

# National copyright decisions round-up in 2021

The Bird & Bird IP Team\*

## Introduction

In 2021, national courts in individual EU Member States and the UK delivered a series of important rulings in the copyright field. This contribution provides a round-up of the most significant judgments issued in the period 1 January–31 December 2021.

The selection was made giving precedence to areas in respect of which EU harmonization has occurred so that guidance provided by national courts in a certain country might be useful also to practitioners and courts in other EU Member States.

The analysis is divided by area and country:

### I. Economic rights

#### A. Right of reproduction

- France: Reproduction of a photograph in a painting
- France: Copyright infringement in the reproduction of the UEFA EURO 2016 figurative trade marks in a book
- Germany: Publication of an official work without permission and the issue of ‘censorship copyright’
- Italy: Reproduction of source code to develop substantially similar software
- Poland: Reproduction of a customized car to which one does not own the copyright

#### B. Right of communication/making available to the public

- Germany: Access to work solely through a URL address
- Sweden: Transmission of copyright work as evidence in a court case

### C. Related rights

- Hungary: Scope of transfer agreement relating to performers’ right of communication/making available to the public
- Spain: Single equitable remuneration for use of audiovisual recording

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## This article

- In 2021, national courts in individual EU Member States and the UK delivered a series of important rulings in the copyright field. This contribution provides a round-up of the most significant judgments issued in the period 1 January–31 December 2021.
- The selection has been made by giving precedence to areas in which EU harmonization has occurred (including economic rights, exceptions and limitations, and enforcement), so that guidance provided by national courts in a certain country might be useful also to practitioners and courts in other EU Member States.
- The analysis is divided by area (economic and related rights, exceptions or limitations, and other issues, including copyright subsistence, authors’ contracts, derivative works, and enforcement)

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and country (Czech Republic, Finland, France, Germany, Hungary, Italy, Poland, Spain, Sweden, and The Netherlands).

## II. Exceptions or limitations

### A. Reporting of current events

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### B. Parody

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- Germany: Qualification of the statement of a private party submitted in a public construction project planning

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- Spain: Copyright protection of a bullfight
- The Netherlands: Protection of evolutionary designs
- The Netherlands: Copyright protection of the Rubik’s Cube
- UK: Joint authorship of a screenplay

### B. Authors’ contracts

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- The Netherlands: Time for assessing whether a clause in Martin Garrix’s contract is unreasonably onerous

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- Czech Republic: Copyright protection of translation of Oscar Wilde’s *The Importance of Being Earnest*

### D. Enforcement

- Czech Republic: Availability of hosting safe harbour
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- UK: Blocking orders relating to websites linking to infringing content

Each selected decision is presented according to the following template:

- (1) Case reference;
- (2) Summary;
- (3) Analysis;
- (4) Practical and broader significance.

## I. Economic rights

### A. Right of reproduction

#### France

Reproduction of a photograph in a painting

*Case reference* - CA Paris, 5, 1, 23 February 2021, n° 19/09059

*Summary* - The Paris Court of Appeal upheld the judgment rendered by the Paris Court of First Instance on 8 November 2018, which found Jeff Koons liable of copyright infringement for reproducing the visual of an advertisement produced for the ready-to-wear brand Naf-Naf in his sculpture representing a woman and a pig, which was displayed at the Centre Georges Pompidou in Paris.

*Analysis* - Artistic director Franck Davidovici is the author of an advertising visual imagined for a fashion campaign of French brand Naf-Naf.

During a retrospective exhibition of the artwork of Jeff Koons presented by the Centre Georges Pompidou in 2014, the author of the photography discovered a sculpture entitled *Fait d’hiver* presented as having been made by the latter in 1988 and revealing similarities with his advertising visual.

The Paris Court of Appeal upheld the decision at first instance, initially considering that the parody exception could not be invoked by the artist. In fact, the parody

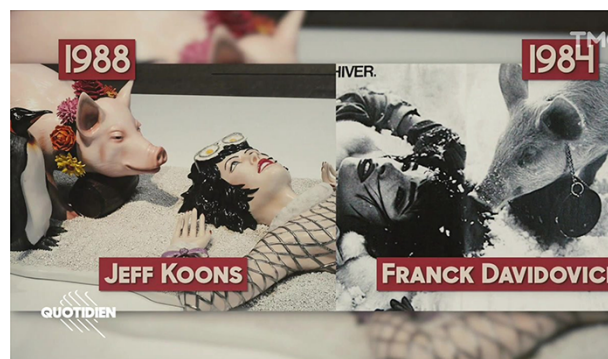


Figure 1. Jeff Koons’s sculpture (left) and Franck Davidovici’s original photograph (right).

exception has the essential characteristics, on the one hand, of evoking an existing work, while presenting perceptible differences in relation to it and, on the other hand, of constituting a manifestation of humour or mockery.

In this case, the court held that ‘the appellant does not demonstrate, in the absence of any reference or any comment on his sculpture, his intention to evoke the pre-existing “Fait d’hiver” photograph’. The court added that the photograph was undoubtedly forgotten or unknown to the public during the exhibition so that the public could not refer to the photograph and identify it with its parodic dimension.

Moreover, concerning artistic freedom, the Paris Court of Appeal considered that, despite the differences realized by Jeff Koons (eg, the addition in the sculpture of a necklace of flowers on the pig or glasses on the forehead of the woman), the sculpture ‘substantially incorporates the original elements of the original photograph “Fait d’hiver”’. The interference with the artist’s freedom of creative expression was therefore proportionate and necessary to the aim pursued, namely that of protecting the *Fait d’hiver* photograph under copyright.

Jeff Koons and the Centre Georges Pompidou were thus found liable and required to pay jointly and severally EUR 190 000 in damages to the artistic director (it had been EUR 135 000 at first instance). In addition, the court prohibited Koons from exhibiting the contested sculpture and reproducing it, in particular on the internet, under penalty of EUR 600 per day, from 1 month after the decision.

*Practical and broader significance* - This is not the first time that Koons has been involved in a copyright infringement case. Quite naturally, the court ruled out the parody exception since the public must establish a connection between the original work and the alleged parody. This decision also shows that when a parody is created, it is essential to give the public information that allows it to consider the parody as such.

Copyright infringement in the reproduction of the UEFA EURO 2016 figurative trade marks in a book

*Case reference* - Paris Court of Appeal, 21 May 2021, n°19/15976, *Société CESAR EDITIONS v SAS SIPA PRESS*

*Summary* - Trade mark and copyright infringement in the figurative elements constituting the visual identity of the UEFA EURO 2016 championship.

*Analysis* - The figurative element of the trade marks of the organizing association of the football championship



Figure 2. The UEFA EURO 2016 trade marks.

known as UEFA EURO 2016 consists of a stylized representation of a tricoloured cup, arranged in the centre of a medallion with colours associated with naive illustrations of stars and balls.

The court noted that the choice and arrangement of shapes and colours confer the UEFA’s logo, appreciated globally, a particular physiognomy that reveals a creative effort and an aesthetic choice bearing the imprint of its author’s personality. It, therefore, constitutes an original creation protectable by copyright. The same applies to the visual identity of the sporting event, which includes the above-mentioned logos of the two trade marks set against a blue background decorated with multiple drawings, naive or figurative, evoking football and which is used in particular as a backdrop for the stands of the stadiums and as illustrations on all the communication media linked to this event.

Turning to infringement, the court found that the cover page of the disputed publication *EURO 1960–2012 The Fabulous Story*, published by the defendant company, slavishly reproduced, in the same combination and layout, the original designs used by the claimant. The resemblance could not be avoided on the grounds that, in the field of publications related to football, there are not multiple ways of laying out the cover. On the contrary, the samples of publications submitted to the court showed very distinct front covers. Moreover, the defendant’s book is devoted to the history of this competition over the period from 1960 to 2012. Consequently, the reproduction of the constituent elements of the visual identity of EURO 2016 was not dictated by an objective of informing the public and was not at all necessary.

The court also found that the defendant had committed acts of parasitic competition distinct from those of trade mark and copyright infringement. Indeed, the cover of the disputed publication was almost identical to that of the Official UEFA EURO 2016 Book, the layout of which had been imitated in all of its constituent elements, which are reproduced in an identical layout, arrangement and proportions. These acts were committed with the deliberate aim of making the public believe that the

disputed book was published and distributed by the organizing association or with its authorization and thus to take advantage, at a lower cost, of the immense success of the EURO 2016 sporting event, for which the claimant had made significant investments, particularly in communication.

*Practical and broader significance* - This decision is interesting as it recognizes the existence of copyright in the figurative element of a trade mark.

A trade mark could therefore benefit from a double protection: under copyright law and trade mark law.

## Germany

Publication of an official work without permission and the issue of 'censorship copyright'

*Case reference* - Court of Appeal of Cologne, judgment dated 12 May 2021, 6 U 146/20—*FragDenStaat*

*Summary* - In 2019, the transparency platform *FragDenStaat* had requested a statement from the Federal Institute for Risk Assessment (Bundesinstitut für Risikobewertung, 'BfR') on potential health risks from 'glyphosate'. The BfR's mandate includes, among other things, providing scientific advice to the Federal Ministries in the field of the effects of plant protection products regarding human and animal health. The BfR had prepared a summary of the internal evaluation of 'glyphosate', which was exclusively addressed at the Federal Ministry of Food and Agriculture. The paper deals with studies on tumours that could have been triggered by glyphosate. The BfR shared the disputed summary with the *FragDenStaat* platform. The platform subsequently published the summary on the internet without the BfR's consent. Subsequently, the BfR took legal action, on the basis of copyright law, and sent a warning letter to the Open Knowledge Foundation, the operator of *FragDenStaat*. Shortly afterwards, the BfR also issued a general order based on which persons could apply for access to the summary. The BfR then granted read-only access to the summary for a period of 7 days at a time. The District Court of Cologne dismissed the BfR's action against the *FragDenStaat* platform. The BfR filed an appeal against this decision.

*Analysis* - With its ruling, the Court of Appeal of Cologne upheld the decision at first instance. The court held that the summary of the expert opinion is an official work within the meaning of Section 5(2) UrhG, as it is in the public domain and thus exempt from copyright protection. Thus, the BfR had published a general order according to which anyone (upon application) could obtain seven-day reading access to the document. Despite the

only temporary access in each case, the work had thus been published in the official interest for general knowledge.

The transparency platform was also able to invoke the limitation provision of Section 50 UrhG. Accordingly, the communication to the public of works for the purposes of reporting on current events was allowed even without rightsholder's consent. As the Court of Appeal found, the publication of the summary was a report on such current events as it was implemented in the editorial coverage of the *FragDenStaat* platform. On this basis, the platform operator had not acted unlawfully.

*Practical and broader significance* - This case coped with what is known in jargon as 'censorship copyright'. In several decisions in recent years, courts have had to rule on the extent to which authorities are allowed to counteract the publication of certain records or documents with reference to copyright.<sup>1</sup> In this case, however, the court did not allow such an approach.

## Italy

Reproduction of source code to develop substantially similar software

*Case reference* - Italian Supreme Court, Ales v HP ESI, decision 20250/2021

*Summary* - The Italian Supreme Court held that copyright in a computer program is infringed only when the information obtained by reproducing the source code is used to develop a new software substantially similar, in its form of expression, to the existing one.

*Analysis* - The case concerned a dispute on the correct use of a software licence between HP Enterprise Services Italia S.r.l. ('HP ESI') and Ales S.r.l. ('Ales'), two software companies active in the information technology sector.

Ales brought an action for copyright infringement against its licensee HP ESI. Ales had concluded approximately 1250 licensing agreements with HP ESI covering the use of a special software program for an electronic voting system. According to the plaintiff, HP ESI had allegedly misappropriated Ales' software by developing a new software and assigning to public tendering the use of the system, for an unlimited number of licenses and for an indefinite time.

