology and data protection. Following an upbeat concept arising from the massive interest and welcome of last year's summary reviewing the CJEU decisions ranked by relevance and impact on law and, above all, on business – once again we have selected the top 10 IP&T cases of the previous year - this time 2021.

Although numerous judgments were worthy of note, at the very top of the ranking, leaving the others behind, are jointly The YouTube and Cyando cases which established that online platforms do not, in principle, make available to the public copyright-protected content that has been unlawfully uploaded online by their users, and presented specific conditions under which the platform is exempted from liability for unlawful content. This judgment will have an extensive impact on multiple platforms in the online environment.

The runner-up in our review is the Facebook Ireland case in which the main question was whether a supervisory authority (not the lead supervisory authority) should have the power to commence legal proceedings before a court in its Member State for infringements of the GDPR in connection with cross-border processing. Last on the podium is the M.I.C.M. judgment, in which the CJEU stated that a request to provide IP owners with the names and postal addresses of IP-infringing users must be justified, proportionate, not abusive, but above all provided for by a national legislative measure in order to bring proceedings for damages.

Furthermore, we would like to draw your attention to rulings related to new technologies and internet law, in particular to the following ones: the Top System case struggles with the possibility of decompiling a computer program, the CV-Online Latvia verdict explores the interpretation of the notions of extraction and utilisation within the framework of database law, and the VG Bild-Kunst judgment clarifies issues related to the legality of framing. Besides IP-specific matter, such as the partial protection of community designs in the Ferrari case, telecommunications judgments, such as the Vodafone and Deutsche Telekom joined cases, which finds that offering “zero tariff” packages is contrary to the Net Neutrality Regulation, or the Latvijas Republikas Saeima ruling related to the protection of personal data in the context of penalty points, are also worth noting and reflecting upon.

The content incorporated herein is a condensed summary of the cases - from the detailed description of the facts and the judgment with its justification, to the comments of the eligible professionals from the Dentons Warsaw IP&T team. We also indicate which of the expected CJEU judgments may arouse interest in the world of intellectual property and related fields in 2022.

Ferrari

28 October 2021

C-123/20

#IP #communitydesign #partialprotection

10

Background

The underlying litigation commenced before the German national courts, where car manufacturer Ferrari sought an injunction against a car tuning company, Mansory Design, for infringements of Unregistered Community Design (UCD) in relation to their new series of track-only supercar Ferrari FXX K.

The launch of the limited production variant of new racing car was first made public by a press release in December 2014, showing images displaying the front and side view of the car.

In 2016, Mansory Design, specialised in a luxury car modification, started offering sets of personalisation accessories, known as “tuning kits”, designed to alter the appearance of the Ferrari 488 GTB (a road going model) to resemble the appearance of the track-only FXX K model.

As claimed by Ferrari, tuning kits offered by Mansory infringed their UCD, mainly the V-shaped element of the bonnet, the front lip spoiler integrated into the bumper and the design of a car as a whole.

The Ferrari’s claims were dismissed in its entirety in first instance. The subsequent appeal was also dismissed, as the German court of appeal decided that UCD existed only in its entirety and use of its elements did not constitute an infringement.

Consequently, the decision was appealed and the German Supreme Court asked the Court of Justice to clarify whether public disclosure of an entire product, could warrant unregistered community design protection for individual components of that product and, if so, to what extent the appearance of that distinct elements must be independent of the product as a whole in order to be identified as having individual character.

Judgment

The CJEU examined the two questions from the German Supreme Court jointly, stating that once essential conditions for protection are met, namely the design satisfies the novelty requirement and has an individual character, the only formal condition for the creation of an unregistered Community design is the requirement to make it available to the public. In that regard, CJEU held that there is no additional requirement for separate disclosure of each part of a complex product, if the features of the components for which protection is sought are “clearly identifiable” and characteristics of the components are “clearly visible” on the published image.

In the context of assessment whether the separate elements for which protection is sought satisfies the condition of individual character, the CJEU held that the concerned component shall be “visible and defined by features which constitute its particular appearance, namely by particular lines, contours, colours, shapes and texture”. In essence, the CJEU considered that most important factor in assessing individual character of the component is its visibility as a separate section to an informed user and its capability of producing an overall impression in itself, rather than being lost in the overall image of the product.

Experts' comments



Marek Trojnarski

Counsel, Intellectual Property and Technology

The judgment provides clear instructions for auto manufacturers, and consumer goods manufacturers in general, that once they reveal a product's or its prototypes' pictures, brochures, videos, etc. the 3-year period of protection for unregistered Community designs starts running. To protect designs of products that manufacturers expect to introduce onto markets for many years, they need to register the designs, as it allows to protect them for up to 25 years, if renewed at five-yearly intervals.

The CJEU also provided some guidance on whether the elements of a new Ferrari model's "V" shaped front can be protected as unregistered design, or not. Such elements were used as part of the "fine tuning" process by the defendant for its clients who wanted their older Ferrari models to look like the new model. According to the CJEU such parts could be protected as unregistered design, if e.g. copied elements are clearly defined by lines or contours, and are not lost in the product's perception as a whole.

Overall, Ferrari may potentially get damages only for the 3-year period following the release of the new model's pictures, as it had not relied on registered designs. Therefore, the defendant may end up being entitled to introduce the fine tuning kits following this 3-year period that has already passed in 2017. It currently does so.



