

CITMA REVIEW

ISSUE 437

OCTOBER/NOVEMBER 2017

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HIGH TIMES

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Welcome to the October/November issue of the *CITMA Review*, in which we congratulate the CITMA Paralegal class of 2017. I was delighted to be at the recent ceremony to present their certificates – you can see pictures and the full pass list on page 4.

Following recent changes at EUIPO, Patricia Collis is here to remind us what is new, including the EU certification mark (page 14). We also tackle a topical US question of how to protect marks related to marijuana, as legalisation rolls out across a number of states (page 6). Laetitia Lagarde guides us on the use of sustainable marks and labels (page 16), and Si on Taylor explains the role of scrivener notaries (page 20). I would also recommend Colin Hulme's discussion of an unusual appeal (page 23), and tips for client presentations from Dr Michael Jewess (page 10).

Enjoy this edition, and I hope to see you at one of our Christmas events in December (see page 41 for details).

Kate O'Rourke

Kate O'Rourke
CITMA President

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  CITMA 2017

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Congratulations!

Well done to the 89 candidates, named on this page, who successfully passed the 2017 CITMA Paralegal Course exam



SUCCESSFUL CANDIDATES received their certificates from CITMA President Kate O'Rourke at a ceremony in Canary Wharf in September, and are now eligible to become CITMA Paralegal members following the launch of the new membership category earlier this year. Beck Greener's

Nicola Casey received the top mark of 97 out of 100 and will be presented with a special prize at the CITMA Christmas Lunch on 8th December, courtesy of CompuMark, sponsor of the top mark award.

If you are interested in joining the 2018 CITMA Paralegal Course, please email marzia@citma.org.uk

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 Jessica Whitfield
 Laura Witherington
 Lisa Wotherington
 Alice Wright

Member *moves*



On 14th August 2017, **Heather Donald** joined Fry Heath & Spence LLP as a Senior Associate.



Matthew Sammon, previously Partner and Head of the UK Trade Marks Practice at Marks & Clerk, has joined Kempner & Partners' partnership. Contact Matthew at sammon@kempnerandpartners.com or on +44(0)113 393 1921.



Munich opening for Elkington and Fife

ELKINGTON AND FIFE LLP opened a Munich office on 1st August 2017. The office will enable the firm to continue to serve clients at EUIPO after Brexit, and will also be useful when preparing for oral proceedings at the European Patent Office.

IPO role for CITMA working group

CITMA Review readers who regularly use the Madrid Protocol in their trade mark filing strategies may be interested to note that CITMA has a working group dedicated to all things international trade mark. Recently, the group worked closely with the UK IPO to produce a position paper, which was delivered to WIPO at its yearly session on legal developments in June.

The paper was well received by the other contracting parties and user groups, some of which commented that it was a proactive tool and helpful in shaping discussions. Many states intervened in support of most of the proposals.

The paper represents a fantastic achievement by the UK, as the proposals are now captured in the mid- to long-term plans for WIPO, namely:

1. A harmonised time limit to reply to provisional refusals. This may be a long way off, so, for now, what has been put on the table is a request for the provision of clear deadlines in relation to WIPO notifications, with these listed on the front page of communications.
2. The ability for second-part fees (eg for Japan) to be deducted automatically for WIPO current account holders.
3. Universal provision of full statements of grant of protection from all contracting parties so the equivalent of a certificate of registration can be received. We have suggested that this be issued in a WIPO working language (English, French or Spanish) and, where applicable, also in the local language, for use with third parties or before the courts, customs and other authorities in any local disputes. This could be hugely beneficial in countries such as China and Turkey.
4. The option to request a search when designating the EU through a tick-box on the forms.

CITMA will continue to work on improving the Madrid System. We welcome comments and ideas on this subject from CITMA members.

Submitted by **Daniel Smart**, Member, CITMA WIPO Liaison Working Group

Madrid System to welcome Sri Lanka

SRI LANKA is set to join the system for international trade mark registrations (the Madrid System) in 2018.

The announcement was made by Sri Lanka's Minister of Industry and Commerce, Rishad Bathiudeen, who said: "I thank the World Intellectual Property Organization for its support on the Madrid Convention. We shall



achieve Madrid by August 2018 if things go as planned. The unity government aims to develop our knowledge economy, and also exports, to greater levels, and IP plays a key role."