In 2015, the Court of Appeal of Rome, upholding the decision at first instance, ruled in favour of HP ESI. Ales applied to the Italian Supreme Court, seeking the annulment of that judgement. In its final

<sup>1</sup> See, eg, The Bird & Bird IP Team, 'National Copyright Decisions Round-Up 2020' (2021) 16 JIPLP 498, 509.



appeal, Ales claimed the violation and/or misapplication of Article 64 of the Italian Copyright Act (Legge No 633/1941, 'ICA') and of Article 2598 of the Italian Civil Code. In particular, Ales advanced the following claims:

- First, that the court of appeal had not properly examined some crucial factual circumstances relevant for the infringement at issue, including inter alia HP ESI's availability of the source code embodied in Ales' software and the prohibition for the licensee to use the information obtained through decompilation of the source code;
- Secondly, Ales asked to assess HP ESI's conduct under Article 2598 of the Italian Civil Code, which deals with unfair competition.

The Supreme Court rejected all the claims above. In particular, having regard to the first claim above, it recalled that Article 64-quater ICA prohibits a licensee to use the information obtained by reproducing the source code to develop, produce or commercialize a software with substantially the same 'expressive identity' of the licensed software. Thus, it is only possible to invoke this provision if the software made by the licensee results in a product 'similar in its formal expression', which consists in its source code. In this context, the result would be a 'masked reproduction' of the licensed software and not 'an original interpretation of the same topic'. On the contrary, in the case at issue there was no infringement by HP ESI of the licensing agreement since the software developed by HP ESI did not reproduce the 'core' of Ales's software protected by copyright, because there were clear differences in the source codes of the two programmes. As a result, the Supreme Court's final judgment upheld the ruling by the Court of Appeal: HP ESI's conduct was not in breach of Article 64-quater ICA.

*Practical and broader significance* - The judgement is in line with the Supreme Court's prior case law on infringement of copyright in software. It upholds a pivotal principle of the ICA: there is an infringement when the source code is used in order to disguise the core of the original software and reproduce that protected work.

The case highlights that copyright protects the authentic and creative source code, at the heart of the software developed by its author. However, it does not impede a creative and original elaboration of an existing computer programme presenting substantial differences from an earlier programme.

## Poland

Reproduction of a customized car to which one does not own the copyright

*Case reference* - Appellate Court in Warsaw, I ACa 324/20, judgment of 17 July 2021

*Summary* - Renovating, repainting or installing custom elements in a car does not grant its owner the copyright to the car's design, but publishing of photographs of it can be considered an infringement of the car owner's property rights.

*Analysis* - The claimant—an owner of a distinctive vintage car—sued a publisher of a book which featured a photograph of the car and included a plastic model of it. The publisher had not obtained the claimant's consent to producing either of them. The claimant requested compensation for profits he had not obtained as a result, as well as compensation for non-pecuniary loss (moral harm). He claimed that his friends refused to believe that he had not received any money for having the car featured in the book and mocked him for not being willing to share it.

The first instance court sided with the claimant and awarded him part of the compensation he had sought. The appellate court dismissed this part of the judgment.

While the claimant primarily based his claim on the infringement of his personal rights, the courts, which are not bound by the legal basis of the claim as described by the claimant, examined several possibilities which could be used to justify the claim. In particular, the defendant's use of the car was not found to constitute copyright infringement. While the claimant modified the car (by renovating and repainting it, installing some custom elements etc.), such modifications cannot give the owner any copyright over the car's design. The courts also dismissed the claim that the defendant had infringed the claimant's personal rights, particularly image rights, as the car was not distinctive enough for the claimant to be identified by it. Furthermore, the photograph of the car did not portray the claimant in an unfavourable light. The courts did not find that the defendant had breached personal data protection laws by showing the claimant's car along with its licence plates.

Lastly, the first instance court found that the defendant's acts may be considered an 'intrusion into the sphere of the claimant's exclusive rights as the owner of the vehicle', arguing that it infringed the owner's exclusive right to use his property. According to the first instance court, '[i]t is the owner who decides whether he puts the vehicle on display to the public in a form that goes

beyond its normal use, ie, whether he makes it the subject of public display', and the defendant had infringed that.

The appellate court agreed with the first instance court in finding that 'the defendant made use of the claimant's property', and, as a result, 'the defendant was enriched to the extent of the expense saved. That expense would be the [cost of] lawful use of the claimant's property'. Nevertheless, the appellate court dismissed the claim for compensation in this regard, as the claimant had not provided any evidence to determine the extent of the defendant's enrichment at the claimant's expense (while the sum granted by the first instance court was found to be merely speculative and based on dubious grounds). This means, however, that the appellate court shared the view of the court of first instance that publishing a photograph of an item of property or selling a miniature reproduction thereof did in fact amount to use thereof.

*Practical and broader significance* - The judgment explores the boundaries of the protection of tangible and intangible property. It analyzes several legal measures which the owner of a physical object may invoke to protect his property from being used in an 'intangible' way (ie, without making physical use of the object, by, for example, publishing photographs of it). Unfortunately, while the outcome of the case deserves commendation (as the claimant did not receive any compensation for the use of his car), both courts seem to have overlooked the broader significance of their judgments. Both the first instance and the appellate courts found that publishing photographs of the claimant's car amounted to use of the claimant's property. This raises questions that are particularly important in the field of copyright. In particular, extending property rights to cover not only the physical object, but also depictions of it, seems to clearly collide with freedom of panorama (one of the optional copyright exceptions under InfoSoc Directive 2001/29, implemented in several member states, including Poland).

## B. Right of communication/making available to the public

### Germany

Access to a work solely through a URL address

*Case reference* - BGH, judgment dated 27 May 2021—IZR 119/20—*Loudspeaker photo*

*Summary* - A work is not made publicly available if (i) it is only accessible by entering a URL address consisting of approximately 70 characters and (ii) according to general experience, it can be assumed that the URL address will only be entered by users who previously saved, copied or

noted this address or who received it from third parties who previously saved, copied or noted this address.

*Analysis* - The defendant used photographs taken by the plaintiff, a professional photographer, in an advertisement. After receiving a warning letter, the defendant signed a cease-and-desist declaration (including a contractual penalty) and undertook to refrain from making the photographs publicly available without the required consent of the plaintiff. Since a photograph was still accessible worldwide by entering a URL address consisting of approximately 70 characters, the plaintiff requested a contractual penalty. However, Germany's Federal Court of Justice ('BGH') rejected the plaintiff's claim. In accordance with Directive 2001/29 (InfoSoc Directive), a work is only made publicly available within the meaning of Section 19a UrhG if the reproduction of the work targets an 'indeterminate number' of potential addressees and 'quite a large number of persons'. The BGH held that, in the present case, the reproduction was in fact limited to those persons who had previously saved the address in some way. According to general experience, it could be excluded that an indeterminate respectively large number of persons would have access to the work in this way.

*Practical and broader significance* - The BGH has addressed highly relevant issues, which were disputed amongst German courts: first, what efforts are required from an infringer in order to comply with a cease-and-desist declaration and, secondly, whether a work remains publicly available, if it is not removed entirely but can still be accessed by entering a URL address. In the BGH's view, the work was no longer in the public domain in the case at hand. However, questions remain since the court expressly did not decide whether the answer would be different in the event that the work was still retrievable by using search engines.

### Sweden

Transmission of copyright work as evidence in court case

*Case reference* - Patent and Market Court of Appeal, *Johansson v Antonsson*, PMFT 12151-17, 13 April 2021

*Summary* - The transmission of a protected work as evidence in a judicial proceeding between individuals was found to not be covered by the concept of communication to the public in Article 3(1) of the InfoSoc Directive 2001/29 as transposed into Swedish law, following the CJEU judgment in *BY v CX*, C-637/19, EU:C:2020:863.

*Analysis* - Pursuant to the Freedom of the Press Act, any procedural document submitted to a court constitutes a public document. The case concerned the question

whether the respondent's action of submitting evidence to a court in the form of a copy of a photograph, to which the appellant claimed to hold copyright, constituted an unauthorized act of making the work available in accordance with paragraphs 2 and 49a of the Swedish Act (1960:729) on copyright in literary and artistic works (the 'URL'), and Articles 3(1) and 4(1) of the InfoSoc Directive 2001/29. The respondent had submitted the photograph by electronic mail in the form of an electronic copy to a court in a separate case concerning defamation between the parties.

The court concluded that the photograph in question enjoyed copyright protection under paragraph 49 a URL. On the question of whether the transmission to a court constituted an act of making the work available, the court requested a preliminary ruling from the CJEU on the interpretation of 'communication to the public' and 'distribution to the public' within the meaning of Articles 3(1) and 4(1) of the InfoSoc Directive 2001/29.

The CJEU held that distribution to the public of electronic copies does not fall within the scope of Article 4(1) but rather within the concept of 'communication to the public' in Article 3(1) of the InfoSoc Directive 2001/29. The EU court held that the relevant aspect of the provision in the present case was the concept of 'public', which refers to an indeterminate number of potential recipients. The CJEU considered that one must make a work perceptible in any appropriate manner to persons, in general, to make the provision applicable. Communicating a work that has been perceptible only to specific individuals belonging to a private group is an action that is not covered by that provision.

The CJEU concluded that the transmission of evidence to the court is regarded as communication, not to people in general, but to a clearly defined and closed group of professionals holding public service functions. It concluded that the transmission of a protected work to a court as evidence in legal proceedings between individuals cannot be regarded as a 'communication to the public' within the meaning of Article 3(1) of the InfoSoc Directive 2001/29. The right of access to public documents in Sweden was found to be irrelevant in this regard. It is the court that is responsible for the access to public documents, not the person transmitting the work in question. Moreover, the InfoSoc Directive states in Article 9 that it shall be without prejudice to provisions concerning access to public documents.

The CJEU continued to the question regarding the balance between Article 17(2) of the Charter of Fundamental Rights of the European Union ('the Charter') and the interest and fundamental rights of others as well as public interest. The right under Article 17(2) of the Charter

is not an absolute right. In this case, it had to be weighed against the right to an effective remedy as guaranteed in Article 47 of the Charter. The CJEU found that the latter would be seriously compromised if a rightholder were able to hinder the submission of evidence to a court solely on the grounds that the relevant work is protected by copyright.

Regarding the question if the respondent had communicated the work to the public according to Paragraphs 2 and 49a URL, interpreted in the light of the InfoSoc Directive 2001/29, when submitting a protected work to the court as evidence, the national court ruled, based on the preliminary ruling from the CJEU, that the respondent had not breached the URL in this respect.

The Swedish court went on and investigated if the respondent had made an unauthorized reproduction of the appellant's original work according to Paragraph 26 b URL. That paragraph states that copyright does not preclude a protected work from being used in the administration of justice or in the protection of public interests. The paragraph incorporates Article 5(3)(e) of the InfoSoc Directive. The national court referred to the balance between the right to intellectual property and other fundamental rights and held that a rightholder shall not be able to prevent someone from submitting reproductions as evidence to a court, provided that that qualifies as relevant evidence for the case at hand. In any event, the requirements for evidence to be recognized as relevant cannot be set too high. It is enough that the submitted evidence, in an overall assessment, may be considered to have some relevance for the present case.

Based on this investigation and conclusions, the national court ruled that the respondent had the right to submit the protected work as it was relevant to show that the appellant had committed the act of defamation against the respondent. Therefore, the national court found that the reproduction of the protected work submitted as evidence by the respondent was not an infringement of the appellant's exclusive right.

*Practical and broader significance* - The case touches upon the balance between copyright and other fundamental rights. It raises the question of the effect that the Swedish model of access to public information has on parties to proceedings related to copyright and neighbouring rights. In accordance with the ruling, a protected work may be transmitted to a court as evidence in a case, without it being regarded as an infringement of the rightholder's exclusive rights. This said, the Swedish Public Access to Information and Secrecy Act (2009:400) provides that copyright works may be subject to confidentiality provided that certain conditions are met. Furthermore,

although copyright material submitted as evidence to a court may become public information, the Swedish legislation on copyright does not provide a right to use that material without the application of an exception to copyright or the consent of the rightholder. The practical implications of the ruling are therefore limited as regards copyright and do not interfere with the greater purpose of the copyright legislation, to promote artistic creation.