Marta Stefanowicz

Associate, Intellectual Property and Technology

The Court of Justice for the first time clarified that disclosure of the overall image of the product is sufficient to obtain unregistered community design protection for its individual elements, without the need to disclose specific parts separately. The CJEU explained that upon making a design available to the public, separate elements producing individual overall impressions which are "clearly identifiable" and "clearly visible" can enjoy protection as partial designs.

This long-awaited judgment reaffirms that additional requirements regarding disclosure of separate parts of the products would not be consistent with fundamental values underlying unregistered design system, which are speed and simplicity. This is great news for SMEs and creatives operating in a rapidly changing business environment, producing designs with short lifespans (mostly fashion industry). It is now clear that unregistered community design remains a relevant and straightforward tool offering protection even for complex designs.

This ruling can also serve as an important guideline for creatives, to learn from Ferrari's mistakes, and evaluate the potential of their designs in the long term perspective. If the long term protection of the designs could be commercially beneficial, filing for a registered community design that can last up to 25 years, rather than relying on short-term unregistered design protection, would be more reasonable.

Top System

6 October 2021

C-13/20

#computerprogram #decompilation #correction

9

Background

In this matter a dispute arose between Top System, a Belgian software developer, and the Belgian State. The dispute was triggered by operating problems which arose while using Top System's computer program called Top System Framework (TSF) by the Selection Office of the Federal Authorities (SELOR) which used it on the basis of a license. Due to such issues with the operation of a program, SELOR decompiled it in order to correct errors. Top System claimed that SELOR's decompilation of TSF was an infringement of its exclusive rights in the software, and therefore requested damages for decompiling and copying of the source codes.

Judgment

The CJEU concluded that the lawful purchaser of a computer program is entitled to decompile the entire or a part of such program in order to correct errors affecting its operation, including where the correction consists of disabling a function which affects the proper operation of such program. The CJEU stated that such decompilation is allowed under Article 5 of Directive 91/250 on the legal protection of computer programs which was applicable in this matter due to the chronology of the events (though the applicable provisions have analogical wording as in the successor and currently applicable Directive 2009/24/EC). The CJEU also ruled that the lawful purchaser may decompile a computer program in order to correct errors affecting its operation without the need to comply with the conditions in Article 6, which regulates decompilation for interoperability purposes. However, such decompilation may only be allowed to the extent necessary for such a correction to be made and for the licensee to be able to use the program in accordance with the intended purpose. What is also

important is that the CJEU noted that such right is subject to "specific contractual provisions", meaning that the parties may agree on limiting the licensee's rights to decompile in order to correct errors and retaining rights to maintain and correct the program by the licensor, though the CJEU emphasised at the same time that the parties cannot completely exclude the possibility to correct errors by licensees on their own based on the aforementioned provisions.

Experts' comments



Dariusz Czuchaj

Counsel, Intellectual Property and Technology

The court laid down that there is a clear distinction between the licensee's rights conferred under Article 5 (correction of errors) and Article 6 (decompilation in order to interface with another software). For the error correction there is no need to observe the additional requirements that apply to the "interface-driven" decompilation. That said, the licensee may still be bound by the terms and conditions of the license when executing its right to make the necessary corrections, and since the CJEU was bound by the scope of the prejudicial question of the Belgian court, the judgment is silent on whether a licensor may shut down this possibility by the way of the license's wording. A more general takeaway from this case is that the CJEU reconfirmed the scope of a licensee's rights under the Directive, which is in spirit of the Software Directive that was drafted in the early 90's of the previous century and was aimed at striking a right balance between the software producers and the users.



Marcin Przybysz

Senior associate, Intellectual Property and Technology

CJEU's ruling may be important from the perspective of the buyers in each case where the source code to the software was not agreed to be handed over to them and the relevant agreement did not cover the entitlement to modify the software in the case of errors. It may affect the current practice as regards the maintenance of the systems by the buyers, as they may now be more inclined towards inferring an entitlement to possible modifications, to be introduced without the need of involving the maintenance service providers. At the same time, we are observing that the ruling has provoked the software providers to pay more attention to regulating the matter of possible modification of the software by the buyers and to envisage certain obligations to cooperate with the providers as regards the correction of errors. The CJEU pointed out that the buyers may be obliged to use the technical support and maintenance services in such cases, though such a limitation cannot result in the complete exclusion of the entitlement of the buyers to decompile and correct errors on their own. Consequently, the ruling should definitely be taken into account when designing the software related contracts.

CV-Online Latvia

3 June 2021

C-762/19

#database #extraction #reutilisation

8

Background

CV-Online Latvia owns a website “cv.lv” on which it provides a database of job advertisements published by employers while Melons operates a search engine specializing in job advertisements, “KurDarbs.lv”, which allows its users to carry out a search on several websites containing job advertisements based on different criteria. The search results shown by KurDarbs.lv provide hyperlinks which refer the users to websites on which the advertisements are published, including cv.lv. The search engine indexes and copies contents of these websites to its servers and then makes it possible for its users to search the advertisements according to criteria such as the nature of the job and the place of employment. Following a first instance judgment that Melons infringed the sui generis right of CV-Online Latvia, Melons brought an appeal to the Riga Regional Court which asked the CJEU whether Melon’s activities in operating its search engine should be interpreted as “extraction” or “re-utilization” of CV-Online Latvia’s job advertisements database.

