

# Welcome

## In-House Counsel Masterclass - Recent Developments in IP and AI

We will begin shortly.....Please note this webinar will be recorded.

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The contents of this Webinar are to assist access to information and do not constitute legal or other advice. Specific advice should be sought in relation to specific cases.

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# In-House Counsel Masterclass - Recent Developments in IP and AI

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Hazel McDwyer, Partner, Intellectual Property Law, Mason Hayes & Curran LLP



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# Recent IP Case Law

Gerard Kelly, Head of Intellectual Property Law, Mason Hayes & Curran LLP



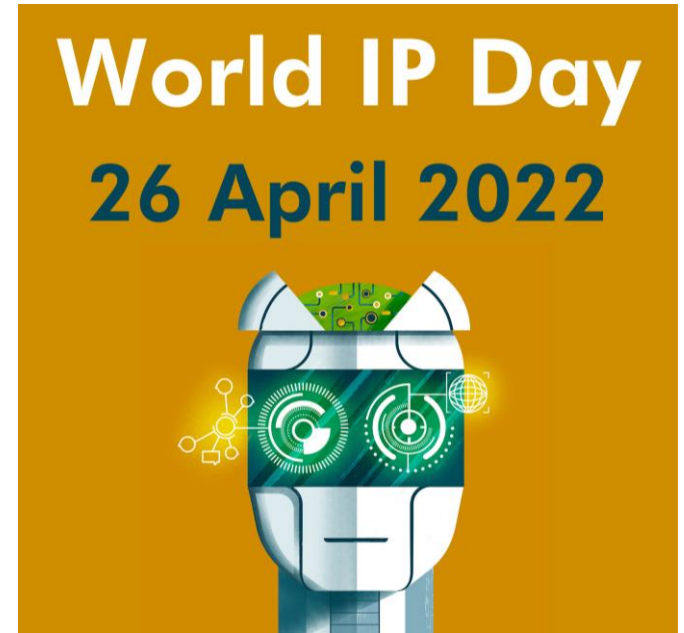
# Key Developments and Trends

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- Trade Marks.
- Copyright.
- Patents.



# Trade Marks



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# The Metaverse - Trade Marks





# Trade Marks

Hasbro Inc v EUIPO (Case T-663/19)

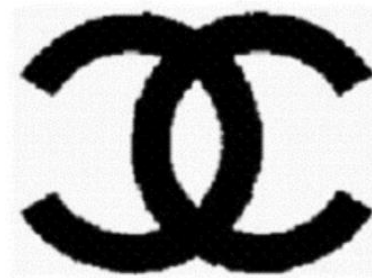
- Croatian board game seller sought to invalidate.
- EUTM for MONOPOLY partially invalidated.
- General Court found filing strategy designed to avoid proving genuine use.
- Bad faith.



# Trade Marks

Chanel v EUIPO Case T-44/20 EU General Court (April 2021)

- Chanel unsuccessful before General Court in preventing registration of Huawei Logo.
- Confirms that when assessing similarity of marks, only the protected version of those marks should be considered.





# Trade Marks

Halal Fresh Ltd v Hellofresh SE, UKIPO Court of Appeal (2021)

- Hello Fresh successfully opposed rival trademark “Halal Fresh”.
- Reputation of earlier mark.
- Likelihood of indirect confusion.
- Free-riding and taking advantage of earlier mark.



# Trade Marks

Oatly AB v Glebe Farm Foods Ltd [2021] EWHC 2189 (IPEC)

- OATLY! vs PUREOATY.
- No likelihood of confusion.
- OAT = descriptive.
- Remainder of the marks bore no similarity.
- TIP: Consider carefully the level of distinctiveness of your brand.



