WILLIAM FRY

Legal News

Welcome to the July issue of Legal News. For further information on any of the topics covered in this edition, please call or email any of the key contacts or your usual William Fry contact person.

What's Love Got To Do With It? – UK law discriminatory for requiring transgender person to be unmarried to access State pension

The European Court of Justice (ECJ) gave judgment on 26 June 2018 in the case of *MB (Appellant) v Secretary of State for Work and Pensions (Respondent)* (C-451/16) concerning a condition of UK law that required a married transgender person to annul his/her marriage in order to be legally recognised as his/her acquired gender and thereby access State pension benefits on the basis of that gender.

Background

In the UK there is a separate qualifying age for the State pension for men and women of a certain age - for a woman born before 1950, eligibility is age 60 whereas for a man born before 1953, eligibility is age 65. The claimant was born a male in 1948 and later married. As a subsequent male to female transsexual, she applied for a State retirement pension on reaching age 60 on the basis of her acquired gender. Her application was rejected as she could not produce a full gender recognition certificate. Under UK legislation such a certificate was conditional on the annulment of her marriage. She had not applied for it as, for religious reasons, she did not wish to annul her marriage. She challenged that legislation in the UK courts. The UK Supreme Court asked the ECJ whether Council Directive 79/7/EEC precluded the imposition in national law of a requirement that (in addition to satisfying the physical, social and psychological criteria for recognising a change of gender) a person who has changed gender must also be unmarried in order to qualify for a State retirement pension.

ECJ decision

The ECJ, although acknowledging that matters of civil status and legal recognition of a change of a person's gender were within the competence of Member States, stated it was well established that while exercising a competence, a Member State still has to comply with EU law and in particular the principle of non-discrimination. The UK legislation in question was found to be discriminatory as it accorded less favourable treatment directly based on sex to a person who changed gender after marrying than it accorded to a person who kept his or her birth gender and was married. The UK Government's proposed reasoning of avoiding a marriage between persons of the same sex did not fall within the derogations from the prohibition on discrimination in Council Directive 79/7/EEC.

Comment

As same sex marriage is now legalised (by constitutional amendment and the Marriage Act 2015 in Ireland) and the State pension age has been equalised for both sexes the decision has limited application here. Current Irish and UK law would not fall foul of Council Directive 79/7/EEC on this point but this arose from a historic issue.

It is noteworthy that the Gender Recognition Act 2015 in Ireland, similar to the UK legislation in this case, (prior to its amendment by the Marriage Act 2015) had required a statutory declaration that a person was not married in order to apply for a gender recognition certificate. It is likely that a limited number of individuals in Ireland (if any) could be in a similar situation to the claimant in this case.

Contributed by: Jane Barrett

Spanish Soccer League App Accused of Spying to Crack Down on Football Piracy

The Spanish Data Protection watchdog (AEPD) has begun a preliminary probe into the official app for Spanish football league, La Liga, which allows them access to the microphones and GPS of users' smartphones with the aim of potentially identifying showings of football games in the vicinity of the user that are illegal.

La Liga currently claims that its app has been downloaded over 10 million times. A new functionality was added in June 2018 which enables access to the sound recording and location functions on smartphones of users. By deploying an algorithm against the audio being recorded together with GPS information, La Liga claims that it can then accurately identify when football matches are being publicly shown near to a user and then compare this with their records to see whether a licence is in place for showing the game publicly. This method has been launched as part of a wider crack down on unauthorised broadcasts of football games in Spain which La Liga claims are the cause of major revenue losses estimated at €150 million each year. The league's governing body LFP said it has "a responsibility to protect the clubs and their fans" from unlicensed broadcasts in public places.

The new functionality has raised numerous privacy and security concerns amongst users of the app who have accused La Liga of excessive privacy interference. However La Liga has explained that its users must first expressly consent to the utilisation of the microphone and location services for the app's monitoring to function with two tick boxes being offered; checking the first box confirms that a user has read the app's standard terms and conditions, but checking the second box constitutes the user agreeing to the app's use of the data solely in relation to the microphone and GPS for the new functionality. Importantly, checking the second box is not required for users to use the app and users can revoke their consent to this element at any time. La Liga has further guaranteed that it only has extremely limited access to the audio recordings captured and that install outputs are turned into irreversible binary code which La Liga claims contains no personal data.