Judgment

The CJEU held that an internet search engine specializing in searching the contents of databases which copies and indexes the whole or a substantial part of a database which is freely accessible on the Internet and then allows its users to search that database on its own website according to specific criteria constitutes the “extraction” and “re-utilization” of that content. Such action can be prohibited by the maker of the database when it adversely affects his/her investment in the obtaining, verification or presentation of that content, namely by jeopardizing the possibility of recovering that investment through the normal operation of that database. It was recalled by the CJEU that a database is protected by the sui generis right under Article 7 of Directive 96/9 (Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases) only if the investment of the maker in the obtaining, verification or presentation of the contents of that database was substantial. The CJEU also noted that one of the main objectives of Directive 96/9 is to strike a balance between the interests of the maker of the database and the interests of users and competitors in having access to the information contained in a database and the possibility to create innovative solutions based on that information. Therefore, the main criterion for balancing the conflicting interests is the potential harm to a substantial investment made by the maker of the database, i.e. the risk that that investment may not be redeemed. Of course, this aspect must be assessed by the national court on a case-by-case basis.

Experts' comments



Karol Laskowski

Partner, Intellectual Property and Technology

This is a very interesting and important judgment for the modern era internet and helps to understand when possibly copying content of another website (not copyright protected, like certain information) could be allowed and when it is not. This is certainly important considering screen-scraping technology being often considered. The main questions which need to be answered in each case, among others, are for sure: has the provider of a copied website made an investment in the development of the data base and its content and, if yes, does copying it result in a difficulty to recoup that investment. That seems to be more likely when the new website limits the number of users of the website who made an initial investment, e.g. by redirecting the traffic to a new website.



Paulina Węgrzynowicz

Associate, Intellectual Property and Technology

In this judgment, the CJEU indicated that the sui generis right of the owner of a database is infringed if (i) the maker made a substantial investment in either, obtaining, the verification or the presentation of the concerned database content (which is the condition for the sui generis right to exist in the first place) and (ii) the extraction or re-utilization of the whole or a substantial part of the contents of that database constitutes a risk to the possibility of redeeming that investment. Therefore, the CJEU made it clear that the existence of this risk is a necessary condition of the infringement. Given that the CJEU rarely comments on the database protection, this judgment will certainly be of interest to online search engine owners. As a side note, it must be borne in mind that a database (its structure, not content) can be also protected by copyright, provided that it constitutes an original intellectual creation.

Latvijas Republikas Saeima

22 June 2021

C-439/19

#gdpr #penaltypoints

7

Background

The case concerned a provision in Latvian law providing for the public availability of information on penalty points for traffic violations – to any interested person, without the need to prove a special interest – in order to improve safety on Latvian roads. As the information on these penalty points contained in this register is publicly available and, according to B, has been passed on for re-use to various operators, B brought a constitutional complaint before the Latvijas Republikas Satversmes tiesa (Constitutional Court) for that court to examine the compatibility of Article 141(2) of the Road Traffic Act with the fundamental right to respect for private life set out in Article 96 of the Latvian Constitution.

Judgment

The CJEU assessed that the provision of information on collected criminal records constitutes the processing of personal data relating to convictions and criminal acts, as a result of which they are under special protection due to their sensitivity. The Court ruled that GDPR opposed the Latvian legislation. It found that the necessity of providing access to personal data concerning penalty points for traffic offences, particularly in light of the objective of improving road safety invoked by the Latvian government, had not been demonstrated. Furthermore, in the Court's view, neither the right of public access to official documents nor the right to freedom of information justify such legislation. Improving road safety may be considered a public interest objective (Article 6(1)(e) of the GDPR) – however, it is impossible to see how making available penalty points relates to this improvement in safety. The general availability of information on penalty points can stigmatize an individual and lead to social disapproval and therefore constitute a serious interference with the right to respect for private life. For the same reason, the transfer of data to external recipients, for the purpose of re-use and public disclosure, is impermissible.

Experts' comments



Aleksandra Danielewicz

Senior associate, Intellectual Property and Technology

The judgment includes clear and understandable instructions for all controllers on how the consents should be collected. It will have an impact on any service providers who rely on standardized and pre-formulated clauses to obtain consent – every provider must be able to demonstrate that their customers have freely given their consent, and that they have not used misleading practices in obtaining valid consent. Although the requirements are plain, clear and remain unchanged for several decades, controllers still struggle sometimes to create and collect valid consent, especially in the online environment, e.g. consent for use of cookie files and other tracking technologies. It also invites national courts to interpret consent to the highest standards, and companies should make further efforts to update their consent collection practices in order to meet the CJEU's requirements.



Oktawian Dzikowski

Associate, Intellectual Property and Technology

The ruling is significant because the Court held that any exclusion of GDPR's applicability must be construed restrictively and be limited solely to what the Regulation itself provides for which is the foreign & security policy as well as prevention, investigation, detection or prosecution of criminal offences or the execution of criminal offences including the safeguarding against and the prevention of threats to public security. In other words, any other measures, such as non-criminal administrative sanctions do not fall under these exemptions and are fully covered by GDPR. CJEU has also reaffirmed the primacy of EU law, concluding that national law must yield to it even when considerations of a constitutional order or legal certainty in a Member State are at stake.

Slovak Telekom

25 February 2021

C-857/19

#telecommunications

#competition #nebisinidem

6

Background

In December 2007, the Slovak competition authority, in accordance with the competition rules of EU law, adopted a decision finding that Slovak Telekom had abused its dominant position on the Slovak telecommunications market. In the subsequent investigation, which started in 2009, the European Commission issued a decision finding that the company, which consists of Slovak Telekom and Deutsche Telekom (the majority shareholder of Slovak Telekom), had abused its dominant position on the Slovak telecoms market. For these infringements, the Commission imposed a fine of EUR 38,838,000 on Slovak Telekom and Deutsche Telekom jointly and severally.

