



## TABS™ Update Technology And Brands

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### **Getty Images – infringement case settled!**

Earlier this year, TABS Update reported on an action instituted by Getty Images ("Getty") in England following the unauthorised use of one of its images by a removal firm on its website.

Getty uses a tracking system to detect the unauthorised use of its images. It is through this process that they discovered that the removal firm, JA Coles of Manchester and London used an image on its website which had been taken by the Canadian photographer, Larry Williams (with whom Getty had a contract to market the image) without Getty's consent. Getty wrote to JA Coles requesting payment for use of the image. The image was removed from the website but no response or payment was received. Legal proceedings were instituted in the High Court for copyright infringement. The case has now been settled. JA Coles has admitted copyright infringement and agreed to pay damages of €1,953.31 (plus interest) together with Getty's legal costs.

This case is important because many companies are of the mistaken belief that images/materials found online are free to use. This is not the case. It is extremely important that companies ensure that they (or the parties they commission to create materials) obtain the appropriate authorisations for the use of third party content (including images).

The above action demonstrates Getty's commitment to protecting its intellectual property rights. The strategy is one that all companies should adopt in order to protect their business (and their valuable intellectual property rights). Companies should seek prompt legal advice when actual or threatened infringements come to their attention because failure to do so can have financial and commercial consequences for its overall operation.

### **What do employees own?**

Employers in Ireland should take note of the judgment delivered by the Federal Court of Australia which dealt with the issue of whether an employer is entitled to intellectual property rights in inventions created by its employees.

The University of Western Australia ("UWA") instituted proceedings against Dr Bruce Gray ("Gray") claiming ownership over patented technology created by Gray (and filed in the name of Sirtex Medical Limited) as they were (UWA claimed) created or developed by Gray during his employment by UWA. As there was no clear term in Gray's contract which provided for an assignment of the intellectual property rights in inventions developed in the course of his employment, UWA argued that it had the benefit as implied by law.

Under Australian law, there is no implied term that an employer is entitled to take an assignment of the patent of any invention which is developed during the course of an employee's employment. The term is only implied in employment contracts where the invention or discovery is made by the employee doing what they were engaged and instructed to do. In particular, an employer will only be able to make a claim over an invention if the employee is under an express or implied duty to "invent".

The court noted that Gray was not under a duty to invent and was free to publish the results of his research and any inventions that he made notwithstanding that such publication could destroy patentability. It found that a duty to research did not carry with it a duty to invent. While a duty to invent may be implied from a duty to research in a commercial context, the court believed that this is not necessarily the case in a university setting.

This case highlights the importance for employers to review their employment contracts to make sure that they contain comprehensive intellectual property clauses. Therefore, act now before it is too late.



## Breach of database rights by employees

A recent case in England demonstrates that sometimes legal action needs to be taken by companies not against their competitors but against their former employees!

First Conferences Services Limited and First Conferences Limited (“First Conferences”) instituted proceedings against Richard Bracchi and Inspire Conferences Limited trading as IE Group Limited (“Bracchi”) claiming, amongst others, infringement of its database rights and misappropriation of its confidential information.

First Conferences was in the business of organising conferences. Of its revenue, 90% came from conferences, with the remainder coming from other business information products such as reports and magazines. Bracchi worked for First Conferences between 2006 and 2008. Around 40% of the company’s income came from the EyeForPharma conferences. When Bracchi left his employment, he set up a competing business. First Conferences claimed that Bracchi had taken vital sales and contact information from its databases; that he had misappropriated confidential information; and that he organised conferences for September and October 2009 and passed these conferences off as having been conferences associated with First Conferences.

On the issue of passing off, the High Court noted that it was clear from the evidence that Bracchi set up conferences to rival the First Conferences in September and October 2009. It stated that he poached speakers from First Conferences before they could contact them. When approaching speakers, Bracchi suggested that the event he was organising was a continuation of First Conferences’ event. Based on the evidence, the court stated that “*it is difficult to see a more blatant example of the Defendants passing off their business as that of the Claimants*”.