There are currently 99 members of the Madrid System, covering 115 territories, after Thailand joined in August.



POT SHOTS

Guest author Christopher Stanton considers the trade mark protection avenues open to US cannabis brands

The cannabis industry continues to mature in the US, with all signs pointing to further growth on the horizon. Eight states (including the District of Columbia) have so far legalised marijuana for recreational and medical use, and 19 more have legalised cannabis for medical use only. California, the sixth largest economy in the world, is slowly coming online in terms of

recreational sales. In Colorado, recreational sales topped \$875 million (approximately £660 million) in 2016, representing around a 30 per cent year-over-year growth.

With this growth, of course, comes competition between companies on price, technology, plant varieties and brands. In fact, branding is of particular importance – in the absence of a robust federal regulatory scheme, consumers are looking more and more towards

brands as signifiers of product quality and consistency.

Securing trade mark protection for cannabis brands remains challenging, however. The United States Patent and Trademark Office (USPTO) refuses to grant trade mark protection for cannabis-containing goods, or services related to the sale of cannabis. State “registrations” offer far less protection than federal trade mark rights. For instance, they are not examined by an



Although 27 states have passed laws decriminalising the sale of marijuana, it is still illegal under federal law

examining attorney, they require actual use within the state, and their protection is limited to the geographical limits of the state. Thus, the protection that cannabis companies seek – a nationwide trade mark registration – is currently unavailable.

Despite these challenges, strategies may be employed to obtain federal protection against competitors that operate in the cannabis space.

THE FEDERAL BARRIER

Although 27 states have passed laws decriminalising the sale of marijuana, it is still illegal under federal law. This is because the US Federal Government has supremacy in matters relating to interstate commerce, under which the sale of cannabis falls. However, the executive branch of the Federal Government has indicated that it will not enforce the law.

In 2014, the then Attorney General James Cole issued a memo directing US attorneys and law enforcement officials to effectively leave businesses and individuals alone, so long as they comport with relevant state cannabis laws. But the Cole memo is not law; it is merely guidance on how the Federal Government should prioritise its policing efforts. In fact, the current Attorney General Jeff Sessions could provide the opposite guidance today if the Trump administration so chooses. That is, Sessions could direct the Department of Justice to enforce the applicable Controlled Substances Act (CSA).

Under the CSA, cannabis and cannabis derivatives remain a Schedule 1 controlled substance.¹ The CSA prohibits, among other things, manufacturing, distributing, dispensing or possessing marijuana and marijuana-based preparations.² The CSA also makes it unlawful to sell, offer for sale, or transport drug paraphernalia, including “any equipment, product, or material of any kind which is primarily intended or designed for use in manufacturing, compounding, converting, concealing, producing, processing, preparing,

injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance, possession of which is unlawful under [the CSA]”.³ Thus, most businesses operating in the cannabis industry are currently violating the CSA. This includes activities by dispensaries, wholesalers, extractors and growers of cannabis, even if those activities are legal under state law.

As a result of this law-breaking, the USPTO refuses to grant federal trade mark rights based on the use of the mark on: marijuana-containing products; products that are primarily intended to facilitate marijuana consumption; or services related to the sale, possession or transportation of marijuana. The refusal stems from the USPTO’s interpretation that the Lanham Act (the law that governs federal trade mark registration) requires lawful use in commerce in order for a federal trade mark registration to be granted. As the aforementioned activities are illegal

under the CSA, the logic goes, one may not gain federal trade mark rights based on those activities.