Having doubts about the compatibility with the principle of not prosecuting and punishing the same offence (*ne bis in idem*), as both the Slovak authorities and the European Commission had found Slovak Telekom liable for abusing its dominant position by a margin squeeze the Supreme Court of the Slovak Republic referred questions to the EU Court of Justice in this regard.

Judgment

The CJEU recalled that the competition authorities of the Member States lose their competence to apply the competition provisions of the Treaty on the Functioning of the EU in cases where the Commission initiates proceedings, in particular with a view to issuing a decision aimed at establishing a breach of those provisions. Consequently, when the Commission initiates such proceedings, the competition authorities of the Member States are relieved of the obligation to initiate proceedings against the same undertakings in respect of the same alleged anti-competitive practices, taking place on the same product and geographic market or markets, during the same period or periods. Thus, in the present case, the Commission's 2009 decision to initiate proceedings against Slovak Telekom relieved the Slovak competition authority of the obligation to activate its competence to apply the EU competition rules only in so far as the proceedings conducted by that authority and those initiated by the Commission concerned, in the light of the above-mentioned elements, the same infringements. The Court finds, however, that the subject matter of the proceedings conducted by the Commission and the Slovak competition authority against Slovak Telekom was the alleged abuse of a dominant position by Slovak Telekom on separate product markets. Accordingly, it does not appear that the Commission's opening of the above-mentioned proceedings against that company caused the Slovak competition authority to lose jurisdiction over the infringements to which the Commission's proceedings related.

Experts' comments



Bartosz Dobkowski

Associate, Intellectual Property and Technology

The judgment delivered by the CJEU is important for telecommunications companies operating on different product and/or geographical markets. It confirms that they may be held liable for anticompetitive conduct (anticompetitive agreements, decisions of associations of undertakings, concerted practices, abuse of dominant position) by both the European Commission and national competition authorities if such infringements relate to separate (product or geographical) markets. In the case at hand, such different product markets were the wholesale and retail markets for telephone services and low-speed (dial-up) internet access services and the market for wholesale broadband access services.



Anna Gulińska

Counsel, Competition and Antitrust

The judgment shows limited application of the ne bis in idem principle in case of parallel, seel proceedings of national and, EU competition authorities to the extent that they concern the same practices (here: abuse of a dominant position by a margin squeeze) but different products or services. The Court confirmed that similarity of the subsequent proceedings or decisions is assessed on three points: (i) the same facts, (ii) the same offender, and (iii) the same protected legal interest. When an infringement relates to a different product market, the facts of the two cases are not the same and hence the ne bis idem principle is not breached. Market players should remember that the proper delineation of relevant markets and comparison whether facts of any two parallel proceedings are the same is always a matter of a case-by-case analysis.

VG Bild-Kunst

9 March 2021

C-392/19

#IP #newpublic #framing

5

Background

The Stiftung Preußischer Kulturbesitz (“SPK”), a German heritage foundation, operates a digital library on art and knowledge - the Deutsche Digitale Bibliothek (“DDB”). The website of that library contains links to digitized content stored on the internet portals of participating institutions. The DDB itself, however, stores only thumbnails. VG Bild-Kunst, a visual arts copyright collecting society in Germany, maintained that the conclusion of a licence agreement with SPK for the use of its catalogue of works, made available on the DDB in the form of thumbnails, should be subject to the condition that the agreement includes a provision obliging SPK (as a licensee) to take effective technological measures against the framing by third parties of the thumbnails of such works on the DDB website. The technique of framing consists of dividing a page within a website into several frames and displaying in one of them, by means of a clickable link or hotlink (inline linking), an element originating from another website in order to conceal from the users of that website the original environment from which that element originated. According to SPK, the contractual condition demanded by VG Bild-Kunst was not justified from the perspective of copyright law. Therefore, SPK brought an action seeking to establish that VG BildKunst was obliged to grant the disputed licence without making it subject to technical measures preventing framing.

Judgment

The Court held that the fact of posting on a third party’s website, using the framing technique, copyright-protected works made available to the public in a manner accessible to the public with the copyright holder’s consent on another website constitutes communication to the public where that posting is made by circumvention of the anti-framing measures applied or ordered by the copyright holder. That communication to the public thus requires the copyright holder’s authorization.

The Court noted that the technique of framing constitutes communication to the public to the extent that it has the effect of making the item displayed known to all potential users of the website concerned. However, since the framing technique uses the same technological means which were used to make the protected work available to the public on the original website, namely the internet, that communication does not satisfy the condition of a new public and therefore does not constitute “communication to the public” within the meaning of Directive 2001/29. That finding applies only where access to the works on the original website was not subject to any restriction – where the rightholder introduced or ordered restrictions relating to the publication of his works, did not consent to third parties making their works freely available to the public and wished to limit the public having access to his works.

Experts' comments



Małgorzata Domalewska

Senior associate, Intellectual Property and Technology

The current Court's decision strengthens the position of copyright holders with reference to works that are freely accessible to the public with the authorisation of the copyright holder, where the copyright holder has adopted or imposed technological measures to restrict framing. Following the Court's interpretation of article 3(1) of the Directive 2001/29/EC, right holders who have safeguarded their works against framing will be able to impose on the licensee the implementation of ETMs preventing further framing of the licensed works from their website, and any such use will require the right holder's permission.



