

# CITMA REVIEW

ISSUE 450 JUNE 2019

*Inside*

AN IN-HOUSE  
PERSPECTIVE  
P12

NEW TAX ON  
INTANGIBLES  
P18

STEALTH FILING  
IN JAMAICA  
P24



## University challenge

*What's testing academic brands today?*

# The one for your one in a million brand

## Great brands are one in a million.

That's why 9 out of 10 of the world's most valuable brands\* rely on CompuMark to help secure and protect their trademarks.

We combine quality content and industry-leading trademark expertise with next-generation technology to deliver insight you can trust to make critical brand decisions.

**That's CompuMark confident.**

[compumark.com](https://compumark.com)



\* Source: Interbrand 2018 Best Global Brands

# WELCOME & CONTENTS



**Tania Clark**  
CITMA President

“

*No such misinformation is found in these pages*

write this letter freshly back from representing our profession on the US Road Trip to Washington, D.C., Boston and Palo Alto. This was jointly arranged with CIPA and the UK IPO and was a useful means to redress the misinformation being disseminated in relation to the impact of Brexit on registered rights, and to promote our renowned IP Courts.

No such misinformation is found in these pages. CITMA Paralegals feature heavily, with reports on two firsts: the new Competency Framework (see page 4) and a webinar on incorporating domain names into paralegals' daily trade mark practice (page 7). Also, if you are thinking of changing your position in private practice for an in-house counsel role, turn to page 12 and manage your expectations accordingly.

## CITMA CONTACTS

General enquiries  
CITMA, 5th Floor,  
Outer Temple, 222-225 Strand,  
London WC2R 1BA  
tm@citma.org.uk  
Tel: 020 7101 6090

## COMMITTEE CHAIRS

### Education Policy & Development

Aaron Wood  
aaron@wood-ip.com

### Executive

Kate O'Rourke  
kate.orourke@mewburn.com

### Events

Kelly Saliger  
kelly.saliger@cms-cmno.com

### Law & Practice

Rachel Wilkinson-Duffy  
rachel.wilkinson-duffy  
@bakermckenzie.com

### Publications & Communications

Richard Hayward  
richard@citma.org.uk

## Published on behalf of CITMA by

Think, Capital House, 25 Chapel Street,  
London NW1 5DH Tel: 020 3771 7200  
[www.thinkpublishing.co.uk](http://www.thinkpublishing.co.uk)

**Editor** Caitlin Mackesy Davies

**Senior Sub-editor** Justine Conway

**Group Art Director** Darren Endicott

**Advertising** Tony Hopkins  
tony.hopkins@thinkpublishing.co.uk

**Managing Director** Polly Arnold

**Account Director** Andrew Tkaczyk

## CITMA REVIEW

CITMA Review content is provided by members on a voluntary basis, and reader suggestions and contributions are welcome. If you would like to contribute an article to a future issue, please contact Caitlin Mackesy Davies at [caitlin@thinkpublishing.co.uk](mailto:caitlin@thinkpublishing.co.uk)

The views expressed in the articles in the CITMA Review and at any CITMA talk or event are personal to the authors, and do not necessarily represent the views of the Institute. CITMA makes no representations nor warranties of any kind about the accuracy of the information contained in the articles, talks or events.

© CITMA 2019

## REGULARS

- 4 Insider *CPD cap lifted, Paralegal framework launched, and more*
- 41 Events *What's coming up in 2019*
- 42 TM20 *Serena Totino loves to be on the move*

## FEATURES

- 6 CITMA Quiz *Which teams earned top marks?*
- 7 Webinar *Daniel Smart sums up the first CPD event for CITMA Paralegals*
- 8 Education *Katherine Thompson studies the tests facing academic brands*
- 12 Perspective *Today's in-house counsel must stay ahead of the curve, explains Mark Cruickshank*
- 16 Designs *Ewan Grist reviews an appeal decision that went Garmin's way*
- 18 Taxation *A new tax on offshore intangibles may be difficult to navigate, says Eloise Walker*
- 22 WIPO *Grégoire Bisson continues his exploration of international registration strategy*
- 24 Jamaica *Katherine Van Deusen Hely reveals why the country is a top destination for stealth filings*

## CASE COMMENTS

- 26 [2019] EWHC 104 (Ch) *Light is shed on BMS application, writes Rebecca Campbell*
- 28 [2019] EWHC 599 (IPEC) *Rose Smalley answers a crucial question*
- 30 CH-2018-000332 *Louise Foster casts an eye over an important clarification*
- 32 T-796/17 *Comment on agent-principal was compelling, reports Lana Yahya*
- 33 R 869/2018-1 *Lack of EU focus led to failure, explains Dale Carter*
- 34 000015981 *Nomad stays on track, notes Ryan Kellingray*
- 35 B 2 801 051 *Sarah Husslein warns of the importance of the relevant public*
- 36 O/097/19 *Oliver Tidman sorts out a hair tangle*
- 37 O/106/19 *David Birchall considers competing claims over an Italian surname*
- 38 O/119/19 *Earth Girls has it easy, writes Rebecca O'Kelly-Gillard*
- 39 O/139/19 *Kerri Ann Ward examines what went awry for Aigle*
- 40 O/141/19 *Pop opp pays off, says Charlotte Wilding*

# IPREG LIFTS CPD CAP

**IPReg has agreed** that the current cap in its CPD guidance on the types of activities that count towards CPD should be removed. This means an end to the previous limit of 25 per cent of annual CPD hours placed on a range of activities including, but not limited to: serving on a committee of CITMA if expressly involved with IP law and practice; speaking and preparing for a client seminar; providing a tutorial for trainees and examination candidates; giving and preparing for a lecture on careers in IP; keeping up to date on developments in a specific specialist technological field; personal training in practice management; and personal study of books, articles, law reports, conference papers, recordings, etc.

All registered Trade Mark Attorneys in active practice are required to

undertake a minimum of 16 hours CPD per calendar year to remain registered. Registered attorneys who practise on a part-time basis are also required to complete a minimum of 16 hours.

IPReg defines CPD as: “work undertaken over and above the normal work and professional commitments of practitioners with a view to such work developing their skills, knowledge and professional standards in areas relevant to their area of practice...” This should be relevant to a practice and be of benefit to the service that can be offered to clients. And, in general, for an activity to count it must be at an appropriate level and contribute to general professional skills and knowledge.

*For further details of IPReg’s CPD guidance, visit [ipreg.org.uk](http://ipreg.org.uk)*

## Framework launched for CITMA Paralegals

**CITMA has now launched** a framework that is aimed at outlining the key skill sets that CITMA Paralegals can be expected to have mastered in order to support Chartered Trade Mark Attorneys and other IP legal professionals. These include both technical skills related to understanding of legislation and management of trade marks and registered designs, but also general skills such as communication, conduct and ethics, self-awareness and development.

CITMA understands that there will inevitably be differences in the type of work undertaken by CITMA Paralegals in different working environments, notably between private practice and industry, and by the nature of the business they work in, for example, serving corporate clients, SMEs or individuals, or by the organisation of a business whereby a CITMA Paralegal focuses on a particular area. With this in mind, the Competency Framework is intended to provide a general illustration of the standards and knowledge expected of CITMA Paralegals, but by no means a set of compulsory elements. Nonetheless, junior CITMA Paralegals may see a path for progression and learning where senior CITMA Paralegals in their organisation are covering some of the tasks they are not yet handling.

*For full details of the framework, visit [citma.org.uk](http://citma.org.uk)*



**REMEMBER: OUR WEBSITE NEEDS YOU**

Please visit [citma.org.uk](http://citma.org.uk) and ensure that your member profile is up to date. Adding a photo and biography will ensure that you get the most out of this marketing tool.

# CITMA CELEBRATES IP DAY WITH MPs

Chris Skidmore MP, Minister for IP



**In April, CITMA** Chief Executive Keven Bader, past-President Kate O'Rourke MBE and second Vice-President Rachel Wilkinson-Duffy represented CITMA at the Intellectual Property Awareness Network (IPAN) Industry-Parliament Forum event at the House of Commons as part of World IP Day celebrations. The event was hosted by Pete Wishart MP, Chair of the APPG for IP, introduced by Chris Skidmore MP, Minister for IP, and chaired by IPAN Chairman John Ogier.

As reported at [ipaware.org](http://ipaware.org), Chris Skidmore: "described intellectual

property as the golden thread that runs through all his work in Government, the nerve centre of his role since IP links research, economic growth, the arts, sciences and underpins our economy as a whole. He noted that the withdrawal from the EU has created a period of uncertainty but recognised the priority for the Government to ensure a smooth and effective IP system regardless of the outcome of the negotiations, preparing for all eventualities, taking forward five statutory instruments to the commons specifically related to IP."

FIONA HANSON

## Corporate Plan reveals progress

**The UK IPO** has released its *Corporate Plan 2019-20*, which details how it is delivering on its ambition to be "the best IP office". Download the document at [bit.ly/450\\_IPOPlan](http://bit.ly/450_IPOPlan)

## IPO opportunity

**CITMA is working** with the UK IPO to organise a visit to the IPO office in Newport, South Wales for recently qualified attorneys. It will provide a first-hand look at the workings of the office, and the chance to meet examiners and participate in workshops. More information will be provided when the programme has been finalised.

## Do you have time for designs?

**The CITMA Designs & Copyright Working Group** is looking for additional members. Members respond to consultations, provide comments on EUIPO's annual amendments to Guidelines on Design Practice, and more. Email [gillian@citma.org.uk](mailto:gillian@citma.org.uk)

## MEMBER MOVES

→ VISIT THE CITMA JOBS BOARD: [CITMA.ORG.UK/JOBS](http://CITMA.ORG.UK/JOBS)



**Carrie Bradley** has set up her own practice, Avatar IP. Contact her at [carrie@avatariplaw.com](mailto:carrie@avatariplaw.com)



**Eric Ramage** left Edwin Coe LLP on 31st March 2019 and is now offering locum consultancy services aimed primarily (but not exclusively) at sole practitioners. Contact Eric at 07958 775 466 or [eric@trademarkconsultant.uk](mailto:eric@trademarkconsultant.uk)

# TOP MARKS FOR OUR TRIVIA NIGHTS

More than 30 teams took up our annual challenge in Edinburgh and London



### LONDON: UDL EDGES AHEAD

Two dozen teams filled Salsa! in Temple for an all-out trivia showdown. Ultimately, the UDL team scored top marks in a make-or-break final round to edge ahead of the others and reclaim the quiz title it had previously won in 2012, 2015 and 2016. Former champions Taylor Wessing finished in fourth place.

The £2,002.90 raised by the event will be split between UDL's chosen charity, Mind, and the CITMA Benevolent Fund.

The quizmaster, former CITMA President Steve James, put the quizzers through their paces on topics including famous Spaniards, the 70s and sporting Os.

### EDINBURGH: HIGH SCORE FOR HINDLES

At our Scottish Quiz Night in March, the winning team from Hindles fought off competition from eight other teams during an enjoyable evening at Le Monde in Edinburgh city centre.

Quizmaster Colin Cruickshank put the teams through their paces, with questions on everything from US states containing the letter D to winners of *Strictly* and identifying pictures of "Queens".

Above: Quiz team members raise their glasses at Salsa! in London. Left: The Edinburgh winning team. Right: The London winners



## YOUR TRIVIA TEST

Would you have known the answers to these teasers?

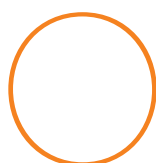
- 1 Name the 10 US states that contain the letter D.
- 2 To which four-legged creature did Donald Trump compare his former legal advisor, Michael Cohen, in December 2018?
- 3 Which name is given to the group of sports in which competitors use navigation aids to race each other against the clock?
- 4 In 1974, Jill Viner became the first woman to do what for London Transport?
- 5 Which English playwright was murdered in a Deptford tavern in 1593?
- 6 What connects: Earl of Derby, Marquess of Salisbury, Viscount Melbourne and Duke of Wellington?
- 7 In the Sieckmann case, to what spice did the application's description "balsamically fruity with a slight hint of a specific spice" refer?
- 8 How many squares are found on a standard Scrabble board?
- 9 In which city is the Nobel Peace Prize awarded each year?
- 10 What is the largest country by area that has only one time zone?

ANSWERS: 1 Colorado, Delaware, Florida, Idaho, Indiana, Maryland, Nevada, North Dakota, Rhode Island, South Dakota; 2 Rat; 3 Orienteering; 4 Drive a bus; 5 Christopher Marlowe; 6 19th-century British prime ministers; 7 Cinnamon; 8 225; 9 Oslo; 10 China



# UNIVERSITY

Katherine Thompson studies the tests facing academic institutions as they seek to build on brand value



Once upon a time, the UK's universities were loosely organised communities of scholars.

Academic life in those first centuries was semi-monastic, and commercial concerns were far from the minds of the men (and they were all men) who divided their time between logic, Latin and prayers. To those first scholars, a "brand" would have been a burning piece of wood. Little did they know that, in building up a reputation for their scholarly endeavours, they were creating an asset that their institutions would benefit from centuries into the future.

Fast-forward a few hundred years, and education is now big business. In particular, the UK's educational institutions have serious cachet, and their brands are valuable and desired around the world. Today, educational institutions are presented with a range of ways in which their brands can be used to generate revenue.

At the same time, universities are under increasing financial pressure. Tuition-fee levels remain a topic of debate, creating uncertainty about future incomes, and Brexit could have a severe impact on research funding. In this climate, universities must show that they are delivering value to their students and making the most of their assets.

Institutions are therefore turning their attention to their brands, and the value they have accumulated over the years – assets they cannot afford to neglect. But how does a decades- or centuries-old institution adapt to the modern world of brand strategy, and what are the opportunities and challenges it faces in doing so?

## THE OPPORTUNITIES

For an educational institution that wants to exploit its brand, the opportunities include:

- Reaching out to more students – by setting up overseas campuses, delivering courses online, or attracting more students to an existing campus.

- Expanding into neighbouring fields – as well as just teaching and research, why not offer related services like exams, or publishing?
- Spinouts – IP developed in university labs can be exploited via spinout companies, and the brand can be too.

