



Intellectual Property newsletter

Edition 2 | 2022



Contents

	1	Introduction	p. 02
DE	2	Deal on Digital Markets Act: The end of big tech companies?	p. 03
ES	3	Blocking of dynamic pirate websites	p. 04
DE	4	The “birth” of the European Unified Patent Court	p. 05
CZ	5	The Court of Justice rulings on copyright and related rights	p. 06
BE	6	TM registration of packaging: obligation to register reaffirmed	p. 09
AR	7	PATAGONIA protected as Geographical Indication	p. 11
RO	8	Romania: transposition of EU Directives 789/2019 & 790/2019	p. 12
VN	9	Legislative changes in proceedings against IP infringements	p. 14
	10	News	p. 16

1 Introduction

Welcome to the new edition of the KPMG Intellectual Property newsletter on developments in the world of copyright, patents, trade marks, designs, domains and other Intellectual Property rights (“IPRs”).

Once again, we have collected a variety of interesting articles from all over the world. KPMG firms are proud of their global network of IP lawyers, enabling KPMG professionals to offer an international service to clients in this area.

A number of important laws and decisions have been made or implemented in recent months. Negotiators from different EU institutions agreed upon new rules in the Digital Markets Act (DMA). We analyze the implications for big tech companies.

. A major problem in many countries, affecting not only the film and music industries but also many other sectors of the economy, is product piracy. In this edition, we take a closer look on the blocking of dynamic pirate websites in Spain and some rulings of the European Court of Justice on copyright and related rights.

After long discussions and various court proceedings,

the Unified Patent Court is slowly taking shape. We report on the outcome of the inaugural meeting of the Unified Patent Court's Administrative Committee.

Judgements and legislative initiatives from Belgium, Argentina, Romania and Vietnam as well as the EU complete the picture.



Dr. Anna-Kristine Wipper
Partner
KPMG Law Rechtsanwälts-gesellschaft mbH
T: +49 30 53019-9731
E: awipper@kpmg-law.com



Madlen Müllensiefen
Trademark Management
KPMG Law Rechtsanwälts-gesellschaft mbH
T: +49 69 95119-5641
E: madlenmuellensiefen@kpmg-law.com



Deal on Digital Markets Act: The end of big tech companies?

On 24 March 2022, negotiators of the EU Parliament, EU Council and EU Commission agreed on new rules to limit the market power of big tech companies. The Digital Markets Act (DMA) will blacklist certain practices of big tech companies and enable the EU Commission to investigate and sanction non-compliant behavior.

The preliminary agreement targets “gatekeepers” providing “core platform services”, such as social networks and search engines, with

- a market capitalization of at least 75 billion EUR or an annual turnover of 7.5 billion EUR and
- at least 45 million monthly end users in the EU and 10,000 annual business users.

During the so-called trilogue discussions, the EU Parliament, EU Council and EU Commission agreed that the largest messaging platforms will have to open up and interoperate upon request with smaller messaging services.

End users of small or big platforms will

- have more choice for sending messages and files or make video calls,
- need to explicitly consent to the use of personal data for targeted advertising, and
- be allowed to freely choose their browsers or search engines.

The EU Commission will be able to impose fines of up to 10% of the total worldwide turnover in the preceding financial year, and up to 20% in case of repeated

infringements.

The agreement is aiming to

- decrease the dominance of big tech companies,
- increase competition between small and big tech companies, and
- give more choice to end users.

In the future, the gatekeepers will have to show that they allow fair competition within their core platform services.

The text of the DMA will now be finalized by the EU Commission, then needs to be approved by the EU Parliament and the EU Council and will finally become applicable 6 months after publication in the EU Official Journal.



Dr. Anna-Kristine Wipper
Partner
KPMG Law Rechtsanwälts-gesellschaft mbH
T: +49 30 53019-9731
E: awipper@kpmg-law.com



Dr. Thomas Beyer
Senior Manager
KPMG Law Rechtsanwälts-gesellschaft mbH
T: +49 30 53019-822
E: thomasbeyer@kpmg-law.com



3 Blocking of dynamic pirate websites

ES

The judgement issued by the Commercial Court No. 6 of Barcelona responds to the lawsuit brought by the claimants for the protection of their Intellectual Property rights.

