

# Navigating the Future of IP

## The Value of Data and IP

Wednesday 6 November 2024



# Speaking with you today



**Marcus Sacre**

Partner  
Germany

T +49 221 5108 4062  
[marcus.sacre@osborneclarke.com](mailto:marcus.sacre@osborneclarke.com)

---



**Elisabeth Macher**

Counsel  
Germany

T +49 221 5108 4510  
[elisabeth.macher@osborneclarke.com](mailto:elisabeth.macher@osborneclarke.com)

---



**Anna Rawlings**

Associate Director  
United Kingdom

T +44 20 7105 7154  
[anna.rawlings@osborneclarke.com](mailto:anna.rawlings@osborneclarke.com)

---



**Valentin de le Court**

Partner  
Belgium

T +32 2 515 9362  
[valentin.delecourt@osborneclarke.com](mailto:valentin.delecourt@osborneclarke.com)

---

# 1

## Protecting data through IP – information for data-holders



# Protecting data through IP

- No property right in data *per se*
- IP rights protect data:
  - Copyright
  - Database right (EU/UK specific *sui generis* right)
- Record-keeping essential for enforcement / ownership -> more extensive chain of title records for copyright than database rights.
- How OC's IP Unlocked product can help you keep track of your data assets.



## Protecting data through IP

- Companies increasingly relying on IP rights to enforce their data assets against others e.g. web-scraping and AI training data cases.
- Compensation (i.e. damages) usually assessed & awarded on "reasonable royalty" licence analogy basis.

**gettyimages**

**stability.ai**

**The New York Times**

 **OpenAI**

 **Microsoft**



# 2 Protecting Data through Trade Secrets



# Can data be protected as a trade secrets?



# 1. Trade Secrets are no IP Rights: No Exclusive Right Granted

## 1. Intellectual Property Rights ('IP')

- Exclusive right granted (monopoly)

## 2. Trade secrets ('TS')

- Recital 16 TS Directive: "*In the interest of innovation and to foster competition, the provisions of **this Directive should not create any exclusive right to know-how or information protected as trade secrets***"
- Protection based on
  - the nature of the information
  - the way the information is handled by the holder

➔ Protection against **unlawful acts**





## 2. WHAT is a trade secret ? (art.2 TS Directive)

**Information - broad range** (know-how, business information and technical information)



### 1. Secret

- "it is **not**, as a body or in the precise configuration and assembly of its components, **generally known** among or **readily accessible** to persons within the circles", art.2.1(a) TS Directive



### 2. Commercial value because it is secret

- "commercial value", art.2.1(b) TS Directive



### 3. Reasonable steps to keep it secret

- "subject to reasonable steps under the circumstances (...) to keep it secret", art.2.1(b) TS Directive



### 3. "Data" and "data sets" can be protected as trade secrets

#### ➤ **Broad notion** adopted by the TS Directive

Recital 14: *"It is important to establish a homogenous **definition of a trade secret** without restricting the subject matter to be protected against misappropriation. Such definition should therefore be constructed so as to cover know-how, business information and technological information"*

#### ➤ Information of **technical, financial** or **commercial nature**

#### ➤ **Virtually any kind of information** (wider scope than a patent)... and **data**

- ✓ Data Act definition of '**data**' (art.2.(1)):  
*"means any digital representation of acts, facts or information and any compilation of such acts, facts or information, including in the form of sound, visual or audio-visual recording"*
- ✓ **Analytical data,**
- ✓ **Data sets,**
- ✓ **Customer Data:** purchasing habits, and preferences.
- ✓ **Technical Data:** performance data.
- ✓ **Clinical Trial Data:** Detailed results, methodologies, and statistical analyses from clinical trials.
- ✓ **Research Data:** laboratory experiments

## 4. Important issues when approaching data as a trade secret?

### 1) Protection

- Identify your **most valuable data** to be protected as a trade secret assets
- Meet the trade secrets **protection requirements**
- Identify and target **gaps** in protection & remedial steps
- **Secure** an asset and eventually **create value**



## Know What To Protect

- Difficulty in identification = **one of the biggest obstacles** to safeguarding proprietary information / trade secrets
- **Importance highlighted by Belgian case law**

*"H.B. does not specify, and therefore does not show, which trade secrets are allegedly involved. A general reference to its recipes is insufficient to satisfy its burden of proof as plaintiff (...) In the absence of the necessary clarification, a cessation order cannot simply be issued at random..."* (Orb. Antwerp 20 May 2020 – free translation)

"Nowhere in the summons and/or claims of the appellant Deliva nor in the documents communicated can a clear description be found of what Deliva considers its trade secrets (...) parties H.S., W.V. and BV B., the Court considers that the appellant did not submit to NV Deliva any documents at all from which it could be inferred that the "vacuum technology"/the "recipes" relied on by it constituted secret information, nor that they had commercial value because of their secret nature, still less that measures were taken to keep the information concerning the "vacuum technology"/the "recipes" secret. Vacuum technology is a globally distributed very old cooking method. There is therefore no question of a secret, protected in any way by the appellant NV Deliva." (Antwerp 26 May 2021)