## C. Related rights

### Hungary

Scope of transfer agreement relating to performers' right of communication/making available to the public

*Case reference* - Metropolitan Appeal Court of Budapest [Fővárosi Ítéltábla]; legal successor of folk musicians Mihály Halmágyi, Gizella Ádám as plaintiff and legal successor of the Hungarian National Recording Company [Hungaroton Records; Magyar Hanglezgyártó Vállalat] as defendant; Decision No. Pf.20.305/2021/5 dated 15 June 2021

*Summary* - The Metropolitan Appeal Court found that the consent for the transfer of economic rights in the recording for making the recording available by means of cassette and vinyl distribution did not include the economic right to make the recording available for download through the internet or streaming. The Appeal Court confirmed that, in principle, the consent of the performers for the use of the recording may be granted only once. This means that by payment of an additional fee *calculated by licence analogy* and *without the need for an expert opinion*, the defendant was granted the rights to the further exploitation of the recording by means of making it available for download through the internet or streaming.

*Analysis* - Plaintiff's parents were famous folk musicians who concluded an agreement with the defendant's predecessor, the Hungarian National Recording Company for the recording of their performances in 1987. The performers consented to their performance being recorded and transferred the economic rights in their recorded performances to the Hungarian National Recording Company in exchange for a small amount of fee. The recordings were published in 1988 by means of cassette and vinyl recordings under the title *Hungarian Folk Music From Transylvania*. The recordings were published by the defendant in 1996 by means of compact disc and later by means of making them available for download through the internet.

Against this background, the plaintiff sought legal remedy and filed a copyright suit, requesting the court to establish the infringement of the performer's rights and apply the legal consequences of the infringement stating that the plaintiff's parents as musicians who had not received any remuneration since 1987 and had not transferred their economic rights to the Hungarian National Recording Company.

The case was tried on three instances. At first, it was established that the performers had transferred their economic rights by the initial agreement with the Hungarian National Recording Company, which extended only to the fixing of the performance on cassette and vinyl and the reproduction, distribution and communication to the public of the performance by these means against the initial fee. While the courts found that the compact disc is considered as being the same means as the vinyl—only a technically enhanced version of it—when reproduction and communication to the public is considered, the initial agreement did not and could have not covered distribution and publication by means of making it available for download through the internet and/or streaming as these means were unheard and unknown of in 1987. Based on this, the Curia found the infringement of performers' right and ordered the defendant the reimbursement of the unjust enrichment achieved by the unlawful use and exploitation of the recordings. The case on the question of the reimbursement was then referred back to the first and second instance courts.

The Metropolitan Court as first instance court, when assessing the claim for unjust enrichment stated that this *is not a question to be assessed by a court expert* and rejected the plaintiff's request to appoint a court expert. The court was of the view—in line with previous opinion of the Council of Copyright Experts—that no expert competence is needed; market practices and comparable data for similar genre can be taken into consideration as evidence in the absence of an agreement between the parties. In terms of establishing the amount of the remuneration, the court found *the licence analogy to be applicable*—as opposed to withdrawing the profit of the defendant as the parties did not provide sufficient data for a *revenue and cost accounting*. This means that the court confirmed that if performers' rights are infringed, the price of the licence must be calculated based on what would have been payable to the plaintiff if an agreement had been concluded for the specific reproduction, distribution and making available to the public. When applying the licence analogy, the *full revenue must be taken into account*, ie, no costs reductions are accepted.

Based on the evidence put forward to it, the Metropolitan Court as first instance court concluded that on some occasions the recordings were made available for



download through the internet and on many occasions the recordings were available via streaming, although the specific time for which a recording was streamed by the users was not retraceable. The court found that *streaming is considered as a specific means of use* irrespective of its length and thus—without authorization—infringing the rights of the plaintiff. As a result, the defendant was ordered to pay a specific fixed amount [approx. EUR 7] per download and a specific fixed amount [approx. EUR 0,7] per streaming to the plaintiff as unjust enrichment.

The defendant appealed the calculation applied by the first instance court and argued that (i) streaming is not considered as downloading/purchasing; and (ii) instead of the per download/stream amount, a licence fee of 10–12 per cent of the defendant's revenues should be applied.

The Metropolitan Appeal Court, as second instance court heard the appeal and agreed with the first instance court. In its view, the parties indeed intended to apply the licensing analogy model. Under the licence analogy model, the *minimum level* of reimbursement must be equal to the amount of foregone royalties ie, what the author would have been entitled to receive in the case of lawful use. In addition, the Metropolitan Appeal Court confirmed that, upon payment of the unjust enrichment, the defendant would be entitled to make the recorded performance available on demand (downloading through the internet or streaming) even after the period of established infringement, without limitation, ie, also for the future. With regard to the protection of performers' rights, the performer may give consent to the use of their recorded performance (the recording) once only, which means that the unjust enrichment payable in this case also counts as consideration for the transfer of the economic rights to that specific means/method of use.

*Practical and broader significance* - In the broader context this decision confirms that no expert is required for the calculation of unjust enrichment, including the adequate amount for a licence fee. It can be expected that a court will not appoint an expert in future similar cases. It follows that it is for the parties themselves to provide convincing documentary proof and adequate conclusions in support of their claims.

In respect of specific means and methods of use, the court confirmed that streaming is considered as making a recording available on demand, irrespective of how long the streaming took place, and irrespective of whether the recording was purchased or not. This may prompt to caution when drafting clauses on methods of use in agreements for the transfer of economic rights as well as licence agreements.

The decision further confirms that, when it comes to performers' rights, if the performer provided their consent to the recoding of their performance and agreed to the transfer of economic rights for reproduction, distribution and communication to the public once, then the rights for the unlimited future exploitation of the recording including by these new means are deemed to have been granted in exchange for only the payment of an additional fee (in this case the unjust enrichment).

## Spain

Single equitable remuneration for use of audiovisual recording

*Case reference* - Judgement of the Spanish Supreme Court of 9 February 2021, no. 67/2021 (*Atresmedia Corporación de Medios de Comunicación S.A. v. AGEDI and AIE*).

*Summary* - The Spanish Supreme Court ('SSC') held that the single equitable remuneration referred to in Articles 108.4 and 116.2 of the Spanish Copyright Act ('SCA') must not be paid by the user where they make a communication to the public of an audiovisual recording containing the fixation of an audiovisual work in which a phonogram or a reproduction of that phonogram has been incorporated.

*Analysis* - On 29 July 2010, AGEDI, a Spanish collective management organization ('CMO') which manages intellectual property rights of phonogram producers, and AIE, a Spanish CMO which manages intellectual property rights of music performers, brought an action before the Commercial Court of Madrid no. 4 against Atresmedia Corporación de Medios de Comunicación S.A. ('Atresmedia'), an undertaking which owns a number of television channels, concerning the payment by Atresmedia of a single equitable remuneration (specifically, EUR 17 093 260.00) for the broadcasting—between 1 June 2003 and 31 December 2009—on television channels operated by it of audiovisual works incorporating phonograms.

On 10 June 2013, that action was dismissed. The CMOs appealed to the Provincial Court of Madrid, which set aside that judgment and upheld their application in its entirety on 25 January 2016. For this reason, Atresmedia brought a final appeal to the SSC, which noted that the appeal related exclusively to whether the communication to the public of audiovisual works carried out by Atresmedia via its television channels gave rise to the right to the single equitable remuneration provided for in Articles

108.4 and 116.2 of the SCA, which correspond, in EU law, to Article 8(2) of Directive 92/100 and to Article 8(2) of Directive 2006/115.

In those circumstances the SSC decided to stay the proceedings and refer certain questions to the CJEU for a preliminary ruling. The court asked, in essence, whether Article 8(2) of Directive 92/100 and Article 8(2) of Directive 2006/115 must be interpreted as meaning that the single equitable remuneration referred to in those provisions must be paid by the user where he or she makes a communication to the public of an audiovisual recording containing the fixation of an audiovisual work in which a phonogram or a reproduction of that phonogram has been incorporated.

On 18 November 2020, the CJEU (Case C-147/19, EU:C:2020:935) ruled that the above-mentioned single equitable remuneration must not be paid by the user. In light of this, the SSC held that the single equitable remuneration referred to in Articles 108.4 and 116.2 of the SCA must not be paid. As a result, the SSC upheld the appeal brought by Atresmedia.

First, the SSC determined whether an audiovisual recording containing the fixation of an audio-visual work must be classified as a 'phonogram' or 'reproduction of that phonogram'. The court considered that the concept of phonogram must be given an autonomous and uniform interpretation throughout the EU. In this context, the provisions of Directive 92/100 and Directive 2006/115 must be interpreted in the light of international law. Based on this, the SSC referred to the concepts appearing, *inter alia*, in the Rome Convention.

On the one hand, according to the wording of Article 3(b) of the Rome Convention, the concept of phonogram is defined as any 'exclusively aural' fixation of sounds of a performance or of other sounds. It follows that the fixation of images and sounds cannot come within that concept. In addition, it is explicitly stated in the Guide to the Rome Convention and to the Phonograms Convention that 'the fixation must be exclusively aural' in order to qualify as a phonogram. It states that 'a fixation of images (eg, cinema) or of images and sounds (eg, television) are [...] excluded'.

On the other hand, Article 2(b) of the WIPO Performances and Phonograms Treaty ('WPPT') states that phonogram means the 'fixation of the sounds of a performance or of other sounds, or of a representation of sounds, other than in the form of a fixation incorporated in a cinematographic or other audiovisual work'. This definition builds on and expands the notion of 'phonogram' as defined for the purposes of the Rome Convention in two ways. As a reflection of the developments in music

technology, the WPPT definition also covers 'representation[s] of sounds' (for example, recordings of synthetic sounds, such as synthesizers, that have never been generated as actual sounds before the fixation was made). Further, the notion of 'phonogram' covers fixations of sound or representations of sounds incorporated into an audiovisual fixation that does not qualify as a work for copyright purposes.

By virtue of the foregoing, the SSC held that a fixation of sounds incorporated in a cinematographic or other audiovisual work is not covered by the concept of phonogram and, therefore, that an audiovisual recording containing the fixation of an audiovisual work cannot be classified as a phonogram. For the same reason, the SSC held that such a recording cannot, on the same grounds, constitute a copy of that phonogram or, therefore, be covered by the concept of 'reproduction' of that phonogram.

*Practical and broader significance* - This judgment is informed by the objectives of Directive 92/100 and Directive 2006/115; those objectives seek to ensure the continuity of the creative and artistic work of authors and performers by providing for harmonized legal protection which guarantees the possibility of receiving appropriate income and recouping investments, and thus enabling a proper balance to be achieved between the interests of performers and phonogram producers in obtaining remuneration for the broadcast of a particular phonogram, and the interests of third parties in being able to broadcast that phonogram or communicate it to the public on terms that are reasonable.

In circumstances such as those at issue, those objectives must be achieved by the conclusion, when the phonograms or reproductions of those phonograms are incorporated into the audiovisual works concerned, of appropriate contractual arrangements between the holders of the rights in phonograms and the producers of such works, so that remuneration for the related rights in the phonograms at the time of such incorporation is paid by means of such contractual arrangements. Taking this into consideration, the issue therefore arises and is closely linked with contractual field. In this context, it has to be noted that in this case the synchronization—which as a practical matter would always imply a recognisable reproduction—of the phonograms in question was made after due authorization had been given.