The case was brought against the main internet service providers, established in Spain, for infringement of Intellectual Property rights and favored both the Spanish audiovisual sports right holder of the Spanish football league and the Spanish Football Association.

The claimants requested that the above-mentioned internet service providers be obliged to block domain domains related with more than 40 illegal IPTV and "cardsharing" platforms. These platforms were broadcasting to the general public protected Intellectual Property rights, in this case, Spanish League football matches, of which the claimants are owners or assignees of the right to broadcast, distribute and public communication. The claimants wanted to limit users' access to these websites that infringe their Intellectual Property rights.

The actions demanded by the claimants especially followed what was stated by the European Parliament, which in May 2021 urged Member States to adopt legal measures to fight the piracy of exclusive sporting events, allowing those holding the Intellectual Property rights the ability to address their action directly against the internet service providers to block those websites infringing third parties' rights.

The court, after analyzing the report provided by the claimants, considered that, due to the amount of technical resources pirate sites have, a simple measure to block pirate websites would not be enough as new platforms would be created to elude it. Thus, the Court deemed that the implementation of a more dynamic tool which enables a weekly update and following block of URLs, Webs, Domains and IP addresses which are identified as pirate sites is more adequate and proportionate.

According to the above, the Court authorized the claimants the use of a tool aimed at demanding internet service providers to block and monitor forty-one pirate sites named in the judgement, for the duration of the football season. In addition, on a weekly basis, the claimants will be able to forward internet service providers the identified new pirate platforms that should be blocked. As the Court expressly stated, *"this ruling and, in particular, this tool will give the claimants the ability to react with the necessary speed to respond to the dynamism required by pirate platforms"*.



Noemi Brito
Director
KPMG in Spain
T: +34 91 4563400
E: noemibrito@kpmg.es



Eric Romero
Senior Manager
KPMG in Spain
T: +34 93 253-2900
E: ericromero@kpmg.es

The "birth" of the European Unified Patent Court



On 22 February 2022, the Unified Patent Court's Administrative Committee held its inaugural meeting at the seat of the Court of Appeal and the Registry in Luxembourg.

The inaugural meeting took place after the Protocol on Provisional Application of the Unified Patent Court Agreement entered into force on 19 January 2022, which gave birth to the Unified Patent Court as an international organisation. In the coming weeks and months, the Administrative Committee will appoint the judges and adopt the necessary legal texts.

During its inaugural meeting, the Administrative Committee already adopted rules and regulations such as

- the Administrative Committee's Rules of Procedure,
- the Unified Patent Court's Service and Staff Regulations, and
- the Unified Patent Court's Financial Regulations.

The Administrative Committee also appointed the members of the Advisory Committee who will interview the candidate judges for the Unified Patent Court.

Furthermore, a number of Member States officially confirmed the intention to set up a local or regional division of the Unified Patent Court, in particular Austria, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Portugal, Slovenia and Sweden.

Once the system of the Unified Patent Court is operational, Germany will deposit its ratification certificate in order to launch the countdown for the Unified Patent Court (UPC) as a court system. Three months later, the Agreement on a Unified Patent Court (UPCA) will enter into force, which will probably be at the beginning of 2023. The Unitary Patent system will create one single patent for all participating EU Member States, the Unitary Patent (UP).



Dr. Anna-Kristine Wipper
Partner
KPMG Law Rechtsanwaltsgesellschaft mbH
T: +49 30 53019-9731
E: awipper@kpmg-law.com



Dr. Thomas Beyer
Senior Manager
KPMG Law Rechtsanwaltsgesellschaft mbH
T: +49 30 530199-822
E: thomasbeyer@kpmg-law.com

The Court of Justice rulings on copyright and related rights

Case C 597/19 – communication to the public (BitTorrent), IP addresses monitoring

The case in question arose as a dispute between two companies. The plaintiff is a company that is a holder of certain rights over many pornographic films produced in the United States and Canada. The plaintiff sued a Belgian company (the defendant) that was a provider of internet access services because its certain clients had allegedly made available films from the plaintiff's catalog by using the BitTorrent protocol. Followingly, the plaintiff contracted a specialized company which collected several thousand IP addresses of such clients. At the same time, the plaintiff requested the defendant to provide information necessary to identify those defendant's clients. Not surprisingly, the defendant refused.