Barbara Domańska

Paralegal, Intellectual Property and Technology

This ruling largely follows the case law on framing and communicating to the public established by the CJEU. It brings, however, more clarity to the copyright infringement risks and its possible implications that should be considered by website and online platform providers who wish to link or frame copyright protected content. Also, the court acknowledged the right holder's rights to contractually require effective measures to prevent linking or framing of their content and therefore limit the initial public to which their works are communicated. By applying by the CJEU the same analysis to all types of hyperlinks, the need to distinguish between different types of linking in future cases should be minimized.

Vodafone and Deutsche Telekom

2 September 2021

C-854/19, C-5/20 and C-34/20

#telecommunications #zerortariff

4

Background

Following a request from the German courts, the Court of Justice of the European Union has looked into “zero tariff” services. These consist of an internet access provider applying a “zero tariff”, or a tariff that is more favorable, to all or part of the data traffic associated with an application or category of specific applications offered by that access provider’s partners, in order to make its offer more attractive.

In the case at hand, Vodafone offered its customers “zero tariff” options (“Vodafone Pass” permitting the use of certain services without the data volume consumed by using those services being deducted from the data volume included in the basic Internet package. Once the data volume was used up, the speed of transmission was reduced for all services. Such “zero tariff” options were valid only in Germany (abroad, data traffic was counted towards the data cap) and did not apply when services were used via tethering (hotspot).

Telekom Deutschland, on the other hand, offered its customers a “zero tariff” option (“Stream On”) which allowed the data volume consumed by audio and video streamed by Telekom’s content providers not to be counted towards the data volume included in the basic Internet package. When the data volume was used up, the speed of transmission was generally reduced. At the same time, by activating the tariff, consumers had to accept a limitation of bandwidth to a maximum of 1.7 Mbit/s for video streaming, regardless of whether the videos were streamed by its content partners or other providers.

Judgment

The CJEU held that zero-tariff options, such as the “Vodafone Pass” and the “Stream On” option, draw a distinction within internet traffic, on the basis of commercial considerations, by not counting traffic to partner applications towards the basic package. Such commercial practices do not satisfy the general obligation of equal treatment of traffic, without discrimination or interference, and are therefore incompatible with Article 3(3) of Regulation 2015/2120.

According to the CJEU, such incompatibility exists even if the consumer may continue to freely access the content provided by partners of the internet access provider after the basic package has been used up.

Since the zero-tariff option based on commercial considerations is contrary to Regulation 2015/2120, the CJEU concluded that limitations on bandwidth, tethering or use when roaming, on account of the activation of such an option, are also incompatible with EU law.

Experts' comments



Bartosz Dobkowski

Associate, Intellectual Property and Technology

After Telenor (C-807/18 and C-39/19), Vodafone and Deutsche Telekom are other important cases for internet access providers. This time the CJEU has looked at zero-rating practices from a slightly different angle. It has been already clear that the type of zero-rating where only apps or services other than “zero-rated” ones are throttled or blocked after reaching the data cap is prohibited. The CJEU has now confirmed that zero-rating, based on commercial considerations, is as such incompatible with the EU law and cannot be used even if the reduction of speed applies to all apps or services, including “zero-rated” ones. This incompatibility exists regardless of any further limitations on zero rating, e.g. when using roaming or tethering. The discussed set of judgments effectively bans zero-rating practices across the EU. Internet service providers should therefore once again review their Internet tariffs to make sure that they are fully compliant with the EU net neutrality rule.

M.I.C.M.

17 June 2021

C-597/19

#IP #newpublic #peer2peer

3

Background

Mircom International Content Management & Consulting (M.I.C.M.) (“Mircom”) submitted to the Commercial Court of Antwerp, Belgium a request for information addressed to Telenet BVBA, an Internet access provider. Mircom sought a decision obliging Telenet to provide the identification data of its customers on the basis of IP addresses which were used while connecting to peer-to-peer BitTorrent service in order to download films from Mircom’s catalogue. Telenet objected to this request. The CJEU has been requested to decide on whether the reciprocal sharing on that network of segments of a multimedia file containing a protected work constitutes communication to the public under EU law. The CJEU had to clarify the legal status of uploading in the context of a peer-to-peer network using the BitTorrent protocol, this time however from the perspective of the uploading user, and not the P2P file sharing service provider.

Judgment

In this judgment the Court found that the uploading to a peer-to-peer network reaches a “public”, which is to be classified as a “new public”, even if the work was already available for download elsewhere with the consent of the rightsholder. The fact that a user does not succeed, individually, in downloading the entire original file does not prevent him or her from making available to his or her peers the pieces of that file which he or she has managed to download onto his or her computer and that he or she thus contributes to the situation in which all the users participating in the swarm have access to the complete file. In the event the users have actively subscribed to the BitTorrent client sharing software, the deliberate nature of their conduct is in no way negated by the fact that the uploading is automatically generated by that software. Furthermore, according to the Court one may benefit from the intellectual property protection measures provided that the request is not abusive, is justified and proportionate. Importantly, the Court held that systematic registration of users’ IP addresses and the provision of their names and postal addresses to the IP right holder or a third party for the purpose of filing an action for damages is generally admissible under certain conditions. However, the Court stated at the same time that the law does not impose an obligation on a company such as Telenet to make personal data available to third parties in order to enable them to bring civil proceedings for copyright infringement, though the EU law does allow the Member States to impose such an obligation.

Experts' comments



Małgorzata Domalewska

Senior associate, Intellectual Property and Technology

The ruling is based on previous judgments concerning the interpretation of Article 3 of the Directive and the concept of making works available to the public (e.g. VG Bild-Kunst). The ruling again strengthens the importance of exclusive rights in the digital environment, giving further arguments to the right holders in the fight against P2P networks users. On the other hand, the Court did not fully follow the opinion of the GA, and held that P2P users using BitTorrent software automatically uploading a media files containing a protected work make works available to the public only when they have subscribed to the software, and have given a consent to its application after having been duly informed of its characteristics.



