



## TABS™ Update Technology And Brands

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### “Lego Brick” gets knocked down!

Companies interested in obtaining trade mark protection for functional shape marks should take note of the recent decision of the Court of First Instance (“CFI”) relating to Lego Juris A/S’ trade mark registration for a red three-dimensional brick (“the Trade Mark”).

Lego Juris A/S (“Lego”) manufactures the most instantly recognisable toy in the world. The Trade Mark was registered as a Community Trade Mark in 1999 by Kirkbi A/S, the predecessor in title to Lego. Immediately following its registration, the Trade Mark was challenged by Lego’s competitor Mega Brands, Inc. on the grounds that the registration was invalid as the mark consisted exclusively of the shape of goods which was necessary to obtain a technical result. As a trade mark registration gives exclusivity to the owner, functional shape marks are barred from being registered in order to allow them to be freely used by others.

The Cancellation Division of Office for Harmonisation in the Internal Market (“OHIM”) declared the registration invalid, finding that the Trade Mark consisted exclusively of the shape of goods which was necessary to obtain a technical result. This was appealed by Lego to the Grand Board of Appeal of OHIM (“the Board”) which also declared the registration invalid. Lego appealed that decision to the CFI.

The CFI confirmed that the Board had interpreted the particular European provision correctly. It also confirmed that the Board had examined the essential characteristics of the Trade Mark (such as the proportion of the studs on the top of the brick as well as its sides and overall shape) and had decided that they all had specific technical functions. The CFI stated that the view of the target consumer in relation to the essential characteristics of a shape was irrelevant as he/she *“may not have the technical knowledge to assess the essential characteristics of a shape”*.

It is evident from the decision that the CFI agreed with the Board’s approach that shape marks, the essential characteristics of which are functional, can not be registered regardless of whether there are other means of achieving the same technical result that would not infringe the registration if granted. The decision was also interesting as the CFI made reference to Lego’s prior patent registrations which (Lego admitted) described the functional elements of the Trade Mark.

The lesson for companies wishing to seek protection for functional shape marks is two fold. Firstly, they should take care about what is said in one application (such as in the case of Lego, their patents) as it may cause difficulties in a separate application (such as a trade mark or design application). Secondly, companies should examine other avenues to protect their products such as registered designs. Companies should seek immediate advice from their legal or IP advisors to ensure that their rights are adequately protected.

### Data protection review announced

Following recent high-profiled breaches of data protection legislation in Ireland and elsewhere, the Minister for Justice, Equality and Law Reform, Mr. Dermot Ahern, T.D. has launched a review to examine Irish data protection legislation. The review will be led by a group chaired by the former secretary general at the Department of Finance, Eddie Sullivan and will include the Irish Data Protection Commissioner, Billy Hawkes.

The objective of the review is to identify whether changes are required to Irish data protection legislation to deal with data breaches and consider whether mandatory reporting of breaches and penalties should be introduced. Furthermore, the group will review international and European approaches to this issue and provide an assessment of the regulatory and economic impacts of any possible changes to the law. The Minister has also asked the group to make interim recommendations if they consider that any matter can be dealt with expeditiously. Watch this space for further updates on the progress and outcome of the review.



## Finance (No.2) Bill 2008 published

Companies involved in research & development ("R&D") in Ireland should take note of the proposed amendments to the R&D tax credit scheme in the recently published Finance (No.2) Bill 2008 ("the Bill") which gives effect to the proposed Budget changes. When introducing the Bill to the Oireachtas (namely, the parliament), the Minister for Finance, Mr Brian Lenihan, T.D. reaffirmed the Government's commitment to ensuring that Ireland's international competitiveness is maintained and enhanced in the face of the current economic challenges.

In the Bill, emphasis was placed on supporting enterprises by enhancing the R&D tax credit scheme to improve its attractiveness to large and small companies and to support the development of a knowledge-based economy. This was done by increasing the rate of tax credit for expenditure undertaken by a company on qualifying R&D from 20% to 25%. This will apply to accounting periods commencing on or after 1<sup>st</sup> January 2009.

Further measures to be introduced include permitting companies to carry-back unused tax credits for set-off against corporation tax paid in the previous year and to allow for any remaining unused credit to be refunded in instalments over a 3 year period by way of a payable credit. In addition, the scheme is to be amended to allow for a proportion of the expenditure on new or refurbished buildings or structures used in part for R&D purposes to qualify for a tax credit *provided* that during the relevant period the proportion of use attributable to the R&D activities is not less than 35%.

As the above measures will help companies involved in R&D to expand their businesses, there is no time to lose - talk to your financial advisor today!

## 4th Annual Privacy & Data Protection Ireland 2009 Conference

Beauchamps Solicitors and other data protection specialists will participate in the 4th Annual Privacy & Data Protection Ireland 2009 Conference. This two day conference, organised by Transatlantic Events, will take place in the Law Society of Ireland, Blackhall Place, Dublin 7 on 18<sup>th</sup> and 19<sup>th</sup> February 2009. Maureen Daly, Head of Technology & Intellectual Property will speak on Day 2 of the conference, the theme of which is "*Data Protection: CRM, Privacy 2.0 & Social Networking*".

TABS Update readers can avail of an extended early bird discount until 1<sup>st</sup> December 2008. For further information on the conference, please visit <http://www.transatlantic-events.com/PDP2009IREreg.html>.

## And Finally....

Maureen Daly, Partner and Head of Technology & Intellectual Property was a legal contributor to two articles entitled "*Yes, you are a cyber criminal*" and "*New internet domain name lets your mouse do the walking*" that appeared in the "*Money & Markets*" Supplement of The Sunday Business Post newspaper on Sunday 16<sup>th</sup> November 2008.

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