In essence, the judgment implicitly suggests that, where a pre-existing fixation of sounds or representations thereof is later incorporated in an audiovisual

work, it does not change its nature; instead, it remains a 'phonogram'. For that simple reason, when the work communicated to the public is an audiovisual work as such, it is not a phonogram which is communicated to the public. Thus, as Advocate General Tanchev rightly indicated in his Opinion in the CJEU *Atresmedia* case (EU:C:2020:597), the process of synchronization involves a lot more than the mere reproduction of the phonogram. The entire visual side of the audiovisual work has to be produced and the soundtrack including parts of the phonogram will have to be adapted to the visual side. Dialogue may be included, as well as other recorded musical or non-musical audio parts. These other parts of the audiovisual product have to be of a sufficiently original character to elevate the combined result to the status of an audiovisual work for copyright purposes in order for it not to be covered by the notion of phonogram as defined for the purposes of the WPPT.

In sum, if there was not an audiovisual work, because there was not originality, the phonogram could not be suspended during the incorporation. Therefore, the use of phonograms in television shows or programmes which do not have the status of audiovisual works could give rise to the obligation to pay a remuneration for the broadcasting thereof.

## II. Exceptions or limitations

### A. Reporting of current events

#### Finland

Incorporation of Instagram 'Stories'-posted photograph in a news article and notion of 'current event'

*Case reference* - The Market Court, A and Sanoma Media Finland Oy, MAO:125/21, 22 April 2021

*Summary* - The Market Court assessed the copyright exception which permits using published works when reporting on a current event.

*Analysis* - In the case at hand, the Applicant, A, a famous Formula One driver, had posted a picture on the 'Stories' section of his Instagram account where the picture had been displayed for 24 hours. The Respondent, Sanoma Media Finland Oy, had taken a screenshot of the picture and published it in an article on the web version of the magazine *Ilta-Sanomat*.

The Market Court assessed whether the Respondent had infringed the Applicant's copyright with the above-mentioned actions. The Respondent invoked, *inter alia*, Section 25(1)(2) of the Copyright Act. According to this

provision, works of art made public may be reproduced in pictorial form in material connection with the text in a newspaper or a periodical when reporting on a current event, provided that the work has not been created in order to be reproduced in a newspaper or a periodical.

The Market Court stated that the event which had led to the publication of the article is the fact that the Applicant, who is a public figure, had posted a photograph on his Instagram account. The photograph shows A visiting the cafeteria of a gas station. The Market Court stated that the term 'current event' has not been defined in legislation or the preparatory materials of the Copyright Act. According to the court, the fact that an event may interest the public does not automatically make it a current event within the meaning of the Copyright Act. To consider the event in question a 'current event' would constitute an excessive limitation of copyright.

On the above grounds, the Market Court considered that the article published by the Respondent did not concern reporting on a current event within the meaning of Section 25(1)(2) of the Copyright Act. Therefore, the Respondent had infringed the Applicant's copyright by publishing screenshots of the Applicant's photographs on the web version of *Ilta-Sanomat*. The Market Court prohibited the Respondent from making the photographs available to the public and ordered the Respondent to pay compensation in the amount of EUR 5000 with default interest.

*Practical and broader significance* - In this case, the Market Court assessed the application of Section 25(1)(2) of the Copyright Act which permits using published works when reporting on a current event. The Market Court considered the phrase 'current event' and concluded that not all events may be considered current events even if they may be interesting to the public.

The Supreme Court of Finland has granted leave to appeal regarding this decision. The question of copyright infringement will thus be further assessed in that court.

On a final note, it is worth recalling that the Applicant A also brought an action before the Market Court against another media company, Alma Media Suomi Oy, which had also similarly published screenshots of pictures that the Applicant had posted on the Story section of his Instagram account. The Market Court ruled on the matter in its decision MAO:126/21. Similarly to the decision presented above, the Market Court considered that the fact that an event may interest the public is not on its own sufficient to make the event a current event within the meaning of the Copyright Act. The Market Court thus held that the Respondent had infringed the Applicant's copyright by publishing screenshots of pictures posted on

the Story section of his Instagram account. The Applicant has also requested leave to appeal from the Supreme Court of Finland. The leave to appeal has not yet been granted as the matter is still pending in the Supreme Court.

### Germany

Publication of unpublished book extracts and freedom of the press

*Case reference* - Higher Regional Court of Cologne, judgment dated 26 March 2021–6 U 101/20—*Sarrazin Theses*

*Summary* - The plaintiff, a publishing company, published the book *Hostile Takeover* by author and former politician Thilo Sarrazin, who is known for his controversial theses. The book's date of first publication was 30 August 2018 and the plaintiff is the exclusive licensee. Mr Sarrazin was also a member of the German Social Democratic Party (SPD). However, in 2018, party expulsion proceedings were pending against the author.

Shortly before the first publication date, the manuscript of the book had been sent to a number of media representatives that (allegedly) had agreed to keep the contents of the book confidential until the date of first publication.

On 18 August 2018, an article written by Defendant 1 about the book and the party expulsion proceedings against the author was published in the magazine of Defendant 2. This article quoted literally and unabridged the nine main theses of the book, which was still unpublished at that time.

The Cologne Regional Court awarded the plaintiff damages of EUR 10 000 on the basis of the licence analogy. The defendants appealed against this. The Higher Regional Court of Cologne awarded the plaintiff damages and stated that the author's right of first publication subject to Section 12 UrhG had been infringed by the article published on 18 August 2018.

*Analysis* - The Higher Regional Court of Cologne held that the provision of the book exclusively to a group of journalists, who have contractually agreed to keep its contents confidential, does not constitute a publication within the meaning of Section 6 (1) UrhG and hence cannot exclude the infringement of the author's right of first publication. Furthermore, the literal reproduction of the essential contents of a book prior to the first date of publication is not permitted as reporting on current events under Section 50 UrhG.

Furthermore, the court held that the nine theses constitute works within the meaning of Section 2 (2) UrhG, and that the article infringed the plaintiff's right

of reproduction subject to Section 16 UrhG and the right of making the work available to the public subject to Section 19a UrhG. These infringements were also not justified by the limitations subject to Section 50 UrhG (reporting on current events) since the extent of the publication was not proportionate. The defendants also could not rely on the right of quotation subject to Section 51 UrhG since the work had not been published yet.

*Practical and broader significance* - The judgment shows how important it is to strike a balance between copyright and the freedom of the press. While in the BGH's judgments *Afghanistan Papers II* and *Volker Beck II* the freedom of the press prevailed over copyright, the Higher Regional Court of Cologne correctly decided in favour of the rights owner in this instance.

### B. Parody

#### France

Paintings of *Tintin* in the style of Hopper

*Case reference* - Rennes, Court of First Instance, 10 May 2021, n° 17/04478, *Société Moulinsart v Xavier Marabout*

*Summary* - Xavier Marabout created different paintings representing the famous character Tintin in paintings similar to those of Hopper, without the authorization of its author. The judges stated there was no copyright infringement because the paintings were a parody.

*Analysis* - The company Moulinsart owns the copyright to the creations of Hergé, the creator of Tintin. Xavier Marabout is a painter specialized in parody. He created different paintings in which we can see famous characters that are part of the universe of Tintin. Moulinsart considered that this was an infringement because Xavier Marabout had not obtained its authorization. Thus, the company sued the painter.

First of all, the court found that Tintin has proper characteristics. Also, it held that comic characters are protected by copyright, regardless of the original creations (ie, comics) of which they are part.

Turning to the analysis of the parody claim, the court held that the paintings are distinct from the comics. The characters (for instance Tintin) are painted in unfamiliar situations. An observer, even moderately attentive, will see this difference: there is a sufficient distancing from Hergé's work. The humorous effect is constituted by the incongruity of the situation compared to the usual sadness of Edward Hopper's work (which influenced the paintings) and the absence of any female presence by Tintin's side. The parody exception requires a comic





Figure 3. The works at issue in the Tintin case.

distancing and must not disproportionately affect the work of the original author: in this case and according to the court, it was obvious. There was no likelihood of confusion.

The court also examined if the painter used Hergé's work in a purely commercial way, in order to exploit the economic value of the work. It found that the revenues generated by the paintings were remuneration compared to Hergé's original work (230 million comics sold *v* 23 paintings). Also, the target audience is not the same: buyers of a painting who know the market *v* comic books lovers.

The court also held the same facts cannot serve as a basis for the qualification of copyright infringement and unfair competition.

The painter held that he had suffered from denigration, because of Moulinsart's accusations. Indeed, the company had called different art galleries to warn them about Xavier Marabout's infringement. Even in the absence of a situation of direct and effective competition between the persons concerned, the disclosure by one of information likely to discredit a product marketed by the other constitutes an act of denigration unless the information in question relates to a subject of general interest and has a sufficient factual basis. In this case, the communication of the company Moulinsart did not surround itself with any precaution presenting as acquired the existence of an infringement whereas the painter had from the first summons invoked the exception of parody. By doing so, it directly provoked the

withdrawal of the works and caused damage. Therefore, the court awarded Xavier Marabout EUR 10 000 in damages.

*Practical and broader significance* - This case is a clear application of the parody exception under French law. For this to be held applicable, the parody at issue must be based on a protectable work and must distance itself from it and not unduly prejudice the author of the original work. The intention of the artist is strictly examined. Currently, we are not aware of any reaction from Hopper's heirs. To be continued?

### Sweden

Criminal case relating to political satire

*Case reference* - The Patent and Market Court of Appeal, *Swedish Prosecution Authority, National Unit against Organized Crime v Flam*, B 12315-20, 23 June 2021

*Summary* - Case regarding the question whether pictures made by a Swedish satirist should be regarded as a copyright infringement.

*Analysis* - The criminal case concerned the question whether pictures created by a Swedish satirist should be regarded as a copyright infringement of the famous work *En svensk tiger* (A Swedish Tiger—tiger also meaning *being silent*). The satirist's pictures portrayed a tiger which alluded to *En svensk tiger*. The slogan together with the original work had become part of a propaganda campaign during World War II. In the satirist's pictures the tiger was placed in a new context with some pictures referring to Nazism (see the tiger do a Nazi salute below). The satirist intended that his art was to be understood as criticism of Sweden's actions during World War II.

The prosecutor argued that the pictures were unlawful reproductions of the original work in either original or altered form. The satirist objected and argued, first, that the pictures were to be considered as new and independent works. Secondly, that the pictures were parodies and the exploitation was therefore lawful based on either a restriction of or an exception from copyright. Thirdly, that the exploitation was lawful based on the quotation exception. Lastly, that the exploitation must under all circumstances be permitted due to the prevalence of freedom of expression over copyright.

The satirist was acquitted at first instance. The Patent and Market court ('PMD') found that the pictures were lawful having considering EU case law on the parody exception. The Patent and Market Court of Appeal



Figure 4. The original work (left) and its alleged satire (right).

(‘PMÖD’) also found that the works were lawful, but based its decision on the consideration that the pictures were new and independent works.

The Act on Copyright in Literary and Artistic Work (SFS 1960:729) (‘ACLAW’) provides that if an individual, who has access to the work of another, has created a new and independent work, their copyright shall not be subject to the rights in the original work. This clarification, held the PMÖD, should not be viewed as a restriction of copyright but rather as a limit to the scope of protection. To achieve independent protection, the work must reach the level of independence and originality to the extent that a new work has been created, considering *inter alia* the original work which has been used as a model. In the legislative history, parodies are mentioned as special forms of work that are considered as independent works and not as adaptations. Based on this, parodies have often been regarded as new and independent works in previous national case-law.

The PMÖD noted that the CJEU has consistently held that the concept of parody must be regarded as an autonomous concept of EU law. In *Deckmyn*, C-201/13, EU:C:2014:2132, the CJEU stated that the essential characteristics of a parody are, first, to evoke an existing work while being noticeably different from it, and, secondly, to constitute an expression of humour or mockery. Furthermore, as always when considering an application of an exception or limitation to copyright, the court noted that the three-step test needs to be passed. Consequently, the court found that the legal consequences will not necessarily be the same if a parody is assessed as a new and independent work or if it is assessed as covered by an article that allows restrictions. The PMÖD stated that there seemed to be a conflict of norms between the approach concerning parody that appears in EU case law and the way parodies typically have been treated in Swedish case law.