RECENT EXPERIENCE

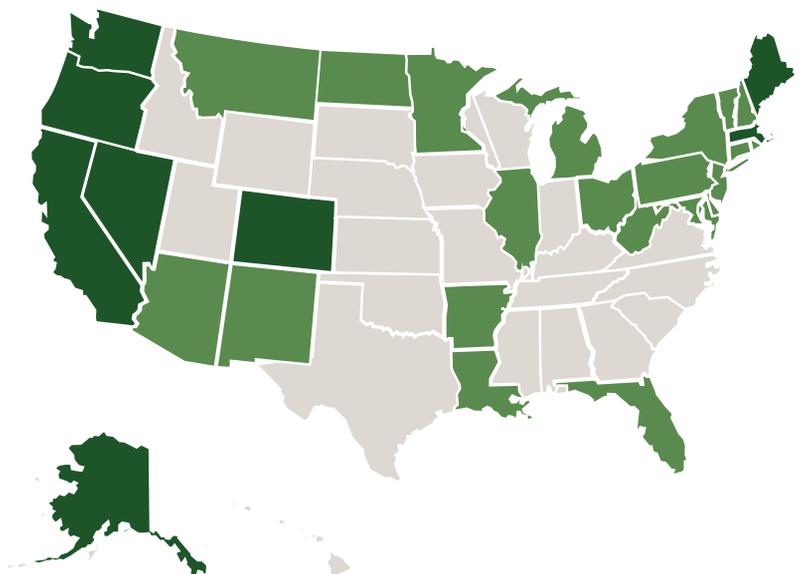
PharmaCann LLC provides particular insight into the reasoning of the USPTO. In PharmaCann, the Trademark Trial and Appeal Board (Board) affirmed the Examining Attorney’s refusal to register PHARMACANN and PHARMACANNIS for “retail store services featuring medical marijuana” and for “dispensing of pharmaceuticals featuring medical marijuana”.⁴

The Board reasoned that, because the Applicant’s identified services would violate the CSA, the Applicant could not allege “a bona fide intention to make lawful use of the marks in commerce”. As such, the Board, noting that “to qualify for a federal registration, the use of a mark in commerce must be lawful”, denied the registration.

Overview of state cannabis laws

■ Law now permits recreational and medical use ■ Law now permits medical use only

For guidance only. Key indicates only broad scope of legalisation, the particulars of which will vary widely from state to state.



The Applicant attempted to argue that the Cole memo effectively legalised cannabis. The Board was not persuaded and reasoned that the Cole memo is only a guide to the exercise of investigative and prosecutorial discretion. Simply put, in the US, Congress makes the laws and the executive branch enforces the laws. Accordingly, the Cole memo did not, and could not, alter the CSA or marijuana's classification as a Schedule 1 substance, because the Attorney General, as a member of the executive branch, cannot make or change laws. Thus, the Cole memo has no effect on the federal legality of the sale of marijuana.

The Board was equally unpersuaded by the Applicant's argument that Congress had changed the Rohrabacher-Farr Amendment and the Appropriations Acts in a way favourable to the cannabis industry. In particular, the laws were changed to bar the Federal Government from using funds to prevent states from implementing laws that legalised marijuana. Again, the Board reasoned that the CSA renders the Applicant's activities illegal; Congressional amendments to the aforementioned acts did nothing to change that fact.

The lesson from PharmaCann is straightforward: selling cannabis violates the CSA. Until Congress amends the CSA to decriminalise marijuana, cannabis companies cannot obtain a trade mark based on use related to the sale of cannabis.

ALTERNATIVE AVENUES

Yet all is not lost for cannabis companies seeking federal trade mark protection. Despite the fact that cannabis companies cannot obtain a trade mark based on unlawful use in commerce, they may secure federal registrations for lawful activities.

As an initial matter, a company must identify its commercial activities that do not violate the CSA. This is a highly fact-specific inquiry and is beyond the scope of this article. Nevertheless, to obtain a federal registration and/or to avoid a potential collateral attack on the validity of the registration, a company must segment its lawful activities from its unlawful ones. Lawful activities may include: selling smokers' articles, providing



horticultural supplies, advocating for the legalisation of cannabis, selling other types of plants or synthetically derived cannabinoids, etc. A company should consult with an attorney familiar with trade mark law and the CSA, however, before concluding that its activities do not violate the CSA.

The next step is to determine a potential mark with which to brand the identified lawful activities. One approach is to identify a lawful mark that is confusingly similar, but legally distinct, from marks used on unlawful goods and services (*vis-à-vis* cannabis marks). Branding lawful products in this way can help protect, albeit imperfectly, against competitors from adopting a mark that is confusingly similar to the applied-for mark.

The key to understanding that strategy rests with recognising the distinctions between two standards: (i) the burden of proof a company must shoulder to show a competitor is infringing its federal trade mark rights; and (ii) the degree of difference that two logos, words and/or designs must exhibit in order to qualify as legally distinct.

When a company obtains federal protection, that company also obtains national rights to prevent others from using a confusingly similar mark.⁵ Whether a mark is confusingly similar depends on a variety of factors, including:

- the appearance, sound and commercial impression of the mark;

- the similarity or dissimilarity of the nature of the goods and services described in the registration;
- the similarity in the channels of trade;
- the conditions upon which a sale is made;
- the fame of the mark;
- the number and nature of similar marks in use on similar goods/services;
- actual confusion in the marketplace;
- the length of time that two marks existed in the marketplace without actual confusion; and
- the variety of goods on which the mark is used.

