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### Three years of Hoogenraad & Haak, advertising + IP advocaten

In this newsletter with our New Year's wishes we will be looking back briefly. On 1 December our firm has existed for three years. Many clients have found their way to our firm. We have not remained unnoticed by Chambers, Legal 500 and Best Lawyers. Would it be because we have this excellent ILLY coffee?

We wish everyone with whom we have had contact in the last three years a healthy and happy 2011.

*Ebba Hoogenraad*

*Maarten Haak*

*Daniël Haije*

*Kim Braber*

*Eva den Ouden*

*Jane Sahanaja*

*Marchella Bakker*

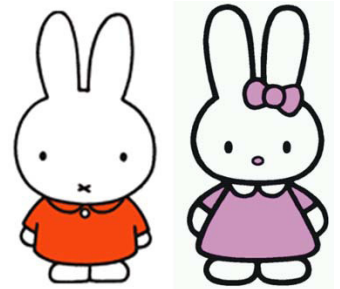


## Miffy vs. Kathy

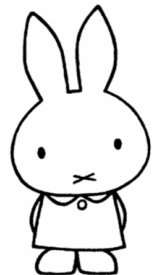
Miffy and Kathy are fighting. Kathy is actually a copy of Miffy and Mercis does not like that. Mercis thinks that Kathy should pack her bags.

Mercis manages the Miffy rights of artist Dick Bruna. The Japanese company Sanrio, famous for the "Hello Kitty" cat, sold clothing depicting Kathy via H&M. Sanrio may not make or trade any more Kathy products in the Benelux as follows from the decision of 2 November 2010 of the Amsterdam Interlocutory Court.

Miffy (left) is characterised by the elementary colours, thick lines, the characteristic relationship between the head and the body and the shape of the eyes and ears. The court does not see Miffy as a banal or trivial figure but rather as a rabbit with her own and original character. Miffy is the result of "creative human work" and therefore of creative choices, making her copyright protected.



The copyright protected features of Miffy have been copied in the rabbit Kathy (above right). The only clear difference is the bow in Kathy's ear but that does not change the overall impression. Sanrio put forward that Miffy initially had pointy ears (right) and only later was given round ears. The ears of the "new" Miffy are supposedly copied from Kathy's round ears ("converse borrowing"). However this borrowing was not made sufficiently plausible.



Also with regards to trademark law Kathy comes off badly. Sanrio pointed out that Kathy is not used as a mark but exclusively as a *character*: Hello Kitty's little friend. Clothing depicting Kathy is also only sold under the HELLO KITTY brand. The interlocutory judge acknowledged that this must apply as prohibited "other use of the brand" even if Miffy in the mark has pointy ears. There is still a great degree of similarity. Sanrio is taking unfair advantage from the reputation of the Miffy brand and has therefore received a ban. Kathy has to take a small holiday.

*Eva den Ouden*

## 123Video.nl: videosite infringes upon copyright Kim Holland films

The online videosite [123Video.nl](http://123Video.nl) allows its users to upload films. Until October 2008 this was also possible in the category *XXX – Erotics & Sex*. Also films with and by the wellknown Dutch porn model Kim Holland were shown. She decided to sew 123Video for these copyright infringements: the videosite instead of the user who uploaded the content. On 24 November 2010 the District Court of Amsterdam decided that 123Video.nl should be deemed to make the content available to the public, thus applying the ECJ Rafael/Hoteles judgment.

123Video had denied all responsibility and liability and referred to the uploader. The District Court has now held that the role of 123Video goes beyond just passively facilitating uploads. 123Video arranged for a separate XXX category, thus providing easy access to erotic content. It sometimes modifies the content: it moved a porn movie from another category into the XXX category. The content is converted to Flash video and stored on the server of 123Video. Furthermore there are categories "most views", "best reviews" etc. in a self designed frame of 123Video. Users can file comments and of each film a *still* (screenshot) is shown.



Hence the District Court holds that 123Video.nl *itself* makes the content available to the public. It is directly liable for damage due in case of copyright infringements on its video site.



Ruud Slakhorst of Kim Holland Productions is very happy with this result: *"123Video made additional turnover with our films but refused responsibility. We just can't permanently keep an eye on all those online videosites like 123Video. Now it has been decided that an online videosite has its own responsibility, and must act alike. The judgment is a great victory for rightholders in films."*

The District Court has not yet decided on the damages claim. Kim Holland must first prove that she owns the copyright to the uploaded films. In the meantime 123Video.nl has already announced an appeal against the judgment.

