

# Legal Business Solutions Academy:

## Intellectual Property

October 2023



# Intellectual Property

The session will focus on key intellectual property considerations for in-house counsel.



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# Agenda

- |    |                                       |
|----|---------------------------------------|
| 01 | Introduction to IP                    |
| 02 | IP Risks & How to Mitigate Them       |
| 03 | Trade mark infringement: Tesco v Lidl |
| 04 | AI: Ownership issue                   |
| 05 | Questions and feedback                |



1

# Introduction



# Introduction to IP

<p>Protects “any sign capable of distinguishing good / services from those of other undertakings”. Marks must be distinctive in order to indicate trade origin.</p> <p><b>Duration:</b> Renewable every 10 years (perpetual) (but can be invalidated for 5 years continuous non-use).</p> <p>Registration required</p> <p><b>Trade Marks</b></p>	1	2	<p>Copyright applies to give an author of literary works, dramatic works, musical works, film, broadcasts, artistic works.</p> <p><b>Duration:</b> 50 to 70 years from the death of the author (depending on the type of work).</p> <p>Arises automatically</p> <p><b>Copyright</b></p>
<p><b>Patents</b></p> <p>Gives an inventor - in return for disclosure of the invention - the right for a limited period to stop others from making, using or selling an invention without the permission of the inventor.</p> <p><b>Duration:</b> Monopoly right for up to 20 years. Registration required.</p>	3	4	<p><b>Passing off</b></p> <p>Applies to give a trade protection from ‘unfair competition’ over their marks, names, get -up etc.</p> <p><b>Duration:</b> Indefinite. Arises automatically</p>

