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## COMMENTARY

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# COMMENTARY

*Alison Firth\**

I am delighted to be here and honored to follow such distinguished colleagues.

## I. EXERCISE, EXISTENCE AND EVAPORATION

Although the *Keurkoop* case<sup>1</sup> shows respect being afforded to national intellectual property rights by the European Court of Justice, *Magill*<sup>2</sup> and *Racal*<sup>3</sup> suggest that the European Court and the European Commission cannot always bring themselves to recognize rights and claims which are tenable in member states. In fact, Professor Valentine Korah suggests in her comments that the Court should have stated explicitly in *Magill* that there are limits to national intellectual property legislation.<sup>4</sup>

Second, Nicholas Green argues that abuse of intellectual property rights may lead to permanent loss of monopoly.<sup>5</sup>

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\* Queen Mary and Westfield College, Barrister. This commentary is adapted from an afternoon oral presentation given at the Institute of Advanced Legal Studies in London, England on November 1, 1993. Due to pressures of time and the dynamics of an interesting discussion, my comments on the day were brief and interspersed with those of others.

1. Case 144/81, *Keurkoop v. Nancy Kean Gifts*, 1982 E.C.R. 2853, 2 C.M.L.R. 47 (1983).

2. The following cases are discussed together and are collectively referred to as the *Magill* case. Case T-69/89, *Radio Telefis Eireann v. Commission*, 1991 E.C.R. II-485, 4 C.M.L.R. 586 (Ct. First Instance 1991); Case T-70/89, *British Broadcasting Corporation v. Commission*, 1991 E.C.R. II-535, 4 C.M.L.R. 669 (Ct. First Instance 1991); T-76/89, *Independent Television Publications Ltd. v. Commission*, 4 C.M.L.R. 745 (Ct. First Instance 1991). An appeal from the Court of First Instance is currently before the full European Court of Justice.

3. Commission Decision 89/113/EEC, 1988 O.J. (L43) 27.

4. See Valentine Korah, *Intellectual Property and Competition Law: Changing Views in the European Community and the United States of America*, 20 BROOK. J. INT'L L. 161 (1994).

5. Nicholas Green, *Intellectual Property and the Abuse of a Dominant Position*

However, temporary loss of the monopoly conferred by intellectual property rights is not unknown. Under section 44(3) of the United Kingdom Patents Act, for example, the existence of an impermissible tying agreement may render a patent unenforceable against any defendant.<sup>6</sup> We do not have a full-blown doctrine of patent abuse as seen in the United States.<sup>7</sup> However, representations made to the Patent Office may subsequently estop the patentee on questions of construction.<sup>8</sup> The grant of a patent to the wrong person may lead to revocation.<sup>9</sup> In 1988, the legislature of the United Kingdom introduced an intermediate consequence compulsory licensing in circumstances where monopolization or inappropriate use of intellectual property rights is found by the Monopolies and Mergers Commission to operate against the public interest.<sup>10</sup>

In relation to specific rights, I welcome the emerging appreciation of trademarks in European Community (EC) jurisprudence. The following passage from *CNL-Sucal v. Hag*<sup>11</sup> seems to me to show a recognition that trademarks perform a continuing function, beginning with first marking, through to consumer perception. As the Court has already stated in another case:

In relation to trade marks, the specific subject-matter is in particular the guarantee to the proprietor of the trade mark that he has the exclusive right to use that trade mark for the purpose of putting a product into circulation for the first time and [is] therefore his protection against competitors wishing to take advantage of the status and reputation of the mark by selling products illegally bearing that trade mark.

In order to establish in exceptional circumstances the precise scope of that exclusive right granted to the proprietor of the mark regard must be had to the essential function of the trade mark right, which is to guarantee the identity of

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*Under European Union Law: Existence, Exercise and the Evaporation of Rights*, 20 BROOK. J. INT'L L. 141 (1994).

6. Patents Act, 1977, § 72(1)(G) (Eng.), amended by the Copyright, Designs, and Patents Act, 1988 (Eng.).

7. This was referred to in a discussion by Charles F. Rule, a principal speaker at the symposium on April 15, 1994, in New York.

8. See, e.g., *Furr v. C.D. Truline Ltd.* F.S.R. 553 (U.K. Pat. Ct. 1985).

9. Patents Act, 1977, § 72(1)(G) (Eng.).

10. *Id.* at §§ 144 (copyright), 238 (design right), 270 (registered designs), 295 (Sched. 5, ¶ 14: patents).

11. Case C-10/89, 1990 E.C.R. 3711, 3 C.M.L.R. 571 (1990).

the origin of the trade-marked product to the consumer or ultimate user.<sup>12</sup>

## II. THE CHAIRMAN'S QUESTION

One of the co-chairmen, Professor Spencer Weber Waller, has asked the commentators and audience to address three questions: (1) Do you foresee or advocate European Community antitrust regulations leaning toward that of the United States; (2) or vice versa, do you foresee United States antitrust leaning toward that of the European Community; and (3) which of the two directions will antitrust regulations in developing countries take?

Patent and copyright regulations aside, the two regions share a common problem—the tension between antitrust regulations and the existence of rights rooted in individual states. In the United States, you have state jurisdiction relating to trademarks, unfair competition, and to designs and trade secrets. EC-wide intellectual property rights are a long time in coming, but are at least on the horizon.<sup>13</sup> Beyond that, the harmonization of national laws of unfair competition is likely to lag even further behind. However, I believe that we can each be guided by the experiences of the other in these areas of conflict. And both of these sets of experiences may serve as models of what should be avoided, as well as what should be emulated, by third-world nations.

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12. *Id.* at 3737-38 (quoting case 3/78, *Centrafarm BV v. American Home Products Corp.*, 1978 E.C.R. 1823, 1840, 1 C.M.L.R. 326 (1979)) (citation omitted).

13. There are proposed European Community patent, trademark and design regimes. See Community Patent Agreement, 1989 O.J. (L 401) 1; Community Trade Mark Regulation, 1994 O.J. (L 11) 1; [1994] 2 EIPR supplement; Proposal for a Regulation on the Community Redesign, 1994 O.J. (C 37) 20.