The PMÖD also noted that, because the case was a criminal and not a civil matter, the principle of legality and its demand on predictability had to be protected. Therefore, it was not possible to deviate from the

wording in ACLAW and the way ‘new and independent work’ had been interpreted in a similar case by the Supreme Court in a decision from 2017 (NJA 2017 s. 75). If any of the pictures could not be considered an independent work the court would thereafter consider the permissibility of the usage based on any exception from copyright or the satirist’s right to freedom of expression. The court found, however, that all of the pictures, viewed separately, achieved the legal requirement of originality and that they were new and independent works. Hence, the PMÖD found no reason to elaborate on the applicability of exceptions for parodies.

*Practical and broader significance* - The case illustrates the balance between the interest to protect copyright and other strong interests such as artistic freedom and freedom of expression. The ruling is interesting because it touches on the effects that EU law has on fundamental parts of Swedish copyright law and challenges the way parodies and satires have been regarded until recently. The reasoning also reveals some uncertainty on harmonization and the extent to which EU law can gain influence on national law when there are strong conflicting interests, especially when the case is a criminal matter.

## C. Use of work in project planning procedure

### Germany

Qualification of the statement of a private party submitted in a public construction project planning

*Case reference* - BGH, judgment dated 21 January 2021 — I ZR 59/19—*Use of copyright protected material in project planning procedure*

*Summary* - The plaintiff offers maps and city maps on its website, which are displayed to users free of charge. The use for other purposes is subject to a fee-based licence. In order to comply with its disclosure obligation, the defendant’s municipality used one of these maps on its website, which had been submitted as part of a statement by a private person in a public construction project planning procedure. The defendant argued that the statement including the map was an official work within the meaning of Section 5 UrhG and did therefore not enjoy any copyright protection.

The BGH ruled that the statement of a private party submitted in a public construction project planning procedure is not an official work within the meaning of Section 5 UrhG and is therefore not excluded from copyright protection. However, the publication of such statement by the public authority may constitute a permissible

use in an official procedure subject to Section 45 (1) and (3) UrhG, if the public authority is required to disclose such statements and if there is a factual and temporal connection to the official procedure, eg, publication on the public authority's website during the time of a pending procedure.

*Analysis* - According to the BGH, the map used was not an official work within the meaning of Section 5 UrhG since it had not been created by the defendant's employees or the employees of another public authority. This said, a document created by a private person could also qualify as an official work if it was adopted by a public authority. In this case, the private character of the statement including the map had not been affected by its official publication by the public authority, since this was not to be considered a statement by the public authority itself. In fact, the purpose of the publication was the information of the public about a private statement.

All the above said, the limitations set out in Section 45 (1) and (3) UrhG, according to which the public reproduction of copies of works in an official procedure is permissible, may be applicable. This is the case if the public authority is required to disclose such statements and if there is a factual and temporal connection to the official procedure. The required factual and temporal connection existed if the accessibility on the website of the defendant and the way of its presentation referred to the official procedure and if the accessibility took place in the period from its beginning to its end. The requirements of the 'three-step test' according to Art. 5 (5) of the InfoSoc Directive 2001/29 were likely to be met in such a case.

*Practical and broader significance* - With its decision and its clear instruction for the application of Section 5 UrhG, the BGH clarified that private works only become official works if the use of such works appears to be a public authority's own statement. However, the publication of a private work for information purposes alone is not sufficient. Furthermore, the BGH clarified that a copyright holder must only accept licence-free use by an authority in the context of official proceedings pursuant to Section 45 UrhG if the authority can show a clear factual and temporal connection with pending official proceedings. Otherwise, the use is not privileged. Unfortunately, the court did not decide on the question of whether the limitation subject to Section 45 UrhG can also apply prior to the commencement of public procedures, eg, with regard to preparatory measures).

### III. Other issues

#### A. Copyright subsistence

##### Finland

Copyright protection of photographs and joint authorship of the photographed person

*Case reference* - The Market Court, A and Otavamedia Oy, MAO:H202/2021, 14 September 2021

*Summary* - The Market Court assessed the copyright protection of photographs and the question of joint authorship.

*Analysis* - In the present case, the Respondent, Otavamedia Oy, had published eight photographs on the monthly celebrity magazine *Hymy* as well as on the web pages of the magazine. The Applicant, A, requested that the Market Court confirm that she is one of the copyright owners of the photographs. Furthermore, the Applicant claimed that she had not given the Respondent her consent to publish the photographs on the web pages of the magazine. Claiming that the Respondent had therefore infringed her copyright to these photographs, the Applicant requested that the Market Court order the Respondent to pay compensation in accordance with Section 57 (1) of the Copyright Act in the amount of EUR 40 000 together with default interest.

First of all, the Market Court assessed whether the photographs in question were to be considered works within the meaning of the Finnish Copyright Act. A prerequisite for copyright protection in Finland is that a work of art is an original and independent outcome of creative work. The Market Court stated that, with regard to portraits, relevant factors to take into account when assessing originality include, among others, postures, lighting, angles and the atmosphere with which the author has affixed their 'personal mark' on the portrait. Taking these factors into account, the Market Court considered that all photographs, except for the photograph presented in exhibit number 6, were to be considered works within the meaning of the Copyright Act. According to the Market Court, the photograph presented in this exhibit was a relatively ordinary photograph. The Applicant had not presented any grounds on which the photograph was to be considered an independent and original work within the meaning of the Copyright Act.

The Market Court then assessed the question of joint authorship and whether the Applicant, whom the photographic works in question portrait, was also to be considered one of the authors of the works. The



Market Court considered that, in light of the photographs and other presented evidence, the Applicant had had a significant influence on the creative process of making the photographs in question. Thus, the Applicant was to be regarded as one of the authors of the works.

The Market Court also considered that the Respondent had failed to show that it had the right to make the photographs in question available to the public by publishing them on the webpage of the *Hymy* magazine. The Respondent had therefore acted in breach of Section 2 of the Copyright Act with respect to the photographs presented in exhibits 1–5 and 7–8.

The Market Court confirmed that the Applicant, as one of the authors of the works, held the copyright to the photographs presented in the evidence, except for the photograph presented in exhibit number 6, which should not at all be considered a work within the meaning of the Copyright Act. The Market Court also considered that the Respondent had infringed the Applicant's copyright to the photographs as it had not acquired the Applicant's consent to publish them on the website of the *Hymy* magazine. The Market Court ordered the Respondent to pay compensation in the amount of EUR 3000 together with default interest.

*Practical and broader significance* - In this case, the Market Court considered multiple factors which may be relied upon when assessing whether a portrait photograph should be considered a copyrighted work. The Market Court also stated that the subject of a portrait may be considered one of the authors of the work if they have had a significant influence on its creation.

This decision has not been appealed to the Supreme Court of Finland and it has therefore become final.

## Spain

### Copyright protection of a bullfight

*Case reference* - Judgment of the Spanish Supreme Court of 16 February 2021, no. 82/2021 (*Miguel Ángel Perera Díaz v Registrador Territorial de la Propiedad Intelectual de Extremadura*)

*Summary* - The Spanish Supreme Court ('SSC') held that a bullfight cannot be protected by copyright under the Spanish Copyright Act ('SCA').

*Analysis* - Bullfighting—in Spanish *toreo* or *tauromaquia*—is practiced in many countries around the world (eg, Mexico, Colombia, Ecuador, France and Portugal)

but it is best-known for its practice in Spain. A bullfight—in Spanish *corrida* or, broadly speaking, *faena*—involves a physical contest in which *toreros* (and, sometimes, other animals such as horses—giving rise to the so-called *rejoneo*) attempt to subdue a bull—generally, a *Toro bravo*, which is the name of a cattle breed native to the Iberian Peninsula—until its death. The Spanish-style bullfighting is often regarded by bullfighting fans as a sport and performance art. Nevertheless, those who are not fans believe just the opposite, considering it a mere cruel show in which the bull—or the bullfighter—suffers a cruel death.

In this context, the well-known Spanish *torero* Miguel Ángel Perera Díaz tried to register a *faena* called 'Fuero de 2 orejas con petición de rabo al toro curioso nº94, de peso 539 Kg, nacido en Febrero de 2010, Ganadería Garcigrande, feria de San Juan, día 22 de Junio de 2014' before the Spanish Copyright Registry (specifically, before the Extremadura Copyright Registry) as a work protected by copyright. The application filed before the Copyright Registry consisted of an audiovisual recording of the bullfight along with a description including references to certain human body and hand movements, as well as some of the bull's movements ('mano izquierda al natural cambiándose de mano por la espalda y da pase por la derecha. El toro sale suelto y el torero va hacia el dando pase por alto con la derecha').

Copyright registration is available in Spain, but it is not a legal requirement to register a work since the mere act of creation lends the creator copyright protection. The benefits to copyright registration are purely and simply public record of ownership and a rebuttable presumption of ownership.



Figure 5. Miguel Ángel Perera Díaz and a Toro bravo in a bullfight.



The Copyright Registry refused the registration of the cited bullfight, due to its lack of legal requirements to be considered a work. It is in that context that, after two dismissals of appeals before respectively the Badajoz Commercial Court No 1 (10 April 2017) and the Provincial Court of Badajoz (22 January 2018), Miguel Ángel Perera Díaz filed a further appeal before the SSC.

The SSC held that a bullfight cannot be protected by copyright; in this sense, once again, Miguel Ángel Perera Díaz's appeal was dismissed. In particular, the judgment considers whether a *faena* could be regarded as a work protected under copyright law.

First of all, the SSC referred to the CJEU judgment of 4 October 2011 in *Football Association Premier League Ltd and Others v QC Leisure and Others*, C-403/08 and *Karen Murphy v Media Protection Services Ltd*, C-429/08, EU:C:2011:631, which held that sporting events cannot be regarded as intellectual creations classifiable as works since they are subject to rules of the game, leaving no room for creative freedom for the purposes of copyright. The SSC considered that this holding would not be directly applicable since bullfighting is not just a sporting event. In this regard, bullfighting is often regarded as a sport and performance art; one way or another, related to artistic 'creation'.

For this reason, the SSC turned to the CJEU judgment of 13 November 2018 in *Levola Hengelo*, C-310/17, EU:C:2018:899 and recalled that two cumulative conditions must be satisfied for a subject matter to be classified as a 'work': (i) the subject matter concerned must be original in the sense that it is the author's own intellectual creation and reflects the personality of its author, as an expression of his free and creative choices (ie, subjective originality); and (ii) the subject matter protected by copyright must be expressed in a manner which makes it identifiable with sufficient precision and objectivity, even if that expression is not necessarily in permanent form.

In light of this, the SSC ruled that a *faena* cannot be pinned down with precision, as the eventual artistic work cannot be objectively identified. In addition, the SSC did not accept the analogy between *faenas* and choreographic works, as the series of steps and movement sequences in choreographies are usually expressed in a manner that makes them identifiable with precision and objectivity.

*Practical and broader significance* - This judgment, whilst providing references to poets and artists who described the feelings that bullfighting evokes, rightly discerns between subjective originality and aesthetic originality

(see also the CJEU judgment of 12 September 2019 in *Cofemel*, C-683/17, EU:C:2019:721). The latter is the product of an intrinsically subjective sensation of beauty experienced by each individual who may look at the *faena*. As a result, that subjective effect does not, in itself, permit a subject matter to be characterized as existing and identifiable with sufficient precision and objectivity and, therefore, it does not permit a subject matter to be original either.

It follows that whether a *faena* is 'beautiful' or not is irrelevant to determine whether it is original. The key issue is that the work is an author's own intellectual creation, reflecting their freedom of choice and personality. Hence a work may be subjectively original and not be aesthetically original and vice versa.

In addition, the judgment seeks to clarify that the specific nature of the work (literary, artistic or scientific) is not a legal requirement to achieve copyright protection. In this sense, although *faenas* could be considered as artistic manifestations, the court declared that they cannot be protected by copyright. In this regard, it should be recalled that the Guide to the Copyright and Related Rights Treaties Administered by WIPO and Glossary of Copyright and Related Rights Terms states that, in the case of a given work, it is, in general, not necessary to determine whether it may be regarded as an 'artistic work'.