# Trade Marks

Liverpool Gin Distillery Limited v Sazerac Brands, LLC [2021] EWCA Civ 1207

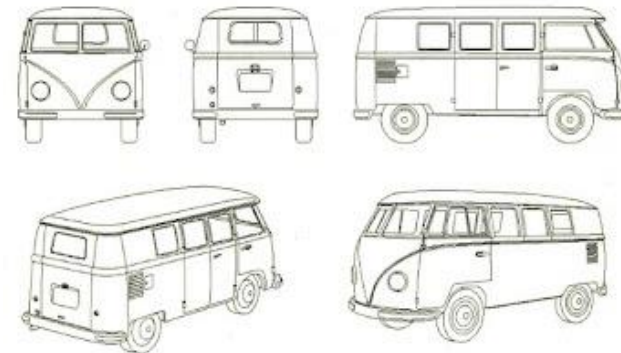
- EAGLE RARE vs AMERICAN EAGLE.
- No likelihood of confusion.
- But there was indirect infringement.
- Consumer believes the products come from same or economically linked businesses.
- Important to make sure no risk that your brand may be seen to be a brand extension of another brand even if no risk of confusion.



# Trade Marks

Volkswagen Aktiengesellschaft v. European Flipper, EUIPO Board of Appeal R 609/2021-2

- Demonstrates that it is possible to rely on 3D marks in an opposition context.
- Board of Appeal considered whether two 3d trademarks could block an application for a figurative mark containing similar representation of one of the perspectives.
- Likelihood of confusion.

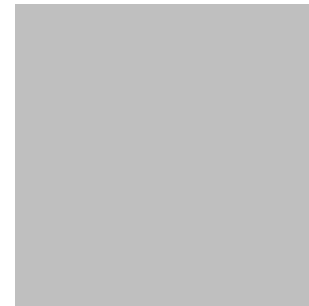
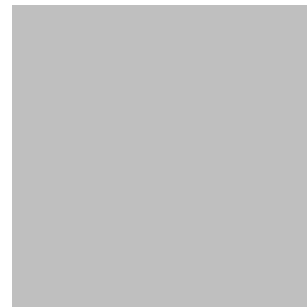
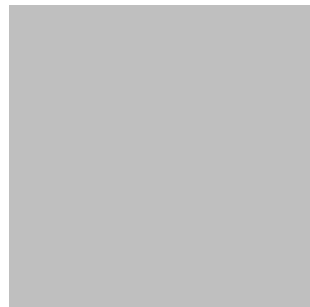
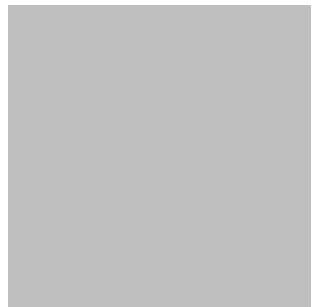


# Trade Marks

Yokohama Rubber v Pirelli Tyre and EUIPO v Pirelli Tyre (Joined cases C-818/18 P and C/6/19P0)

- EUIPO – mark declared invalid on grounds it consisted exclusively of the shape of the goods concerned necessary to obtain a technical result.
- GC – overturned the decision - “such a tyre tread is formed of multiple interlacing elements and is itself a part which, together with other parts, particularly sidewalls, constitutes the goods covered by the mark at issue.”
- CJEU said the GC was entitled to find that the mark did not represent the goods covered by it or a tire tread.





# Designs

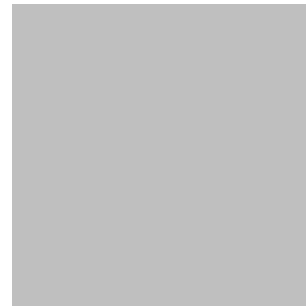
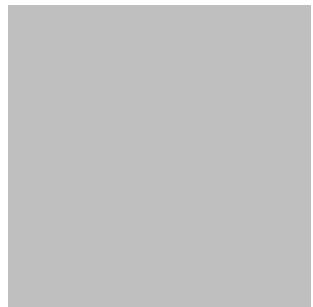
Ferrari SpA v Mansory Design Holding GmbH, WH. (Case C-123/20)

- CJEU ruled for the first time on when component parts of a product can be protected as unregistered Community designs (UCDs).
- Ferrari alleged that Mansory Design infringed its UCDs by marketing kits of components (i.e. visible body panels) to alter the appearance of another Ferrari car to make it look like an FXX K.