Each of these comes with its own benefit and challenge. Some of these challenges are common to any organisation seeking to exploit its brand. Expanding into a new field, whether geographically or new areas of business, carries the risk that someone else will have got there first and registered the brand. Marks need to be searched, and prior rights need to be cleared or navigated around. New protection needs to be obtained. But what are the challenges specific to universities and schools looking to expand the use of their brands in these ways?

## EXPANDING REACH

One of the UK leaders in this regard is the University of Nottingham, which opened its Malaysia campus





# CHALLENGE

in 2000. The model is in some ways very simple – do the things you know you’re good at, like teaching undergraduates, just in a different place. In other ways it’s very complicated.

Teaching does not lend itself to mass production, and guaranteeing the quality of service on a campus halfway around the world is no mean feat. McDonald’s might have a Hamburger University to train its managers to deliver the same standards across all of its franchised restaurants, but training lecturers to deliver the same standard of teaching across multiple locations is a different matter.

As Nottingham says, it wants to offer “all that is distinctive about UK education – innovative teaching

and assessment methods, which encourage independent, creative thinking”<sup>11</sup> to students on its Malaysia campus. Innovation, independence and creativity are not easy things to standardise, but they are a key aspect of what Nottingham wants to deliver. They are also part of what makes “brand Britain” attractive in an overseas market.

Making sure your brand stands for the same values in two locations on opposite sides of the world would present challenges for any business. On top of that, academics in general are not known for being the sort of people who want to be told what to do. “Independent, creative thinking” makes for brilliant, original research and inspiring teaching, but by its very nature is anything but consistent.

This matters for the brand, because the brand is supposed to guarantee the quality of services that students receive. Students opting to study at the overseas campus of a UK university rather than a homegrown institution are relying on the brand as a guarantee of the quality of their education. They want to know that they will get the same sort of education that their peers at the main campus receive.

In this context, trade mark protection is a relatively simple part of the package. Nottingham registered both THE UNIVERSITY OF NOTTINGHAM and a logo mark in class 41 back in 1998 when its plans for a Malaysia campus were announced. A tranche of new filings followed to coincide with the campus’s 15th anniversary, adding classes 9, 16, 35 and 42 to the mix (as well as a broader scope in class 41), plus more device marks. The register shows no evidence of any prior rights that might have blocked those filings. So far, so simple. ▶

“ Making sure your brand stands for the same values in two locations on opposite sides of the world would present challenges for any business



## ORGANIC DEVELOPMENT

If controlling your brand halfway around the globe feels like a challenge, how about staying closer to home and branching out into related business areas? Princeton claims to have first used PRINCETON UNIVERSITY PRESS on books in 1912<sup>2</sup>, Oxford University Press (OUP) claims origins back to 1478.<sup>3</sup> Education, research and publishing are an obvious fit – research generated within the university needs to be published, students and other researchers want to read those publications, so why not get involved in that exchange?

In some ways, the quality control is easier. University academics are well-equipped to judge whether publications are worthy to bear the brand of their institution. At OUP, a committee of Delegates drawn from the University's academics “serve as stewards over the publishing in their general subject area [...] and approve each publication”.<sup>4</sup> Who better to decide whether or not a new monograph is up to scratch than the sort of people who would most likely be reading it once it's published?

In some instances, the publishing house has grown to become the protector of the brand, with most of the University of Oxford's marks filed in the name of “The Chancellor, Masters and Scholars of the University of Oxford, trading as Oxford University Press”.

However, this sort of organic development can create its own headaches. It might seem obvious

“ *Dividing up responsibility for the brand creates the risk that decisions around protection and enforcement are made in isolation* ”

that the publishing house should look after the brand when it's the only part of the institution pushing the brand into new fields, but does it still make sense when an institution is also expanding in other ways?

Oxford's answer to this is to divide up responsibility for different aspects of its brand. The University's central administration protects OXFORD UNIVERSITY and UNIVERSITY OF OXFORD in relation to teaching and research, Oxford Ltd (a wholly owned subsidiary) protects these marks in relation to merchandise, and OUP protects OXFORD and OXFORD UNIVERSITY PRESS in relation to publications, publishing and information services.<sup>5</sup>

In some ways, this is very neat. Different internal departments take responsibility for the different parts of the brand. There's no need for a central trade mark function, because each part of the business can make decisions about the aspects of brand protection that matter most to them. Those decision-makers are close to their stakeholders, and understand what's needed to make the brand work for teaching and research, merchandise or publishing.

However, there's significant overlap between these different areas. Dividing up responsibility for the brand creates the risk that decisions around protection and enforcement are made in isolation from other parts of the organisation. As the institution looks to extend the reach of its brand into different sectors, there's a risk that the approach becomes disjointed.

## SPINOUTS

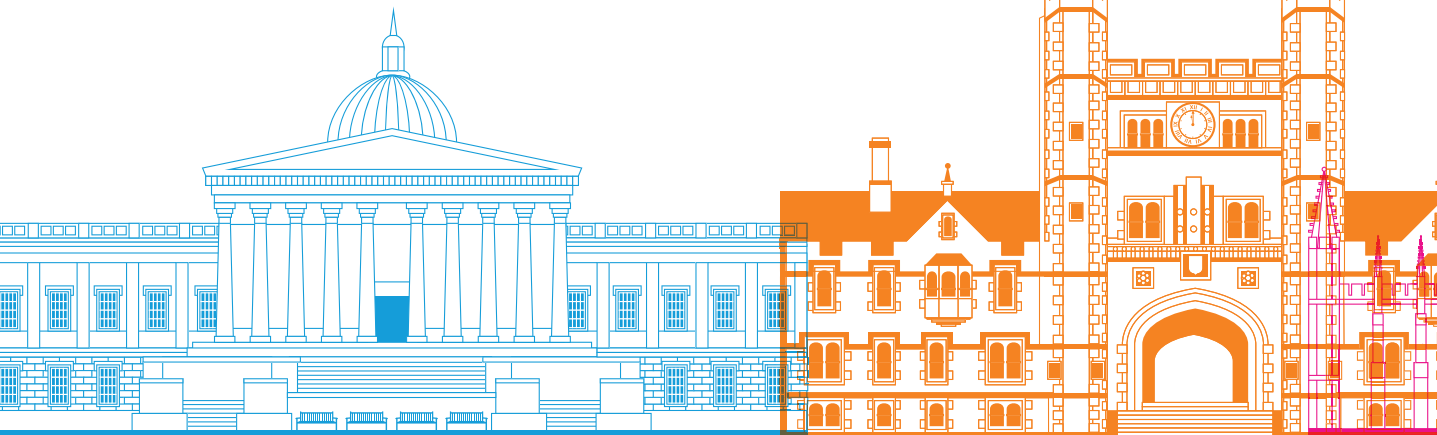
University research doesn't just find form in publications, it also results in products that can be commercialised. Who owns the resulting patent rights is a controversial subject, but one that usually receives a fair amount of attention. The brand can sometimes be forgotten, and spinouts may end up using the university's brand without a licence.

This is often a blind spot for institutions in terms of their trade mark protection, as well. Protecting the brand in relation to education and research is at least fairly obvious. Obtaining coverage for medical apparatus, financial risk profiling, or “maritime trade and transport simulation”<sup>6</sup> may not come to mind quite as quickly.

1 [nottingham.edu.my/AboutUs/History/MalaysiaHistory.aspx](http://nottingham.edu.my/AboutUs/History/MalaysiaHistory.aspx)

2 US trade mark no 1385940

3 [global.oup.com/academic/aboutus/?cc=gb&lang=en&](http://global.oup.com/academic/aboutus/?cc=gb&lang=en&)



Spinouts present a unique set of challenges for maintaining control of the brand. By definition, these are independent companies that have an arm's-length relationship with their university. They need a licence agreement and brand guidelines to help them use the brand consistently. They also need someone to keep tabs on their usage to make sure that guidelines are respected, and that quality is consistent. Those tasks require two quite different skill sets. Monitoring trade mark usage is a very different task from monitoring the quality of cutting-edge technology products.

In principle, the same quality-control principles could apply to spinouts as to publications. If a committee of academics can meet once a fortnight to decide whether or not to put their institution's brand on various publications, why couldn't another committee meet to review proposals from spinout companies? The expertise is there within the organisation.

However, giving one-time sign-off to a new book is rather different from monitoring the ongoing use of a multitude of different spinout companies. It's a long-running commitment to monitoring across an ever-expanding range of different technological fields, which requires specialist knowledge. If universities are licensing their brand to spinouts in order to generate revenue, they need to demonstrate that the spinout can still return a reasonable surplus

to their institution once the costs of running that licensing scheme have been taken into account.

The returns also need to be significant enough to justify the risks to the brand. If a licensed spinout gets involved in a scandal, or simply isn't quite as brilliant at what it does as its parent institution, that damages the university's brand. For traditionally non-commercial organisations it may be easier to simply refuse to license at all than to get involved with the potential risks.

However, if you're not using or licensing your brand in relation to spinout-type goods and services, how do you maintain trade mark registrations in those classes? And without those rights, how do you prevent your spinouts, or other businesses with greater or lesser degrees of connection to your institution, from using your brand? A reputation argument may be part of the answer. If the university is known for research in a particular field, it's not difficult to see how a consumer could draw a link to the commercialisation of that research. This becomes harder for more obscure areas of research, though.

If the university brand is never used in relation to the commercialisation of its research, will consumers start to perceive a difference between universities that create research and private companies that commercialise it? That would make it much harder to argue that a link would arise in their mind.

#### ADAPTATION NEEDED

In many ways, the challenges for universities looking to develop their brands are the same as for any other organisation, but some of these challenges are particularly acute for the university sector. The institutions with the most valuable brands have generally developed organically over many years. Culturally, they are risk-averse, and governance structures that guarantee the quality of education and research on a single campus may not be well-adapted to doing the same job across distances or in relation to different fields of activity. The opportunities are there for institutions that want to take them up, but a lot of adaptation may be necessary to make the most of the value stored up in the brand. ●



**Katherine Thompson**

is a Chartered Trade Mark Attorney at Stobbs  
katherine.thompson@stobbsip.com

4 [global.oup.com/academic/aboutus/?cc=gb&lang=en&](http://global.oup.com/academic/aboutus/?cc=gb&lang=en&)

5 [admin.ox.ac.uk/iso/faq/trademarks/](http://admin.ox.ac.uk/iso/faq/trademarks/)

6 See entry for Oxonomy at [innovation.ox.ac.uk/portfolio/companies-formed/?ordertype=bysector&listed=](http://innovation.ox.ac.uk/portfolio/companies-formed/?ordertype=bysector&listed=)



# SO YOU WANT TO BE AN IN-HOUSE COUNSEL

These days, that means staying ahead of the curve, explains Mark Cruickshank

The life of an in-house counsel has evolved rapidly over the past decade. Long gone are the days when those in this role – including this author – were viewed as resource for the business to provide legal advice (and legal advice only), and on a reactive basis. Instead, they are expected to be true collaborative partners of the business, delivering value and enabling growth.

With this in mind, what are the elements, essential skills and environmental factors that enable in-house counsel to become trusted advisors?

## BROAD EXPERTISE

The bedrock of a successful in-house counsel is solid technical legal skills: for most of our stakeholders, being a technical expert is the bottom line. The truth is, within the context of an in-house role, nobody will celebrate your intricate knowledge of trade mark law – that’s simply a given. Instead, a business will be looking for trusted partners it can rely on to understand the breadth of its needs, across every facet and function. You will be expected to provide advice on a broad range of commercial issues, which may not fall squarely within your “sweet spot” of expertise. As in-house IP counsel, we are often asked to advise on the full range of IP: trade marks, patents, copyright, design rights and confidential

information, from both a commercial and contentious perspective but also on prosecution and protection of rights. Increasingly, this extends to how IP interacts with emerging technology such as AI, blockchain, robotics and open-source software. As such, maintaining a broad knowledge across the IP spectrum and how it impacts on emerging business areas is important for providing “real world” advice.

## BEYOND LEGAL SKILLS

One of the great things about working in-house is that there is usually no time recording or client billing. However, this perk comes with a trade-off: as a cost centre, in-house counsel must demonstrate the value they deliver to their business. Often, an in-house IP team will have a wide range of stakeholders, from the brand and marketing teams through to technology and innovation functions, which provides a great opportunity to really understand how the business operates. Often scratching the surface of a simple naming query will reveal a whole host of questions for IP counsel and their legal colleagues to consider. Being a valuable, trusted partner of your business colleagues, you use your wider knowledge of the business to provide independent legal advice, within a risk appetite, while finding solutions that allow the business to get products and services to market.

## BEING T-SHAPED

In addition to the technical expertise, the skills of a T-shaped lawyer are fundamental to building credibility with the business. A T-shaped lawyer is one that has a deep legal expertise (the vertical bar of the T) but also complementary soft or technical skills that sit along the top (the horizontal bar of the T). These can include emotional intelligence, empathy and curiosity, and also broader technical skills such as project management, data analytics, legal technology or process mapping. The modern in-house counsel is able to marry up the technical skills and other disciplines to provide a rounded expertise. Indeed, it is often the skills that sit on top of the T bar that are the differentiator and set you apart from other counsel.

## CRITICAL CULTURE

The working environment and culture is critical to the services provided by in-house counsel. Increasingly, we operate in a volatile, uncertain, complex and ambiguous world. The pace of change and disruption is growing exponentially and the legal support for the business is expected to evolve accordingly. It is therefore important to understand the stakeholders and what they are trying to achieve. This frequently involves operating in an agile way, and in particular using design thinking to create solutions for

“ *The modern in-house counsel is able to marry up the technical skills and other disciplines to provide a rounded expertise* ”

stakeholders is important. Design thinking has five key stages: empathise, define, ideate, prototype and test. It also creates a fun, collaborative and (importantly) productive environment in which to crowdsource ideas and solve problems. There are no wrong answers in design thinking and even the most outlandish of ideas is important in the overall process of idea-generation and evolution. One of the main benefits of this approach is that it encourages and rewards a growth mindset. When we start to think more like our business, we provide a better service to it and move closer towards a true collaborative relationship.

#### CRUCIAL COACHING

Coaching plays an important role in the life of an in-house counsel. It should form part of a regular cycle of continuous improvement and two-way dialogue. Coaching is traditionally delivered from a line manager down, but there is equal merit in receiving coaching upwards from junior team members, and those in your peer group. Coaching

provides a platform to prepare for difficult or complex conversations in a psychologically safe environment and it provides an opportunity for analysis and self-reflection. The feedback obtained and the skills that are built in coaching conversations are important for continuous development.