The Companies Court in Antwerp decided to refer preliminary questions to the Court of Justice as to:

- whether the downloading of a file via a peer-to-peer network and the simultaneous uploading of separately unusable fragments of a file can be

regarded as a communication to the public within the meaning of Article 3(1) of Directive 2001/29;

- whether a person who is the contractual holder of certain Intellectual Property rights but does not use such rights and merely claims damages from alleged infringers (i.e. whose business model is based on the existence of piracy and resembles the definition of a "copyright troll") enjoys the same rights as those conferred by Chapter II of Directive 2004/48;
- whether the above registration and general further processing of the IP-addresses is legitimate.

Firstly, the Court of Justice stated that it is not relevant whether the transferred fragments of a media file containing a protected work are unusable in themselves. Those fragments are not parts of works but they are parts of the files containing those works in a digital form. The fragments are only used for transmitting those files via BitTorrent protocol. Therefore, what is made available to the public is the file containing a work itself (the work in a digital form).





In addition, the Court of Justice ruled that a work is made available to public in such a way that the persons comprising that public may access it, from wherever and whenever they individually choose. It is irrelevant whether they avail themselves of that opportunity. It is also irrelevant that the upload is automatically generated by BitTorrent software due to the configuration settings. The user is informed of such settings and characteristics and gives his or her consent to it by subscribing to the service.

Regarding the second question, the Court of Justice stated that a mere holder of the copyrights as described above who merely claims damages from alleged infringers, may benefit, in principle, from the measures, procedures and remedies provided for in Chapter II of Directive 2004/48/EC. This applies unless it is established that his or her request is abusive.

Finally, to the third question, the court ruled that in principle it is precluded, neither the systematic recording of peer-to-peer networks users whose internet connections have allegedly been used in infringing activities, nor the communication of their names and the postal addresses to the right holder or to a third party. The right holder or the third party on his or her behalf can perform such actions only to be able to bring a claim for damages before a civil court for prejudice allegedly caused by those users. However, the above actions must be:

- justified;
- proportionate and not abusive; and
- have their legal basis in a national legislative measure within the meaning of Article 15(1) of Directive 2002/58, which limits the scope of the rules laid down in Articles 5 and 6 of that Directive.

It is without any doubt that this ruling will be very well received by all authors and copyright holders as it represents yet another significant ruling in the field of combating the pirate content sharing. On the other hand, the course adopted by the Court of Justice while answering the third question will stir the discussions concerning controversial topics of internet users monitoring. It cannot be ruled out that this decision could eventually lead to an increasing surveillance of internet users which goes hand in hand with diminishing their freedom.

The Court of Justice rulings on copyright and related rights

Case C 433/20 – cloud storage services and private use exception

The case in question arose as a dispute between a copyright collecting society and a provider of cloud storage services.

The copyright collecting society applied to the Commercial Court in Vienna for an order to allow it to invoice for, and take payment of remuneration which the copyright collecting society believed should have been paid based on copyright exception for reproduction on “any medium” for private use. The copyright collecting society referred to ‘storage media of any kind’ on the ground that the provider of cloud storage services provided its business and private customers with cloud computing storage service, a service known as ‘HiDrive’.

The provider of cloud storage services contested the application on the ground that no remuneration was due in respect of cloud computing services. The provider stated that it had already paid the required copyright fee in Germany, the Member State in which its servers are hosted, the fee having been incorporated in the price of the servers by their manufacturer or importer. It added that users in Austria had also already paid a levy for the making of private copies on the terminal equipment necessary to upload content to the cloud.

The Higher Regional Court in Vienna decided to refer preliminary questions to the Court of Justice as to whether the expression “on any medium” in Article 5(2)(b) of Directive 2001/29/EC can be interpreted as meaning that it also includes servers owned by third parties which make available to natural persons (customers) for private use storage space on those servers which those customers use for reproduction by storage. In other words, whether cloud computing services fall under the private reproduction exception under Article 5(2)(b) of Directive 2001/29/EC.

The Court of Justice stated that the expression ‘reproductions on any medium’ covers the saving of copies of works protected by copyright on a server in which storage space is made available to a user by the provider of a cloud computing service. In this respect, the Court of Justice also added that it is irrelevant whether the servers used for providing cloud computing services belong to a third person.