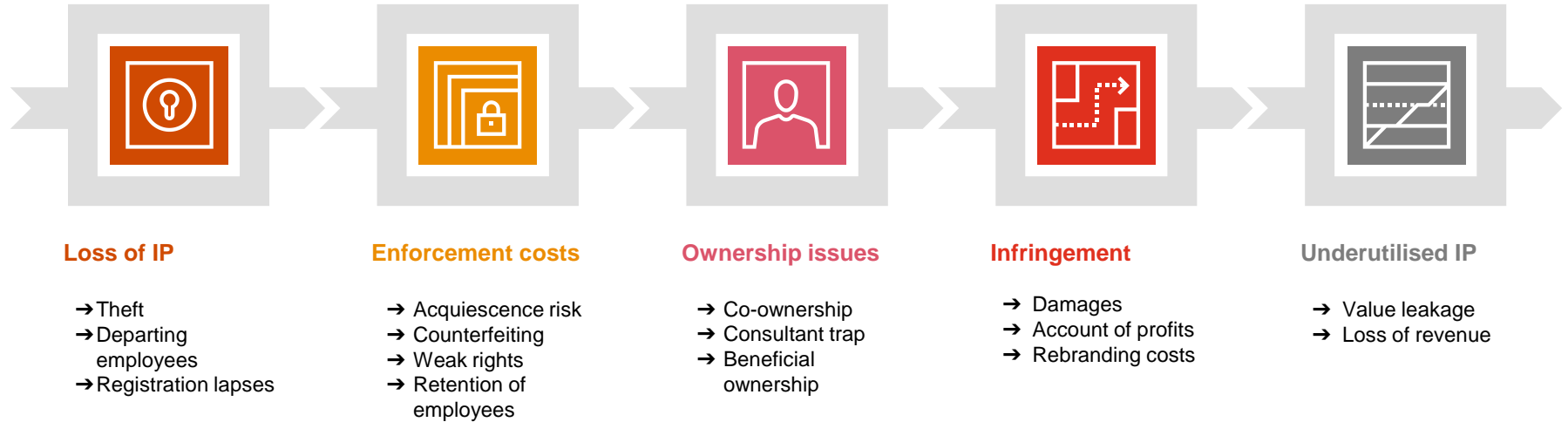


2

## IP Risks & How to Mitigate Them

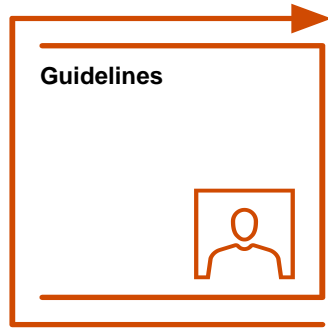


# Key Risks

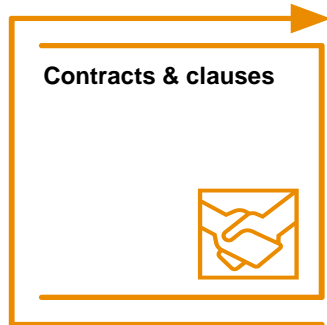




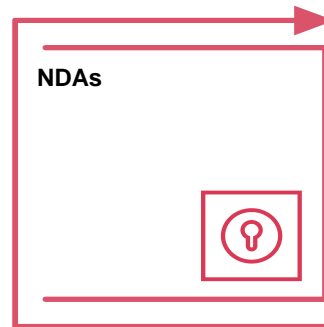
# Mitigations



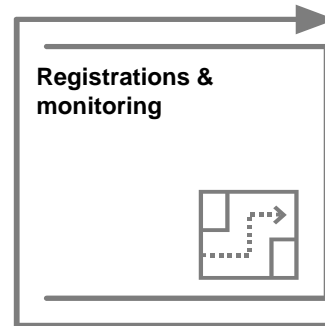
- Raise awareness of the relevant law;
- Establish proper systems for the correct use and enforcement; and
- Respect third party IP rights.



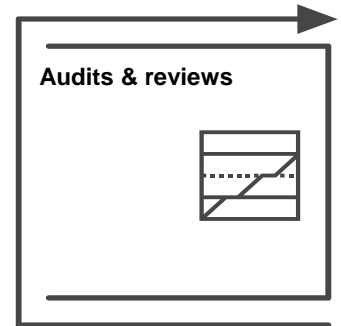
- Type of contract;
- Formalities;
- Clearly defined rights;
- Clear restrictions; and
- Warranties & indemnities.



- Confidential information not property;
- Clearly define information as confidential; and
- Set contractual deterrents.



- Prima facie evidence of rights;
- Freedom to operate searches; and
- Monitoring potential infringements.



- Identify organisational gaps;
- Mitigate risks; and
- Protect value.



# Breakout Room Discussions

What are the main IP risks your businesses are experiencing at the moment?

Which risks do you see being the biggest challenge going forward?



3

Hot topic 1: Lidl v  
Tesco



# Spot a difference?



## Wordless Mark



Lidl



Tesco

## Mark with Words



Lidl



Tesco

# Lidl v Tesco - Claims

## Facts

### Lidl's claim

- Sued Tesco for trade mark infringement (reputation-based), copyright infringement and in passing off.
- Argued that Tesco's use of an identifier for its Clubcard Prices logo was similar to Lidl's registered marks.
- Claimed that such use **took unfair advantage and/or was detrimental to the distinctive character** in its earlier registrations.

### Tesco's counterclaim

- Claimed that Lidl's registration for the wordless mark should be revoked on the grounds of non-use, non-distinctiveness and bad faith.
- Argued that Lidl never genuinely used the wordless figurative mark and had no intention to do so when registering the wordless mark in 1995.
- Argued that Lidl was evergreening the 1995 registration by making further applications in 2002, 2005 and 2007.

# Lidl v Tesco - Outcome

## Infringement

Lidl won.

- Mark with text **sufficiently similar** when considered from the point of view of the average consumer.
- **Visually similar** and differing texts within marks did not affect the conclusion.
- Court viewed Tesco's objective in creating such a mark is to **take unfair advantage of the reputation of Lidl's marks for low priced goods**.

## Copyright

Lidl won.

- Lidl's mark was **sufficiently original and artistic**.
- Tesco had **copied a substantial part** of Lidl's mark with text, and thus infringed Lidl's copyright in the logo.
- Blue background with yellow circle likely a **result of copying rather than mere coincidence**.

## Passing off

Lidl won.

- **Goodwill**: reputation of low priced goods.
- **Misrepresentation**: customers would be misled to believe that the Tesco Clubcard Price was the same/lower than the Lidl price for the equivalent goods.
- **Damage**: the detriment caused due to trade mark dilution.

## Bad faith

Tesco won.

- The wordless mark was designed to **secure a wider monopoly** and Lidl had **no intention** to use it independently of the mark with text.
- Mark with text had **same specification** of goods and services.
- Court agreed that periodic registrations for the same goods and services were attempts to **evergreen the wordless mark** to avoid sanctions for non-use.

# What are the key learnings from Lidl v Tesco?

What should I consider when expanding, or protecting your existing portfolio?

## Bad faith and Evergreening trade marks

Companies should be able to explain the rationale for the initial or repeat filings and so its registrations were invalidated - importance of record keeping.

## Passing off

Passing off can be as to equivalence or false endorsement.

## Similarity of marks

Does your company have marks that have a reputation?