#### AT THE HEART OF IT

The perception that business development is the sole domain of the private practitioner, if it ever really existed, is ancient history. Key to in-house counsels' success at working seamlessly with their stakeholders is a targeted engagement plan that allows for the development of strong relationships with business partners at every level. Getting to the heart of what is happening in your business – its priorities, opportunities and weaknesses – allows in-house counsel to be proactive in their advice and to move away from the old stereotype of “the function that says no” towards being an essential part of the wider team that the business wants to engage early. ▶

Not only does this mean that your stakeholders will want you to be part of their strategic decision-making, it also means they are receptive to initiatives you put in place to streamline processes and mitigate risk, and to amend these in line with the changing needs of the business.

#### BEYOND THE HORIZON

Good stakeholder engagement and being a trusted advisor can also buy you a seat at the table to advise on matters of governance and strategy. Not only does this embed legal advice into the business's plans and help you head-off problems before they arise, it allows in-house counsel the early opportunity to assess the changing needs of the business. To do this effectively, in-house counsel need to have a deep understanding of what is on the horizon, both in terms of what the business wants to achieve and how it aims to go about doing that. With an increasing amount of innovation using emerging technology, and agile working practices, the established ways of working are being constantly challenged and in-house counsel need to keep up with the pace of change. This means keeping abreast of developments in the provision of legal services and implementing new ways of working. It would be fair to say that many of

“

*Within the context of an in-house role, nobody will celebrate your intricate knowledge of trade mark law – that's simply a given*

us are in an enviable position to do this; with direct access to innovators and technology teams, there is a wealth of opportunity to upskill and expand our knowledge base.

#### EXTERNAL OUTREACH

For many in-house counsel, there is a necessary requirement to work with external counsel to help ourselves and our business colleagues achieve our goals. Whether that is utilising their resource to make lighter work of time-consuming tasks or tapping into their expertise in niche technical areas, external counsels' value is often now judged in the same way as that of in-house counsel. Exceptional external counsel operate as an extension of the in-house team and

as such must have a proactive interest in and understanding of the business's priorities and needs. They must also appreciate the challenges facing the in-house IP advisors, and operate as extra eyes and ears to help us keep up to date with best practice. This provides a plethora of opportunities for knowledge exchange between parties. Excellent external counsel will seize the chance to work in an open, collaborative and innovative way with their in-house clients, relishing a direct and proactive relationship, and giving and accepting direct feedback.

#### COMMON DENOMINATOR

While this article was written from the perspective of in-house counsel, each of the ways in which in-house counsel is expected to operate – including the need to be adaptable and hungry to expand beyond technical expertise – is equally applicable to private practice. The bottom line is that we are all here to provide a service, be it for stakeholders or clients, and the service that is expected has advanced considerably. IP professionals in any position are expected to do much more than merely churn out legal advice. It is fascinating to see the change in service provision taking hold across the IP industry, with in-house counsel and private practitioners alike grasping the opportunity to deliver more progressive, innovative and commercial solutions. ●



#### Mark Cruickshank

is Managing Legal Counsel, Outsourcing, Technology & IP at Royal Bank of Scotland  
mark.cruickshank@rbs.co.uk

Co-authored by Suzanne Wright, IP Manager, Royal Bank of Scotland.

A large, stylized graphic of the letters 'IP' in a serif font, centered within a white circular shape. The background is a solid grey color. The 'I' and 'P' are white, and the circular shape is also white, creating a high-contrast logo.

IP

## Recruitment for IP Professionals.

[www.ip-support.co.uk](http://www.ip-support.co.uk) • 020 7776 8966 • [info@ip-support.co.uk](mailto:info@ip-support.co.uk)

# GOING FOR GARMIN

Ewan Grist reviews an appeal decision that upheld a non-infringement finding

The Court of Appeal handed down its latest judgment on Community designs in *PulseOn OY v Garmin (Europe) Ltd* [2019] EWCA Civ 138. This appeal arose from a High Court decision of Mr Roger Wyand QC (sitting as a Deputy High Court Judge), in which he held that two registered Community designs (RCDs) (belonging to PulseOn) protecting the arrangement of LEDs and a photo sensor for a wrist heart-rate monitor were valid, but were not infringed by Garmin's own design used on certain models of its sports watches. The representations from one of the RCDs are shown below.

As per EUIPO's *Guidelines for Examination of Registered Community Designs*, features for which protection is not claimed are shown in dotted lines. Thus, the RCD only sought to protect the shape and arrangement of the three oblong LED sensors, the rectangular photo sensor and the circular platform. (There was some discussion as to whether the small screws that secure the bar to which the wristband is attached, and which appear not to have been depicted in dotted lines, were intended to be included in the scope of protection. The judge held that they were excluded, essentially as an obvious mistake.)

A model of the allegedly infringing Garmin design (from its Forerunner 235 device) is shown below alongside the protected elements of the aforementioned RCD.

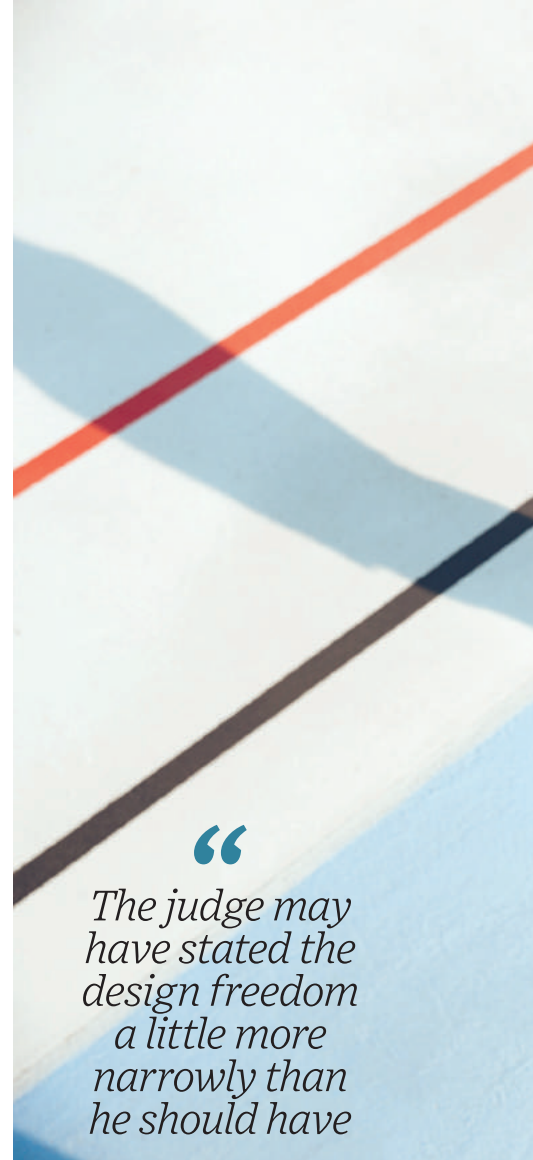
The judge concluded, taking into account the features that he felt were common in the design corpus for this kind of product and the limited design freedom (due to various functional requirements), that, on the balance of the similarities and differences between the respective designs, the Garmin design did not infringe the RCD.

PulseOn appealed this decision to the Court of Appeal (CA) on various grounds, to which the CA responded:

**Ground (1)** The judge had erred by concluding that design freedom was more constrained than it actually was.

The CA agreed that the judge may have stated the design freedom a little more narrowly than he should have in relation to one particular feature, but that did not result in the RCDs being afforded a significantly wider scope of protection than they should have. The judge's conclusion that there was limited design freedom was still materially correct.

**Ground (2)** The judge had erred by comparing an enlarged 3D model of the Garmin product to the RCD, rather than the Garmin product itself. PulseOn argued that it resulted in an exaggeration of the perceived differences, which were scarcely



“

*The judge may have stated the design freedom a little more narrowly than he should have*

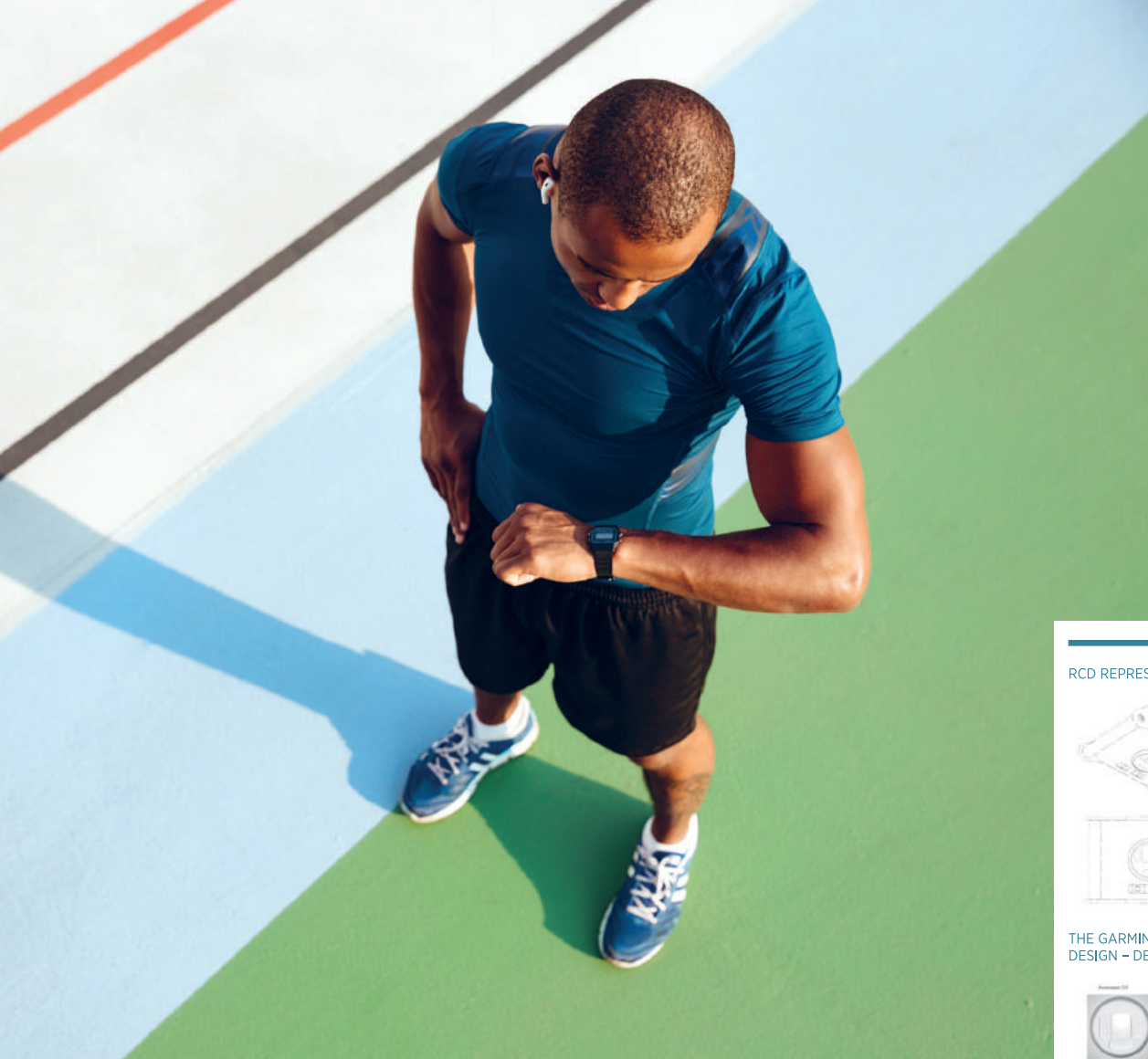
noticeable when a comparison with the product was carried out.

The CA found that, while normally the comparison should be between the RCD and the product, in this case a departure from that approach was justified. This was because a comparison of the RCD with the actual product was hampered by the fact that they are extremely small, and that the eye was drawn to what was behind the LED/photo sensor apertures (which was not within the scope of protection of the RCD) rather than the apertures themselves. Models of the apertures, provided they were accurate, overcame these difficulties.

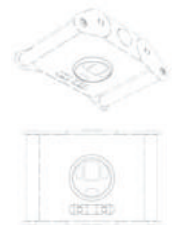
**Ground (3)** The judge erred in attaching undue weight to certain features that were determined by technical considerations.

The CA held that the judge must have been aware of the reason for the differential spacing between





#### RCD REPRESENTATIONS



#### THE GARMIN DESIGN – DETAIL



the different LEDs and the sensor (a feature impacted by technical consideration), and the weight to be given to this in his overall evaluation was a matter for him. It had to be balanced against the fact that the spacing was not among the features found, either commonly or at all, in the design corpus, and was therefore entitled to more weight in the assessment exercise for that reason. There was no reason for the CA to interfere with that assessment.

**Ground (4)** The judge erred by asking whether the Garmin design produced an “identical impression” on the informed user as the RCD, rather than whether it produced a different overall impression on the informed user.

The CA found that, despite using imprecise terminology at certain points in the judgment, the judge had properly directed himself as to the correct test for infringement

and it was quite clear that the judge had in mind throughout the correct test and applied it.

#### FUNCTIONAL FACTORS

This case emphasises that where protected designs relate to highly functional or technical products (or parts thereof), the restraints on design freedom caused by the technical/functional requirements will result in correspondingly smaller design differences serving to create a different overall impression on the informed user. This is because the informed user is taken to be

aware of these design freedom constraints (although not necessarily all the engineering considerations underpinning them because the informed user is not an expert engineer). This circumstance affords similarities resulting from such constraints less weight in the overall impression created by the design. The upshot is that, all things being equal, a greater degree of similarity is generally required to infringe the design of a highly functional or technical product than might be the case for the design of a highly decorative/aesthetic product.



#### Ewan Grist

is a Partner at Bird & Bird  
[ewan.grist@twobirds.com](mailto:ewan.grist@twobirds.com)

# NO WAY OUT

Eloise Walker explains why a new tax on offshore intangibles may be hard to navigate



A new tax on UK sales came into force on 6th April, applying a 20 per cent tax charge on “offshore receipts” linked to intangible property held in low-tax jurisdictions. The tax targets multinational groups that hold IP in tax havens and exploit that IP to generate revenue from sales to UK customers.