# Copyright



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# Copyright

Joined Cases C-682/18 (YouTube) and C-683/18 (Cyando)

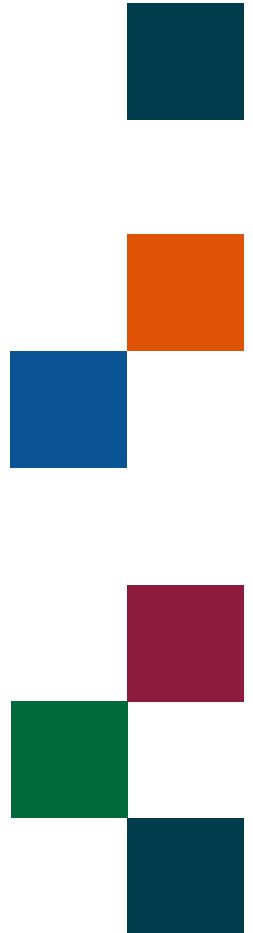
- YouTube not liable for uploading of copyright infringing content by users.
- Court had to decide based on law at the time.
- Decision does not take into account position under Article 17 of the Copyright directive.
- Still relevant for claims prior to implementation and those that do not meet criteria to be considered OCSSPs.



# Copyright

CDSM Directive Implementation

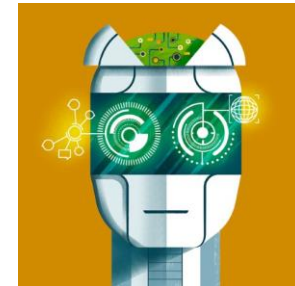
- Deadline for Implementation - 7 June 2021.
- Most MS missed deadline (including Ireland).
- Implemented on 19 November 2021.
- Irish Regulations include:
  - Copyright exemptions for Text and Data Mining.
  - Negotiation Mechanism for Audio-Visual Works on Video-on-Demand Platforms.
  - Implementation of the Press Publisher's Right.
  - Liability for OCSSPs.
  - Fair Remuneration.



# Copyright

C13-20 Top System SA v Belgium

- Decompilation of computer programs.
- CJEU held that the lawful purchaser of a computer program is entitled to decompile all or part of that program in order to correct errors affecting its operation.
- Includes where the correction consists of disabling a function which affects the proper operation of the application of which that program forms a part.
- Only to the extent necessary and in compliance, where appropriate, with the conditions laid down in the contract with the program's rightsholder.



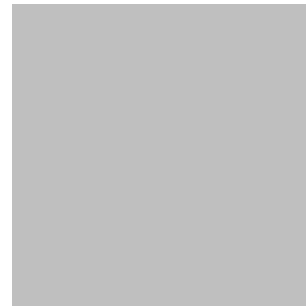
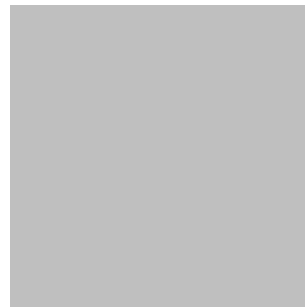
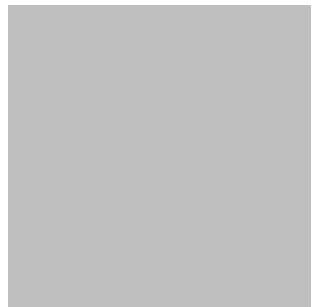
# Copyright

Tuneln Inc v. Warner Music Ltd [2021] EWCA Civ 441

- Access to 70,000 music stations from around the world via app.
- Warner & Sony claimed Tuneln had committed the restricted act of communication to the public where not licensed for reproduction in UK.
- Court took the view that the Court of Appeal should not depart from the CJEU's jurisprudence.