In relation to misappropriation of confidential information, the court noted that the method used by Bracchi to get the information off First Conferences’ computer system involved him emailing his personal email account attaching the database extractions. Bracchi then uploaded the extractions from the database into a “vertical response” mailing account and performed mailshots. From First Conferences’ investigations, it appeared that a considerable amount of the database was received into Bracchi’s personal email account and then transferred on. The court rejected Bracchi’s explanations for the transfer of the material which included ensuring business continuity for First Conferences in the event of the server going down. The court was of the view that the purpose for the download was to transfer material which Bracchi thought might be useful to him after Bracchi’s employment terminated. The court accepted that Bracchi misappropriated the confidential information in order to “*generate a springboard*” to give Bracchi “*an unfair advantage*” over First Conferences.

In relation to their database, First Conferences claimed that their rights under Article 16 of the Copyright and Rights in Databases Regulations 1997 had been breached. The Copyright and Rights in Databases Regulations 1997 (SI 1997/3032) enacted the Database Directive in the UK (the Directive was enacted in Ireland by the Copyright and Related Rights Act 2000). The Directive gives legal protection to a database if there has been “*qualitatively and/or quantitatively a substantial investment in either the obtaining, verification or presentation of the contents*” of the database. The Directive protects against the “*extraction and/or re-utilisation of the whole or a substantial part...of the contents of that database*”. The court accepted that considerable expense and time had been spent by First Conferences in generating their database and that a large number of customer contacts, sales information and other material had been extracted by Bracchi. The court accepted that the database was created using substantial investment in obtaining, verifying or presenting its content and that the investment was of human or technical resources. It therefore concluded, based on the evidence, that Bracchi copied the First Conferences’ database which was in breach of Article 16.

With computerisation, it is becoming increasingly common for employees who wish to leave their employment to set up their own competing business to help themselves to their employer’s confidential information. Instead of creating the material themselves, they simply hijack the employer’s material. This thereby gives them a springboard for their business to be up and running almost immediately, at the expense of the former employer.

In the past, it was difficult for employees to help themselves to employer’s confidential information. However, the price paid for modern technology is that it is easier for such information now to be copied. This is why it is important that companies review their operations to ensure that their databases (and other intellectual property rights) are protected.



## IKEA's IP battle in Ireland

The importance of intellectual property rights was demonstrated recently when a local trader agreed (following the institution of High Court proceedings) to cease use of the name, IKEA.

John Haugh of Donnycarney Road, Dublin registered the business name, IKEA KITCHEN FITTERS on 22<sup>nd</sup> September 2009. Inter IKEA Systems B.V. t/a IKEA instituted proceedings against Mr Haugh in the High Court claiming trade mark infringement. The case was settled earlier this month when Mr Haugh advised the court that he would cease use of the name and would remove the business name from the Business Name Register. The High Court issued a permanent order preventing further infringement of IKEA's trade mark rights and ordered Mr Haugh to pay the costs.

The lesson for other companies is that they should ensure that their operations do not infringe the intellectual property rights of third parties, otherwise there may be significant legal consequences. If in doubt as to whether your operations infringe the intellectual property rights of a third party, seek immediate legal advice.

## And Finally....

Beauchamps are hosting a breakfast seminar organised by The Marketing Institute of Ireland entitled "*The Legal Do's and Don'ts of using Images*" on Tuesday 1<sup>st</sup> December 2009. The speakers will be Maureen Daly, Partner and Head of Beauchamps' Technology And Brands Unit and Mark O'Connell BL (former political correspondent with the Sunday Business Post). Maureen will examine the legal issues involved in using images such as trade marks, copyright, passing off and data protection and will provide some practical tips for advertisers. Mark will examine the legal developments in the law of privacy such as the Privacy Bill. For further details, see <http://www.mii.ie/en/cev/115>.

On 20<sup>th</sup> October 2009, Maureen Daly was a speaker on a diploma course organised by the Law Society of Ireland. The "*Diploma in Intellectual Property and Information Technology Law*" will run until 17<sup>th</sup> April 2010. It is in a modular format and provides a comprehensive overview of intellectual property and technology law and practice. For further details, see <https://www.lawsociety.ie/en/pages/Diplomas/Intellectual-Property--Information-Technology-Law-Diploma/>

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