The main objective of the Directive 2001/29/EC is to ensure that the technological progress does not overcome the copyright protection or makes it obsolete. Excluding the cloud services from the exceptions and limitations regulation would not be in line with such an objective.





With respect to the fair compensation (remuneration), the Court of Justice underlined that the person liable for paying a fair compensation to the copyright holders should be a person carrying out private copying. In practice, however, it is difficult to identify such a private user as well as a level of harm and to oblige him or her to pay the compensation to the rightsholders.

It is therefore up to the Member States to establish a private copying levy for the purposes of financing fair compensation chargeable not to the private persons concerned, but to those who have digital reproduction equipment, devices, and media and who make that equipment available to private users or provide copying services for them. Ultimately, the burden of the levy will be (economically) borne by the private user to whom it will be transferred by the stakeholders mainly in the manufacturing and distribution chain.

The Court of Justice concluded that according to the current state of the EU law it is up to the Member State to set out the elements of obligation to pay the fair compensation within the Directive 2001/29/EC. Therefore, the Directive 2001/29/EC does not preclude national legislation which does not impose on cloud computing data storage service providers the obligation to pay a fair compensation. Such legislation must, however, provide for the payment of the fair compensation in another way.

The above conclusions could be deemed a positive testament of the fact that the interpretation of law reflects the technological progress. Given the technical nature of the cloud storage services it seems reasonable that the Court of Justice ruled that the above exception also covers the reproduction in the cloud data storage.



Martin Čapek
Associate
KPMG Legal s.r.o., advokátní kancelář
T: +420 22 212-3967
E: mcapek@kpmg.cz



Anna Kretková
Junior Lawyer
KPMG Legal s.r.o., advokátní kancelář
T: +420 222 123 713
E: akretkova@kpmg.cz

TM registration of packaging: obligation to register reaffirmed BE

On 14 March 2022, the Court of Appeal of Ghent ruled on a case concerning allegedly confusing and parasitic copy of packaging. In this case, the Court confirmed the principle of the obligation to register pursuant to art. 2.19 BCIP and stated that the claimants could not seek trademark protection for a sign which they did not register as a trademark, ruling the claim inadmissible.

The facts underlying the case were as follows: A French manufacturer of a nasal spray containing seawater - together with the distributor of the product - brought an action against a Belgian cooperative wholesaler and its supplier. This Belgian wholesaler launched a nasal spray in 2019 which also contained seawater. In its claim, the French manufacturer argued that the packaging of the nasal spray of the Belgian wholesaler is misleading and a parasitic copy of the packaging of the nasal spray of the French manufacturer. They argued, inter alia, that the packaging of the nasal spray of the Belgian wholesaler is visually very similar to that of the French manufacturer.

In its defense, the Belgian wholesaler argued that the claims of the French manufacturer and its distributor were inadmissible based on Article 2.19¹ of the Benelux Convention on Intellectual Property (BCIP). Namely, the French manufacturer and its distributor were de facto seeking trademark protection for a sign (in this case the packaging of the nasal spray of the French manufacturer) without having a registered trademark for the design of their packaging, although the sign was perfectly eligible for trademark registration pursuant to art. 2.1. BCIP.

The judge at first instance (Commercial Court of Ghent) ruled in favor of the Belgian wholesaler and declared the claim inadmissible on the abovementioned grounds. The Court of Appeal of Ghent agreed with that judgment and stated that the packaging was eligible for registration as a trademark, so that the French manufacturer and its distributor were essentially claiming trademark protection for a sign that had not been registered, regardless of how they qualified their claim.

Purely for the sake of completeness the Court also addressed the arguments of the French manufacturer and its distributor regarding the (alleged) infringements of market practices. According to the Court there was no likelihood of confusion or misleading because the dominant and distinguishing elements of the packaging of both parties were either different (word elements) or insufficiently distinctive (image of the sea wave and the color blue).

Conclusion

This ruling by the Court of appeal of Ghent reaffirms the importance of registering signs, such as packaging, that are eligible for protection as a trademark in case you want to protect it against copying by competitors.

¹ Art. 2.19, 1 BCIP (available at <https://wipo.lex.wipo.int/en/text/578525>: "With the exception of the holder of a trademark which is well known within the meaning of Article 6bis of the Paris Convention, and regardless of the nature of the action brought, no one may claim in court protection for a sign deemed to be a trademark as defined in Article 2.1, unless that claimant can provide evidence of registration of the trademark which it has filed."