It is possible, therefore, that a company's lawful activities entitle it to a federal registration that would prevent a competitor from using a confusingly similar mark for lawful or unlawful activities.

In contrast, determining whether two marks are the same requires a stricter showing. The USPTO, for example, requires a specimen of a mark that includes a drawing to be a "substantially exact representation of the mark as used on or in connection with the goods and/or services" in order to grant a registration.⁶ Thus, according to the USPTO, use of a very similar, but non-exact mark, would not qualify as use of the mark.

TACKING DOCTRINE

The law of tacking provides additional guidance. The tacking doctrine provides that a new mark may benefit from a prior filed mark's registration only

when the two marks create “the same, continuing commercial impression” so that consumers consider both marks to be the same.⁷ Again, we see that the marks must be the same – not just confusingly similar – to be considered identical. As such, two marks may be confusingly similar to each other, but not so similar as to be legally indistinct from each other. Choosing a lawful brand that is confusingly similar to the cannabis brand may extend the lawful registration to a competitor’s cannabis activities, depending on the factors already discussed. Additionally, choosing a lawful mark that is legally distinct from the cannabis mark allows for the company to avoid a refusal based on unlawful use. In addition, such a strategy helps prepare for a successful examination.

EXAMINATION ESSENTIALS

A company operating in the cannabis industry should expect an Office action from the USPTO after filing for a federal trade mark registration. An examining attorney will perform an internet search to discover the nature of the applicant’s business, especially when the applied-for mark suggests cannabis (such as when an applicant has filed for a mark that includes words such as “420”, “weed”, “hash”, “pot”, “stoner”, “CBD”, “high”, etc). If, for example, the applicant has a website that includes images of cannabis, marijuana-containing products and/or cannabinoids, the examining attorney will use this as evidence that the goods/services upon which the mark will be used violate the CSA.

In such an event, the examining attorney may either require additional information from the applicant regarding whether it intends to use the mark unlawfully, or the examining attorney may outright refuse registration.

Successfully responding to the Office action will typically require the applicant to answer at least two questions:

- Are the applicant’s identified services/goods intended for use with marijuana; cannabis; hemp; marijuana-, cannabis- or hemp-based preparations; marijuana-, cannabis- or hemp-based extracts or derivatives; synthetic marijuana; or any other illegal controlled substances?
- To the best of the applicant’s knowledge and belief, are the services/

“

Choosing lawful marks and cannabis marks requires an understanding of the company’s overall branding strategy, its current product and service line, and the competitive space

goods on which the mark will be used compliant with the CSA?

Note that only the first question is specifically limited to the identified goods listed in the application. The second question appears to be ambiguous as to whether “the goods/services” are limited to the goods identified in the application.

It is this author’s opinion that the relevant question relates to whether selling the identified goods/services violates the CSA. Nevertheless, a conservative approach includes applying for marks only where the applicant can represent that the applied-for mark is not used in conjunction with any goods/services that violate the CSA.

Another, more risky, approach would be to apply for marks where the goods and services that violate the CSA are not covered by the Identification of Goods.

The risk inherent in each approach turns on whether the statements made by the applicant (or an attorney on behalf of the applicant) could be considered fraudulent.

The Lanham Act imposes a duty on applicants not to knowingly make

inaccurate or misleading statements in the application.⁸ A court could consider an unresponsive statement to an examining attorney’s question misleading. Avoiding misleading statements is crucial, because committing fraud on the trade mark office could result in loss of the federal trade mark registration.

In any event, a company that chooses a legally distinct mark from a cannabis mark could affirmatively represent that the applied-for mark is not used in connection with any activities that violate the CSA. Thus, the response becomes straightforward: inform the USPTO that the company has not and will not use the mark on products/services that violate the CSA.

Obviously, choosing lawful marks and cannabis marks requires an understanding of the company’s overall branding strategy, its current product and service line, and the competitive space. Further, advising whether a mark is confusingly similar yet legally distinct from a cannabis mark can be quite tricky. Further still, the protection is not absolute. It is possible that a lawful mark is confusingly similar to the company’s own cannabis mark, but not to a competitor’s, even if the competitor’s cannabis mark is confusingly similar to the company’s.