# Patents



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# Patents – Modular Trials

Novartis Pharma AG v Eli Lilly Nederland B.V., Eli Lilly Kinsale Limited, Eli Lilly and Co (Ireland) Limited and Eli Lilly and Company Limited  
High Court Record No. 2021/2527 P

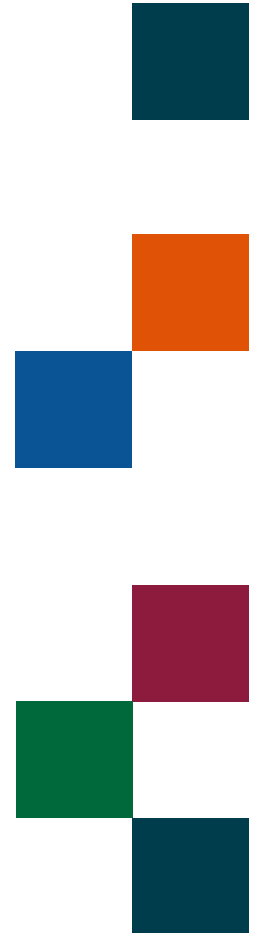
- Eli Lilly issued a motion to have the trial split.
- Two sets of proceedings – Revocation & Infringement action.
- Proposed split:
  - i. Module 1 – the Technical Patent Issues
  - ii. Module 2– the Competition Issues & Reliefs
- Novartis argued that bifurcation would hamper its ability to obtain injunctive relief.
- No similar factual matrix in Irish jurisprudence.
- Mr. Justice Twomey refused the application, agreeing that the prejudice to Novartis is significant.



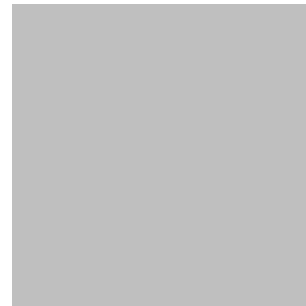
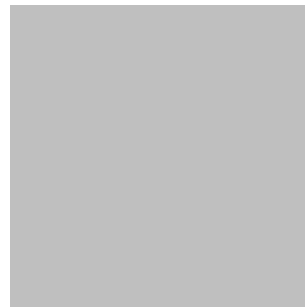
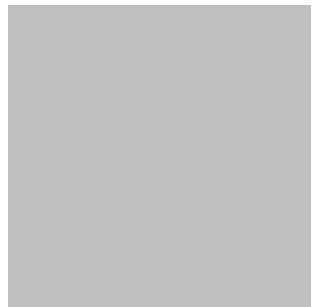
# Patents – Patentability

Reaux-Savonte v Comptroller [2021] EWHC 78 (Ch)

- UKIPO decision to reject application for an AI genome, said to be capable of facilitating autonomous robot reproduction.
- Rejected as simply a way of structuring and organising data.
- The effect described by the application was purely theoretical and did not have a physical effect on how the computer operated.



# AI & IP Protections



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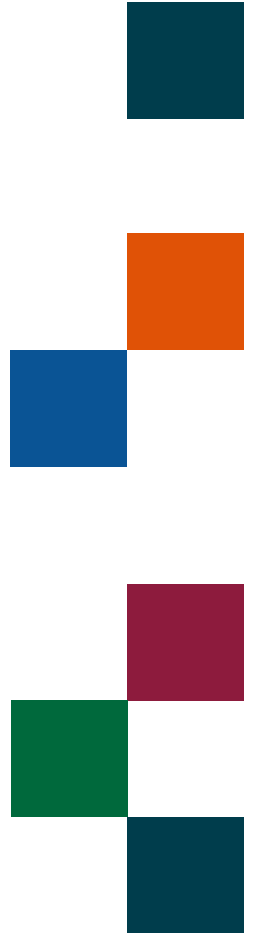
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# AI and IP Protections

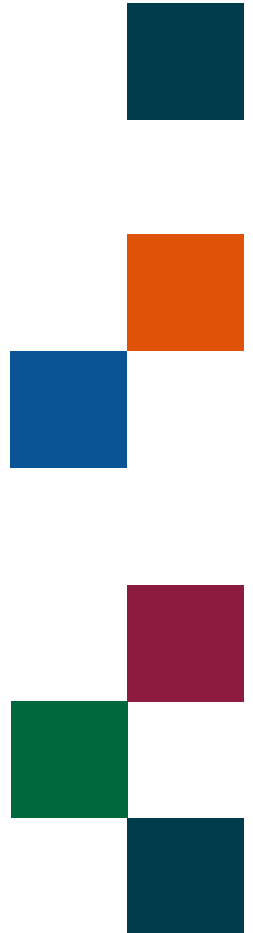
AI engines/ML/NN/DL

- Patents – new, non obvious and technical application.
- Copyright – software code, manuals, content.
- Trade Secrets – technical assets and those not protectable by patents.