*A team led by Maarten Haak has represented Kim Holland in this matter.*

## A new definition of "advertising"

As of 1 January 2011 the definition of "advertising" in the self regulatory Dutch Advertising Code will be amended. In the new definition advertising is (additions underlined, unofficial translation):

- *any public and/or systematic direct or indirect promotion of goods, services and/or ideas*
- *by an advertiser or wholly or partly on behalf of an advertiser*
- *whether or not with third party assistance.*

Also in the new definition the making of a request for services is deemed advertising.

The old definition was not fit to cover the latest technological developments in the area of advertising. Digital forms of communication and electronically



collected data allow advertising to be custom made for the consumer. Strictly speaking that is not a *public* promotion. Hence the criterion that the advertising must be public no longer applies in the new definition. New kinds of marketing will likely be deemed advertising as well, and one may file a complaint about such advertising with the Advertising Code Committee.

The most important addition is that also the "*systematic*" promotion "*whether or not with third party assistance*" will be deemed advertising. E.g. the pharmacist who promotes a specific dairy product to any customer who collects an antibiotic cure. Or the Facebook user who is shown a personal commercial with his or her own photo and a personal message. It is not necessary that the advertiser actually promotes itself. But the advertiser must be involved to some extent.

Complaints about advertisements that were published *solely* in 2010 will be treated under the old definition, as long as the ads will not be shown in 2011.

All other complaints will be decided under the new definition of advertising.

Conclusion: as of 1 January all running and new campaigns will be subject to the new definition.

*Eva den Ouden*

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## Downloading from illegal sources not forbidden in the Netherlands

Of 15 November 2010 the Court of Appeal of The Hague confirmed that downloading from illegal sources for private use is allowed in the Netherlands.

Anyone may copy copyrighted material (such as music or films) for private use. The copyright holder cannot prohibit the making of a "home copy". He also receives no income if copies are made. As compensation for that loss the manufacturer or importer of blank carriers like CDs and DVDs pays a levy on the produced or imported disks. Foundation *De Thuiskopie* collects and distributes the money to the copyright holders.



Twenty manufacturers of blank data carriers sought reason to pay less to De Thuiskopie. They argued before the Court of Appeal of The Hague that it is not right that the amount of the home copy fee also depends on the number of downloads from illegal sources. In their opinion downloading from an illegal source breaches the Copyright Act. Precisely for that reason these downloads should not fall under the Home Copy Regulation, as that would be intended for *legal* copies only. Then the home copy fee would be less.



In principle, the Court of Appeal ruled that downloading from an illegal source is not prohibited. The Home Copy Regulation should therefore also compensate the lost income due to (il)legal downloads according to the Court of Appeal. Remarkable: according to the Court of Appeal copyright holders are better off with a system allowing downloads from illegal sources. This means that they at least receive something via the Home Copy Regulation.

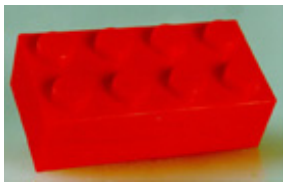
At this time the home copy fee is not levied on data carriers such as MP3 players, hard disk recorders and smart phones; pre-eminently carriers on which a lot of downloaded content is recorded and therefore also content from illegal sources. This decision will increase political pressure to present manufacturers such as Apple, Nokia and Philips with a bill.

*Daniël Haije*

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## No trademark protection for the shape of the Lego brick

Trademark law cannot protect the shape of the famous Lego brick. The essential characteristics of the Lego brick consist mainly of the two rows of studs on top of the brick. The studs ensure that the bricks can be fixed to one another and



hence perform a technical function. Trademark law has a fixed exception for such a technical effect: a mark cannot be registered for it. The figurative mark granted in 1986 (here on the left) was therefore rightly declared void in the [ECJ judgment of 14 September 2010](#).

Lego pointed out that beside technical elements the brick also has non-essential characteristics *without* a technical function. However the Court does not consider that relevant. It also does not matter whether the same technical clamp effects can also be achieved by using a *different* form. What must be assessed is whether *this* shape has a technical effect. We know this strict rule from the renowned Philips/Remington case in 2003. The rule also applies if the shape has acquired distinctiveness with the consumer through continual marketing efforts: once technically excluded it remains excluded.

In order to protect technology you just have to apply for a patent. Lego originally did that but the patent protection had already lapsed. The figurative mark in 1986 was an attempt by Lego to continue protecting the bricks. At first it worked because the OHIM did grant a figurative mark. Then Lego's competitor Mega Brands successfully requested the figurative mark to be cancelled.

In 2009 the Dutch Supreme Court ruled that Lego could not prohibit the sale of Mega Brands bricks, rejecting Lego's claim based on slavish imitation (see our [NEWS 2009-04](#)). Mega Brands may trade in comparable bricks; it does not have to put stripes on them or make holes in them. It seems as if Lego bricks are now free for all.