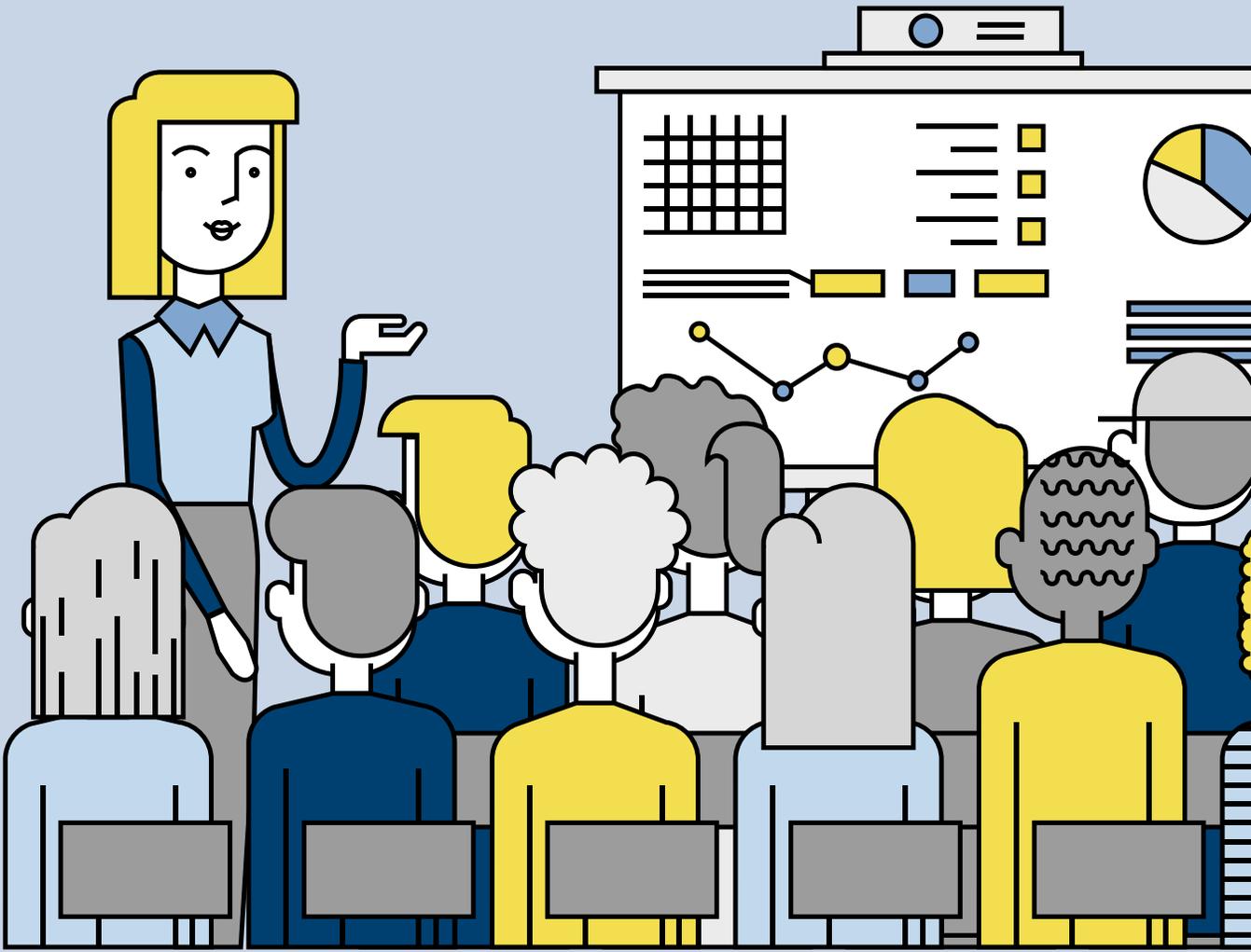
Nevertheless, pursuing a trade mark strategy that includes filing applications for federal registrations on lawful marks will increase the company’s trade mark footprint. ■

1. 21 USC §812.
2. 21 USC §§812, 841(a)(1), 844(a); see also 21 USC §802(16) (defining “[marijuana]”).
3. 21 USC §863.
4. Serial Nos 86520135 and 86520138 (16th June 2017) (precedential) (Opinion by Judge Larkin).
5. See, eg, *In re E I du Pont de Nemours & Co 476 F2d 1357, 177 USPQ 563 (CCPA 1973)*.
6. 37 CFR 2.51.
7. *Hana Financial, Inc v Hana Bank, et al, 135 S Ct 907 (2015)*.
8. *Bart Schwartz Int’l Textiles Ltd v Federal Trade Comm’n, 129 USPQ 258 (CCPA 1961)*.