# Patentability of AI Inventions

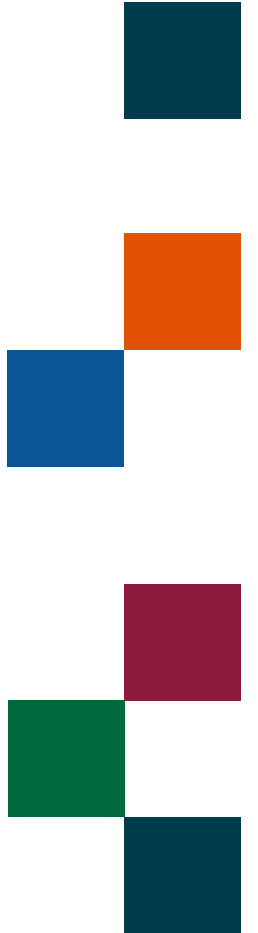
- Pure AI itself is not patentable – based on pure maths /software.
- If AI applied to industry fields and creates a technical (physical) effect it can be patented.
- Basic test - must produce further technical effect besides running on a computer – e.g. AI that transforms text to speech or a robotic vacuum cleaner – a physical effect.
- Not metaverse chess opponent or contract clause locator
- EPO Guidelines.
- Applications growing – 100 in 2010, 2000 in 2020
- Controversies? – could block follow-on innovation if granted too easily.



# Ownership of AI generated IP

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- Computer generated works recognised for quite some time:
- Copyright and Related Rights Act 2000:
  - “*computer generated*” means work generated by a computer where the author is not an individual
  - Owner of work is “*the person by whom the arrangements necessary for the creation of the work are undertaken*”
- AI created inventions and patents?
- Thaler Litigation



# AI and IP Protections

- Inputs = data = copyright & database rights
  - Vest in the creator automatically.
  - Need a licence to use them or another legal basis.
  - Cannot extract chunks without consent.
  - What are you allowed to do with the data (scope of licence).



# AI and IP Protections

Outputs - customer applications and bespoke platforms

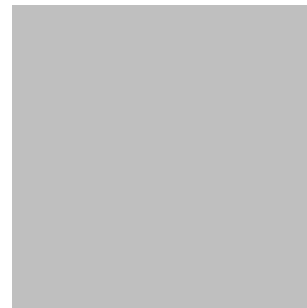
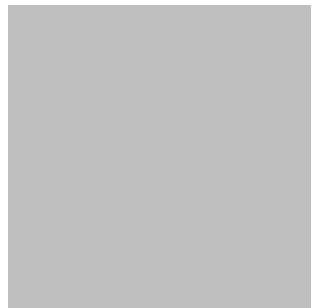
- Platform = software/APIs = copyright.
- Database = copyright and database rights.
- Exploit through contracts/licenses.
- Example TV format rights
- Protect by enforcing the rights you have – not always court!





# Branding in the Metaverse

Hazel McDwyer, Partner, Intellectual Property Law, Mason Hayes & Curran LLP



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# Branding in the Metaverse

What is the metaverse and why is it important for IP?

NFTs

Branding and trade mark protection

Licensing issues

Enforcement

# What is the metaverse?

- **Investopedia definition:**

*“a digital reality that combines aspects of social media, online gaming, augmented reality (AR), virtual reality (VR), and cryptocurrencies to allow users to interact virtually.”*

- **JP Morgan definition:**

*“a seamless convergence of our physical and digital lives, creating a unified, virtual community where we can work, play, relax, transact and socialize”.*