As a result, a non-UK entity’s offshore receipts will be subject to UK income tax to the extent they “derive” from UK sales. The tax is a charge on income,

so on revenue, not profit. Offshore receipts constitute gross income (or capital) realised by a non-UK entity holding “intangible property” used to generate UK sales (in the form of goods, services or other property).

Intangible property for the purposes of the new rules is widely defined. It encompasses not just patents and trade marks but also more amorphous concepts such as know-how, distribution rights and even customer lists.

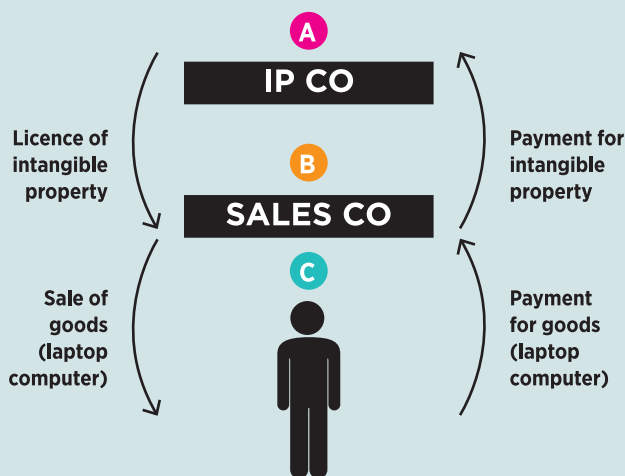
To explain how offshore receipts can “derive” from UK sales, it’s easiest to look at the example provided by HMRC (see Figure 1 below): a non-UK company is located in a low-tax country (IP Co) owning trade marks, knowhow, distribution rights and customer lists. IP Co licenses this intangible property to non-UK Sales Co, a connected party located outside the UK. In turn, Sales Co uses this intangible property to manufacture and make direct sales of goods (ie laptop computers) to UK customers.

**FIGURE 1**

**KEY**

**GROUP X**

- A** Country A
- B** Country B
- C** UK





Under the new regime, HMRC says that the fee paid by Sales Co to IP Co for the use of the intangibles would be potentially within the scope of the tax as it would be referable to the sale of goods to a UK customer.

IP Co is subject to UK income tax at 20 per cent on the gross fees it receives from Sales Co, even though neither company is UK resident and has no presence in the UK, nor any UK connection beyond Sales Co's UK customers. This arises without regard to whether IP Co is already subject to withholding taxes on the fees in Country B, or direct and/or indirect taxes on its profit in Country A.

Note, in particular, that the tax does not just apply to sales made to UK persons directly by the non-UK IP holder or through related parties, it also includes the indirect, but substantial, exploitation of that intangible property in the UK market through unrelated parties. This is meant to ensure that groups are not able to side-step the measure by selling through external distributors, but further complicates the ambit of the rules.

The charge only applies to the proportion of the non-UK entity's IP income that is derived from UK sales, so the calculation gets complicated if (as may well be the case):

- Sales Co is selling to countries other than the UK – only the UK “portion” of the payment to IP Co will be subject to the tax, determined on a “just and reasonable” basis (although usually this will be the ratio of UK sales to total sales); and/or
- the IP relates to only a small part of the product such as a zip in a branded rucksack – HMRC's guidance suggests that IP Co is only caught if the value attributed to its IP is substantial, but that is not what the legislation actually says, so at the time of writing this point remains unclear. Further regulations are expected to be published later this year.

#### EXEMPTIONS

Not all non-UK entities are caught. The tax only applies to non-UK entities resident in jurisdictions that do not have a double tax treaty

with the UK that contains a non-discrimination clause. For the most part, this does mean tax havens, but care is needed. There is no register of double tax treaties that lists all those that do not have a non-discrimination article, so it is necessary to check in each case.

The tax will also not apply if the non-UK entity operates through a UK place of business, because the profits of that enterprise are already brought within the UK tax net.

There are some further specific exemptions, which can be complex to apply:

**Local tax exemption.** To ensure that the measure only applies where intangibles are held in low-tax jurisdictions, there is an exemption from the charge where the local tax paid by the foreign entity in respect of UK-derived amounts is at least 50 per cent of the equivalent UK income tax charge, and the local tax is not determined under “designer tax” provisions (essentially, those which enable the non-UK entity to exercise significant control over the amount of tax that it pays). However, this exemption may be difficult to obtain as the local tax is likely to be on profits, whereas the UK tax will be on revenue. ▶

“ *Intangible property encompasses not just patents and trade marks but also more amorphous concepts* ”



**De minimis.** The tax charge will only apply to non-UK entities if the total value of their UK sales plus those of entities connected with them exceeds £10m, so smaller enterprises are not caught. However, in order to work out if this exemption applies, the value of UK sales must be identified and that requires tracing through the full supply chain.

**Historic local presence.** There is also an exemption for non-UK entities that have not acquired their intangible property from related parties and where all, or substantially all, of their trading activities have always been undertaken in the low-tax jurisdiction. While it appears simple enough, this can be difficult to prove in practice.

**ENFORCEMENT**

The rules are not limited to non-resident companies and also apply to individuals and other entities. In the case of companies and certain other entities, however, enforcement is easier in practice. Although the direct tax liability falls on the non-UK person, who HMRC has very limited ability to claim against in practice, HMRC has the option to make any UK member of a non-UK company's group secondarily liable for the tax, and claim it from them.

*“ IP owners need to assess their potential exposure and restructure their asset-holding vehicles if needed ”*

This means a UK subsidiary in a wider international group may find itself liable for a tax bill that relates to an offshore parent or sister company, where the UK subsidiary has no connection with the matter.

**PRACTICAL STEPS**

Any non-UK companies that hold IP assets that are ultimately embedded in something sold in the UK need to make sure they are not located in a tax haven or other country that lacks a non-discrimination article in its double tax treaty with the UK. IP owners need to assess their potential exposure and restructure their asset-holding vehicles if needed.

It is not just the obvious consumer products that are caught – mobile phones, bags, shoes, perfume, etc.

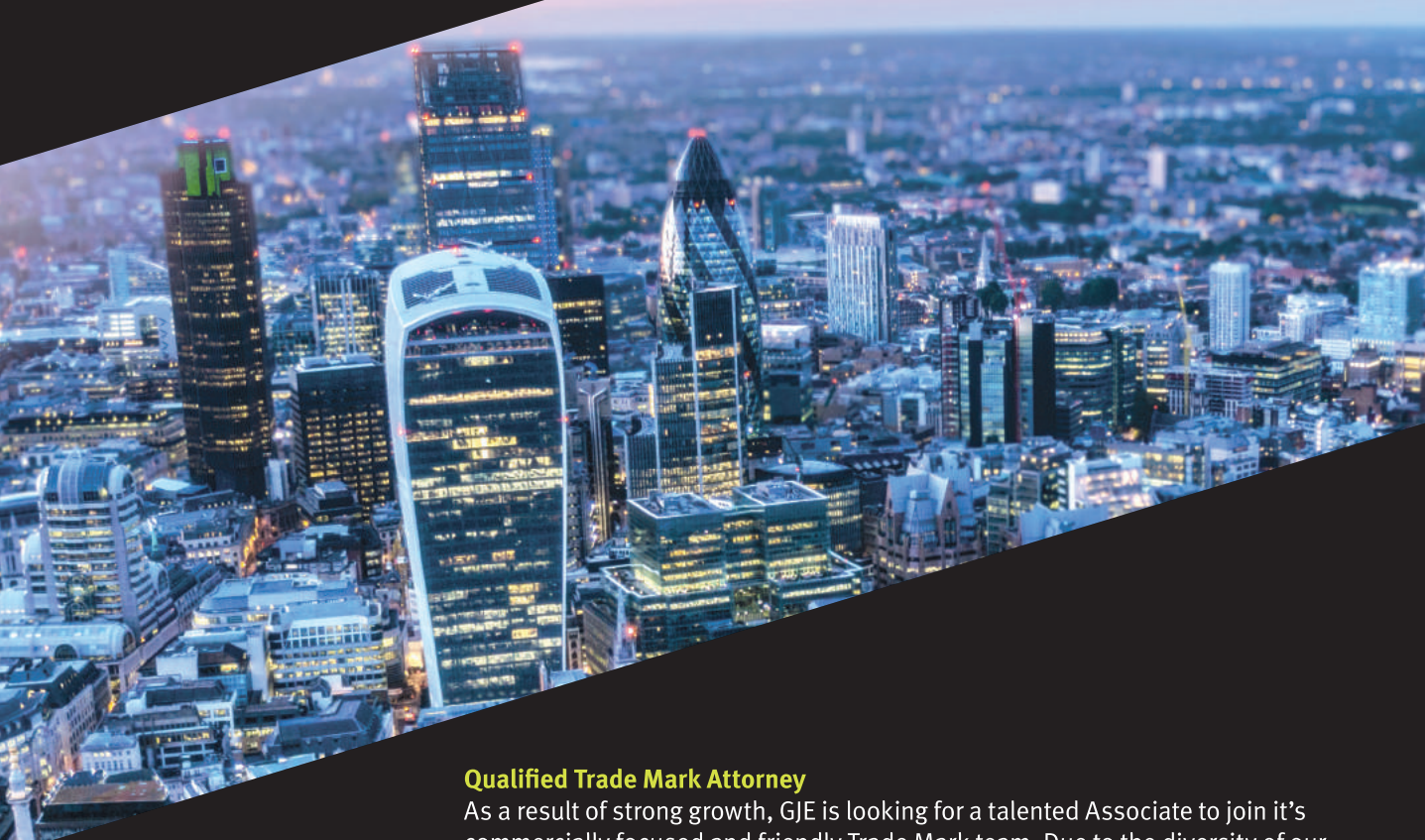
It may extend to just about anything (eg trade marks used in advertising services to a third-party sports brand that sells trainers in the UK).

For companies already caught, it may be difficult to exit the regime. As with many tax provisions, there is an anti-avoidance rule to prevent people structuring to get round the charge, so although moving the IP assets to a new jurisdiction that does not fall within the ambit of the regime is possible, this may be more problematic than it seems. If it is not possible to move IP from such jurisdictions, and if the non-UK IP holding entity has UK group companies, it needs to self-assess its UK tax liability under the new regime. ●



**Eloise Walker**

is a Tax Partner at Pinsent Masons LLP  
eloise.walker@pinsentmasons.com



### Qualified Trade Mark Attorney

As a result of strong growth, GJE is looking for a talented Associate to join it's commercially focused and friendly Trade Mark team. Due to the diversity of our clients, your workload will be varied and as your experience grows so too will your responsibility. Top-quality client care is a hallmark of GJE's approach and you will be involved in a full range of trade mark protection work including:

- Drafting and filing - including pre-filing advice to clients, issues of registrability, drafting specifications and preparing and advising on file registrations
- Prosecution
- Searches
- Contentious issues - including opposition and cancellation actions, infringement and anti-counterfeiting issues
- Portfolio management and advice



BEST COMPANY

2018

### GJE, the right choice for IP

At GJE you decide how to make your mark: be it developing new business, training & mentoring or simply being a top trade mark attorney. We're 125 strong, so small and friendly enough to get to know everyone – but big enough to offer great career prospects.

### READY TO TAKE THE NEXT STEP?

Apply at [www.gje.com/careers](http://www.gje.com/careers)  
or email your CV to [careers@gje.com](mailto:careers@gje.com)

## MAKING THE MOST OF MULTIPLES:

# JAPAN AND KOREA

Grégoire Bisson continues his exploration of international registration strategy

In a previous *CITMA Review* article (“Maximum Impact: USA”, Issue 446), I provided examples of successful international registrations to explain how, in spite of the requirement for a “single inventive concept” under US law, one could file a multiple Hague application and still be granted protection for all designs by the USPTO.

Now, what if that application also designated the Republic of Korea (Korea) and Japan? Korea adopted a multiple-design system in 2014 and in Japan, while a single-design system still applies, the Office implemented the Hague System in a user-friendly way that allows it not to reject international registrations on the mere ground that multiple designs are included.

So why the need for this article? Well, the catch is that if your many designs are acceptable under the notion of a single inventive concept under US law, chances are that they also fall under the concept of “related designs” under the laws of Japan and Korea. As such, they become conditioned to a simple procedural step that, if it is not complied with, could lead to a refusal by the office of either country. Fortunately, that’s easy to avoid.

In both Japan and Korea, a design may be registered as related to another design to which it is similar (the “principal” design), provided both belong to the same applicant and relate to the same or a similar product. While the related-design system, which aims to provide better protection of variation designs, presents both benefits and constraints that are beyond the scope of this article, the one substantive aspect to note is that it aims to provide a sort of excuse for double patenting of designs that are variations of one another. In fact, filing designs that are similar without providing an indication as to which is the principal design will lead to a substantive rejection by both the JPO and KIPO as the designs would be seen as double patenting designs. Actually, a missing or erroneous indication relating to the principal design is currently

the second-most frequent cause for rejection of Hague registration by either the JPO or KIPO.

While such refusals can be overcome, meaning extra costs, they could also easily be avoided: the e-filing interface of the Hague System contains a dedicated section for “related designs” that is automatically activated from the moment either Japan or Korea are being designated in the application, allowing the necessary indications to be provided in a simple and clear manner. As a matter of fact, there are a lot of Hague designs that have been accepted by the JPO and the KIPO as “related designs” (see panel).

Circling back to the purpose of this article, which is to help Hague users confidently file multiple designs for the broadest geographical scope, it is noteworthy that all the cases of multiple-design Hague registrations in the panel were also accepted by the USPTO as complying with the requirement of a single inventive concept under the US law. In other words, there appears to be somewhat of a commonality between the substantive requirements, on the one hand, of US law and, on the other, of Japanese and Korean laws. Thus, if you are filing a multiple Hague application with the concept of unity of invention in mind for the designation of the US, do also consider the “related design” section of the e-filing interface in support of your designations of Japan and Korea to avoid unnecessary refusals.

In a nutshell, the good news for Hague users is that compliance with the laws of all three countries can be achieved for multiple similar designs under a single Hague application.