Marcin Przybysz

Senior associate, Intellectual Property and Technology

Prior to the ruling, the CJEU already had an occasion to elaborate on communicating copyrighted works to the public in the context of BitTorrent protocol (see C-610/15, Stichting Brein v. Ziggo BV and XS4All Internet BV). However, this time the Court had to analyse this matter from the perspective of the users of file sharing services, as opposed to deciding on the liability of P2P file sharing service operators, and conclude on whether sharing (seeding) only fragments of copyrighted works which are unusable in themselves and only usable once a certain download rate is reached in combination with the remaining pieces, constitutes an infringing activity. The Court found that the fact that the user does not succeed in downloading the entire original work does not prevent him/her from simultaneous sharing its parts with the other peers and that he/she thus contributes to the creation of a situation in which, ultimately, all the users participating in the swarm have access to the complete file. This seems to appropriately address the specifics of such decentralized download service protocols and was therefore warmly welcomed by the right holders. On the other hand, although the Court acknowledged that the IP rights holder who does not use them in practice but merely claims damages from alleged infringers may benefit from the protection measures, the request must not be abusive and resemble the definition of "copyright trolling". Unsurprisingly, such a detailed assessment will need to be performed in each particular case by the local courts.

Facebook Ireland and others

15 June 2021

C-645/19

#gdpr #dataprotection #crossborder

2

Background

In September 2015, the Belgian Data Protection Authority initiated proceedings against Facebook Inc., Facebook Ireland Ltd, which is Facebook's main EU entity, and Facebook Belgium BVBA. The Belgian authority demanded that the said Facebook companies be ordered to cease placing without internet users' consent, certain cookies on devices they use when they browse a web page in the Facebook.com domain or when they reach a third party website, and the excessive collection of personal data through social plug-ins (for example, the "Like" or "Share" buttons) and pixels on third party websites. The authority sought bringing to an end the processing by the Facebook, information on the internet browsing behavior of internet users within Belgium (both of Facebook account holders and of non-users of Facebook) by means technologies such as above mentioned ones.

As the Belgian court found a lack of jurisdiction over Facebook INC and Facebook Ireland Ltd, the proceedings were limited to Facebook Belgium. Facebook argued that since the date on which the GDPR started to apply, only the data protection authority in the Member State where Facebook's headquarters are located (Ireland) is entitled to bring legal proceedings against Facebook for GDPR violations in relation to trans-border data processing. The Belgian court asked the CJEU if the GDPR actually prevents a national data protection authority other than the lead data protection authority from engaging in court proceedings in its Member State against infringements of its rules with respect to cross-border data processing.

Judgment

In this judgement the CJEU confirmed that with respect to cross-border processing GDPR guarantees the competence of the lead supervisory authority for the adoption of a decision concerning infringement of the rules laid down by the GDPR. However, under certain conditions the supervisory authority, not being the lead supervisory authority is empowered to bring any alleged infringement of the GDPR before a court of a Member State and, where necessary, to initiate or engage in legal proceedings in order to ensure application of the GDPR. The first condition is that power is exercised in one of the situations where that GDPR confers on that supervisory authority a competence to adopt a decision finding that such processing is in breach of the GDPR rules. Second, the supervisory authorities must exercise this competence with due regard to the effective cooperation and in line with consistency procedures stemming from the GDPR. In this context, the CJEU highlighted that the lead supervisory authority should take into account the views of the other supervisory authorities.

Further, the CJEU held that, it is not a prerequisite for the exercise of the power of a supervisory authority of a Member State, other than the lead supervisory authority, to initiate or engage in legal proceedings that the data controller with respect to the cross-border processing of personal data to which that action relates has a main establishment or another establishment on the territory of that Member State. In this context, supervisory authority of a Member State, other than the lead supervisory authority may exercise its competence both with respect to (i) the main establishment of the controller which is located in that authority's own Member State and (ii) another establishment of that controller, under the condition that the object of the legal proceedings is a processing of data carried out in the context of the activities of that establishment and that that authority is competent to exercise that power.

Experts' comments



Dariusz Czuchaj

Counsel, Intellectual Property and Technology

There are two important takes from this judgment for the international companies operating around the world. Firstly, the CJEU seem to require from the national Data Protection Authority that the proceeding against the local establishment should be carried out only in relation to the processing of data in the context of the activities of that establishment. Secondly, the local authority may act only after the lead supervising authority did not take any action in the course of a matter referred to it.



Anna Szczygiel

Associate, Intellectual Property and Technology

The judgment is particularly important for cross-border businesses dealing with the processing of personal data in different countries. It removes doubts with respect to conditions under which data protection watchdog is empowered to initiate or engage in legal proceedings in the cross-border context, despite not being the lead supervisory authority. One of the key takeaways for businesses is that they should monitor not only decision-making practices of their lead supervisory authority, but also of all concerned ones, and take account of these when designing and carrying out data processing activities.



Oktawian Dzikowski

Associate, Intellectual Property and Technology

In this judgment, the CJEU reaffirmed the prerogative of non-lead supervisory authorities to initiate proceedings in an instance of cross-border data processing, subject to restrictions laid down in the GDPR, even if the controller or processor against whom such action is brought does not have its main establishment or another establishment in that Member State. Furthermore, the Court held that art. 58(5) of the Regulation has direct applicability which means that a supervisory authority may rely on this provision directly to bring infringement-related legal action against controllers or processors even if such power has not been conferred on the supervisory authority by virtue of Member State domestic law. In short, the CJEU underlined the importance of action taken by supervisory authorities despite the existence of the "one-stop-shop" mechanism which may discourage controllers not prepared to comply fully with the GDPR from the practice of forum shopping.