In all this, one could wonder what would happen if a *faena* consisted of a series of steps and movements involving expressions of dramatic elements not dependent exclusively on bull movement and bullfighter's improvisation and being accompanied by music. In such a case, it could be easier to identify it as an artistic work with sufficient precision and objectivity. Furthermore, the list of protectable works set out in Article 10.1 of the SCA is not exhaustive. Therefore, in such a case, the singularities of *faenas* could form an atypical category of works; different but similar to choreographic works. In short, under the current legal framework, the question of copyright protection on traditional bullfighting has been clarified, although new bullfighting shows and methods could increase the degree of creative freedom exercised by bullfighters and make their creative steps and movements identifiable with precision and objectivity.

## The Netherlands

### Protection of evolutionary designs

*Case reference* - Court of Appeal The Hague, *Philips v Lidl*, ECLI:NL:GHDHA:2021:1371, 6 April 2021

**Summary** - This decision relates to ‘evolutionary’ or updated designs which are based on earlier designs, and the extent to which such designs are protected by copyright. An evolutionary design can be considered a creative design that deserves independent copyright protection if it shows sufficient differences when compared to the earlier design.

**Analysis** - In 2010, Philips introduced a shaver called the SensoTouch 3D (‘ST3D’), based on its predecessor, the Arcitec which was introduced in 2007:

In 2016, Lidl brought the Silvercrest shaver to the market. Philips argued that the Silvercrest was too similar to its ST3D (and to its Arcitec) and that Lidl was *inter alia* infringing Philips’ copyright.

Initially, Philips brought preliminary relief proceedings against Lidl. The preliminary relief judge ruled that Lidl was indeed infringing Philips’ copyright, because the Silvercrest did not create a different overall impression in relation to the Philips ST3D.

In the proceedings on the merits that followed at the District Court The Hague, Philips sought a permanent injunction against Lidl. However, the District Court held that, although it considered the ST3D a work enjoying copyright protection, Lidl did not infringe Philips’ copyright, because many of the elements that the Silvercrest



Figure 7. Philips ST3D (left) and Lidl Silvercrest (right).

shares with the ST3D are also to be found in Philips’ (earlier) Arcitec shaver. Therefore, these elements could not be regarded as creative choices regarding the ST3D. With regard to the Arcitec: even though Philips also tried to invoke the copyright of that shaver, the District Court considered that the Arcitec’s copyright vested in a different Philips entity (which was not part of the proceedings), thus the court did not consider the question of whether Lidl infringed the copyright in the Arcitec or not.

In the appeal case at hand, Philips sought to overturn the judgment in the first instance. Referring to the CJEU *Cofemel* decision (C-683/17, EU:C:2019:721), the Court of Appeal considered that the concept of a copyrighted work consists of two elements. First, that a work must be an original and an intellectual creation. Secondly, this creation must be expressed. Moreover, it reiterated that a creation is not considered original or intellectual if the creative choices are technically defined. The Court of Appeal further reminded Philips of its argument that the ST3D, according to Philips, was to be seen as a reproduction of the Arcitec in a modified form, as referred to in section 10(2) of the Dutch Copyright Act.

With this framework in mind, the question that the Court of Appeal had to answer was whether the Philips ST3D could be considered an original design, eligible for copyright protection, in relation to the Philips Arcitec. With regard to Philips’ argument that the ST3D should be considered a reproduction in a modified form, the Court of Appeal considered that only those creative choices that are made by the author of the reproduction are relevant to the aforementioned originality test. Creative choices that have been made by the author of the earlier design, should therefore not be taken into account. Thus, the originality of an earlier design on which the evolutionary design is based does not contribute to the originality and ‘copyrightability’ of the evolutionary design.

While the District Court had considered the ST3D a copyrighted work, the Court of Appeal deemed the ST3D insufficiently original to attract copyright at all. The Court of Appeal stated that the ST3D was an ‘evolution’ of the



Figure 6. Arcitec (left) and SensoTouch 3D (right).

Arcitec shaver and that most of its characteristics were retrieved from the Arcitec. Furthermore, the existing differences were considered to be either technically defined or too trivial to express the creative choices of the author that could lead to copyright protection. Contrary to what Philips suggested, the foregoing does not imply that the holder of a copyright on product design loses its right as soon as the design is embellished or modernized in a subsequent model, according to the Court of Appeal. The introduction of the ST3D does not mean that Philips loses its alleged copyright on the Arcitec. The question at hand was whether Philips could (in addition) claim a copyright on the ST3D, which was not the case according to the Court of Appeal. Finally, the Court of Appeal considered Philip's claim based on the 'entirety of the copyrights in the ST3D and Arcitec' as well as on the (stand-alone) Arcitec. In short, the Court of Appeal considered that Philips' copyright claims were almost entirely tailored to an alleged copyright on the ST3D, so that, also in view of Lidl's detailed rebuttal of alleged infringement on the Arcitec, these claims and must be rejected as these were deemed insufficiently substantiated.

Although it did not consider the ST3D a work protected by copyright, the Court of Appeal agreed with the District Court on the point that Lidl's Silvercrest did not infringe the ST3D design, because the overall impression differed.

*Practical and broader significance* - Today's products can often be classified as evolutions or 'updates' of previous products. Although such redevelopment or evolution does not always prevent a finding of originality, this decision highlights the need for new original or creative choices, in order for such subsequent products to enjoy copyright protection. Furthermore, the decision highlights the importance for rightholders to base copyright infringement claims on a 'family' of designs (if existent) as much as possible, as well as to sufficiently substantiate each of those claims, should a stand-alone evolutionary design be deemed to lack originality. Lastly, this decision can be compared to a PI decision of the Court of Appeal Arnhem-Leeuwarden, *The Sting v Krakatau*, ECLI:NL:GHARL:2020:4773, 23 June 2020, which was discussed in the national copyright decisions round-up of 2020.<sup>2</sup> In that decision, the Court of Appeal had *not* considered one of the earlier designs in light of originality of the 'evolutionary' design, reasoning that designers should be free to further develop their own designs. Part of that reasoning was that the works at hand (coats) were

designed more or less simultaneously, that the author of both designs was the same person, and that there was no indication that any rights to the earlier work would vest in any other party but claimant.

### Copyright protection of the Rubik's Cube

*Case reference* - Court of Appeal Arnhem-Leeuwarden, *Rubik's Cube*, ECLI:NL:GHARL:2021:6712, 13 July 2021

*Summary* - In a tough legal battle, Mr Ernő Rubik and his Rubik's Cube obtained (limited) copyright protection, as the Court of Appeal Arnhem-Leeuwarden considered the specific colourful mini-cubes and 'grid' as part of the entire cube a creative choice of Mr Rubik, which is not technically defined.

*Analysis* - Rubik is the inventor/designer of the famous Rubik's Cube. The Rubik's Cube is a three-dimensional logic game, that is made up of 26 mini-cubes in six colours, each divided over  $3 \times 3$  sides, which, by turning and twisting, should each end up forming a single-coloured side. Beckx is a gift company that brings similar cubes to the market.

More than a decade ago, Rubik summoned Beckx to appear in preliminary relief proceedings, based on alleged infringement of the copyright in the Rubik's Cube. In 2011, the PI judge found the design of the Rubik's Cube in itself (without coloured areas) technically defined and rejected Rubik's claim. Rubik appealed and supplemented his claims by relying on the specific design of the Rubik's Cube, as well as the coloured sides. The Court of Appeal in preliminary relief proceedings then ruled in 2012 that the Rubik's Cube was protected by copyright (but only in the form of the combination of six coloured sides and the nine individual subareas) and that Beckx infringed this copyright by selling its cubes.

Beckx and Rubik subsequently summoned each other in proceedings on the merits and, in 2018, the claims of Rubik were sustained. The District Court ruled that the grid (the contrasting edge between individual mini-cubes) with its specific width and black colour, in combination with the six contrasting specific colours and the positioning thereof on the cube, gave the Rubik's Cube its unique design that qualified for copyright protection.

The main question to be answered in the appeal case at hand, was whether the Rubik's Cube, with and/or without its coloured areas, was eligible for copyright protection, and if so, whether Beckx infringed the copyright of Rubik. As expected, the topics originality and technical function played a prominent

<sup>2</sup> The Bird & Bird IP Team, 'National Copyright Decisions Round-Up 2020' (2021) 16 JIPLP 498, 517–18.





Figure 8. Rubik's cubes (left) and Beckx' cubes (right).

role in this assessment, and the Court of Appeals made its assessment with reference to the CJEU decisions in *Bezpečnostní softwarová asociace*, C-393/09, EU:C:2010:816; *Cofemel*, C-683/17, EU:C:2019:721; and *Brompton Bicycle*, C-833/18, EU:C:2020:461. The specific question to be answered was therefore if, even if the Rubik's cube or parts thereof were not *exclusively* dictated by their (technical) function, the remaining space for design choices would be so limited that it could not be said that free creative choices had been made.

The Court of Appeal considered the design choices of the Rubik's cube itself (without the coloured areas) technically defined to a high degree, because of the function of the cube, namely a three-dimensional logic game. The Court of Appeal found that this also applied to the movement of the individual mini-cubes, which forms the fundamental element of the game. Therefore, Rubik's argument that the cube itself (without the coloured areas) would be protected by copyright failed.

However, the manner in which the six sides were designed in order to identify each side of the cube, offered room for creative choices, according to the Court of

Appeal. After all, colour was not the only way to identify parts, as shown by Rubik. Other options such as letters, numbers, symbols or pictures exist. Furthermore, the specific colours chosen by Rubik were not so obvious that all creativity must be denied. The Court of Appeal agreed with the earlier consideration of the District Court that the specific width, colour and thickness of the grid was not technically defined, since other thicknesses and colours were possible. Thus, the grid in combination with the specific contrasting colours (red, green, yellow, blue, white and orange) showed the author's intellectual creation and reflected his personality through his creative choices.

As Beckx had applied the same combination of creative choices, its cube gave the same overall impression. The fact that one of the areas of Beckx's cubes had a different colour compared to Rubik's cube, did not alter this conclusion. Thus, Beckx infringed Rubik's copyright according to the Court of Appeal.

*Practical and broader significance* - The discussion regarding copyright protection of products that are (partly) determined by their technical function is very much alive in Europe. Applying the framework of the CJEU, national courts provide the interpretation in practice and delineate the borders of protection. The space offered for creative choices separate from the technical function of a product appears crucial, and as considered by the Court of Appeal in this case, can indeed be so limited that the choices made cannot be considered free and creative.

## UK

### Joint authorship of a screenplay

*Case reference* - *Martin & Anor v Kogan* [2021] EWHC 24 (Ch), 11 January 2021

*Summary* - In a retrial ordered by an earlier Court of Appeal decision and applying principles of joint authorship set out in that earlier decision, it was held that a screenplay work was jointly authored. Nevertheless, the defendant's contribution amounted to 20 per cent of the original work.

*Analysis* - The dispute concerned the screenplay written for the film *Florence Foster Jenkins*. The claimant, Nicholas Martin, was a writer, primarily of TV show scripts. It was accepted that he was an author of the screenplay, but he contended he was the sole author. The defendant, Julia Kogan, was primarily an opera singer, music teacher and occasional book writer. She claimed her contributions were sufficient for her to be a joint



author of the literary work in the screenplay. Ms Kogan had not received a writing credit when the film was released. The pair were in a romantic relationship when the screenplay was being written. The court considered whether Ms Kogan's contributions were sufficient for joint authorship, and if so, what percentage ownership she held.

In the earlier Court of Appeal decision (*Julia Kogan v Nicholas Martin & others*, [2019] EWCA Civ 1645), the court set aside the first instance decision that Ms Kogan's contributions were not sufficient for her to qualify as a joint author as they amounted to merely 'providing useful jargon, along with helpful criticism and minor plot suggestions'.