## 4. Important issues when approaching data as a trade secret? (2.)

### 2) Access

- **Duty of care** : reasonable steps needed to protect your data as trade secrets
  - Diverse range of measures to be taken (contractual, physical, technical and organizational measures to protect secrecy)
  - Reasonable measures: Legal measures ; IT measures ; Access control ; organisation measures
- **Access management** is key to protect and qualify as trade secret
  - Restrict to 'need to know basis'
  - Different levels of access
  - Role and awareness of IT is key
  - Beware → third party TS as recipient
- **What about the Data act?**



## 4. Important issues when approaching data as a trade secret? (3.)

### 3) Valuation

- a) The "**commercial value**" requirement of the TS Directive
- "a commercial value, whether **actual or potential**. Such know-how or information should be considered to have a commercial value, for example, where its unlawful acquisition, use or **disclosure is likely to harm** the interests of the person lawfully controlling it, in that it undermines that person's **scientific and technical potential, business or financial interests, strategic positions or ability to compete**" (Recital 14, TS Directive)
- b) The "**economic value**" – several accepted method, depends on the circumstances; no hard science but tools exist

→ **Formulate a trade secrets strategy early on to maximize the value of your data**



# 3 Specific statutory access rights



## Specific statutory access rights



### Example: Automotive sector

**Manufacturers shall provide** to independent operators **unrestricted, standardised and non-discriminatory access** to ... vehicle repair and maintenance information. Information shall be presented in an easily accessible manner in the form of machine-readable and electronically processable datasets.



### Example: Data Act

... the **data holder shall make available readily available data**, ... without undue delay, of the same quality as is available to the data holder, easily, securely, free of charge to the user, in a comprehensive, structured, commonly used and machine-readable format and, where relevant and technically feasible, continuously and in real-time.



## How are fees calculated? Clear rules vs open rules



### Example: Telecommunication Directive

Member States shall ensure that all organisations which assign telephone numbers to subscribers meet all reasonable requests to make available the relevant information in an agreed format on terms which are fair, **cost oriented** and non-discriminatory.



### Example: Data Act

Where the data recipient is an SME or a not-for-profit research organisation ..., any compensation agreed **shall not exceed the costs** ...

## How are fees calculated? Clear rules vs open rules



### Example: Automotive sector

The manufacturer may charge **reasonable and proportionate** fees for access to vehicle repair and maintenance information ...

Those fees **shall not discourage access** to such information



### Example: Data Act

Any compensation agreed upon between a data holder and a data recipient for making data available in business-to-business relations shall be **non-discriminatory and reasonable and may include a margin.**

## How are fees calculated?

### Example: Data Act

When agreeing on any compensation, the data holder and the data recipient shall take into account in particular:

- a) **costs incurred in making the data available**, including, in particular, the costs necessary for the formatting of data, dissemination via electronic means and storage;
- b) **investments in the collection and production of data**, where applicable, taking into account whether other parties contributed to obtaining, generating or collecting the data in question.



The compensation ... may also depend on the **volume, format and nature** of the data.

## How are fees calculated?

- Based on the **costs** for the provider vs. based on the **value** for the recipient?
- Should the data holder be entitled to a **profit** margin?
- “**Non-deterrent**”: For whom?
- Should bigger players have to pay more for the same data (what about “**non-discriminatory**”)?
- Do we need to look at the **overall burden** on market participants who have to obtain data from not one, but several data holders?

## Case study: The automotive aftermarket

Background:

If each market participant tries to enforce its rights against each vehicle manufacturers individually, this

Is costly

Takes long

Has limited effect

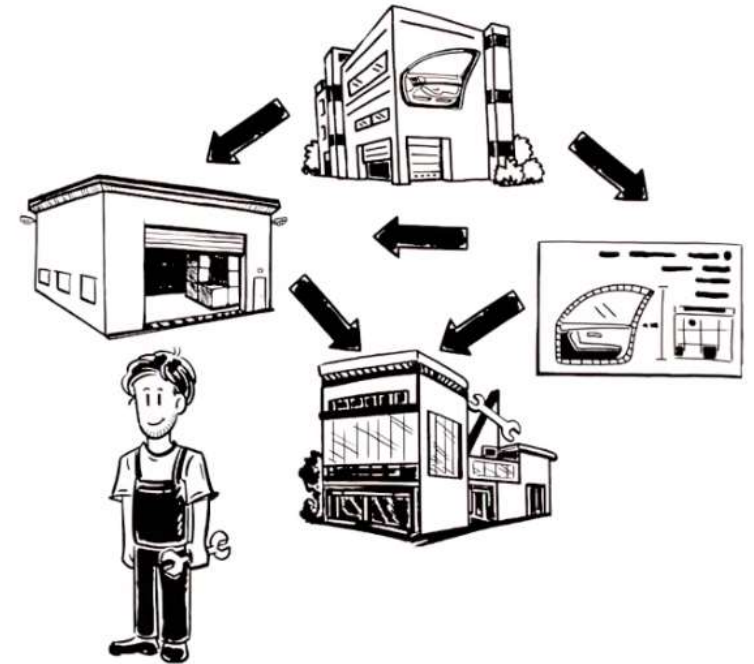
Strategic goal: Gather behind associations, fight for quick clarification by the European Court of Justice that then applies to all market participants and all vehicle manufacturers