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THE LITE TOUCH

Giving a client presentation on IP? Dr Michael Jewess suggests how to make the meeting as profitable as possible for both parties

Practitioners are often requested by lay clients to give a general presentation on IP. Underlying these requests is broad client ignorance of IP law, confirmed by academic research. Even lay clients who have previously sought support from IP practitioners often fail to learn “on the

job” and come to each new situation lacking the most basic knowledge, and with misconceptions.

The question, then, is: can a general IP presentation remedy this ignorance? The author’s answer to this question is: yes – but your presentation must be carefully conceived and tailored in order to succeed.

TOP GUIDELINES

The three most important guidelines for the presenting IP practitioner are these:

Guideline 1

The presentation should not aim to educate the audience in the law as such. Its objective should be to put audience members in a position where they seek help from the practitioner in a timely fashion, so that they get value for money out of what they spend, rather than becoming disillusioned with IP, which is bad for both the client’s and the IP practitioner’s business.

Guideline 2

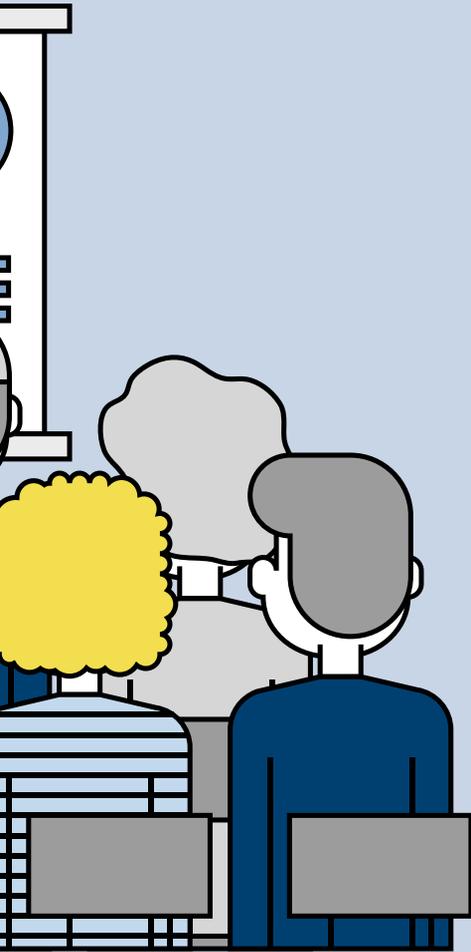
The audience will not keenly memorise detail, so extreme selectivity is needed.

Guideline 3

Misconceptions common among lay clients need to be anticipated and attacked, effectively and unpatronisingly.

There are two client misconceptions that are so widespread and dangerous

Misconceptions common among lay clients need to be anticipated and attacked, effectively and unpatronisingly



that they need to be tackled at the very beginning of a presentation:

- the term “intellectual property” has operationally useful meaning; and
- protection means freedom to use.

Consider an audience at a fictional UK company, Mechfix plc, that locally manufactures functional mechanical items, some software-controlled, and sells the items internationally under the company’s brands. The relevant initial “spiel” can then be as follows:

“Intellectual property’ is an umbrella term for a bunch of legal rights that allow creators of intellectual things, or else their employers – Mechfix, in your case – to prevent competitors and others from using those intellectual creations commercially. These rights are a ragbag; in operational terms, they have little in common apart from the important feature that they are negative. They allow person A, the creator, to stop person B from doing something commercially; they don’t give person A a right to do anything commercially themselves. For historical

and public-policy reasons, the rights vary widely in what they cover, their duration and their market power.

“For Mechfix, there are five key rights, as in Figure 1 (see page 12). There are others, but focus on these.”

In this example, having Guideline 2 in mind, the presenter has brutally simplified matters by ignoring some rights altogether¹, and also s11(1) of the Trade Marks Act 1994.