# So Why is it Important for IP?

## JP Morgan - Opportunities in the metaverse:

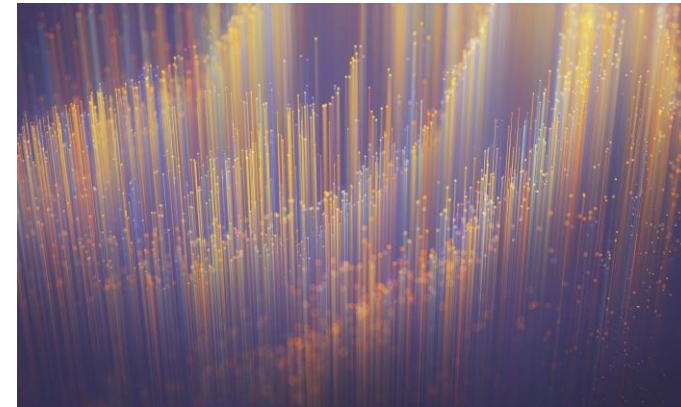
- *“The metaverse will likely infiltrate every sector in some way in the coming years, with the market opportunity estimated at over \$1 trillion in yearly revenues”*

Virtual events - Astronomical – Travis Scott in Fortnite

New frontier for branding and trade marks

# Non-fungible Tokens (NFTs)

- Digital-only pieces of data that are minted and can be bought or sold and are stored on the blockchain, which is akin to an online ledger.
- **Examples of NFTs:**
  - Kings of Leon album.
  - Penfolds Magill Cellar 3 2018.
  - *'just setting up my twttr'* - Jack Dorsey's first Tweet.
  - NBA – Top Shot – official NFT trading platform of the NBA.



# Branding and Trade Mark Protection

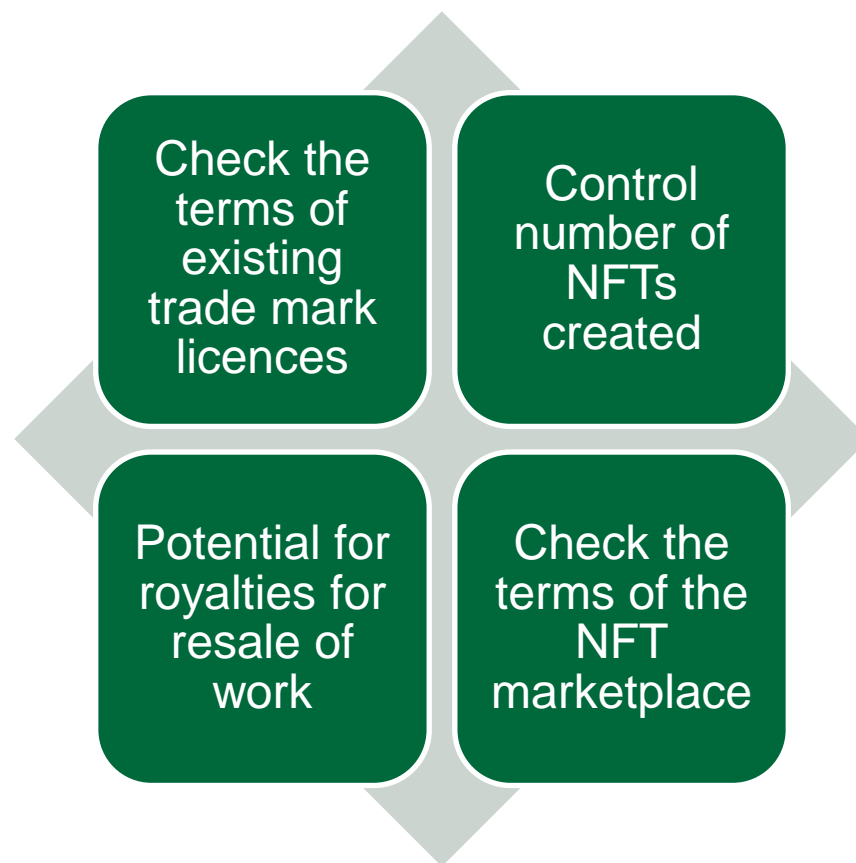
Extend existing protection for trade marks and future proofing

- Class 9 - Non-fungible tokens
- Class 35 - Retail store services featuring virtual goods
- Class 41 – Virtual concerts
- Class 42 – Minting and creation of NFTs