Paulina Węgrzynowicz

Associate, Intellectual Property and Technology

This judgment confirms the role of the lead supervisory authority but also the ability of another supervisory authority to act in certain circumstances in relation to cross-border processing. While this judgment underlines the importance of the "one-stop-shop" mechanism, it also shows that other supervisory authorities may, exceptionally, take action (including the initiation of legal proceedings). This can be of special interest to companies operating across the EU.

YouTube and Cyando

22 June 2021

Joined Cases C-682/18 and C-683/18

#copyright #onlineplatform #illegalcontent

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Background

In the first case (C-682/18), Frank Peterson, a music producer, brought an action before the German courts against YouTube concerning the uploading on the YouTube platform of several recordings of Sarah Brightman's Album *A Winter Symphony* in respect of which Mr. Peterson holds the exclusive rights. The uploaded songs included both, tracks taken directly from the album and audio recordings taken during Sarah Brightman's live shows.

In the second case (C-683/18), the publishing house Elsevier (holding the exclusive rights to inter alia various publications including *Gray's Anatomy for Students*, *Atlas of Human Anatomy and Campbell-Walsh Urology*) sued Cyando before the German courts in relation to the upload on its file storage and sharing platform of the titles mentioned in the preceding sentence. The works in question were posted on that platform by its users without Elsevier's authorization. The said works could have been accessed on the platform via a collection of links: *rehabgate.com*, *avaxhome.ws* and *bookarchive.ws*.

Judgment

In the joint cases in question, the CJEU held that under binding EU law provisions online platforms do not, in principle, make a communication to the public of copyright-protected content posted online by users of those platforms without being authorized by the right-holders. However, the Court stated that the platform operator makes a communication to the public of the illegally uploaded work once it is fully aware of the consequences of such action, and actively contributes to the said communication of such content in breach of copyright. Therefore, as the CJEU indicated that *those platforms do make such a communication in breach of copyright where they contribute, beyond merely making those platforms available, to giving access to such content to the public.*

The Court also ruled that the operator may benefit from an exemption from liability provided for in Directive 2000/31 as an electronic platform (in case of the unauthorized use of the protected work) provided that it does not play an active role by which it is aware of or can control the content posted on its platform. The CJEU indicated, that the right-holders can obtain an injunction under national law against an operator which platform has been used by a third party to infringe his rights, without that operator's knowledge within the meaning of Directive 2000/31, only if, before bringing legal proceedings, that operator has been informed of that infringement and has not taken immediate steps to take down the unauthorized content or to block access to it and to ensure that such infringements shall not reappear.

Experts' comments



Karol Laskowski

Partner, Intellectual Property and Technology

In this judgment the CJEU has tried to set a boundary on when the platform operator could be liable for the infringing copyright content placed on the platform by the users. The operator does so if he is crossing the line of being mere content storage service provider and does not take proper actions against infringing content. It is worth noting that in this judgment CJEU has confirmed that the platform operator could be directly liable for communication to the public and could be also subject to injunction (if not reacting to notifications on copyright infringement). This judgment was delivered before article 17 of the Digital Single Market Directive came into force, which sets additional rules on liability of platform operators.



Kamil Januszek

Associate, Intellectual Property and Technology

It is worth noting, that the legal analyses carried out by the CJEU does not concern the rules of liability of the video sharing platform provided for in article 17 of the Digital Single Market Directive which is currently being implemented into the national laws. The DSM Directive provides for the liability of online sharing platforms for protected content uploaded by its users without the respective right holders' authorizations (subject to the exemptions of liability resulting from making best-efforts in e.g. obtaining necessary authorizations, taking down the unauthorized content upon receiving the respective notice, implementing respective monitoring tools). Although the CJEU ruling does not cover the above-mentioned legal circumstances, the ruling itself provides the video sharing platform providers with the useful guidelines in terms of the lack of act of communication to the public and so called "safe harbor" liability exemption provided for in the E-Commerce Directive. It is now worth monitoring the CJEU interpretation of the online sharing platforms liability rules under the Digital Single Market Directive and how this interpretation will correspond to the ruling in the case in question (especially case C-401/19 brought by the Republic of Poland).

Key upcoming CJEU judgments

Subject matter

Intellectual property

Case reference	Date of the lodging of the application initiating proceedings	Summary	Opinion of the AG (yes/ no)
C-401/19, Poland v. Parliament and Council	26/07/2019	"The Republic of Poland brought an action before the Court of Justice for annulment of Article 17 of Directive 2019/790. According to the applicant, that article infringes the freedom of expression and information guaranteed in Article 11 of the Charter of Fundamental Rights of the European Union ("the Charter"). In assessing the lawfulness of Article 17 of the directive, the Court will therefore have to determine whether, and if so under what conditions, imposing monitoring and filtering obligations on online intermediary service providers is compatible with that freedom".	Yes
C-466/20 HEITEC	25/09/2020	"The first question to be answered by the Court is whether measures precluding acquiescence can include not only an administrative action or court action, but also conduct not involving a court or administrative authority. We will also have clarification on whether the issuing of a warning letter, in which the proprietor of the earlier sign, before initiating legal proceedings, requires the proprietor of the later sign to refrain from using the sign and to enter into an obligation to pay a contractual penalty in the event of an infringement, and threatens to commence legal proceedings if such an agreement cannot be reached, constitutes conduct excluding acquiescence. Additionally, the Court will shed some light on the moment of "initiating an action", which is decisive for the five-year acquiescence period, as well as answer which of the entitled party's claims are caught by the limitation of rights".	No