4

AI: Ownership issue





# AI: How does it affect modern IP rights?

## How does generative AI work?

- Image generators such as Stable Diffusion, Midjourney, or DALL-E can produce visuals in all different styles - aged photos, watercolours, pencil drawings, Pointillism
- Text generators pull information from “data lakes” or question snippets and write essays, poems, summaries. They can mimic style and form

## How is it being used?

- MoMA NY hosted an AI-generated installation which used the museums’ own collection.
- Mauritshuis in The Hague hung an AI variant of Vermeer’s ‘Girl with a Pearl Earring’ entitled ‘A Girl With Glowing Earrings’ and made using Midjourney



"Refik Anadol: Unsupervised" at the Museum of Modern Art. Photo by Ben Davis.

“...are you unfamiliar with the legal and ethical issues with the technology...is it a case of pure disregard for actual artists all around?”

“...ai imposter...did literally nothing generating their ‘art’”

## What is the current legal status?

- Generative AI is relatively new but existing laws can significantly impact how it's used - claims around infringement and rights of use, ownership and unlicensed content in training data are already being litigated
- 2022: *Andersen v Stability AI et al.*
- 2023: *Getty Images (US), Inc. v Stability AI, Inc.*

# Key Risks

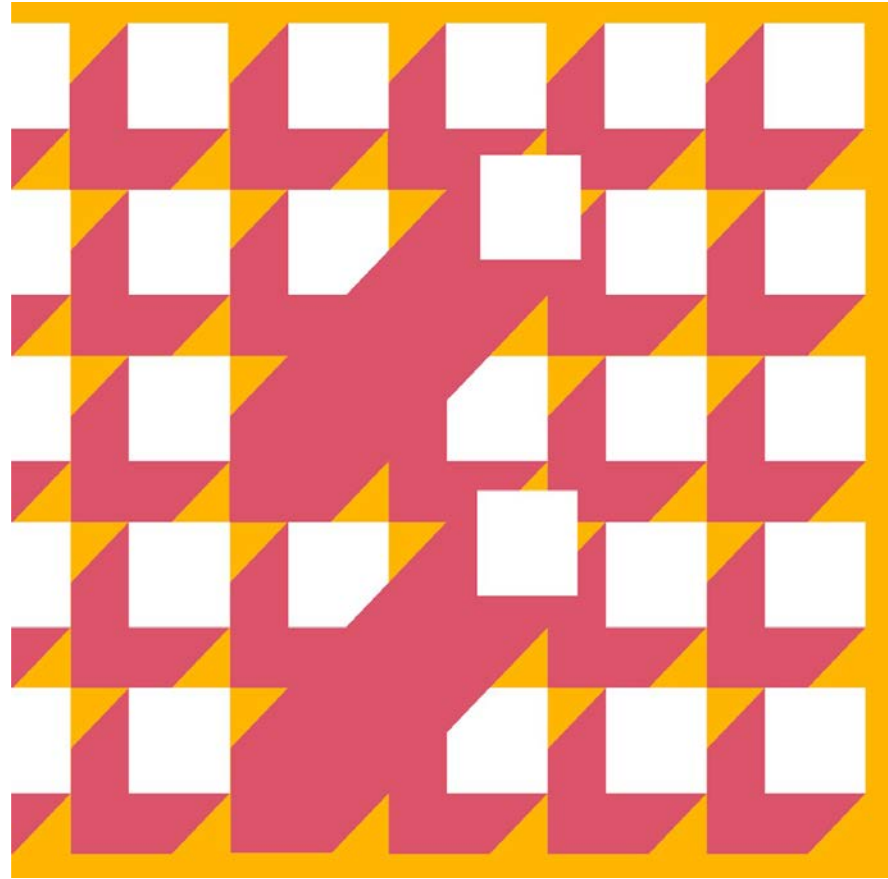
IP Infringement - copyright, patent, trade mark infringement

Who owns the content that AI platforms create for customers?

AI developers: Compliance with the law regarding acquisition of data

Customers: Are your models trained with any protected content? Is your training data properly licensed from creators?

Misuse of your brand - is your goodwill at risk?



# Mitigations

Check you are licensing and compensating whoever owns the IP that is being used as training data

Ask providers of AI tools whether models were trained with protected content, review terms of service/privacy policies

Be wary of generative AI tools that cannot confirm their training data is properly licensed or subject to open-source licenses

Proactively check if your own IP is in compiled datasets / large-scale data lakes

Monitor digital and social channels for works that might be derived from your own - logo, specific colour, stylistic elements



Questions and feedback



# Thank you

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