---

*Note: The opinions in this article are solely those of the authors and do not represent an official position from WIPO, JPO or any of the national offices cited.*


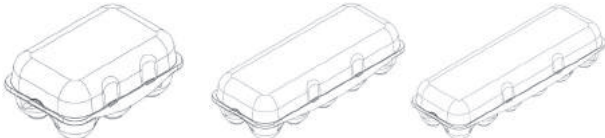
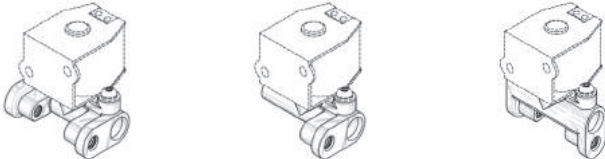

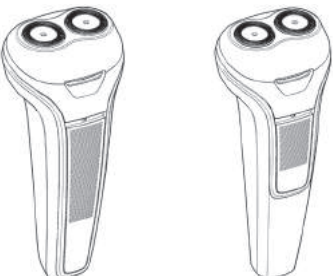



### Grégoire Bisson

is the Director of the Hague Registry at WIPO  
gregoire.bisson@wipo.int

With thanks to co-author Nobuaki Tamamushi,  
Former Associate Officer in The Hague Registry, WIPO.

## PRINCIPAL/RELATED DESIGNS: SUCCESSFUL EXAMPLES

Design details – Principal design/Related design(s) in the same international application	Registration for	Intl reg no	Holder	Intl reg date
<p>Indication of products: 1-3. Ratchet lever hoists</p> 	Same article in different colours	DM/086 602	Columbus Mckinnon Industrial Products GmbH	02.06.2015
<p>Indication of products: 1-3. Egg boxes</p> 	Same article in different proportions and numbers of continuous units	DM/088 971	FOSTAG Formenbau AG	29.09.2015
<p>Indication of products: 1-3. Valves</p> 	Same article in different installation directions of their left/right parts	DM/089 649	Fujikoki Corporation	02.02.2016
<p>Indication of products: 1-2. Folding tables</p> 	Same article in different proportions, etc.	DM/092 081	Freedesk AB	04.08.2016
<p>Indication of products: 1-2. Two-head dry shavers</p> 	Same article sharing the same characteristics: shavers that differ as to the front part of their bodies	DM/092 745	Koninklijke Philips N.V.	07.09.2016
<p>Indication of products: 1-2. Sunglasses</p> 	Same article sharing the same characteristics: sunglasses that differ as to the height of their lenses	DM/095 411	Christian Dior Couture	19.01.2017

All cases accessible from the Hague Express Database: [wipo.int/designdb/hague/en](http://wipo.int/designdb/hague/en)



# FROM JAMAICA, WITH PRIORITY

Katherine Van Deusen Hely reveals why the country is a top destination for stealth filings

The world's most famous (if fictional) spy, James Bond, was brought to life by Ian Fleming at his Goldeneye estate on the Caribbean island of Jamaica. And more than 60 years later, Jamaica can still provide Mr Bond's spirit of covertness, albeit in the arguably less exciting world of trade mark filings.

It is no secret that mark owners, especially those involved in rapidly developing and competitive fields, have sought out locations where they can file trade mark applications out of the public eye. These filings, sometimes called "stealth filings" or "submarine filings", allow mark owners to temporarily hide their trade mark filings from competitors and the public at large. All the while, they can still secure early protection of their marks around the world. To this end, mark owners have looked to far-flung locales, including islands in





“ *Most stealth filings remain under wraps until after priority-based applications are filed elsewhere* ”

Jamaica is a popular location to file trade mark applications under the radar

the Caribbean and South Pacific, to begin the process under the radar. For example, since 2013, Apple Inc. has filed more than 25 marks with the UK IPO claiming priority based on an earlier Jamaican filing.

One makes a stealth filing by first filing the mark with a relatively opaque registry and later using that filing to claim Paris Convention priority. This allows up to six months of some protection without publicly broadcasting one's newest mark.

There are two requirements: Paris Convention membership and secrecy. Most nations, including Jamaica, have membership in the Paris Union. Secrecy requires more research: with the rise of online trade mark search, greater scrutiny of the jurisdictions' law and practice has become necessary.

The Jamaica Intellectual Property Office (JIPO) operates a computerised

trade mark database, but data on pending applications is not available online. A search must be performed in JIPO's offices or a request can be made for the registry staff to complete the search. Importantly, the JIPO interprets the applicable rules to allow only proprietors or their agents to see any pre-publication application results when completing a proprietor search. Third parties should learn of a pending application only if it is revealed in a conflict search or cited against an application in an official action. This represents a

departure from the JIPO practice of just a few years ago, when third parties could discover unpublished applications via a proprietor search.

The change is positive for stealth filers and may obviate some of the need for straw-man applicant entities (and the attendant risks). Moreover, the publication timeline in Jamaica is typically greater than six months, meaning most stealth filings remain under wraps until after priority-based applications are filed elsewhere.

In addition to its effective and privacy-conscious registry, as an English-speaking, common-law, Commonwealth nation, it is especially attractive to UK filers and others sharing the common-law tradition. Jamaica's Trade Marks Act is based in part on the UK Trade Marks Act 1994 and mandates use of the Nice Classification system. Applications can be made on an intent-to-use basis and for relatively low official fees (initial filing fee is approximately £45, plus £13 for each additional class). When one needs certified copies of a Jamaican application to claim priority elsewhere, copies can be obtained relatively quickly and at a low cost (approximately £3 per page). Jamaica's location makes communications efficient with both the Americas and Europe. Finally, in comparison to the other usual suspects for stealth filings, Jamaica has a relatively large population, economy and tourism industry, so the filer may find greater long-term value in a Jamaican mark.

For all these reasons, when circumstances demand privacy and protection, Jamaica should be a top contender for stealth filings.



**Katherine Van Deusen Hely**

is the founding member of Caribbean IP  
katherine@caribbean-ip.com  
Patrick Hely, a fellow member at Caribbean IP,  
co-authored this article.

# A lesson on legitimacy

The Court shed light on BMS application, writes Rebecca Campbell

**In this case**, the High Court refused an application by the Defendants to strike out or for summary judgment against the Claimants' trade mark infringement claim. It provides clarity on the application of the BMS Criteria following *Junek*, particularly where there is parallel importation and relabelling of medical devices.

In the realm of EU law and regarding trade marks, the relevant provisions on exhaustion are found in Article 15 of the EU Trade Mark Regulation (EUTMR) and s12 of the Trade Marks Act 1994 (the Act). These provide that there is no infringement when a registered trade mark is used in relation to goods put on the market in the EEA by the trade mark owner or with its consent unless there are "legitimate reasons" for the owner to oppose further commercialisation of the goods.

This exception can often be relevant where pharmaceutical and medical products are concerned. In these highly regulated fields, parallel importers will often repackage or relabel goods to comply with legal requirements or other factors, such as a law stating that ingredients must be listed on packaging or concerning translations into a local language. Article 15(2) EUTMR and s12(2) of the Act reference incidents where "the condition of the goods has been changed or impaired after they have been put on the market".

## BMS CRITERIA

So, what reasons are legitimate? In *Bristol-Myers Squibb v Paranova*<sup>1</sup>, the CJEU provided some welcome clarity in a case involving parallel-imported pharmaceutical products. It provided that a trade mark owner could oppose the further commercialisation of repackaged parallel-imported products unless certain criteria, known as the BMS Criteria, were satisfied:

1. Enforcement of the trade mark would contribute to the artificial partitioning of the markets between Member States.
2. The repackaging does not affect the original condition of the product inside the packaging.

3. The new packaging complies with certain criteria, eg it clearly states who repackaged the product and the name of the manufacturer.
4. The presentation of the repackaged product does not damage the reputation of the trade mark.
5. The importer gives advance notice to the trade mark owner before sale (and on demand, provides a specimen).

*“ In highly regulated fields, parallel importers will often repackage or relabel goods to comply with legal requirements ”*



BMS concerned pharmaceutical products. However, in May 2018, the CJEU handed down its judgment in *Junek*, a case about parallel-imported medical devices<sup>2</sup>. In *Junek*, small labels had been affixed on unopened parallel-imported goods. These did not obscure the original labels and no notice had been given. The Court held that the BMS Criteria were not applicable where this type of additional relabelling did not affect the guarantee of origin of the goods and the trade mark owner was prevented from opposing the sale of these goods.

### MEDIK & HOLLISTER

The present case was brought by Claimants Dansac A/S and Hollister Incorporated in 2017 (before *Junek*). Both belong to the Hollister Group of companies, which manufacture and sell healthcare products and services worldwide.

There are a total of four Defendants: the third is Medik Ostomy Supplies Limited, a parallel importer of ostomy bags and related products; the second is a director of Medik who is alleged to be personally liable; and the first and second Defendants sell the goods in the UK.

This was not the first dispute between Hollister and Medik. In his judgment, Mr Justice Birss recalled that he'd heard a similar case between these parties in 2011. Then, Medik had imported similar goods but did not give notice

in accordance with BMS. When a claim was issued in 2009, Medik gave notice. The parties subsequently agreed a consent order and the 2009 notice was not challenged, with the case eventually being heard by the Court of Appeal.

"Disputes between Medik and Hollister have been rumbling ever since," Birss J said in this judgment. Following further notices by Medik in 2012 and 2014, the present proceedings had been brought in 2017. The goods now concerned included both those that had been relabelled and those that had not. Like *Junek*, the goods had been unopened but Medik had fixed labels on the exterior of the package.

Following *Junek*, the Defendants made an application to the High Court to strike out or for summary judgment against the claim on the basis that the relabelling in this case was like that of *Junek*. The Claimants contended that *Junek* should not be interpreted so broadly and that there were factual differences, such as a larger label that did not contain relevant information in English, and the presence of Hollister's own trade marks.

### NO AUTHORITY

Birss J said that *Junek* was not authority for the proposition that unopened packaging and a label that did not cover an original label would be free of BMS. His interpretation was that it was relevant whether there would be a risk to the guarantee of the origin of the goods – if there were, then the BMS Criteria would apply and there would be a need to give notice.

Some of the Claimants' amendments were struck out or disallowed, including the claim that there was infringement because of a lack of notice. Birss J allowed the case to proceed to trial based on amended pleadings, which concerned use of a Claimant's mark on labelling – whether this affected the guarantee of origin was an issue to be decided at trial.

The case sheds light on the application of the BMS Criteria in cases where relabelling of parallel-imported goods does not obscure original trade marks. In cases where there is relabelling but not repackaging, notice may only be necessary where the label affects the goods' guarantee of origin. However, the main proceedings were ongoing at the time of writing and these will undoubtedly provide further clarity when the High Court decision is issued.

### KEY POINTS

✦ There is no infringement when a registered trade mark is used in relation to goods put on the market in the EEA by the trade mark owner or with its consent, unless there are "legitimate reasons" for the owner to oppose further commercialisation of the goods

✦ What constitutes "legitimate reasons" will depend on the facts, but has been clarified in the cases of BMS and *Junek*

✦ Here, the High Court held that importers do not need to provide notice to trade mark owners when parallel importing goods labelled in a way that does not obscure the original labels, provided that such relabelling does not affect the guarantee of origin



### Rebecca Campbell

is a Part-Qualified Trade Mark Attorney at Marks & Clerk LLP  
recampbell@marks-clerk.com

1 Bristol-Myers Squibb and Others v Paranova (Joined Cases C-427, 429 and 436/93)

2 *Junek v Lohmann & Rauscher*, Case C-642/16

# Whose link is it anyway?

Rose Smalley answers a crucial question

**Is the purchaser** of a product sold under a trade mark entitled to disassemble the product and sell component parts thereunder? This is the question addressed in this case.

The Claimants (Nomination) were responsible for the sale and marketing of a “composable bracelet”, comprising individual links that could be detached and relinked. The links available included “base links” that bore the mark NOMINATION, protected by EU and International trade mark registrations in class 14 (the Mark).

The Defendants, husband and wife, traded as a partnership named JSC Jewellery (JSC). In 2011, JSC’s eBay listing for its own composable charm bracelet – sold since 2004 under a UK trade mark logo for “Daisy Charm” – was amended to state that the product “fits Nomination”; this was subsequently removed in 2013 due to a change in eBay’s rules.

Shortly thereafter, JSC began purchasing Nomination “base bracelets” (no decorated or charm links) and disassembling them to sell the individual links alongside its own. When repackaged, Nomination’s base links were separated from JSC’s links and put in either a separate blister pack, or a plastic bag that bore the label “Manufactured by Nomination Italy Repackaged by JSC Jewellery UK”. These bundles were sold on JSC’s eBay site.

Nomination issued proceedings alleging trade mark infringement in relation to JSC’s advertising and sale of bundled base links, and that JSC had passed off the bundles as being goods made or authorised by, or otherwise associated with, Nomination.

## USE CONSIDERED

Counsel for JSC argued Nomination had exhausted its rights in the Mark under Article 7(1) of Directive 2008/95/EC (the Directive). Counsel suggested that Nomination had never previously contractually or otherwise expressly restricted retailers from selling individual base links, even though the possibility must have been foreseen given the nature of the product. His Honour Judge Hacon considered such arguments briefly, but believed the case could be decided by reference

to Article 7(2) of the Directive, although he stated his doubts regarding whether “Nomination had reached any decided view about the sale of their individual base links” at the appropriate time.