Frank Cleeren
Partner
KPMG Law in Belgium
T: +32 (0)11 28-7977
E: fcleeren@kpmglaw.be



Tim Fransen
Senior Counsel
KPMG law in Belgium
T: +32 (0)3 821-1809
E: timfransen@kpmglaw.be



Laura Vanuytrecht
Senior Associate
KPMG law in Belgium
T: +32 (0)1128-7961
E: lvanuytrecht@kpmglaw.be

7 PATAGONIA protected as Geographical Indication

AR



The Argentine Institute of Viticulture clarified its scope

On February 1, 2022, the Argentine Institute of Viticulture (“AIV”), through Resolution No. 01/2022 (the “Resolution”), clarified that the Geographical Indication (“GI”) “Patagonia” complies with and is within the terms set forth in Section 4 of Law No. 25,163 on Wines and Spirits (the “Law”), meaning that it identifies a product which originates from a region, locality, or a delimited production area of the Argentine territory, in this case, the Patagonia region, justified by the fact that the quality and characteristics of the same can only be attributable to its geographical origin.

The novel of the Resolution is that the AIV modified the position it had adopted in the Resolution No. C 37 of December 24, 2002, where it declared that, as long as the registration of the trademark “Patagonia” was standing, said term could not be used as a GI. Therefore, the GI could be only identified as “Patagonia Argentina”.

However, on September 9th, 2014, the Federal Court of General Roca declared the nullity of the registration of the trademark Patagonia, and due to this decision, the aforementioned registration was cancelled.

Consequently, the AIV declared that the Patagonia GI has been recognized within the scope of Section 4 of the Law, that it has been protected since 2002, and that it can be referred to whether as “GI Patagonia” or “IG Patagonia Argentina”.



Juan Martín Jovanovich
Partner
KPMG in Argentina
T: +541143165805
E: mjovanovich@kpmg.com.ar



María Ximena Pérez Dirrocco
Senior Manager
KPMG in Argentina
T: +541143165915
E: mperezdirrocco@kpmg.com.ar



Facundo Godino Louton
Senior Consultant
KPMG in Argentina
T: +541143165700
E: fgodinolouton@kpmg.com.ar

On 04 April 2022, Law no. 8/1996 on copyright and related rights ("**Law no. 8/1996**") was amended by law no. 69/2022 ("**Law no. 69/2022**"), which ensures the transposition into national legislation of the provisions of Directive 789/2019 on the exercise of copyright and related rights applicable to certain online transmissions by broadcasting organisations and retransmissions of television and radio programmes and of Directive 790/2019 on copyright and related rights in the Digital Single Market.

The transposing procedure was initiated in late 2021 and the process was of significant importance, as it regarded the transposing of directives that have aroused the dissatisfaction of large online platforms, which now have an increased liability for the content that their users publish, from the point of view of copyright. During Parliamentary Procedure several amendments were proposed to the initial form of the draft law, many of them being taken over in the final form of Law no. 69/2022.

Law no. 69/2022 introduces into the content of Law no. 8/1996 a series of definitions of new terms and expressions, explaining their meaning and the context in which they are to be used. By way of example, it is proposed that the term "cable retransmission" will be redefined as the "*simultaneous, unaltered and complete retransmission, by cable or by a broadcasting system through ultrashort waves, aimed at ensuring that the public receives an initial broadcast from another Member State, by wired or wireless means, including satellite, of television or radio programs intended for public reception, regardless of how the operator of a cable retransmission service obtains the signals carrying the program from the broadcaster for the purpose of retransmission*". The aim is that all existing technical means of broadcasting will be covered by the new law.

Law no. 69/2022 also introduces provisions concerning the application and use of the notion of "*country of origin*", including a number of aspects related to remuneration, the exercise of copyright and related rights, contracts, and other aspects that depend on the principle of the "*country of origin*".

Law no. 69/2022 brings a series of amendments to the text of Law no. 8/1996 by introducing new articles aimed at regulating exceptions to the reproduction right. These are aimed at reproductions and extractions carried out by research organizations and cultural heritage conservation institutions, in order to extract text and data for the purposes of scientific research and cultural heritage conservation.