The introduction of the General Data Protection Regulation (GDPR) in May 2018 has afforded a significant latitude and broad powers to data protection authorities such as the AEPD to levy sanctions of up to 4% of a company's global annual sales for the most serious breaches. Given the increased profile data protection issues now have users are increasingly aware of their rights and, as the La Liga issue demonstrates, organisations should take care to ensure their users are fully aware of exactly what personal data are being processed and for what purposes.

Contributed by: Alex Towers and Leo Moore

Gig Economy Turns the Spotlight on Who is Really Self-Employed

Originally appeared in the Irish Independent on 21 June, 2018.

Another week, another gig economy legal development. Two high-profile decisions have just been issued in the UK, the foreign jurisdiction watched most keenly by Irish employment lawyers and HR practitioners.

In the first, the UK Supreme Court upheld a decision that Gary Smith, one of 125 plumbers engaged by Pimlico Plumbers, was in fact a 'worker' for the purposes of UK employment laws.

Pimlico categorised Mr Smith as self-employed. However, the court found that "personal performance" was a dominant feature of Mr Smith's contract, meaning he had little right to substitute in someone else to do the work.

He also had a company van and clothing, was required to work a minimum number of hours, and in reality had little control over his own business affairs. For all these reasons the court determined that he was in fact a worker and not self-employed.

Secondly, the UK High Court has given the IWUGB trade union permission to judicially review a Central Arbitration Committee ruling that found that Deliveroo riders are self-employed. Although the High Court decided on a human rights ground (that the ability of riders to freedom of assembly and association under the European Convention on Human Rights was not considered), the union is nevertheless claiming this as another victory for gig economy workers.

Despite these recent 'wins' for gig economy workers, conflicting decisions demonstrate the uncertainty in this area. While Deliveroo riders were determined to be self-employed in the UK, the Spanish Courts have held that a Deliveroo rider is in fact an employee.

And last year, the UK Employment Tribunal found that Uber drivers, who many would put in a similar category as Deliveroo riders, are 'workers' rather than self-employed. The only certainty unfortunately is that nothing is yet certain in this area.

The emergence of the gig economy has sparked much debate, with the alleged flexibility of short-term 'gig' work being weighed against the perceived unfairness of gig economy workers being treated as self-employed.

The important point is that in Ireland self-employed persons have no protection under employment legislation (such as a right to a minimum wage, annual leave, protection against unfair dismissal etc).

While UK case law has long been persuasive in Irish courts, these UK decisions should be read with a caveat in mind. In Ireland employment status falls under two categories: employee or self-employed. However UK law has a third category, that of 'worker'. Workers are entitled to fewer statutory rights than employees, and in the various successful UK cases to date the claimants have been deemed workers rather than employees. So it remains to be seen how an Irish court would perceive these UK decisions.

What should Irish employers look out for? Until a true gig economy case is determined by a senior Irish court, we must apply existing 'employee versus contractor' decisions. The two leading cases are Henry Denny & Sons (Ireland) Ltd v Minister for Social Welfare [1998] and Minister for Agriculture and Food v Barry [2008].

What these cases say is that the written contract between the parties is not determinative and one must look at the reality of the arrangement. 'Mutuality of obligation' has become an important factor: is the company required to provide work and is the individual required to accept it? How much control is exercised by the company; can the individual use substitutes to do the work? Does the individual provide his/her own equipment? How integrated is the individual in the company's business (does he work from

the company offices, use a company email address, wear a company uniform, drive a company branded van)?

Unfortunately, it is not easy to apply the tests with certainty.

Legislation may help, perhaps following the UK example of 'worker' status, though one can imagine unions being up in arms about that.

However, the Competition (Amendment) Act 2017 introduced the concept of 'false self-employed worker' in Ireland for the first time - which could be a starting point. And the fact that the Government announced last month that it is launching a public awareness campaign on 'false self-employment' shows that it is very much on their radar.

Employers should therefore be more cautious than ever about categorising persons as 'self-employed', especially 'gig economy' workers.

Messi Scores Important Victory in Long-running EU Trade Mark Dispute

In a judgment dated 26 April 2018, the General Court of the European Union (the **EU General Court**) ruled that the Barcelona and Argentina football star Lionel Andrés Messi, can register his European Union trade mark (**EUTM**) application for 'MESSI' in classes 3, 9, 14, 16, 25 and 28 (covering a wide range of products including fragrances, jewellery, clothing and sports equipment) notwithstanding an opposition filed by well-known Spanish cycling brand "Massi".