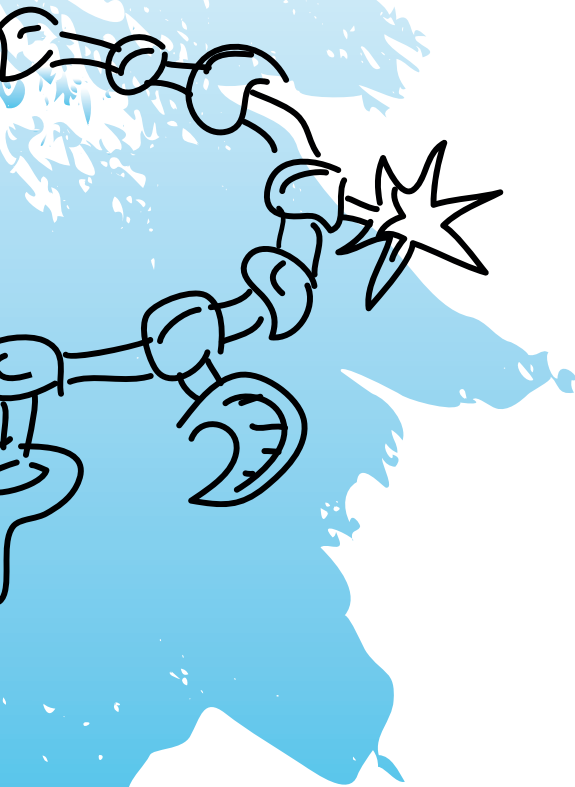
Under Article 7(2) of the Directive, HHJ Hacon considered a number of “legitimate reasons” put forward by Nomination, including:

1. Nomination’s retailers were not entitled to sell base links, or base bracelets without a charm link;
2. Nomination’s high-quality packaging;
3. The written guarantee included within Nomination’s packaging;
4. The failure of JSC to identify itself as having repackaged Nomination’s links on some of the packaging; and
5. The potential physical damage the repackaging could cause to Nomination’s products.

HHJ Hacon dismissed reasons (1) and (3) simply on the evidence presented. Reasons (4) and (5), which mirror the second and third conditions of the test set out in *Bristol-Myers Squibb v Paranova A/S (BMS)*, were also dismissed, the judge holding that the facts in BMS could be distinguished from the present case. This was because BMS concerned pharmaceuticals that require a clear supply trail and are much more sensitive to the packaging used to contain them.

HHJ Hacon did, however, accept reason (2). Referring to the fourth condition set out in BMS, namely “the presentation of the repackaged product is not liable to damage the reputation of the trade mark and of its owner”,





## “ Blurred advertising and subsequent confusion showed that misrepresentation had occurred and had caused damage

been accepted by JSC, HHJ Hacon further held that the blurred advertising and subsequent confusion (evidenced in letters sent to retailers by disgruntled customers of bundled links from JSC) showed that misrepresentation had occurred and had caused damage to Nomination.

Ultimately, although the judgment found in Nomination’s favour, the judge remarked that they did not appear to have considered their position on the resale of parts from disassembled products. Perhaps, rather than permit such leniency for such rights-holders in future, the judge’s comments signal that manufacturers and retailers should consider including express restrictions (in contracts or brand/product guidelines) if such disassembly is not permitted, given that this is now a known issue.

It also seems that Nomination has been somewhat fortunate that JSC made some mistakes by: (i) using inferior repackaging; and/or (ii) not making it consistently clear which links had been manufactured by which party. With regard to the former, one queries whether the BMS condition would bite in circumstances where the repackaged product was more elaborate than the original if, for example, the original brand has a reputation for affordable, attainable products – given that this has the potential to “damage the reputation of the trade mark and its owner”.

HHJ Hacon’s comments also make clear that the BMS conditions are not always applicable in an identical fashion to products other than pharmaceuticals; certain types of goods (sensitive, perishable) may be more susceptible to damage depending on the packaging used.

### KEY POINTS

- ✦ Manufacturers and retailers should consider express restrictions on distributors and agents for the disassembly and resale of parts of complex products
- ✦ Resellers should be careful that any repackaging complies, at all times, with the BMS conditions

he referred to the luxury impression that the high-quality packaging used by Nomination gave its product, and contrasted this with the blister packs and plastic bags used by JSC (of which he noted “no one could say that... packaging conveys an impression of quality”). HHJ Hacon was therefore satisfied that JSC’s packaging was likely to damage Nomination’s luxury reputation.

As a result, the judge held that Nomination had legitimate reason to oppose JSC’s sales of Nomination base links, and such sales infringed the Mark.

The judge also considered whether JSC had used the Mark in relation to its own links. He held the advertising of the bundled Nomination and JSC links sent a “blurred message about the manufacturing source” and that JSC had, therefore, infringed the Mark.

### PASSING OFF

While Nomination’s goodwill had already



### Rose Smalley

is an Associate Solicitor at Womble Bond Dickinson (UK) LLP  
[rose.smalley@wbd-uk.com](mailto:rose.smalley@wbd-uk.com)

Co-authored by Simon Wyatt, Trainee Solicitor at Womble Bond Dickinson (UK) LLP.

# IC what you did there

Louise Foster casts an eye over an important clarification

**Virginic LLC** (the Respondent) applied to register the mark VIRGINIC as a UK trade mark in respect of goods in class 3 on 17th January 2018. Using the fast-track opposition procedure, Virgin Enterprises Limited (the Appellant) opposed the application under s5(2)(b) of the Trade Marks Act 94 (the Act) relying on earlier EU and UK registrations for the mark VIRGIN covering identical goods in class 3.

On 20th November 2018 the opposition was dismissed on the basis of a lack of likelihood of direct and indirect confusion. The Appellant appealed the decision.

The Hearing Officer (HO) had found, and it was not in contention, that the respective goods were identical and the respective marks visually and aurally similar to a high degree. The appeal challenged the findings that the marks were only conceptually similar to a medium degree, that the earlier marks were of “normal” inherent distinctiveness and that there was no likelihood of indirect confusion.

## SPECTRUM OF DISTINCTIVENESS

The HO had assessed the earlier mark to be a common English word that was an arbitrary choice for the goods in question, with no link to them, and therefore had a “normal degree” of inherent distinctive character. It was assumed that the use of the word “normal” by the HO was intended to mean “average”. The Appellant on appeal submitted that it was not right to deprive the earlier marks of a finding of high distinctive character simply because they were not comprised of an invented word. Mr Justice Arnold accepted this argument holding that the earlier marks have a “fairly high degree of inherent distinctive character”, still seemingly reserving the very top end of the inherent distinctiveness spectrum for words of a purely invented nature.

## CONCEPTUAL IMPRESSION

The later mark was comprised of the entirety of the earlier mark with the suffix –IC. The Appellant had drawn the HO’s attention to the fact –IC is a common English adjectival ending that rendered the later mark to mean “of or pertaining to VIRGIN” and supported this with examples such as acid/acidic, atmosphere/atmospheric. It was found on appeal that the HO was wrong not to assess how the average consumer would perceive –IC in the later mark.

Rejecting the Respondent’s counterargument that the average consumer would not perceive the mark as having this meaning simply because the usual adjective derived from VIRGIN is VIRGINAL, Arnold J held that the later mark would be seen as a “newly minted adjective” and so there was a fairly high degree of conceptual similarity between the earlier and later marks.

## INDEPENDENT AND DISTINCTIVE ROLE

Considering the principle laid down in C-120/04 Medion AG v Thomson Sales Germany

“ The -IC element in the eyes of the consumer would still play its common grammatical role as an adjectival suffix

AG (THOMSON LIFE) and C-591/12 Bimbo SA v OHIM regarding the capacity for marks to retain independent and distinctive roles within later composite marks, which the Appellant had referred to in its appeal, Arnold J held that this did not apply in the present case. Although Arnold J accepted, as he had done in previous authorities, that the Medion principle can well apply to marks consisting of a single word, in the present case VIRGINIC acts as a single sign into which the earlier mark VIRGIN is subsumed to form a new whole. Nevertheless, the later mark was still found to be conceptually related to the earlier mark.

### CONFUSION ISSUES

The Appellant argued that, by finding there was no likelihood of indirect confusion because the mark VIRGIN was not “strikingly distinctive”, the HO had failed to correctly apply the guidance as set out in BL O/375/10 LA Sugar Limited v Back Beat Inc. According to the principles laid down in that decision, a mark being strikingly distinctive was a prerequisite to only one category of instances where indirect confusion could occur. Whereas, as the Appellant argued and was accepted by the judge, the present case fell into another category of indirect confusion whereby the later mark simply adds a non-distinctive element to the earlier mark, such that the consumer then perceives it to be a sub-brand or brand extension of the earlier mark.

Arnold J then proceeded to reassess the likelihood of confusion. This was based on the previous findings of identical goods, an average level of attention paid by the average consumer, and a high degree of visual and aural similarity of the marks, but now with a fairly high degree of conceptual similarity of the marks with the earlier marks being fairly highly distinctive. Arnold J found this all to point towards a likelihood of confusion, and concluded that indirect confusion was likely.

The appeal was allowed and the opposition upheld.

### IMPLICATIONS

This case appears to be the first to consider the impact of an adjectival suffix being added to the earlier mark. Arnold J’s view was that, as it was held that the consumer would perceive VIRGIN within the later mark, the HO was wrong not to consider how the consumer would perceive the -IC element. Despite not being the standard adjective formed from the word VIRGIN, the -IC element in the eyes of the consumer would still play its common grammatical role as an adjectival suffix, thereby reinforcing the conceptual connection to the term VIRGIN.

This decision also provides some further guidance on when the courts might consider the Medion principle as relevant. In the eyes of Arnold J, the Medion principle can apply to single word marks that have a “composite” structure but not those that simply comprise an earlier mark subsumed into a later one. Nevertheless, indirect confusion on the basis that the later mark might be seen as a sub-brand was still likely given the adjectival function of the -IC element.

*A A Thornton represented  
Virgin Enterprises Limited*



### Louise Foster

is a Chartered Trade Mark Attorney and European Trade Mark and Designs Attorney at A A Thornton  
lxf@aathornton.com

### KEY POINTS

- ✦ A mark that is an invented word can enjoy a fairly high degree of inherent distinctive character
- ✦ Indirect confusion can occur where a later mark adds a non-distinctive element to the earlier mark, such that the consumer then perceives it to be a sub-brand or extension, even if THOMSON LIFE principles do not apply
- ✦ This appears to be the first case in which the UK courts have considered the issue of an adjectival suffix being added to an earlier trade mark

# A defining case

Comment on agent-principal was compelling, reports Lana Yahya

**Wenz Kunststoff** (the Intervener) is the owner of the earlier European Union trade mark (EUTM) for MOULDPRO. The word mark is registered in respect of hoses in class 17. Mouldpro Aps (the Applicant) applied to register the word mark MOULDPRO in class 17, among other classes. The Applicant filed an application for invalidity under Article 53(1)(b) read in conjunction with Article 8(3), Article 53(1)(c) read in conjunction with Article 8(4) and Article 52 (1)(b) of Regulation (EC) No 207/2009 (now Regulation (EU) 2017/1001). The Cancellation Division rejected the declaration of invalidity in its entirety and the General Court (GC) reaffirmed the findings of the Board of Appeal (BoA). This case provides interesting commentary on the parameters of the “agent-principal”.

The Applicant disputed the assessment made by the BoA on dismissing the appeal on the ground of Article 8(3). It brought two main lines of argument: that the BoA did not take into account the continuous relationship between two companies; and that the terms “agent” and “representative” must be interpreted broadly.

## RELATIONSHIP

The GC supported the BoA’s assessment that the commercial relationship did not give rise to an “agent-principal” relationship. From 2001 to 2006, the Intervener acted as distributor for the Applicant in the German market, selling articles for the moulding industry. The directors of both companies had an ongoing relationship and discussed the possibility of a distribution agreement. According to the Applicant, it is only

because of this relationship and continuous exchange of information (information which would not normally be exchanged to third parties) that the Intervener obtained information of the MOULDPRO trade mark and applied for registration of the mark with the objective of keeping the Applicant out of the German market. The GC denied that any relevance attached to the cooperation between the two parties related to this argument because the contractual relationship ended in 2006.

The GC agreed with the BoA that on the facts of the relationship between the two parties there was no fiduciary relationship between them and that the Applicant erred in its submission that the BoA infringed Article 8(3).

## DEFINING TERMS

The GC also supported the BoA’s assessment on the definition of “agent” or “representative”. The GC stated that the terms

should be interpreted broadly, in order to cover all kinds of relationships based on any business agreement governed by oral or written contract and where one party is representing the interest of another. Further, that there must be commercial cooperation between the parties that gives rise to a fiduciary relationship by imposing on the trade mark applicant (implicitly or explicitly) a general duty of trust and loyalty. If the applicant acts independently, without having entered this kind of relationship, it cannot be treated as an agent. Thus, a mere purchaser or client of the proprietor cannot be treated as an agent.

## KEY POINT

+ In order to fall under the scope of Article 8(3) there must be commercial cooperation between the parties that gives rise to a fiduciary relationship

“  
*This case provides interesting commentary on the parameters of the “agent-principal”*



**Lana Yahya**

is a Trainee Trade Mark Attorney at Stobbs  
lana.yahya@stobbsip.com



# Appeal wilts under scrutiny

A lack of EU focus led to failure, as Dale Carter explains

**The EUIPO First Board of Appeal (BoA)** has upheld the decision of the Cancellation Division, revoking the EU trade mark (EUTM) EDIBLE BLOOMS for non-use.

The mark was registered, *inter alia*, for “edible floral/fruit art arrangements” in class 31, the retail of these products in class 35 and floral art arrangement in class 44. The proprietor, The Edible Blooms Group (Edible Blooms), is an Australian company that retails and delivers gifts, including chocolates, arranged into bouquets via the website [edibleblooms.com.au](http://edibleblooms.com.au). The cancellation Applicant, Edible Arrangements, LLC, is a US company that retails and delivers chocolate-dipped fruit arranged into bouquets.

In defending the cancellation action Edible Blooms submitted a witness statement explaining that it delivers edible flower arrangements and other such items to recipients throughout Australia and New Zealand. Customers, including those from outside these two countries, purchase these goods for delivery to friends and family in Australia and New Zealand.

## ANALYTICS EVIDENCE

Edible Blooms’ evidence included Google Analytics data showing transactions by EU customers, sales invoices addressed to EU customers with Australian shipping addresses, a chart tracking the growth of EU sales during the relevant period, EU customer testimonials and Google AdWords data showing that A\$2,293 was spent in promotional campaigns in the EU during the relevant period.

The Cancellation Division found that Edible Blooms had not proven genuine use of the mark for any of the goods or services. It said that the relevant public were those to whom the goods are delivered or the services rendered. The end users in this case were exclusively based in Australia, regardless of whether they received the goods as gifts or purchased them themselves. Accordingly, the mark had not been used to create or maintain a market share in the EU.