The presenter should next go briefly through the rights listed in Figure 1, reinforcing more specifically their previous allusion to the misconception that protection means freedom to use², and lingering on the warning: “X may be covered by our patent/registered trade mark, etc, but we are not necessarily free to use it.”

ADDING DETAIL

The presenter is now set to pursue the objective of Guideline 1 by providing the detail necessary for the audience to be effective lay clients.

Two further guidelines are now relevant:

Guideline 4

Avoid “fringe” manifestations of IP (whacky patents, “smell” trade marks, etc). The presenter should not, for the sake of comic relief, be tempted to refer to these, and should avoid being drawn into these by the audience, lest the central, serious message be obscured.

Guideline 5

Homogeneous audiences are highly preferable. It is impossible to be selective if members of the audience – even from a single-client company – are too mixed in their interests. Consider, by way of example, one such homogeneous audience: Mechfix’s marketing people. On Mechfix-owned patents, only two things need to be communicated to this audience:

- an understanding of what patents can achieve for Mechfix, preferably by reference to the Mechfix patents that have, in the past, given the company commercial advantage; and
- the damage to patentability that audience members, in their enthusiasm for a sale, could inflict by premature disclosure of their research-and-development colleagues’ work.

For marketing people, infringement is important. They should be encouraged to report back on both competitor products that look suspiciously like the company’s products in terms of technology or branding, and on allegations of infringement made by third parties. They should also avoid substantive discussion with the “other side”.

Although marketing people need to know little about how patents are obtained, they do need to know how trade marks are selected and applied for in a well-managed branding operation (such as in large, brand-intensive companies).



In particular, searching for and considering pre-existing third-party rights are a decisive part of the process of whittling down candidates for a new brand, and an appreciable risk thus exposed ought to eliminate a candidate for a new brand, however attractive it is linguistically or culturally.³

The presenter can point to many marks that lack obvious intrinsic attractiveness, but have proven successful once the products to which they were applied were promoted, such as Coca-Cola, Persil and Vaseline.

On the assumption that Mechfix has no formalised branding strategy, the presenter can help the audience by describing the two distinct strategies adopted by large, brand-intensive companies. The first is “one brand per product line”, adopted by Unilever with Dove, Hellmann’s, Knorr, Persil, Vaseline, etc. The second is

“monolithic branding”⁴, adopted by BMW, Gucci and Virgin. These companies apply the corporate brand to distinguish their products from their competitors’ products, but use descriptive or semi-descriptive terms to distinguish their own products from one another. For example: Gucci adorns its products with a device including the word GUCCI, but uses in its product catalogue quite technical descriptions, eg “soft stirrup black brocade leather shoulder bag”; a “BMW 530d” is a 5-series car with a 3.0-litre diesel engine; and Virgin has Virgin Atlantic, Virgin Money, etc.

The next “spiel” to the marketing people can be as follows:

“If you want new names for future products, it will be expensive. The register is so ‘cluttered’, on account of law changes since the mid 1990s, that if you devise six candidate names for a new version of Sparkcan, Mechfix’s electric can-opener, and I search them, I’ll be lucky to identify one that is clear for use, even just in the EU and the US.

“Words having no obvious meaning, such as Persil and Vaseline, are more likely to survive than those that do have an obvious meaning, so the more of these in any list of six, the better. And if you can devise more than six candidates, so much the better also.

“But do consider the cheaper alternative of calling the can Sparkcan Plus. You might even wish to move towards a BMW or Gucci-like policy of monolithic branding, using the word ‘Mechfix’ followed by descriptors, with Sparkcan as the first casualty.⁵ But if you really think you need a new name, come to me early and with a budget.”

This spiel accords with the objective of Guideline 1: ensuring that the client seeks advice in a timely manner rather than becoming disillusioned (in this case, if an advertising campaign has to be stopped due to inadequate clearance, labels have to be taken off equipment, or packaging has to be destroyed). The presenter must have to hand good estimates of costs of clearance and subsequent registration, preferably based on the client’s own past cases. Also, the presenter should discuss domain names and possibly subsidiary company names, having

FIGURE 1 – THE MECHFIF PRIORITIES

IP right and main relevance to Mechfix	Duration (approximate)	Relevant geographical coverage	Nature of right
Patents for new technical concepts	20/21 years	International	“Absolute”: protects against later independent generation
Copyright for computer software and branding artwork	Death of author + 70 years	International	“Non-absolute”: does not protect against independent generation
Unregistered design right for mechanical items	10 years	UK only	As box above
Contract for any information	Until information enters public domain	International	As two boxes above
Registered trade marks for brands	Indefinite, provided used commercially	International	“Absolute”: protects against later independent generation

prepared by checking what the client already has.