C-433/20 Austro- Mechana	15/09/2020	<p>Austro-Mechana is a copyright collecting society which collects, among others, the remuneration for the exploitation of the right of reproduction on storage media. Austro-Mechana sued a German company named “Strato”, which provides the “HiDrive”. Austro-Mechana’s claim was based on the assumption that the remuneration for exploitation of the right of reproduction on storage media is payable where storage media of any kind are, in the course of a commercial activity, “placed on the market” – by whatever means and in whatever form – within national territory, including in situations involving the provision of cloud-based storage space. This case tackles the private copying exception and the compensation for the reproduction and storage of copyright material in the cloud. The Advocate General delivered his opinion, in which he answered that cloud-based storage space is reproduction in the meaning of Directive 2001/29/EC and advised the Court to rule that, in relation to the second question, a separate or additional fair compensation may not be payable if the Member State has already opted to apply a levy system in respect of the devices/media through which the cloud-based service is accessed and the natural person is able to undertake the reproduction at issue.</p>	Yes
C-716/20 RTL Television	12/03/2021	<p>This Portuguese case will help to interpret the concept of “retransmission by cable” in view of the factual situation which the CJEU will analyze regarding the simultaneous transmission by one broadcasting organization of a program broadcast by another broadcasting organization and will respond to the question, whether that term of retransmission covers the simultaneous and complete transmission by cable to the public of the original broadcast of television programs or radio programs intended for reception by the public, and whether the simultaneous transmission by satellite of a television channel by means of television sets installed in hotel rooms and by means of coaxial cable constitutes retransmission of those programs within the meaning of the concept in Article 1(3) of Council Directive 93/83/EEC of 27 September 1993.</p>	No

Subject matter

Data protection

Case reference	Date of the lodging of the application initiating proceedings	Summary	Opinion of the AG (yes/ no)
C-817/19 Ligue des droits humains	31/10/2019	The Belgian Constitutional Court referred ten preliminary questions to the CJEU concerning the obligation to transfer passenger information in light of the review of the law requiring transportation providers and travel operators to communicate passenger information. The CJEU will establish whether a law, which for the purposes of combating illegal immigration and improving border controls, authorizes a system of collection and processing of data relating to passengers 'travelling to or from Belgium, or transiting through Belgian territory', is in line with the GDPR.	No
C-460/20 Google	24/09/2020	"We can look forward to the Court clarifying whether it is compatible with the data subject's right to respect for private life and to the protection of personal data, when the link, the de-referencing of which the applicant is requesting, leads to content that includes factual claims and value judgments based on factual claims the truth of which is denied by the data subject, and the lawfulness of which depends on the question of the extent to which the factual claims contained in that content are true. The second question will answer whether in the case of a request for de-referencing made against the data controller of an internet search engine, which in a name search searches for photos of natural persons which third parties have introduced into the Internet in connection with the person's name, and which displays the photos which it has found in its search results as preview images (thumbnails), the context of the original third-party publication should be conclusively taken into account, even if the third party's website is linked by the search engine when the preview image is displayed but is not specifically named, and the resulting context is not shown with it by the internet search engine".	No

C-319/20
Facebook
Ireland

15/07/2020

The case began with a lawsuit filed by a German pro-consumer organization (Bundesverband der Verbraucherzentralen und Verbraucherverbände - Verbraucherzentrale Bundesverband e.V.) against the Irish company Facebook (Facebook Ireland Limited). The association accused the giant of failing to provide its users with adequate information about the processing of personal data in connection with the provision of free games offered by third parties on the Facebook platform. According to the plaintiff, such action by the company constituted a violation of unfair competition and data protection laws. However, the German Federal Court (Bundesgerichtshof), which dealt with the case, referred it to CJEU due to doubts about the plaintiff's procedural capacity. The Advocate General noted that the following areas of law, i.e. competition law, consumer law and protection of personal data - despite their separateness - are intertwined. In the same state of facts, certain provisions from all these areas may apply, mutually reinforcing the protection of the individual. This leads to the conclusion that the wording and purpose of Article 80(2) of the GDPR does not preclude Member States from adopting provisions which would enable entities which, in principle, do not deal with data protection issues in a strict sense, to bring an action to enforce the application of data protection rules.

Yes

Subject matter

Telecommunications

Case reference	Date of the lodging of the application initiating proceedings	Summary	Opinion of the AG (yes/ no)
C-793/19 SpaceNet	29/10/2019	<p>It is for the CJEU to ascertain in this case if German data retention law is in line with the GDPR. SpaceNet, which is a German Internet provider, sued the Federal Republic of Germany seeking a judgment relieving it from an obligation to store telecommunications traffic data of its clients. German Telecommunications law requires phone and Internet providers to store data on their clients to aid in law enforcement investigations. SpaceNet argues that such provisions are contrary to the GDPR, in particular the principle that any person other than the users is prohibited from storing, without the consent of the user concerned, the traffic data related to electronic communications. It also raises an argument that such storing does not comply with the requirement under Article 6 of the GDPR that the processing and storage of traffic data are permitted only to the extent necessary and for the duration necessary for the billing and marketing of services and the provision of value-added services.</p>	Yes

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Awards



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