On appeal, Edible Blooms claimed that the Cancellation Division had incorrectly assessed the relevant public by focusing on the recipient rather than the purchaser of the goods/services.

The BoA concluded that the invoices and customer statements referred only to deliveries in Australia that had resulted from a commercial transaction occurring through an Australian website. Edible Blooms had failed to prove that its goods or services were present on the EU market. Rather, the sale and delivery of the goods and the services in class 44 of arranging flowers took place entirely in Australia.

Edible Blooms’ customer lists were an internal document and did not reference the mark or any goods/services. Finally, Edible Blooms’ marketing efforts through Google AdWords, which were evidenced by way of printed extracts from Google search results, were insufficient because they failed to evidence advertisements on EU media or other examples of outward use of the mark in the EU.

## MISSING STEPS

An inability to demonstrate steps to actively market goods and services to EU consumers and the fact that all consumer transactions were channelled through a website targeting Australia was Edible Blooms’ ultimate undoing. Passive marketing efforts limited to Google AdWords bidding in the EU are likely to be frowned upon by the EUIPO as demonstrating an intention to create a share in the relevant EU market. This decision serves as a reminder of the types of evidence the EUIPO expects EUTM proprietors to furnish in order to satisfy the genuine use requirements under EU legislation.

## KEY POINTS

- ✦ Genuine use requires evidence of efforts to create or maintain a market share in the relevant market within the EU for the registered goods and services
- ✦ When EU customers purchase goods or services through a website located outside of the EU, this may not constitute use of a registered EUTM in the EU
- ✦ EU-focused Google AdWords campaigns or the appearance of a mark in Google search results is insufficient to prove genuine use under EUTM practice



### Dale Carter

is a Chartered Trade Mark Attorney and Senior Associate in Reddie & Grose LLP’s trade marks team  
[dale.carter@reddie.co.uk](mailto:dale.carter@reddie.co.uk)

# Nomad stays on track

The opposition had nowhere to go, notes Ryan Kellingray

## KEY POINTS

\* EUIPO reinforced the point that marks that are allusive will not necessarily fall foul of the descriptiveness objection

\* Evidence adduced in support of a claim for descriptiveness should be framed and directed clearly at descriptive use of the mark alone

\* The 'relevant date' for invalidity actions is the filing date, and any evidence adduced in support of such an action should be directed at the situation on or before this date

**The Nomad Company B.V.** (Nomad) is the proprietor of EU trade mark registration No 1742089 for the word NOMAD, covering a range of goods, including bags, clothing, footwear and textiles. MCM Products AG (MCM), a multinational luxury fashion retailer, applied for a declaration of invalidity of the registration on the grounds that it fell foul of Articles 7(1)(b) and 7(1)(c) EUTMR.

MCM argued that the registration of the term NOMAD, being a common English word referring to "a person who does not stay long in the same place", would communicate to the average English-speaking consumer that the goods covered in the registration were "genuine nomad goods" or goods exhibiting a "nomad style".

Nomad defended its registration on the grounds that NOMAD is a "skilful and quirky allusion" to the goods it offers, which include travel equipment, camping equipment and outdoor apparel – highlighting that common words are capable of functioning as strong and distinctive trade marks in the correct circumstances.

The Cancellation Division rejected the application for a declaration of invalidity of the mark in its entirety.

## CLAIMS ASSESSED

In assessing the alleged descriptiveness of the mark under Article 7(1)(c), the Cancellation Division held that MCM's first argument – that NOMAD could denote the origin of the goods as being "genuine nomad goods" was "far-fetched", holding that the word NOMAD alone is "too imprecise" and "too vague" to act as such a descriptor. The EUIPO took account of the fact

that the average consumer would not perceive such goods as coming from a homogenous nomad group. There exist many nomad tribes worldwide with their own languages, cultures and traditions, and any wares offered by these tribes would be accompanied by other terms (a point reinforced by MCM's evidence). The EUIPO accepted that while such nomadic persons may create such goods for their own use, the public would not generally encounter such items in trade, and such goods would in any case not be offered to the public under the NOMAD mark.

The EUIPO also rejected MCM's claim that the goods contained within the trade mark are capable of being of a "nomad style". This ground of invalidity was dependent on MCM convincing the Cancellation Division that such a style existed under this name and was linked to specific features or characteristics found in the relevant goods – which it was unable to do. The EUIPO stated that at most NOMAD was allusive of "adventure or freedom", and went on to reiterate the long-standing case law that merely allusive or suggestive marks will not necessarily fall foul of the Article 7(1)(c) objection.

## DEFICIENCIES

While it is suspected that MCM's prospects of success were low, the EUIPO also highlighted some deficiencies with the evidence provided, of which practitioners should be wary. This included: exhibits covering the situation after the EUTM's filing date; evidence from .com or .org websites; and evidence that actually demonstrated the use of NOMAD as a trade mark.



**Ryan Kellingray**

is a Trade Mark Assistant at Lincoln IP  
r.kellingray@lincoln-ip.com



# Language barrier looms large

The relevant public has a great importance, warns Sarah Husslein

**In this decision**, the Opposition Division of the EUIPO (OD) partly upheld the opposition and found that the application for LIKE FATHER LIKE SON should be refused under Article 8(1)(b) of the European Union Trade Mark Regulation (EUTMR).

Mahtab Kaushal (the Applicant) applied to register the word mark LIKE FATHER LIKE SON for a range of goods in classes 14, 18 and 25 (the Application). Father and Sons (the Opponent) filed an opposition against all the goods covered by this application, alleging a likelihood of confusion notably with the earlier French trade mark registration No 43317290 for FATHER and SONS, registered in relation to goods in classes 14, 18 and 25 (the Earlier Mark). The Opponent also invoked Article 8(4) EUTMR, relying on its French company name FATHER AND SONS and the domain name fatherandson.fr, as well as Article 8(5) EUTMR.

## COMPARISON

Unsurprisingly, the OD considered the goods covered by the application to be either identical, similar or dissimilar to those covered by the Earlier Mark.

Turning to the comparison of the marks, the Office confirmed that the relevant territory was France. Although it considered that part of the French public might know the words FATHER and SON(S), it took the view that the majority of the public is unlikely to attribute any meaning to them, especially citing two reasons:

1. The French translations of these words are completely different (*père* and *filis*); and
2. No party submitted evidence to show that these words will be generally understood by French consumers.

The OD also reiterated that the French public is not recognised as having some general understanding of English.

Therefore, it concluded that a significant part of the relevant public (ie the French consumers) will see the words FATHER and

SON(S) as invented words and focused its analysis on this public when assessing the marks under comparison.

The Office held that the marks were visually and aurally similar. It noted that both signs contained two identical elements – the invented words FATHER and SON(S). This coincidence will particularly catch the attention of the consumers. The Office noted that the element AND will be regarded as secondary in the Earlier Mark and the word LIKE, which occurs twice in the Application, will be meaningless for the majority of the relevant public.

“

*The French public is not recognised as having some general understanding of English*

## FINDINGS

Overall, the OD found that there is a likelihood of confusion on the part of the relevant French public, and therefore the opposition succeeded under Article 8(1)(b).

The Office rejected the other grounds of opposition as the documents provided by the Opponent did not show

what kind of business activity the company name FATHER AND SONS has had or the economic dimension of this activity (likewise for the domain name fatherandson.fr). Finally, the Opponent did not submit any evidence concerning the reputation of the Earlier Mark on which the opposition was based.

Here, the OD's consideration of the French public's knowledge of English and perception of the marks under comparison is interesting. Would the decision have been different if the relevant public were the English-speaking consumers in the European Union?

## KEY POINTS

- ✦ Finding a likelihood of confusion for a non-negligible part of the French public is sufficient for rejecting an EUTM application
- ✦ In considering visual and aural similarity within the ambit of Article 8(1)(b), the coincidence of two “invented words” has a great deal of influence on the mark's overall impression



### Sarah Husslein

is an Associate (Registered European Lawyer) at Bristows LLP  
sarah.husslein@bristows.com

# Hair tangle tamed

Oliver Tidman sorts out a simple summary

**On 30th November** 2016, Matthew James Hair Ltd (the Proprietor) applied for UK trade mark No 3199720 in classes 3 and 44 (the Trade Mark). The Trade Mark was registered on 24th February 2017. Ms Lorraine Massey (the Applicant), a professional hair stylist for more than 30 years, filed an invalidation action against this registration under s47 of the Trade Marks Act 1994 based on s3(6) grounds.

## PRIOR KNOWLEDGE

The Applicant claimed that the Proprietor was aware of the Applicant's intention to set up business in the UK as she had discussed her plans with Matthew Surplice (a director of the Proprietor). It was argued that the existence of this relationship prior to the Trade Mark being filed demonstrated bad faith and a dishonest intention on the part of the Proprietor to register the Trade Mark in its own name.

The Applicant filed evidence of use by way of a witness statement stating she had developed her own method of cutting naturally curly hair in 1998 and evidence from 2015 and 2018 referring to two articles from Naturally Curly, a community website "dedicated to those with textured hair". The clearest evidence to support the Applicant's claim of any use of the Trade Mark prior to the relevant date was a number of Instagram posts from 2012 using the hashtag "#curlbycurl".

However, this evidence was challenged by the Proprietor on the basis it appeared that these Instagram posts had been recently edited by the Applicant to increase the focus on the hashtag.

## INSUFFICIENT EVIDENCE

Ultimately, the Applicant provided insufficient evidence to show that use of the Trade Mark in relation to goods and services connected with hair had been made before the relevant date. There was no reason for the Proprietor to believe that the Applicant had used the Trade Mark to denote the origin of the hair products or services or that she had a reputation or goodwill connected with the Trade Mark.

The Registrar rightly concluded that an existing relationship between Mr Surplice and the Applicant did not, on its own, amount to a finding of bad faith. The Applicant would need to establish unacceptable commercial behaviour on the part of the Proprietor. The withdrawal of a previous trade mark application by the Proprietor was due to an administrative error

and did not indicate bad faith in this regard. Furthermore, registering the Trade Mark in the name of the company was considered by the Registrar to be entirely within the scope of acceptable commercial behaviour, and evidence that the Applicant had agreed to use of her various hair terms also supported the Proprietor's good faith.

## KEY POINTS

- ✦ The action failed on the grounds that the Applicant provided insufficient evidence of use prior to the relevant date
- ✦ The fact that a relationship existed prior to the Trade Mark being filed is insufficient to establish bad faith

“  
An existing  
relationship did  
not, on its own,  
amount to a finding  
of bad faith



### Oliver Tidman

is Founder and Managing  
Director of Tidman Legal  
oliver@tidmanlegal.com

# Another surname scuffle

David Birchall considers competing claims over an Italian surname



**Film director Francis Ford Coppola** reportedly invested the proceeds from his first Godfather movie into a Californian winery that today operates under the names COPPOLA and THE FAMILY COPPOLA. Gmyl, L.P. (Gmyl), the owner of the IP in the venture, regularly enforces its IP rights, previously bringing an action against the use of “Winemaker’s Cut” on the basis of similarity to its “Director’s Cut” label.

It is little surprise then that Gmyl opposed an application to register a stylised mark incorporating COPPOLA (see right) as a UK trade mark for a range of food and drink products. Gmyl claimed the marks were highly similar and the goods applied for either identical or similar to the goods and services protected under its own EU trade marks.

## IPO ASSESSMENT

The UK IPO agreed that since “wines, spirits and liqueurs”, for which the Opponent’s COPPOLA mark was protected, fell within “alcoholic beverages, all of the aforesaid goods being the produce of Italy” applied for, they were identical.

Considering the similarity of the non-alcoholic beverages and beer applied for to Gmyl’s class 33 goods, the UK IPO concluded that non-alcoholic beverages were not “complementary” within the meaning of case law and were dissimilar. However, since beer was sold from the same outlets, used for the same purposes and in competition with non-alcoholic beverages, beer was similar to these class 33 goods to a low degree.

Assessing the similarity between the food and drink goods applied for and the “restaurant, bar and catering services” for which the FAMILY COPPOLA was protected, the UK IPO considered that meats are sometimes sold pre-cooked in butchers, thus overlapping with fast food/takeaway services, and concluded that “meat, fish poultry and

game” were therefore similar to a low degree. On the basis that alcoholic and non-alcoholic beverages and beer are in competition with on-premises drinking, the UK IPO found them similar to a low degree. All the other goods were found dissimilar.

It was held that since the other elements in the opposed mark would be perceived to be descriptive and or non-distinctive, its overall impression was dominated by COPPOLA. It was held that COPPOLA was likely to be perceived by the average UK consumer as an Italian family surname and that, despite surnames not generally having high distinctive character, both earlier marks were inherently distinctive to a medium degree. The UK IPO held that for the identical and similar goods there was a risk of direct confusion with the Opponent’s COPPOLA mark and that, with THE FAMILY COPPOLA, there was a risk of indirect confusion (the average consumer would likely believe that the marks were controlled by the same or an economically linked undertaking).

## REALISTIC CONCLUSION

The finding of similarity between meat and restaurant services demonstrates the willingness of the UK IPO to take marketplace realities into account.

Interestingly, the Applicant company’s (subsequently changed) name began with COPPOLA and the surname of the Applicant’s sole director is Coppola, but the recently amended “own name” defence has never amounted to a right to registration.

## KEY POINTS

- + Goods are complementary if one is indispensable or important for the use of the other
- + Surnames are generally not found to be of high distinctive character

THE APPLICANT’S MARK



### David Birchall

is a Chartered Trade Mark Attorney and Partner at Venner Shipley LLP  
dbirchall@vennershipley.co.uk

# Earth Girls has it easy

Its opposition was supported, writes Rebecca O’Kelly-Gillard

## KEY POINTS

✦ Goods were considered identical on the Meric principle

✦ Without evidence of confusion, the IPO examined the marks for similarity and likelihood of confusion based on their inherent characteristics

✦ The conceptual similarity of the “FACE OF [plus geographical location]” element in both marks was sufficient for the IPO to find that there was a likelihood of direct confusion

**Earth Girls Ltd** (Earth Girls) registered EU trade mark No 11330701 FACE OF THE WORLD (the Prior Mark) in March 2013 for a variety of services in classes 35 and 41. These included, in particular, “education; providing of training; entertainment; organisation of competitions [and] beauty contests; production of shows [and] photography services” in class 41.