Background

The 'MESSI' EUTM application was filed in 2011 but was opposed by Spanish cycling brand Massi who have an EUTM registration for "MASSI" in clothing, shoes and bicycle helmets, protective clothing and gloves since 1998. The Opposition Division of the European Union Intellectual Property Office (**EUIPO**) originally upheld the opposition against Messi's application on the basis of: (a) the similarity of the marks; and (b) the similarity of the goods in respect of which registration was being sought. Messi lodged an appeal with the Board of Appeal of the EUIPO but the Opposition Division's decision was upheld. In particular, the Board of Appeal found that the conceptual differences arising out of Messi's fame would ***only*** be perceived by a certain portion of the relevant public (i.e. football fans) and that this did ***not*** sufficiently mitigate the risk of confusion to the public.

EU General Court Decision

The EU General Court agreed that the marks were visually and phonetically similar however the case turned on the ***conceptual*** differences between the 'MESSI' and 'MASSI' marks. Crucially, the Court found that the extent of Messi's fame and stature *"counteracts the visual and phonetic similarities between his trade mark and the trade mark 'MASSI'."* The Court held that the *"average consumer reasonably well informed and reasonably observant and circumspect"* could only but associate sports-related goods bearing the mark 'MESSI' with the five-time Ballon d'Or winner. Interestingly, the Court did not request documentary evidence to establish the football star's fame. Rather, the Court adopted a pragmatic approach and accepted that Messi was *"a well-known public figure who can be seen on television and who is regularly discussed on television or on the radio".*

Implications

'MESSI' has now been registered as an EUTM and the EU General Court's finding that an intrinsic uniqueness ***can*** exist in an individual's name will be well received by other athletes that may wish to use goodwill in their personal brand as a basis for trade mark protection.

It is possible, for example, that this decision will be closely watched by MMA star Conor McGregor who is facing intense opposition to a number of his EUTM applications on the basis of there being a likelihood of confusion with existing EUTMs.

It is clear from this decision, that the extent to which other athletes will be able to successfully register personal brands as trade marks will depend on how well known that individual is known to the average consumer. While global superstars such as Messi and Ronaldo can easily argue that their names are famous enough to dispel the likelihood of any confusion, this threshold is very high. The case remains that a trade mark with greater distinctive character will always be in a stronger position when it comes to registration.

Contributed by: Leo Moore and Anna Ní Uiginn

Questions and Answers Time

Both legal practitioners and the general public alike are very much aware that litigation can be a time consuming and costly exercise, particularly in light of the lengthy delays for the hearing of trials and the subsequent length of time many trials run for. One particular tool favoured by the Courts as a way to combat these issues, is the use of interrogatories. Interrogatories are not "new". In fact, the Supreme Court was encouraging their use as far back as fifty years ago in J & LS Goodbody Ltd v Clyde Shipping Co Ltd[1]. However, until recent years, they remained the "Cinderella" of pre-trial procedures.

The new case management rules introduced by Order 63C of the Rules of the Superior Courts ("RSC") together with the existing rules,[2] facilitate the use of interrogatories between parties, and, the evolving body of case law emphasises that objections to interrogatories are becoming more difficult to sustain.

What are Interrogatories and when are they used?

Interrogatories are a series of questions which a litigant can require an opposing party to answer on oath. They can be served by the plaintiff after delivering his Statement of Claim or by the defendant after delivering his Defence and such interrogatories must identify the person(s) required to answer. The two main purposes for raising interrogatories are to obtain information from the opposing party about the facts in dispute and/or to obtain admissions from the opposing party.

Interrogatories were historically phrased as leading questions requiring a yes or no answer. Traditionally, the questions were phrased in the negative (e.g. '*Did not…?' 'has not…?*' etc,) which often lead to confusion. However, it is now common practice to phrase the questions in the positive (e.g. *'Did the…?' 'Was the...?'* etc.), or negative, and both are acceptable to the Courts. In addition, the Court permits parties to add context to yes or no responses where appropriate and it is now typical for the majority of replies to include clarifying statements.

Leave of the court is required for the delivery of interrogatories in the High Court, save in cases where relief by way of damages is sought on the ground of fraud or breach of trust.[3] For cases in the Commercial List of the High Court, interrogatories are delivered without leave, regardless of the nature of the claims.[4] Delivery of interrogatories in those circumstances can also occur after receipt of witness statements.