Trade mark portfolio audit



# Licensing and Commercialisation





# Enforcement

Nike, Inc v StockX LLC 1:22-cv-00983

→ ↻ stockx.com/search/nfts?s=nike

StockX 🔍 nike

Browse News About Help Login **Sign Up** Sell

Home / Nfts / Nike  
Browse 6 results for "nike"

Sort By: Featured ▾

**SNEAKERS**  
**APPAREL**  
**ELECTRONICS**  
**TRADING CARDS**  
**COLLECTIBLES**  
**ACCESSORIES**  
**NFTS**

**BELOW RETAIL**

**PRICES**

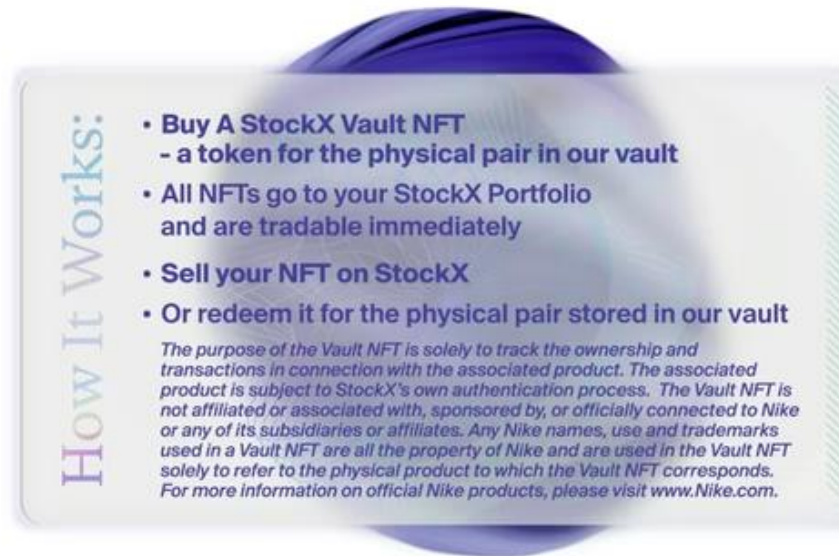
- ☐ Under \$500
- ☐ \$500 - \$1500
- ☐ \$1500 - \$3000
- ☐ \$3000 - \$5000
- ☐ \$5000 - \$10000
- ☐ \$10000 - \$15000
- ☐ \$15000 +

StockX Vault NFT KAWS Sacai Nike Blazer Low Blue ... Lowest Ask <b>€219</b>	StockX Vault NFT Nike Dunk Low Retro White Black - US... Lowest Ask <b>€374</b>	StockX Vault NFT Nike SB Dunk Low Ben & Jerry's... Lowest Ask <b>€5,498</b>	StockX Vault NFT Women's Nike Air VaporMax 2019... Lowest Ask <b>€2,749</b>
StockX Vault NFT Nike Dunk Low Off-White Lot 50 - US ... Lowest Ask <b>€8,247</b>	StockX Vault NFT Nikola Jokic 2015 Panini Prizm... Lowest Ask <b>€196</b>		