In Germany, associations can pursue violations against market conduct rules in court



# Independent operators

- Independent workshops
- Parts manufacturers
- Parts dealers
- Publisher of technical information (Aggregators)



## Regulation (EU) 2018/858



Regulates **access rights** of the free market to data and technical information (repair manuals, wiring diagrams, parts information, diagnostic trouble codes, ...)



Allows manufacturers to charge „**reasonable and proportionate fees**“ which „**shall not discourage access** to such information“

## What are "reasonable and proportionate" fees?

Referral of the Regional Court of Cologne to the ECJ (associations GVA and ADPA ./ PSA/Peugeot):

- Are all independent market participants **to be treated equally** when assessing fees? (workshops/publishers?)
- Shall the fee only cover the **costs** of providing access?





## ECJ ruling C-390/21 of 27 October 2022

### No pure cost recovery

- Limitation to costs not included in the wording
- The only condition: "appropriate and proportionate", so that the level of fees does not deter independent economic operators from accessing RMI
- This is to protect the "**objective pursued by that regulation, which is to enable those operators to **compete** with authorised dealers and repairers on the market for vehicle repair and maintenance information services**".



## ECJ ruling C-390/21 of 27 October 2022

### No further guidance by the ECJ, except, not just pure cost recovery

The regulation authorises manufacturers to

*"charge fees that **exceed** the mere **costs** incurred by them in providing access to that information to those economic operators in accordance with the Regulation, provided that the fees are **not deterrent** ...."*



Question remains:  
What does "non-deterrent" mean?  
And: deterrent for whom?

## Open questions

Still unclear: What is an appropriate and proportionate fee that does not discourage access?

- Should all aggregators (data publishers) asking for access be treated equally?
- Should the question of when fees are deterrent be based on the smallest player or even on those who are not yet active in the market?
- When are fees for such market newcomers a deterrent? Any objective criteria?
- Do fees on other data markets play a role?
- Should the overall burden for aggregators be taken into account, i.e. should it be assumed that all data providers (like car manufacturers) charge similar fees?

## Outlook: Disputes on fees for machine generated data on the horizon

The case study shows how difficult it is to enforce access rights and “fair and reasonable fees”

Similar disputes to be expected with the Data Act (“Any compensation ... shall be **non-discriminatory and reasonable and may include a margin.**”)

If there is no helpful guidance from the Commission, enforcement through litigation will be the only way forward



# Any questions?



**Marcus Sacre**

Partner  
Germany

T +49 221 5108 4062  
[marcus.sacre@osborneclarke.com](mailto:marcus.sacre@osborneclarke.com)

---



**Elisabeth Macher**

Counsel  
Germany

T +49 221 5108 4510  
[elisabeth.macher@osborneclarke.com](mailto:elisabeth.macher@osborneclarke.com)

---



**Anna Rawlings**

Associate Director  
United Kingdom

T +44 20 7105 7154  
[anna.rawlings@osborneclarke.com](mailto:anna.rawlings@osborneclarke.com)

---



**Valentin de le Court**

Partner  
Belgium

T +32 2 515 9362  
[valentin.delecourt@osborneclarke.com](mailto:valentin.delecourt@osborneclarke.com)

---

# Thank you



# About Osborne Clarke

## Our global connections and 'best friends'

Through a network of 'best friends' we extend our reach across the globe, particularly in North America, EMEA & Asia Pacific. We have worked closely with like-minded firms in over 100 countries. We'll find the right local partner for you and wherever that may be, we will make sure that you receive the Osborne Clarke level of service.

### Europe

Belgium: Brussels

France: Paris

Germany: Berlin, Cologne, Hamburg, Munich

Italy: Busto Arsizio, Milan, Rome

The Netherlands: Amsterdam

Poland: Warsaw

Spain: Barcelona, Madrid, Zaragoza

Sweden: Stockholm

UK: Bristol, London, Reading

### USA

Miami, New York, San Francisco

### Asia

China: Shanghai

India\*: Bengaluru, Mumbai, New Delhi

Singapore

# 1300+

talented lawyers  
working with

# 340+

expert Partners  
in

# 26

international locations\*  
advising across

# 8

core sectors  
with

# 1

client-centred approach

Osborne Clarke is the business name for an international legal practice and its associated businesses.

Full details here: [osborneclarke.com/verein](https://osborneclarke.com/verein)

\*Services in India are provided by a relationship firm