*Maarten Haak*

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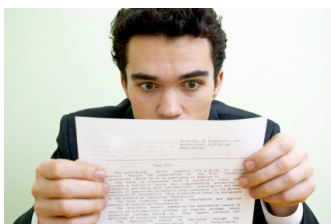
## Preliminary draft copyright contract law: back to the drawing board

Last summer the Dutch Ministry of Justice published a preliminary draft of the copyright contract act. The position of makers of copyrighted works must be improved but the practical consequences of the preliminary draft appear to have been insufficiently thought through.

An example. Record companies often ask artists to transfer the copyright to his songs to the music publisher of the label. The beginning artist has little choice - there are ten others who will take his place. The publisher then registers with Buma and Stemra and sticks a large part of the income in its pocket - easy money. But if the music publisher does not do enough to promote the songs the artist ends up empty-handed. Only in very few situations the artist may reclaim the copyright.



The preliminary draft wants to support the artist by determining that the copyright can no longer be transferred, making it impossible to put the artist under pressure. The artist can only grant a license for the use of his work that he can terminate in any case after five years. The idea is that he can put the publisher aside if it has not done its best - but will the label invest in an artist if this investment is up in the air again after five years? The answer is fairly obvious.



Another example. If copyright can not be transferred it no longer forms part of the business assets of the publisher. Hence the funding space of publishers is enormously restricted: banks often require a right of pledge on copyright as security for monetary loans. In the intended situation the publisher will only have *licenses*. These are personal claims that are generally not transferable. That will probably not be good enough for the banks.

There are still some snags to the preliminary draft. During a Q&A via the Internet critical responses were received. It seems as if it is back to the drawing board for the legislature.

*Daniël Haije*

## Is drinking wine healthy?

Red wine is healthy in moderation. But that cannot be put on the label, not even if all kinds of sensible advice are given: "get enough exercise, drink lots of water, don't eat too much fatty food" and "think positively, laugh a lot and enjoy life".



Ilja Gort with his Grand Vin de Bordeaux *La Tulipe* ensured a Dutch legal first: the Advertising Code Committee sees the text on the label "*Is drinking wine healthy? Most publications confirm it is*" as a "health claim" according to the Claims Regulation. A link is made between a foodstuff and health and so the curtain comes down. Health may never be

referenced with regard to alcohol products (more than 1.2%). You and I may say to each other that a glass a day can be quite healthy but this is never permitted in advertising or on the label. Even if it is such sensible advise.

*Ebba Hoogenraad*

## Magazine JAN: camouflaged advertising for web shop orangebag.nl.

Another twig on the tree of case law on the thin line between advertising and information. Everyone knows that magazines often devote attention to products in editorials. Although this does not make these articles advertising too much attention does. The website [orangebag.nl](http://orangebag.nl) was promoted in the JAN magazine. A different outfit was shown for each day of the week and anyone ordering from the web shop received a free T-shirt. The founder was interviewed in JAN. The Advertising Code Committee thought this was going too far: not an editorial text but advertising. This means these articles should also be recognisable as advertising; for example by printing "advertorial" at the top. This decision presented publishers with a dilemma. When are they doing their normal editorial work and when, after too much emphasis, does the text suddenly become advertising. No one wants a magazine full of headers "advertorial". My preliminary idea: provide a list of those companies referred to with more emphasis than purely editorial in the colophon of each edition. This is the same manner of bartering as also takes place with respect to television programmes which are sponsored or where product placement takes place.

*Ebba Hoogenraad*



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## Remarkable Commodities Act Decrees

The Commodities Act determines what a foodstuff or product in the Netherlands must comply with. This Act is elaborated in various decrees and regulations. There is a decree or regulation for nearly every product. Several matters are regulated, sometimes important from the perspective of protection, and sometimes the regulation is extremely detailed. How about the requirements for bottled waters, for snails and frogs' legs or rules for example for tattoos and piercings or rules that dried pasta must comply with. The basis for these regulations can often be found in European directives. Here below are five remarkable Dutch Commodities Act Decrees:

- The [Commodities Act Regulation on Cheese Rind covering products](#) stipulates which substances may be present on the rind of sheep's cheese and goat's cheese for example.
- The [Commodities Act regulation on sturdiness requirements of soft drink bottles](#) determines how sturdy a soft drink bottle should be and how that is measured: using a special "dropping machine" the bottle, filled with carbonated fluids, is dropped onto a concrete plate. 95% of the splinters must fall within a certain circle. So don't just start producing bottles.
- Are you going to sell shoes? The [Commodities Act Decree on Shoe Labelling](#) stipulates what information must be listed on the label.
- The [Commodities Act Regulation Methods of Bread Research](#) precisely describes how the quantity of dry matter in bread is determined, how much salt it may contain and how an analysis sample of the crumb of bread (in plain English: the soft inside of the bread) is taken.
- And to top them all, the [Commodities Act Decree on nominal amounts of pre-packaged wool yarns](#). Unfortunately this was withdrawn as of 11 April 2009. Balls of knitting yarn no longer have to be pre-packaged in quantities of 10, 25, 50, 100, 150, 200, 250, 300, 350, 400, 450, 500 or 1000 grams. The manufacturer may now choose how he packs his knitting yarn. Lucky him.