Applying the 11-step analysis set out in the Court of Appeal decision to the facts in this retrial, the court first held that there was sufficient collaboration for it to be a work of joint authorship. While there was never any formal task allocation between the couple, nor would it have been likely that they would have agreed at the time they were joint authors, their conduct indicated a 'common design as to general outline and a sharing of labour'. Their discussions were 'close and iterative' and they both contributed ideas for 'characters, feeling, main events and musical content'. This was the case despite the fact that Mr Martin did the writing and had the final say (which was relevant, but not decisive).

As to the nature of Ms Kogan's contribution, the court used six of Ms Kogan's most significant contributions as an illustrative measure. It was held that Ms Kogan's knowledge of the opera industry, the film's era and setting, fed into her dialogue suggestions which were included in some of the most important scenes. Generally, her input was 'of great importance' to the central characters, which follows the Court of Appeal's finding that non-textual contributions (such as characterization) could be sufficient for someone to qualify as a joint author. Her contributions were held to be highly creative and imaginative, not mechanical or constrained, consequently they were Ms Kogan's own intellectual creation. They were 'authorial' as they involved the 'creation, selection and gathering together of detailed concepts' which the words fixed in writing.

Turning to Ms Kogan's share, the court considered that the circumstances justified a move away from the general presumption that joint authors should enjoy equal shares in ownership. There were large areas of work that were exclusive to Mr Martin (the story structure and scenes in the initial development of the screenplay, and the work

on the actual screenplay). Additionally, Ms Kogan's contributions, while qualitatively significant, were similar throughout the process of the screenplay and much more numerous in the initial development stage. Mr Martin's work was also held to be 'highly creative, difficult and intricate'. While Mr Martin having the 'final say' attracted little weight here (on the basis that the only creative decision in such a process is whether to include or exclude a suggestion), so too did the fact that it was Ms Kogan's initial idea to create a film about Florence Foster Jenkins. Overall, the court attributed a share to Ms Kogan of 20 per cent (1/3rd of the initial development stage and 1/10th of the actual work on the screenplay), albeit recognizing that this was 'highly subjective' and a broad-brush approach.

*Practical and broader significance* - This case is the first to apply the principles set out by the Court of Appeal to assess whether a work is one of joint authorship. Further, it gives guidance on the sort of factors relevant in assessing the correct share of an author's contribution to the overall work and when one can look beyond the presumption of equal shares. Submissions from film companies, which were joined as parties to the proceedings, raised concerns that this judgment would be detrimental to investment in creative industries, out of fear that an unknown author (in particular mere 'sounding boards') could emerge later down the line claiming ownership rights. The court responded that the judgment does not set out any new principles of law, Ms Kogan's contributions were more than a mere 'sounding board', and various safeguards could be put in place by investors to protect against this concern (eg, making inquiries, contractual protections and working with reputable authors). This said, the court's willingness to grant ownership rights for a relatively low contribution for the later part of the screenplay's development may well encourage those with small contributions to assert their rights.

## B. Authors' contracts

### Germany

Renegotiation request based on best seller clause

*Case reference* - BGH, judgment dated of 1 April 2021, I ZR 9/18—*Das Boot III*

*Summary* - The chief cameraman of the highly popular German movie *Das Boot* (filmed in 1980/1981) agreed with the production company on a lump-sum payment of DM 204 000 (EUR 104 303.54) for his contribution to

the filming. In addition, the chief cameraman comprehensively assigned his rights of use in *Das Boot* to the film company for an unlimited period of time. The production company licensed the movie to the German public broadcasters and to a distributor of video cassettes and DVDs. The movie enjoyed a great national and international success and has been shown in cinemas, on television and has been distributed on video cassette and DVD since its release. The ARD aired the movie between 2002 and 2016 on a regular basis. Subsequently, the chief cameraman asserted claims for further participation and sued successfully for disclosure in the past.

Now, in this lawsuit, he requested a further participation under Section 32a (1) UrhG for the uses of his work from 2002 onwards. Pursuant to Section 32a (1) UrhG, a (co-) author is entitled to request his licensee to consent to a modification of the agreement if the remuneration is conspicuously disproportionate to the benefits of the licensee from the exploitation of the work.

The District Court of Munich I and the Court of Appeal (Higher Regional Court of Munich) both partially granted the chief cameraman's claims. Finally, the BGH had to decide on the final appeal.

*Analysis* - The BGH did not generally rule out a claim by the chief cameraman. However, the court overturned the decision of the Court of Appeal and referred it back as its reasoning for a conspicuous disproportion was not sufficient. The Court of Appeal had not considered the respective relationship between the chief cameraman and the three (sub-)licensees in each case. Instead, it had based the full amount of the lump-sum remuneration in relation to each (sub-)licensee. However, since there was only one contractual partner—the production company—and several sub-licensees, the (estimated) part of the lump-sum remuneration which is attributable to the rights of use exploited by the respective (sub-)licensee must be put in proportion to the income and benefits achieved by this (sub-)licensee. Also, the remuneration for a repeated broadcast may not be paid in full, but only in the amount of a certain percentage of the remuneration agreed for the first broadcast.

Because of these calculation errors, the assumption of a conspicuous disproportion of the Court of Appeal was incorrect. Thus, the Court of Appeal must decide again on the basis of these corrections whether a conspicuous disproportion exists.

*Practical and broader significance* - The BGH confirmed its calculation principles of the best seller clause from the

*Boot II* decision.<sup>3</sup> In particular, the full contractual remuneration must not generally be applied to the relationships with each (sub-)licensee. Rather, the (estimated) part of the remuneration which is attributable to a specific relationship must be put in proportion to the benefits achieved by the respective (sub-)licensee.

## The Netherlands

Time for assessing whether clause in Martin Garrix's contract is unreasonably onerous

*Case reference* - Supreme Court, *Martin Garrix v Spinnin & MAS*, ECLI:NL:HR:2021:1923, 17 December 2021

*Summary* - According to the Dutch Supreme Court, the question whether a clause in a copyright contract is unreasonably onerous must be assessed *ex tunc*.

*Analysis* - Martin Garrix is a world-famous deejay of Dutch origin. In 2013, Garrix released a track (*Animals*) which led to his breakthrough. Spinnin, a global leader in marketing electronic dance music, concluded a production agreement with Martin Garrix on 30 July 2013. On that same day, MAS, a company focused on managing artists as well as exploiting and marketing music rights, concluded a management agreement with Martin Garrix. Spinnin and MAS share the same address and are operated by the same two board members.

Six months after the one-time extension (2 years) of the agreements, on 29 July 2015, Garrix gave notice of the annulment or termination of the agreements with both Spinnin and MAS. The main reason was that he considered the contract clauses regarding royalty fees to be in conflict with the standards of reasonableness and fairness, as referred to in section 25f(2) of the Dutch Copyright Act ('DCA') because the clauses would allow Spinnin to unlimitedly deduct costs. The Court of Appeal disagreed and considered the clauses not unfair in the given circumstances, mainly because it had not been shown that Spinnin unlimitedly deducted costs in the execution of the agreement.

At issue was the criterion on the basis of which the unreasonable onerousness of a clause should be assessed. Section 25f(2) DCA states that a clause in a copyright assignment/licence agreement is voidable, if the clause is unreasonably onerous, having regard to the nature and content of the agreement, the manner in which the

3 See The Bird & Bird IP Team, 'National Copyright Decisions Round-Up 2020' (2021) 16 JIPLP 498, 522–23.

agreement was concluded, as well as the interests of the parties and other circumstances.

The Dutch Supreme Court held that section 25f(2) DCA, implies, by its very nature, an assessment of only those circumstances that occurred before or at the time of the signing of the agreement. In other words: whether a clause is unreasonably onerous within the meaning of section 25f(2) DCA must be assessed *ex tunc*.

Against this background, the Supreme Court considered that the Court of Appeal applied the wrong criterion, as it took circumstances into account which occurred after the signing of the agreement, namely the acts of Spinnin during the execution of the agreement.

*Practical and broader significance* - This decision shows that a contracting party is not able to ‘escape’ the verdict of an unreasonably onerous nature of a clause in a contract by not (fully) exploiting such a clause during the term of the contract. Moreover, with the implementation of the Digital Single Market Directive 2019/790, copyright contract law has notably developed in the EU, and is now harmonized to a certain extent. However, the provision on unreasonably onerous contract clauses is a specific piece of Dutch copyright legislation introduced in 2015, and is not contained in that directive. Nonetheless, the approach taken by the Dutch Supreme Court could have repercussions on the EU copyright contract provisions. It could be seen as an indication that a contracting party already has to take the interests of the author and (initial) copyright holder into account at the time the contract is concluded.

## C. Derivative works

### Czech Republic

Copyright protection of translation of Oscar Wilde’s *The Importance of Being Earnest*

*Case reference* - Judgment of the Supreme Court of the Czech Republic (*parties anonymized in the decision*), File no. 27 Cdo 2023/2019, dated 24 March 2021

*Summary* - A translation of a copyrighted work may itself constitute a copyrighted work, provided that such translation is a unique result of the creative activity of the translator (and fulfils other conditions for protection by copyright under Czech law), meaning that the translator has ‘room for creativity’ while translating the original work and the translation created is not determined to a substantial extent by the language into which the original is being translated.

*Analysis* - In this case, the court dealt with a dispute between one of the holders of the rights to the Czech

translation of the play *The Importance of Being Earnest* by Oscar Wilde (‘Work’), as translated by the translator as ‘*Jak je důležité mítí Filipa*’ in Czech and the defendant, who created a translation of the Work under the same Czech translation of the title.

The original title of the Work is based on a wordplay that does not have an equivalent in the Czech language. The original translator solved this problem by finding an idiom in Czech language (‘*míti Filipa*’ means being smart, inventive, witty, but the literal translation to English is ‘having Philip’) and created a Czech title of the Work—*Jak je důležité mítí Filipa*, or ‘The importance of having Philip’. As the Czech idiom ‘*míti Filipa*’ does not share its meaning with the phrase ‘being earnest’, the translator had to change certain dialogues in the play in order to adapt the plot to the Czech translation. Furthermore, the main character had to be renamed from Ernest to Filip in order to cater to the selected wordplay.

The court of first instance concluded that the title of the translation and the use of the name ‘Filip’ in the translation constituted a copyrighted work. That court based its decision on the grounds of the individuality of the translation, which is not mechanical but tries to capture accurately the subtext of the foreign language text. According to the court, the uniqueness in the translation is the creative application of the Czech wordplay as the solution to the complex translation of the Work.

The appellate court disagreed with the conclusion of the court of the first instance and held that the Czech translation is not a work protected by copyright, due to the non-fulfilment of the ‘uniqueness of the result of creative activities of the author’ condition. Under the Czech Copyright Law, a copyrighted work is defined as a literary and other artistic work and a scientific work which is a unique result of the creative activity of the author and is expressed in any objectively perceptible form, including electronic form, permanently or temporarily, regardless of its scope, purpose or significance. The appellate court stated that the only method available to the translator was the method of ‘functional substitution’. After the selection of this method, the translation was, to a substantial extent, determined by the original work. In case the Czech language does not include any other phrase to maintain the meaning conveyed by the original work, there is no room for creativity in the translation.

The court, while acknowledging that translations of protected literary works may constitute copyright work, stated that it does not follow that every translation is protected by copyright. The court emphasized that the phrase ‘*míti Filipa*’ itself is considered a part of the public domain and the name ‘Filip’ is a common name in the Czech Republic. The court concluded that the contribution of the translator lied in the first use of the

functional substitution method through which the translator reached a result not achieved by any former translators of the original work. The court added that, since the method *per se* is not subject matter protected by copyright, the realization of this method in the translation did not provide the translator with sufficient room for creativity in the copyright context and therefore, the translation would not be protected by copyright.