Moreover, according to the provisions of Law no. 69/2022, the digital use of works and other protected objects, including in the online environment and cross-border, is to be exempted from the reproduction right, the right of public communication and the right to make available to the public, for the sole purpose of didactic illustration.

In order to ensure the protection of the rights of authors or rights holders, Law no. 69/2022 also includes a series of conditions concerning the way reproductions should be kept, as well as concerning the way the protected works may be used.

Law no. 69/2022 also includes a number of matters related to the information to which the authors and performers are entitled with respect to those to whom they have granted a license or to whom they have transferred the exploitation rights. Thus, the provisions introduced aim at ensuring a high level of transparency in the field, as well as better protection of the rights of authors and performers.

It is also proposed to introduce a series of new rules on the remuneration of authors and performers in the absence of collective labor agreements. Law no. 69/2022 also states that in the case of conflicts or disputes related to these matters, the parties involved may use mediation, in order to resolve the dispute more quickly.

In order to ensure adequate and efficient protection of the rights of the author or performer, Law no. 69/2022 introduces a mechanism for revoking the licenses granted, in the case of non-exploitation of the work. Law no. 69/2022 also sets out measures to ensure the effective application of this mechanism, as well as the conditions under which it can be triggered. (However, Law no. 69/2022 clarifies that the authors of a computer program cannot benefit from the revocation mechanism).

Law no. 69/2022 introduces new articles to the text of Law no. 8/1996 covering aspects concerning the providers of online content sharing services, as well as the activity carried out by them. Law no. 69/2022 introduces the requirement for these providers to have an authorization from authors, performers, producers of phonograms and videograms, as well as from broadcasting and television organizations, to be able to communicate publicly or make works or other protected objects available to the public. The liability of providers of online content sharing services if they commit unauthorized acts of public communication is expressly stated, including for cases in which they make available to the public works protected by copyright or other

protected objects. Law no. 69/2022 also includes provisions on the right of holders to stop access to the work, as well as provisions on disputes related to access to the work.

Moreover, Law no. 69/2022 introduces changes which update the provisions on the right of public communication of musical works. The proposed amendments include aspects related to the licensing mechanism for the right of public communication of musical works, and Law no. 69/2022 establishes a series of conditions under which a license can be granted.

The new legislation aims to support the public interest mission of cultural heritage conservation institutions by including provisions which allow a collective management body, which represents rights holders, to conclude a non-exclusive license for non-commercial purposes, with such an institution, for the purpose of reproduction, distribution, public communication or for making available to the public works or other protected objects outside the commercial circuit that are present in the permanent collection of the institution. In order to protect the rights holders, their right to exclude their works or other protected objects from the licensing mechanism is provided for, either in general or in specific cases, including after the conclusion of a license or after the use of the work in question.



Flavius Florea
Senior Managing Associate, KPMG Legal
KPMG Legal acts in Romania through
Toncescu si Asociatii
T: +40 372 37-7800
E: fflorea@kpmg.com



Cătălina Pîrvu
Senior Associate, KPMG Legal
KPMG Legal acts in Romania through
Toncescu si Asociatii
T: +40 372 37-7800
E: catalinafinaru@kpmg.com

New Decree amending and supplementing administrative sanctions against IP infringement

In December 2021, Vietnam's Ministry of Science and Technology (MOST) issued Decree No 126/2021/ND-CP ("Decree 126") amending several instruments of Decree No 99/2013/ND-CP of the government dated 29 August 2013 ("Decree 99"), which is the key instrument on the sanctioning of administrative violations in industrial property. The amendments from the Decree 126 will also be in line with the Amended Law on Handling Administrative Violations (taking effect since January 2022). Accordingly, Decree 126 took effect from 1 January 2022. Below are some key takeaways of the amendments/supplementations from the Decree 126:

- Supplement a new sub-article specifying some organizations that are subject to administrative sanction, especially the listing of IP Agencies and IP examiners.¹ Such amendment will create more legal basis for detecting and applying sanctions to a wider range of infringers even if his/her infringement is conducted during the course of serving at IP-related organizations under competent state agency.
- Increase the monetary penalty levels for violations of provisions on management of industrial property activities.²
- Reconcile and consolidate legal instruments for enforcement authority in dealing with the infringement and the act of interpreting and applying additional sanction and remedies.