*Eva den Ouden and Kim Braber*

### Editorial article Swinglevend with hyperlink to website: advertising!

A fairly general editorial article about the active ingredient Q10 referred to a website with advertising for a specific product (BioQuinon from the company PharmaNord). The public will think that the editorial article is about that product and will make a connection. The Advertising Code Committee decided for this reason that the editorials are actually "advertising" in an interesting decision of 23 November 2010. As this is not clear to the reader there is a case of misleading trade practices. The "editorial articles" moreover are about products that can prevent an illness or defect. Hence there is a case of prohibited advertising for a medicine towards the public. The editions of Swinglevend are therefore not permissible. The Advertising Code Committee will make a general recommendation to the public to inform them hereof.

*Ebba Hoogenraad*

### World Cup celebration: a sea of orange

On 11 July 2010 the Netherlands was too small. No golden cup but a second place in the World Cup. A couple of days later our footballers were received with great joy as World Cup heroes. A tour along the Amsterdam canals. Everything was orange. Many supporters waved the Heineken orange "Bertje" flag that had



been distributed free of charge and recognisable by the "dancing E". This joyful frenzy also had a legal side: the alcohol prevention foundation STAP presented a long list of complaints to the Advertising Code Committee about the Heineken advertising campaign during the entrance. All complaints were dismissed. One part stands out: the

advertiser must prove that during the entrance not more than 25% of the public were minors. Heineken had already researched this when preparing the entrance and deciding whether to distribute the Bertje flags. How? Official research figures for such a unique one-off event are not available. But by using old films and photos for the entrance for the European Cup in 88 Heineken could establish that mainly adults attend such an event. The Advertising Code Committee accepted this manner of proof.

*Ebba Hoogenraad handled this case for Heineken.*

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### Foodstuffs may be compared if completely interchangeable

In its [judgment of 18 November 2010](#) the ECJ ruled that foodstuffs may be compared in advertisements. The compared products must be "sufficiently interchangeable". An important requirement for permissible comparable advertising is that the compared products "provide for the same needs". The reason for this decision was an advert by supermarket LeClerc in a local newspaper where it compared its own sales receipt to that of Lidl's. It concerns 34 products, mainly foodstuffs. At LeClerc the bill comes to €46.30 and at Lidl to €51.40.

Lidl holds that the advert does not provide adequate information about the characteristics of the products. Foodstuffs cannot be compared without precise information. The differences in quantity and quality define the appeal for the consumer and can even affect their "edibility". According to Lidl one foodstuff does not replace another and the comparison fails.

The ECJ does not agree. Foodstuffs can most certainly be compared to one another. But such a comparison can be misleading for other reasons. The advertiser may not omit essential characteristics that could affect the purchaser's choice (such as the brand name or the composition of the product) and the goods in question must be accurately identifiable from the advertisement. Once again a favourable decision for parties who want to compare their products to their competitor's.

*Eva den Ouden*



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### EFSA news

The European Food Safety Authority has meanwhile investigated the 3rd batch of "article 13 claims" for scientific correctness. Many claims concerning vitamins and minerals were positively assessed but just as in the two previous batches several claims on other ingredients failed. The EFSA rejected many claims because the claimed effect was not sufficiently demonstrated.

For example, the EFSA ruled negatively on the relationship between soya protein and cholesterol and/or body weight.

In total, around 2,800 claims still have to be evaluated.

Everything on herbs has been postponed. The other 1000 claims will follow next. It is clear that the EFSA will probably not make its planned date of 11 June 2011.



Important other news: the European Commission shall assess and publish the definitive "article 13 claims" simultaneously, only once EFSA has dealt with all applications. The current health claims may probably be used at least until the end of 2011. For anyone confronted with a ban on a used claim the transitional period of six months commences at the same time. The feared competition disadvantage for companies with claims handled quickly (and rejected) will therefore not apply in the near future.

*Kim Braber*

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Hoogenraad & Haak, advertising + IP advocaten is an independent boutique law firm in the Netherlands, recommended by a.o. Chambers, Legal 500 and Best Lawyers. We are specialists in advertising law, intellectual property and product information law (labelling, ingredients). We are creative litigators and advisors, who think along, with legal profundity and with human understanding. Allow us to present a creative solution at an early stage (*how can it be done?*).

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