Can you refuse to answer?

Order 31, rule 6 of the RSC provides that an objection to answering one or more interrogatory may be set out in the answering affidavit on the ground that it is *"scandalous or irrelevant, or not bona fide for the purpose of the cause or matter, or that the matters inquired into are not sufficiently material at that stage".* Although it is not spelt out in the rule, it would seem that it is not open to a party to refuse to answer interrogatories where the prior leave of the Court has been obtained as the Court has approved the interrogatories.[5]

It is also open to a party to make a formal application to set aside one or more interrogatory on the ground that it has been exhibited unreasonably or vexatiously, or struck out on the ground that it is prolix [long-winded], unnecessary or scandalous.[6] This application should be made within seven days after service of the interrogatories.

Interrogatories must be answered on Affidavit. If the deponent fails to answer, or answers the interrogatories insufficiently, the party interrogating may apply to Court requiring the party to answer further, either by affidavit or viva voce examination.[7] A party who fails to then comply with a Court Order, is also liable to attachment, or at risk of having an action dismissed for want of prosecution or at risk of having a defence struck out.

The way forward

There has been much judicial encouragement of the use of interrogatories. This may be, as Kelly J explained in *McCabe v Irish Life*[8], because of the view that interrogatories *"can dispose of issues prior to trial, can lessen the number of witnesses and result in an overall shortening of trials."*

In the recent case of *Defender v HSBC*[9], the Court granted an order to provide further and better replies to interrogatories in complex proceedings arising from a Ponzi-type fraud in the US. The plaintiff was served with 650 interrogatories and raised objections to a significant number on the basis that the questions (1) should have been asked of a different party, (2) related to the interpretation of documents, (3) did not elicit yes/no answers, (4) related to matters of law, (5) related to witness statements and (6) related to a disputed term. In a useful examination of which principles the Court would accept, the Court ruled that interrogatories should be replied to where appropriate when:

- Answers should save on Court time and resources and overall costs in the context of an upcoming lengthy trial;
- Questions related to the subject matter of documentation but did not seek to elicit the plaintiff's actual interpretation of same;
- Questions did not seek the opposing parties' interpretation of matters of law;
- Questions seeking clarification of appropriate points raised in parties' witness statements were permitted in appropriate circumstances as it was possible that a witness may ultimately not give evidence at trial in which case the witness statement would have no evidential value; and
- The query is amendable to a yes/no answer, subjection to additional context if a replying party wished to add that context.

The Courts are now more focused than ever on facilitating the determination of proceedings in a manner which is just, expeditious and likely to minimise costs. Interrogatories are an effective way of achieving this goal. Parties should, therefore, seriously consider engaging with this process and be aware that objections to interrogatories will not be entertained by the Courts.

[1] Unreported, Supreme Court, 9th May, 1967
[2] Order 31, rules 1-11, Order 31, rule 29 and Order 63A, rule 9.
[3] Order 31, rule 1
[4] Order 63A, rule 9
[5] Delany and McGrath on Civil Procedure, 4th Ed., 2018 at para 12.50
[6] Order 31, rule 7.
[7] Order 31, rule 11.
[8] McCabe v Irish Life Assurance plc [2015] IR 346 at p. 356.
[9] Defender Ltd v HSBC Institutional Trust Services (Ireland) DAC [2018] IEHC 322

Contributed by: Rebecca MacCann

Parental Leave Bill Passed by Dail

The Parental Leave (Amendment) Bill 2017 (the "**Bill**"), which extends the applicability and duration of parental leave, was passed by the Dail yesterday.

The Bill will now proceed to the Seanad where it must be passed before it is signed into law by the President. If enacted, the legislation will come into operation 3 months after its passing.

Proposed Amendments to Parental Leave

Currently, the Parental Leave Acts 1998 and 2006 entitle parents of, or persons acting in loco parentis to, children aged up to 8 years (or up to 16 years if the child has a disability or long term illness) to 18 working weeks (4 months) of parental leave in respect of each child.

The Bill proposes to extend the parental leave entitlement to 26 weeks (6 months) in respect of each child. If passed, the additional 8 weeks provided for under the legislation will be made available to those parents who have already availed of the existing 18 week entitlement.

The legislation increases the age of the child up to which parental leave can be taken from 8 years to 12 years.