*Practical and broader significance* - The decision provides guidelines on factors that are assessed by Czech courts when considering whether a translation of a copyright-protected work is itself protected by copyright under Czech law. This said, the reasoning of the decision of the court is not without flaws, as it does not fully elaborate on why the relevant translation does not fulfil the 'uniqueness' criterion and states, without much elaboration, that after the selection of the translation method, the translator had no further room for creativity in creating its translation.

## D. Enforcement

### Czech Republic

#### Availability of hosting safe harbour

*Case reference* - Judgment of the Supreme Court of the Czech Republic, *Česká národní skupina Mezinárodní federace hudebního průmyslu, z.s. v I&Q GROUP, spol. s r.o. and Hellspy SE*, File no. 23 Cdo 2793/2020, dated 31 August 2021

*Summary* - The safe harbour provision of the Act No. 480/2004 Coll., on Certain Services of the Information Society ('ISP Act'), implementing Article 14 of the E-commerce Directive 2000/31 shields, under certain conditions, an ISP providing a public data storage service from liability, which it could otherwise incur due to the content of the files hosted on the platform upon the request of the platform user (eg, copyright infringement). However, it does not exempt such ISP from other liability under the applicable law, such as liability resulting from unfair competition which may arise in connection with the business model of the relevant ISP as a whole, or other liability not arising as a result of the 'content' of the information uploaded by the users of the platform.

*Analysis* - In this decision, the Supreme Court of the Czech Republic addressed an unfair competition case, the large part of which revolved around the application of safe harbour provisions of the ISP Act, which implement Article 14 of the Ecommerce Directive.

The platform in question is a data storage, hosting-type service which enables its users to upload, search and download files. The platform offers a 'partnership programme' which motivates its users to upload 'interesting files' to the platform by offering download credits based on the number of times the uploaded file has been downloaded, which can be sold back to the ISP. For each download of 1 MB uploaded, the uploader gains credits corresponding to the amount of CZK 0,0071. As mentioned above, the credits gained may be sold to the ISP by the uploader taking part in the partnership programme ('Business Model').

The ISP Act states that the ISP providing a service, which consists of the storage of information stored upon the user's request, is liable for the content of such information if (i) the ISP could have known, considering the scope of its activities, the circumstances or the nature of the case about the unlawful nature of the content of the information or the user's action, or (ii) if the ISP demonstrably became aware of the unlawful nature of the content of the information or the user's action and has not, without undue delay, taken any steps, which might be requested from the ISP, to remove or block such information. Based on the above-mentioned provision, the court concluded that, in case the liability of the ISP arises from any grounds other than the content of the stored information (eg, copyright infringement), the safe harbour pursuant to Section 5 of the ISP Act is not applicable.

The court found that the Business Model was in breach of the Czech unfair competition rules, as the Business Model directly economically incentivized the users of the platform to upload 'popular' files which, according to the observation of the court, will mostly be infringing copyright, as such files usually gain the largest number of user downloads. The court referred to the joined cases C-682/18 and C-683/18 (*Frank Peterson v Google LLC and Others and Elsevier Inc. v Cyando AG* (EU:C:2021:503) of the CJEU adding that that decision emphasizes the role of the business model incentivizing the unlawful communication to the public of protected content. The court also referred to the judiciary practice of the courts of Germany. It further dealt with the feature to search the files hosted on the platform. The Court stated that, generally, the provision of an option to search the files stored on the platform does not, as such, constitute an unfair competition practice on the grounds that copyright-infringing files may show up in the search results, in case that the ISP does not, in a competitively relevant manner, influence the result of any such search beyond the actual course of the automatic (technical, passive) search process.



*Practical and broader significance* - In this decision, the court quite decisively limited the scope of the safe harbour provisions regarding hosting-type services under Czech law, warning relevant ISPs that they are not safe from liability by the fulfilment of the conditions for the application of a safe harbour. Although controversial for a number of practitioners and academics alike, especially for the possible failure of the court to interpret the safe harbour provisions of the ISP Act in line with the E-commerce Directive,<sup>4</sup> the decision is nonetheless a milestone in the interpretation of safe harbour provisions under Czech law. At this point, it remains to be seen whether the lower court, which will be once again assessing the case because the court rescinded its previous decision in the case, poses preliminary questions to the CJEU regarding the interpretation of Article 14 of the E-commerce Directive.

## Italy

Recovery of profits and determination of damages in infringement cases

*Case reference* - Italian Supreme Court, *Universal Music Italia S.r.l. and Others v Première Music Group S.a.r.l. and Others*, decision 21833/2021

*Summary* - The Italian Supreme Court ruled on the application of the recovery of profits made by the author of the copyright infringement as a criterion to determine damages quantification.

*Analysis* - The facts of the case concerned a company holding the economic rights to a song (without much success among the public), his author, and the composer, who claimed their song had been plagiarized by another song of international success.

The Court of Milan ascertained at first instance the copyright infringed and quantified the damages, subsequently reduced on appeal. The case was finally brought before the Italian Supreme Court, where several issues related to damage quantification were addressed. In particular, the Supreme Court provided guidance on the role of the recovery of profits in damage quantification.

First of all, the court recalled that according to Article 158 of the Italian Copyright Act: (i) compensation for damages is determined in compliance with the general rules on tort liability, that comprise the possibility of

equitable determination by the court; (ii) the loss of profits is assessed by the court with fair evaluation of all the circumstances of the case and ‘also taking into account the profits made by the author of the infringement’; and (iii) non-material damages are due as well.

The Supreme Court further clarified that the recovery of profits is not an autonomous remedy under Italian Copyright Law, but instead, a parameter that the court can use—together with the alternative criterion of the reasonable royalty—to quantify damages in an equitable manner. In other words, the profits made by the infringer can be used to build up a presumption of the value of the potential exploitation of the work, in respect of which the copyright owner must be compensated. Hence, the need to calculate only those profits that are an immediate and direct consequence of the infringement. This is the principle—in the words of the Supreme Court—of the ‘moderating factors’ of the profits that can be recovered. The revenues earned by the author of the violation must be ‘disaggregated’, to subtract from the gross illicit incomes, both (i) the costs incurred by the author of the plagiarism, and (ii) the portion of the profits that are a consequence of the independent contribution of the author of the violation to the success of the illicit work.

Regarding the second moderating factor, the court stressed that the profits that are a consequence of the commercial success of the unlawful work referable to the author’s reputation, their quality as a performer and their capacity to attract the interest of the audience, cannot be recovered because they are not a direct and immediate consequence of the copyright infringement.

The Supreme Court therefore partially reversed the decision and referred the case back to the Court of Appeal, which must now apply the principle thus set forth and correctly determine the damages due.

*Practical and broader significance* - The decision clarifies that the recovery of profits under Italian Copyright Law is not an autonomous remedy that automatically awards all the illicit profits to the copyright owner, but instead, it is an equitable criterion that can help the courts to quantify damages.

Consequently, it is strictly subject to the proof of the causal link between the infringement and any profits made as a result of that. In other words: only those profits that are a direct and immediate consequence of the infringement can be recovered. This principle was applied also in another recent case, *Mondo Convenienza Holding S.p.A. and Others v Flou S.p.A.* (decision 27901/2021), in which the Supreme Court deemed correct to limit the profits to be recovered only to a percentage of the overall profits, corresponding to the percentage of consumers

<sup>4</sup> See, eg, M Husovec, ‘Nekalá súť až na steroidoch (a jej trampoty s právom EÚ)’ *HUTKO’S TECH NOTES digital innovation & liberties*, 30 September 2021. Available at <https://husovec.eu/sk/2021/09/nekala-sutaz-na-steroidoch-a-jej-trampoty-s-pravom-eu/>.

that purchased the infringing item specifically due to the aesthetic features protected by copyright, while the remaining percentage of profits—corresponding to consumers that purchased the item for other reasons—could not be recovered.

## UK

Blocking orders relating to websites linking to infringing content

*Case reference - Columbia Pictures Industries Inc & Ors v British Telecommunications Plc & Ors* [2021] EWHC 2799 (Ch), 22 October 2021

*Summary* - A website blocking order was granted against the six major UK internet service providers ('ISPs') on an application by six major film and television studio groups in relation to copyright infringement on third-party websites. This case was of note as the infringing websites in relation to which the blocking order was sought did not actually host the infringing content, but rather provided hyperlinks to them.

*Analysis* - The applicant studios, including Netflix and Disney, (the 'Studios') collectively made an application seeking a website blocking order under section 97A Copyright, Designs and Patents Act 1988 ('CDPA'). The Studios each own the copyright in an extensive collection of film and television programmes. Each of the respondent ISPs had been subject to similar blocking orders in other proceedings brought under s97A CDPA and none opposed the current application.

The application specifically related to five websites (the 'Target Websites') that did not host the relevant audio-visual content directly, but whose operators knowingly provided links to third-party sites on which the content was available. The Target Websites enabled users to stream unauthorized content either through a pop-up window in one instance or otherwise via an embedded video player which did not clearly indicate the content originated from a third-party site. Despite attempts to contact their operators, the activities on the Target Websites had not been curtailed. Profits were generated from advertising and all of the Target Websites were operated outside the jurisdiction of the UK.

The Studios argued that the Target Websites infringed s20 CDPA by communicating the copyright works to the public. The relevant principles were recently considered by the Court of Appeal in *TuneIn Inc v Warner Music UK Ltd* [2021] EWCA Civ 441 and applied in this judgment:

- The links were presented in an indexed, categorized and user-friendly format allowing users to easily find and access infringing content from a place and time of their choosing. The Target Websites were actively maintained with clear editorial control and the site operators were clearly aware they were providing access to the works. It did not matter that the content was hosted on third-party sites, particularly given the 'active intervention' by the operators to make the content readily accessible. It was held this amounted to 'communication' (*TuneIn* at [70(8)]).
- It was not necessary to show that the works had actually been accessed (*TuneIn* at [70(9)]).
- The Target Websites were available to and had been accessed by a large and indeterminate number of individuals satisfying the court of communication to 'the public'. The court further held that the sites also communicated the works to a 'new public' (*TuneIn* at [70(13)]) ie, a public which was not considered by the rightsholder when it authorized the original communication.
- A rebuttable presumption exists whereby an operator who posts hyperlinks for the purpose of generating a profit shall carry out the necessary checks to ensure linked content is not illegally published (*GS Media*, C-160/15, EU:C:2016:644, as considered and applied in *TuneIn*). The court found nothing rebutted this presumption of knowledge in this case.
- The court also held the objective test to establish the requisite targeting of UK users was satisfied (*TuneIn* at [60] and [61]). Relevant factors included that the default language of the Target Websites was English, advertising was targeted at the UK market and there were a significant number of UK users.

The Studios also argued that the Target Website operators had authorized acts of copying by UK-based users because the streaming process caused the user's computer or device to create copies of the content in its memory constituting an infringement under section 17(1) CPDA. The court agreed, finding the operators even 'positively encourage and facilitate it'.

Turning to s97A CDPA, the court held that it had jurisdiction to grant an injunction and, taking into account all the circumstances, that the injunction was proportionate, appropriate and necessary to prevent or at least reduce damage to the Studios. When balancing the Studios' IP rights with the rights of the ISPs, site operators and users (such as freedom of expression under Article 10 ECHR), it was held that the public does not have a legit-

imate interest in accessing works in infringement of the Studios' rights and to their detriment.

*Practical and broader significance* - This case further demonstrates the courts' willingness to help the creative industries protect their IP rights against piracy. The application of existing law, as considered in *TuneIn*, was clarified and will further comfort copyright owners in an ever-evolving internet age. Further, the ISPs had a combined market share of more than 90 per cent of the UK fixed-line broadband market and this case demonstrates their critical role in combatting online IP infringement,

particularly where website operators are based in different jurisdictions.

The Target Websites were all substantially the same in terms of purpose and mode of operation as other sites subject to existing orders under s97A CDPA. In fact, a number of the sites had adopted the brand names of sites subject to an existing blocking order. This shows there is still more to be done to counter the seeming ease with which similarly infringing sites can materialize. The combined efforts of the Studios do, however, suggest their willingness to take necessary action to discourage and prevent further infringement.