<https://stockx.com/search/nfts?s=nike>

# Enforcement

Nike, Inc v StockX LLC 1:22-cv-00983

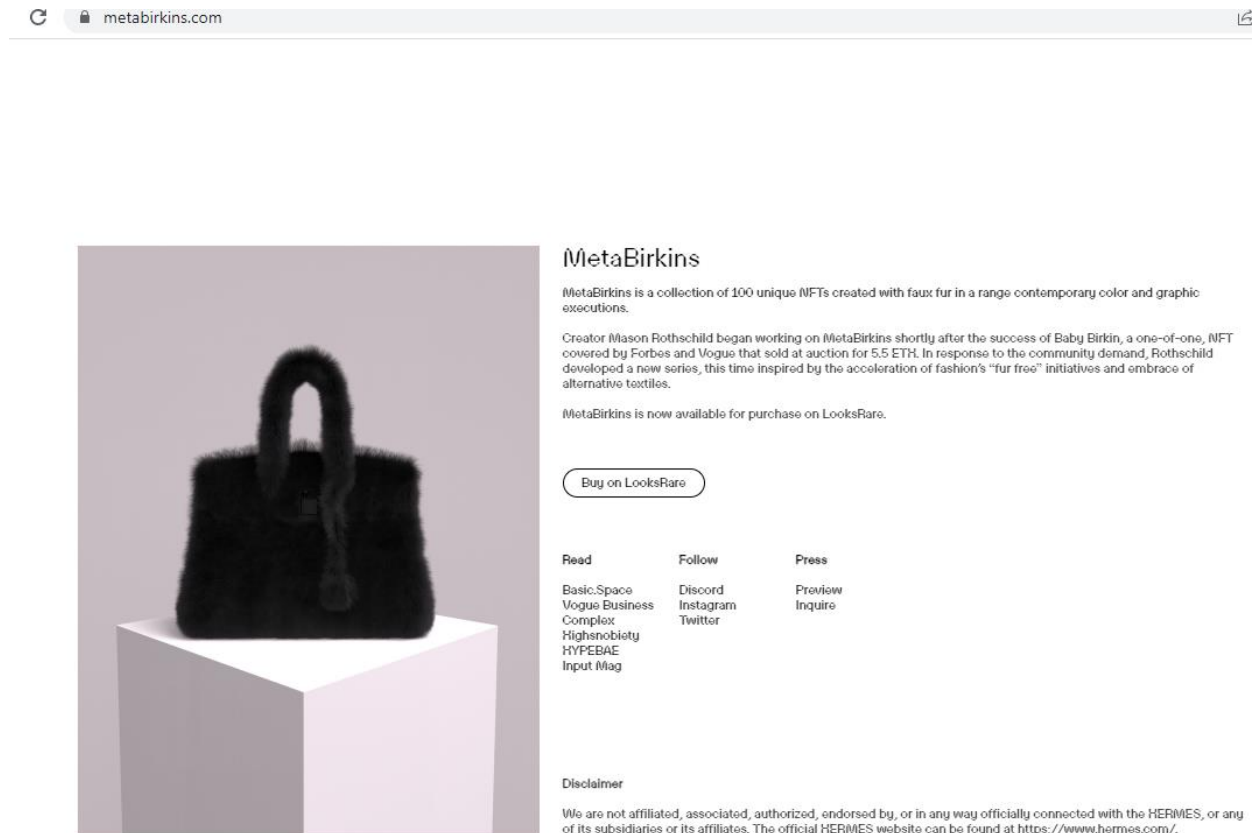


- **Buy A StockX Vault NFT**  
- a token for the physical pair in our vault
- All NFTs go to your StockX Portfolio and are tradable immediately
- **Sell your NFT on StockX**
- **Or redeem it for the physical pair stored in our vault**

*The purpose of the Vault NFT is solely to track the ownership and transactions in connection with the associated product. The associated product is subject to StockX's own authentication process. The Vault NFT is not affiliated or associated with, sponsored by, or officially connected to Nike or any of its subsidiaries or affiliates. Any Nike names, use and trademarks used in a Vault NFT are all the property of Nike and are used in the Vault NFT solely to refer to the physical product to which the Vault NFT corresponds. For more information on official Nike products, please visit [www.Nike.com](https://www.Nike.com).*

# Enforcement

Hermès International v Mason Rothschild 1:22-cv-00384 (MetaBirkins)



# Enforcement

Miramax, LLC v Quentin Tarantino and others 2:21-cv-08979



Quentin Tarantino's NFTs based on his original handwritten script of the 1994 film Pulp Fiction.



Miramax claiming:

- breach of contract
- trade mark infringement
- copyright infringement
- unfair competition

# Enforcement

John Terry's use of the Premier League Trophy in an NFT



# Takeaways

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**Protection** – review your portfolio and register trade marks to cover NFTs and metaverse developments.

**Commercialisation** – consider opportunities for further commercialisation in the metaverse and policies around this. Review existing licences to see if they need amendment.

**Enforcement** – monitor the main NFT marketplaces and virtual worlds for potential infringement and seek the takedown of any infringing content.



# Thank You - Questions?

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