Work Life Balance

The Social Democrats, the party which put forward the legislation, said that the aim of the Bill is to *"help working families enjoy better work-life balance by permitting parents to spend more time caring for their children"*.

This move towards work life balance for families demonstrates Ireland's commitment to the European Pillar of Social Rights (the "**Pillar**"), a non-binding charter of rights proclaimed, and endorsed by Ireland, in November 2017. The Pillar states that *"parents and people with caring responsibilities have the right to suitable leave, flexible working arrangements and access to care services. Women and men shall have equal access to special leaves of absence in order to fulfil their caring responsibilities and be encouraged to use them in a balanced way."*

On an EU wide basis, in an attempt to deliver on the principles provided for in the Pillar, the European Commission (the "**Commission**") is formulating proposals for a Directive on Work Life Balance for Parents and Carers (the "**Directive**"). The objectives of the Directive are to improve access to work-life balance and to increase take-up of family related leave and flexible working arrangements by men. The aim is to improve working conditions for parents and carers which it is hoped will lead to high employment, earnings and better career progression for women.

According to a factsheet prepared by the Commission, in the EU, caring responsibilities are currently reasons for unemployment for almost 20% of woman, but only 2% of men. Further, approximately 31.5% of women work part-time as opposed to 8.2% of men, which according to the Commission, is especially the case for those with children.

The provision of work-life balance to parents is considered by the Commission to be an essential step in addressing this under representation of women in the labour market.

The Directive proposals suggest an increase to the age of children in respect of which an employee can take parental leave from 8 to 12 years, indicating an influence of the Directive proposals on the Bill.

Payment of Parental Leave

A further Directive proposal is the requirement to compensate parents on parental leave at least at the level of sick pay.

Ireland is currently one of only 6 EU member states which does offer paid parental leave. The State does not provide any benefit to employees during parental leave and employers do not typically pay employees during this period.

In the Program for a Partnership Government, the Government committed to providing paid parental leave in the first year of a child's life. The Government have set up an interdepartmental working group (the "Group") to develop proposals for the introduction of a paid parental leave scheme. The Irish Times have reported that the paid parental leave will be announced in this year's budget, commencing with two weeks' paid parental leave, with further increases expected year on year.

Conclusion

The extension of parental leave under the Bill could be perceived as imposing further burdens on employers in terms of resourcing requirements. David Stanton TD has stated the administrative and cost burden on employers, particularly SMEs, could be disproportionate.

However, the Commission envisages that supporting a work life balance for parents in this way will benefit businesses in the long run. Having more women in the workforce increases the available talent pool, thereby addressing skill shortages. It better enables business to attract and retain workers and increases productivity as workers are more likely to be motivated.

Perhaps, therefore, a long term view should be taken on the merits of the Bill, if enacted.

Contributed by: Emma Lavin

Hasbro Granted Trade Mark Right to Distinctive Play-Doh Scent

Toy giant Hasbro has become the latest company to join the small group of brands with a registered scent mark in the United States Patent and Trademark Office (USPTO).

The scent of Play-Doh, described as *"a sweet, slightly musky, vanilla fragrance, with slight overtones of cherry, combined with the smell of a salted, wheat-based dough"*, is said to have acquired a distinctive scent through long-standing use. A tub of Play-Doh was submitted into evidence alongside significant proof to support this claim of distinctive scent. The Play-Doh scent trade mark is one of 13 active scent registrations in the USPTO, joining a strawberry scented toothbrush and ukuleles which smell like pina colada.

Although many are familiar with the distinctive smell of Play-Doh, this comes as an unlikely victory for Hasbro as non-conventional trade marks such as scent and colour marks have been notoriously difficult to prosecute through to registration. This is due to the need to clearly indicate to consumers the origin of goods and services through the mark – an onerous task when it comes to this calibre of trade mark.

It remains to be seen whether Hasbro will seek to register this trade mark in the EU in the near future. Although the EUIPO is traditionally stricter in its approach to non-conventional trade marks, perhaps this decision indicates a trend towards an increased protection of these kind of marks. This is particularly interesting viewed in light of the additional EU rules which came into effect in October 2017 and whose provisions facilitate the registration of non-traditional trademarks such as sound, colour, pattern, motion and hologram marks. The amending rules abolished the requirement that a trade mark be capable of being represented graphically, thus paving the way for the introduction of a more diverse range of trade marks into the EU playing field.

Contributed by: Leo Moore and Ella Woolfson