Before the issuance of Decree 126, the MOST published a draft version aiming to amend the supplement Decree 99 for public consultation. The draft decree has been expected to propose some amendments that is in line with CPTPP and EVFTA's requirements. Comparing to the content of Decree 126, the draft decree has provided some legal instruments which will grant a wider scope of protection for the right holders and address certain critical shortcomings arising from the implementation of the Decree 99. The remaining legislative issues that have not been addressed in the Decree 126 are:

- Supplementing sanction against the act of exporting IP infringing goods
- Supplementing limitation periods of sanctioning against numerous infringements
- The responsibilities from the enforcement authorities in terms of recognizing the settlement or request to settle the dispute in case the parties in IP-related disputes have reached their settlements.

From the above analysis, we can see that the issuance of Decree 126 has missed some important and groundbreaking legal instruments in terms of handling administrative action, which remains to be the prevailing enforcement action against IP infringements, comparing to other routes like private settlement or litigation. However, a big change will take time as well as constant effort and the change of IP enforcement mechanism in Vietnam will not be an exception. The small change from Decree 126, on the other hand, will mark a cornerstone for a big change in the short term.

¹ Decree 126, Art 1.2

² Decree 126, from Art 1.6 to Art 1.8



New Decree amending and supplementing instruments on sanctioning of administrative violations against the act of producing and trading of counterfeits and banned goods

On 31 January 2022, the Government has issued Decree No. 17/2022/ND-CP ("Decree 17") amending and supplementing legal instruments on sanctioning violations in a wide range of different areas. The act of producing and trading counterfeits and banned goods and consumer protection, as a part of IP legal frameworks, also fall within the scope of the Decree 17. Below are some key takeaways of the amendments/supplementations from the Decree 17:

- Strengthen the enforcement jurisdiction of enforcement agencies under Customs by adding the presence of Criminal Investigation Squad as an agency handling sanction against violations under Customs' authority;³
- Explicitly specify a new way to determine illegal interest of the infringer gaining from the violation in case such interest is a form of banned goods or counterfeits or smuggled goods, by no longer mentioning the time condition while implementing the determination of illegal interest, namely "before the date of the issuance of the sanction decision by

the competent authorities." Accordingly, the illegal interest in such circumstance will be determined as the total amount of money received by the organization or individual while exchanging the goods whether such exchange is completed before or after the issuance of the sanction decision by the competent authorities.⁴ This amendment, even if it is minor, will be expected to address some shortcomings for the authorities while proceeding with their enforcement actions and eventually contribute to the more efficient enforcement mechanism in general.

³ Decree 17, Art 1.23

⁴ Ibid, Art 1.3



Nguyen Thi Nhat Nguyet
Director, IP Attorney, Certified IP Agent
KPMG Law in Vietnam and Cambodia
T: +84 (28) 3821-9266
E: nguyetnnguyen@kpmg.com.vn



European Justice upholds Spanish company's right over its registered wine trademark

The General Court of the European Union (Case T-366/20) upholds European Union Intellectual Property Office's ("EUIPO") decision to confirm a Spanish company's right over its registered wine trademark.

The Spanish company opposed the EUIPO's registration of a Canadian wine company's trademark in 2018 on the basis that the figurative sign, a brush painted circle, was already registered in their favor for alcoholic beverages in 2014.

The EUIPO in 2020 overrode its original resolution which dismissed the opposition, considered that there was a risk of confusion and denied the registration of the trademark which the Canadian company demanded. They considered the designated products of both companies to be identical and directed to the general public, while also considering the figurative signs to be exactly the same from the conceptual point of view, at least for most of the targeted public. The EUIPO

considered there was a risk that both trademarks could be associated by consumers due to their similarity.

Before the General Court of the European Union, the Canadian company sought to annul the EUIPO's decision, claiming that consumer knowledge of the wine sector in Spain did not pose a confusion risk. The Court dismissed the appeal on the grounds that wine is directed to the average consumer which pays an average level of attention.

The Court upheld the EUIPO's decision in full. It confirmed that the designated products of both trademarks were the same and considered that the similarities in the figurative sign could lead the average consumer to believe the Canadian's trademark registration was just a color version of the Spanish trademark and that this could lead to confusion.