The Applicant, Face of Europe & The World Ltd (Face of Europe), applied for the UK trade mark FACE OF EUROPE AND THE WORLD (the Applicant’s Mark) in September 2015 for services in class 41, including “organising of beauty pageants; organisation of competitions [and] online photograph gallery services”. The Opponent opposed this application under s5(2)(b) of the Trade Marks Act 1994 (the Act).

Earth Girls did not produce any evidence of use, but the IPO noted that since the Prior Mark had not been registered for five years, it was not yet subject to proof-of-use requirements. The IPO therefore had to consider the Prior Mark on the basis of a “notional and fair use” of the services for which it was registered (citing *Roger Maier and Another v Asos* [2015] EWCA Civ 220). Face of Europe argued that the marks having co-existed for five years without any evidence of actual confusion was strong evidence of a lack of similarity, but the IPO (also citing *Roger Maier*) found that the level of use of both marks was such that an absence of actual confusion in such circumstances (ie where there had been limited opportunity for any real confusion to occur) could not provide relevant evidence of the level of similarity.

## CATEGORIES AND COMPLEMENTARITY

In comparing the services, the IPO found that many of the more narrowly defined services that the Applicant’s Mark had specified were wholly contained within the broader categories of services covered by the Prior Mark. They were thus considered identical on the Meric principle: that goods can be considered identical when goods designated in an application are contained in a more general category designated by an earlier mark, and vice versa.

In addition, the remaining services of the Applicant’s Mark, including “provision of [...] information, books and publications; [and...] blogs featuring photographs and opinions”, were likely to be provided in relation to the organising of beauty pageants and competitions, and were therefore “complementary” to Earth Girls’ services. Applying *Canon* (CJEU Case C-39/97), the IPO found at least a “low degree of similarity” to Earth Girls’ services.

## CONCEPTUAL CONFUSION

Having found that the services were either identical or similar, and without evidence of any actual confusion, the IPO examined the marks for similarity and likelihood of confusion based on their inherent characteristics. Taking the marks as a whole (*Sabel BV v Puma AG* CJEU Case C-251/95), it was found that there was a high degree of visual, aural and conceptual similarity. Though the Prior Mark had a low degree of inherent distinctiveness, the conceptual similarity of the “FACE OF [plus geographical location]” element in both marks was sufficient for the IPO to find that there was a likelihood of direct confusion between the Prior Mark and the Applicant’s Mark. FACE OF EUROPE’s application was therefore refused in its entirety.



### Rebecca O’Kelly-Gillard

is a Senior Associate at Bird & Bird LLP  
 rebecca.okelly@twobirds.com  
 Co-authored by Ben King, Associate at Bird & Bird LLP.

# Aigle misses the mark



Kerri Ann Ward examines what went awry

**The Opponent (Aigle)** is the proprietor of an EU and International trade mark registration for the mark (see right), covering classes 9, 18 and 25. Aigle opposed UK Trade Mark Application No 3255476 by American Airlines, Inc. (AA) for a mark (see right), covering class 25 on the basis of s5(2)(b), s5(3) and s5(4)(a) of the Trade Marks Act 1994 (the Act).

The Hearing Officer (HO) firstly assessed whether a likelihood of confusion existed under s5(2)(b), focusing on Aigle's EU registration, which was not yet subject to use conditions. AA accepted that the goods were identical and it was held the average consumer was the general public with a reasonable level of attention. The visual impression of the marks was considered to be the most significant, due to the nature of sale and advertising of the class 25 goods, but any phonetic and conceptual impression could not be disregarded, as this would result in an incorrect artificial dissection of the marks. However, as neither mark has a verbal element, a phonetic comparison was not possible.

## PRIMARY QUESTION

The key question for conceptual similarity was whether AA's mark depicted an eagle or bird of prey and, if so, whether a "single meaning" rule applied. Aigle argued that the evidence showed AA had used an eagle in previous trade marks and if this were AA's intention the Office should be reluctant to find that this had not been achieved. The HO disagreed and took the view that the mark lacked any clear concept. Any conceptual perception would not be universal. With reference to *Soulcycle Inc. v Matalan Ltd* [2017] EWHC 496 (Ch), the HO concluded that the conceptual impression of a mark on an

average consumer need not be binary. As such, it was concluded that the marks had no material conceptual similarity.

Visually, the marks were held to have a low degree of similarity, as the overall look and feel was considered to be quite different. In reaching this conclusion, the circular border and the stark two-dimensional impression of Aigle's mark was contrasted with the three-dimensional impression of AA's.

With the distinctive character of the earlier mark being deemed average, even with a slight uplift in relation to boots as a result of the evidence, it was held that the marks were not sufficiently similar for there to be a likelihood of confusion and the opposition failed under s5(2)(b).

“

*The conceptual impression of a mark on an average consumer need not be binary*

## IMPACT ASSESSED

In assessing s5(3) and s5(4)(a), it is worth noting that the HO considered that the impact of sales and marketing expenditure on how well known the mark had become had not been adequately proven. Nevertheless, the HO held that the evidence showed that some goodwill and reputation existed, although the reputation was not strong. Because of the low level of similarity, however, neither misrepresentation nor a "link" had been established by Aigle and the opposition also failed under s5(3) and s5(4)(a).

## KEY POINTS

- + Do not dismiss what might appear to be non-distinctive elements, such as borders, or place undue reliance on a conceptual impression of a mark, when that impression is unlikely to be perceived universally
- + Where possible, include evidence of the impact of marketing on consumers when claiming reputation

THE AIGLE REGISTRATION



THE AMERICAN AIRLINES MARK



## Kerri Ann Ward

is a Trainee Trade Mark Attorney at Baker McKenzie LLP  
kerriann.ward@bakermckenzie.com

# Pop opp pays off

A fast-track finding ends badly for the Applicant, says Charlotte Wilding

## Positive Organisations & People Ltd

(the Applicant) is the proprietor of UK Trade Mark Application No 3315911 for the mark shown on this page in classes 35 and 41. The mark was opposed by PSP COMPANY BVBA (the Opponent) under the fast-track procedure on the basis of two earlier EUTMs (Mark 1 and 2 shown below) in classes 35 and 41, under s5(2)(b) of the Trade Marks Act 1994 (the Act). The Applicant argued that there were clear differences between the marks that would be recognised by consumers.

## COMPARISONS MADE

While the Applicant's class 35 services were limited to "business management consultancy in the field of executive and leadership development", the Registrar considered these to be identical to the Opponent's broad class 35 services, namely, "business management analysis; business assistance and management; business and management advice, consultancy and information". This was on the basis that "...a professional offering advice on how to run a business efficiently may reasonably include advice and assistance directed towards the skill set of the senior management team". With regard to the class 41 services of the Applicant, which covered a range of coaching and training services, these were encompassed by the Opponent's class 41 services: "coaching services; educational and training services".

As regards the average consumer, the Registrar felt that given the nature of the services, purchases are unlikely to be frequent and require enough monetary investment such that careful consideration would be taken before selecting a provider.

The Registrar also felt that the services would be selected both via word of mouth and online, such that aural and visual factors must be considered. Overall, the dominant

and distinctive element was considered to be "pop" in respect of all three. The Registrar found: a low to medium level of visual similarity; medium level of aural similarity; and a good degree of conceptual similarity.

## PRIMARY FOCUS

The Registrar felt that "a greater proportion of average consumers would primarily focus on the word 'pop' and dismiss the additional elements entirely or remember that pop is an acronym but have limited recollection of the words that the acronym represents". Therefore, this element would be in the mind of the consumer, such that it would potentially consider the respective marks to be one and the same given the identical services, resulting in a likelihood of indirect confusion. Accordingly, the Registrar refused the registration. The

Applicant was also ordered to pay £500 toward the Opponent's costs under the capped costs for fast-track proceedings.

So, although the terms of a specification may not be exactly the same, they may be considered identical if they are found to effectively offer the same goods/services. This is likely to apply to services more than goods as services can be subjective. Furthermore, if the dominant element of a stylised mark is similar to the dominant element of an earlier stylised mark, there is a real risk of confusion dependent on the similarity of the goods or services.

“  
Consumers would  
primarily focus on  
the word 'pop'  
and dismiss the  
additional elements

## KEY POINTS

- + Specifications do not need to be exact to be considered identical
- + A similar dominant element between marks, despite differing additional elements, can result in consumer confusion

### THE APPLICANT'S APPLICATION



### THE OPPONENT'S EARLIER MARKS

#### MARK 1



#### MARK 2



### Charlotte Wilding

is a Chartered Trade Mark Attorney at Keltie LLP  
charlotte.wilding@keltie.com



Don't miss our annual summer soir e, at The Refinery on 2nd July. For details, see [citma.org.uk](http://citma.org.uk) →



# Events

More details can be found at [citma.org.uk](http://citma.org.uk)

DATE	EVENT	LOCATION	CPD HOURS
13th June	CITMA Webinar* Update on EU case law: trade marks, designs and copyright	Log in online	1
2nd July	CITMA Summer Reception	The Refinery, London EC4	
16th July	CITMA Webinar* A year of change: Canada's new trade mark laws	Log in online	1
9th August	CITMA Webinar* US practice	Log in online	1
3rd September	CITMA Webinar* Mental health and wellbeing across the legal community	Log in online	1
6th September	CITMA Paralegal Seminar	London	TBC
24th September	CITMA Lecture – London* Evidence in trade mark proceedings - practical tips from the UK IPO and the High Court	Carpmaels & Ransford, London WC1	1
3rd October	CITMA Quiz – Leeds	TBC, Leeds	
8th October	CITMA Webinar* Artificial intelligence	Log in online	1
12th November	CITMA Paralegal Webinar* The Chinese “super trade mark”	Log in online	1
14th November	CITMA Webinar* UK case law update	Log in online	1
26th November	CITMA Lecture – London* Fashion and IP	Allen & Overy LLP, London E1	1
28th November	CITMA Lecture – Leeds	Womble Bond Dickinson, Leeds	1
3rd December	CITMA Webinar Introduction to patents	Log in online	1
6th December	CITMA Northern Christmas Lunch	TBC	
13th December	CITMA London Christmas Lunch**	London Hilton Park Lane, London W1	

## SUGGESTIONS WELCOME

We have an excellent team of volunteers who organise our programme of events. However, we are always eager to hear from people who are keen to speak at a CITMA event, particularly overseas members, or to host one. We would also like your suggestions for event topics. Please contact Jane at [jane@citma.org.uk](mailto:jane@citma.org.uk) with your ideas.

\*SPONSORED BY  
**corsearch**<sup>TM</sup>

\*\*SPONSORED BY

CompuMark  
Trademark Research and Protection  
**Clarivate**  
Analytics

# THE TRADE MARK 20

## Q&A

# Serena Totino

clearly loves to be on the move

**I work as...** an Associate in the IP department of K&L Gates LLP.

**Before this role, I was...** roaming the world enjoying being a trainee lawyer in all the jurisdictions I could possibly travel to.

**My current state of mind is...** that I am so lucky to do such a wonderful job and to do it the way (and where) I want to.

**I became interested in IP when...** I drafted my master's thesis on copyright. Even after drafting 300 pages I was still, surprisingly, curious about the subject.

**I am most inspired by...** my team, as we work on very sexy matters and we are lucky enough to have great mentors inspiring us on a daily basis.

**In my role, I most enjoy...** meeting clients and devising creative arguments to assist with their problems.

**In my role, I most dislike...** recording every second of my time. I am not very good at that – I'll admit it!

**On my desk is...** a picture of my admission to the Bar of Rome, a small plant and a nice card from Copenhagen, where I had my first work experience in IP (these remind me of incredible memories every day).

**My favourite mug says...** nothing. It only has the Union Flag on it and I recently discovered that it belongs to a partner of the firm, who was wondering where her favourite mug was!



*“Even after drafting 300 pages I was still, surprisingly, curious about the subject”*

**My favourite place to visit on business is...** Milan. It is where many of our fashion clients are based, which gives me an excuse to go home.

**If I were a brand, I would be...** Ferrari (obviously!); very Italian and always travelling the world with style.

**The biggest challenge for IP is...** harmonisation of practices around the world. This may be difficult to achieve but is incredibly effective once it is done.

**The talent I wish I had is...** being an IT pro.

**I can't live without...** pizza (I know, bit of a stereotype!) and dark chocolate.

**My ideal day would include...** a client meeting, a cool draft and a nice lunch break with a good friend working nearby – unless I'm travelling the world!

**In my pocket is...** my bike key. I cycle to work and I would not swap that with any other type of commute.

**The best piece of advice I've been given is...** “You can always do better”. That was what a great US lawyer used to say to motivate junior lawyers when I was a secondee in Detroit.

**When I want to relax I...** go running by the beautiful London canals.

**In the next five years I hope to...** continue building my own practice and looking after my own clients.

**The best thing about being a member of CITMA is...** reading the *CITMA Review*, which is informative and never boring, and going to the fabulous networking events that CITMA organises during the year.



Via Fiori Oscuri,  
Milan, Italy

## THE MOST COMPREHENSIVE UK SEARCH AVAILABLE!

### UK SEARCH REPORTS BENEFITS

- ✓ Delivered as one single report
- ✓ Darts-IP case law integration
- ✓ Superior data currency
- ✓ Intelligent citations
- ✓ Ranked & ordered results
- ✓ Related class check based on specific goods as well as class
- ✓ Email delivery / Online review / Paper delivery (upon request)

### UK SEARCH OPTIONS

	UK Registry	EUTM Registry	WIPO: Relevant Territories	Business Names	Domain Names	Web Common Law	Common Law Sources
UK Register	✓	✓	✓				
UK Full Inclusive	✓	✓	✓	✓	✓	✓	
UK Comprehensive	✓	✓	✓	✓	✓	✓	✓

Contact us for more information or a free sample report:

# Dawn Ellmore Employment



Patent, Trade Mark & Legal Specialists

+44 (0) 20 7405 5039 ip@dawnellmore.co.uk www.dawnellmore.co.uk

## Knowledgeable in all areas of IP recruitment...



STEM & IP GRADUATES

PATENT SUPPORT STAFF

Trade Mark & Patent Attorneys

Business Support

Trade Mark Support Staff

Technical Support

IP SOLICITORS