By Noemí Brito and Eric Romero, KPMG in Spain



The General Court of the European Union rules on the registration of the figurative sign "ANDORRA"

The General Court of European Union (the "Court") stated that the "figurative sign <<ANDORRA>> cannot be registered as an EU trademark" as "the mark is descriptive and the relevant public is likely to perceive it as an indication of the origin of the goods and services".

In 2017, the Government of the Principality of Andorra filed with the European Union Intellectual Property Office ("EUIPO") an application for registration of the figurative sign "ANDORRA" as an EU trademark relating to a broad range of goods and services: photography, tobacco, financial affairs, monetary affairs, real estate affairs, travel services, education, training, entertainment, sporting and cultural activities, electronic publishing services, publication of books, publication of texts, other than publicity texts, online electronic publishing of books and periodicals, providing online electronic publications, not downloadable, and beauty care.

The application for registration was rejected by EUIPO in 2018 and in 2019 the rejection decision was confirmed by a decision of EUIPO. EUIPO considered that the sign would be perceived as designating the geographical origin of the goods and services for which the sign was filed for registration as trademark, or as the place where those services would be provided. Moreover, EUIPO considered that the sign "ANDORRA" was devoid of any distinctive character, since it only informs consumers of that geographical origin, and not of the specific commercial origin of the goods and services covered.

The Government of the Principality of Andorra brought an action against the EUIPO decision before the Court.

The Government of the Principality of Andorra claimed that Andorra is not known as a country that produces the goods or provides the services for which the sign was filed for registration as trademark. In this regard, the Government of the Principality of Andorra pointed out that there is no actual or potential relationship between the goods and services in question and the trademark applied for which would allow the term "Andorra" to be regarded as indicating a geographical origin.

Within the Judgment in Case T-806/19, the Court established that the Government of the Principality of

Andorra didn't succeed in challenging EUIPO's assessment of the descriptive character of the sign applied for registration as trademark in relation to the goods and services in question and that EUIPO was correct to consider that the sign could not, therefore, be registered as an EU trademark. The Court emphasized that the descriptive character is an absolute ground for refusal which justifies a refusal to register the sign as an EU trademark.

By Flavius Florea and Cătălina Pîrvu, KPMG Legal acts in Romania through Toncescu și Asociații



Amendment to regulation regarding the administration of Internet domains in Argentina

The Legal and Technical Secretariat amended current regulations

On January 6, 2022, through Resolution No. 02/2022, the Legal and Technical Secretariat amended the Regulations for the Administration of Internet Domains in Argentina (the "Resolution").

The Resolution -among other topics- aims to unify the policy on the minimum and maximum number of characters that can compose the domain names to be registered in all the zones administered by the Argentine Department of the Internet Domain Registry ("NIC Argentina").

Consequently, as from the entry into force of the Resolution, domains from 1 to 50 characters may be registered in the zone called ".ar".

Furthermore, it was decided that, prior to granting the ownership of a domain name of 1 to 3 characters in the zone called ".ar", NIC Argentina will evaluate the feasibility of the applications, in order to avoid the registration of domain names that are offensive, discriminatory, contrary to the law, or that could lead to confusion, deception or identity theft.

By Juan Martín Jovanovich, María Ximena Pérez Dirrocco and Facundo Godino Louton, KPMG in Argentina

Lack of distinctiveness for fashion slogan

The German Federal Patent Court (BPatG) recently ruled that a slogan, that is translated as a promotional inviting slogan, lacks distinctiveness. The appellant applied to register the trademark "MAKE MONDAY SUNDAY" for clothing in class 25. The German Patent and Trademark Office (GPTO) rejected the application. The appellant filed an appeal against this with the BPatG.

Even though the evaluation of the distinctive character of slogans is not subject to stricter standards than those applied to other word signs, the BPatG ruled that the relevant market will recognise the slogan only as a promotional factual statement and not as an indication of the origin of a particular company. This also applies in consideration of all probable types of use, for example also when the slogan is applied to the label of an article of clothing. Even when applied to the label, the advertising character of the slogan applied for is predominant in such a way that it will always be

understood by the relevant public only as an advertising statement and not as a means of distinguishing.

By Marie-Valentine Goffin, KPMG Law Rechtsanwalts-gesellschaft mbH





home.kpmg

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. Legal services may not be offered to SEC registrant audit clients or where otherwise prohibited by law.

© 2022 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

KPMG refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit home.kpmg/governance.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