If, contrary to the assumption made above, Mechfix does have a formalised branding strategy and clearance procedure, the presenter must know

what these are and mould this part of the presentation around them. Any legal possibilities not consistent with the strategy or procedure should be excluded.

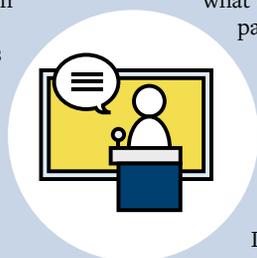
LEGAL LITE

In summary, IP presentations to lay company clients should generally be “legal lite” and illustrated by examples. Above all, they should let the audience members know what they should (and should not) do in order to get the best value for money from their IP spend. ■

For a fuller discussion of this topic, including presenting to senior audiences,

see chapter 14 of the author’s Inside Intellectual Property – Best Practice in IP Law, Management, and Strategy. Visit researchinip.com/iiip.htm for more information.

1. Passing off is omitted. As a right owner, Mechfix cannot rely on it internationally, and there is no related specific action required of the audience. (In brand-clearance searches, the practitioner will not forget passing off.) Registered designs and EU unregistered design rights are omitted because the client’s products are functional.
2. The instance of a book written by C in English and translated by D into French is readily grasped by most audiences: clearly, both C and D deservedly own copyright so as to provide a legal basis for rewarding their respective efforts, so that, in practice, the French translation will be published only by agreement between C and D, under which they both expect to benefit.
3. A case where it seems an evident risk was taken by a large company was Microsoft’s launch of SkyDrive. Following a dispute with BSKyB, Microsoft withdrew the brand in favour of OneDrive. Such salutary tales can hit home with the audience.
4. This term is adopted from the late Wally Olins, a guru of branding.
5. Long, unchallenged use of Mechfix and Sparkcan is assumed.



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TAKE TWO

Patricia Collis reminds readers what is important about the second wave of EU trade mark reforms

On 1st October 2017, phase two of the reforms to EU trade mark law came into force. These changes all relate to EU trade marks (EUTMs), and come in the wake of the major changes to both national trade mark systems and the EUTM system introduced in early 2016.

When dealing with EUTMs, we now have a single codified piece of primary legislation (the EUTMR), as well as two new pieces of secondary legislation in the form of an Implementing Regulation (the EUTMIR) and a Delegated Regulation (the EUTMDR).

The recent changes can be broadly split into three areas:

1. abolition of the graphic representation requirement;
2. introduction of EU-wide certification marks; and
3. introduction of a broad range of procedural changes.

GRAPHIC REPRESENTATION

The graphic representation requirement has been replaced with a requirement for “clarity and precision” in what is protected. It is possible for a trade mark to be

represented “in any appropriate form using generally available technology”, provided that it can be easily reproduced in the Register.

This change should make it easier to apply for non-traditional trade marks. However, as the 2016 reforms expanded the grounds on which an application can be refused, many non-traditional marks may still struggle to make it through to registration.

When filing an EUTM application, the “type” of trade mark being applied for should be indicated. Article 3 EUTMIR sets out and explains the various “types” that are now options, namely:

- word;
- figurative;
- shape;
- position;
- pattern;
- colour (either single or combination);
- sound;
- motion;
- multimedia;
- holograms; and
- other (this covers anything that does not fall within the above categories. When selecting this category, a description of the mark must be included).



Now that all changes to the EUTM system are in place, we should hopefully soon see the full benefits of an improved and more modern system in operation

This requirement for clarity and precision must also be implemented at Member State level by mid-January 2019, so national registries are likely to keep a close watch on its effect at EUIPO. At present, the UK is still pressing ahead with implementation, despite the fact that Brexit is due to occur in March 2019.

CERTIFICATION MARKS

It is now possible to file EU-wide certification marks, which indicate that goods and/or services possess certain characteristics, rather than their trade origin. Any characteristics of goods or services can, in theory, be covered by a certification mark, other than geographical origin, which is specifically excluded due to the existence of other means of obtaining protection.

A certification mark cannot be used by the registered proprietor. Rather, it can be used by anyone who provides goods or services that possess the characteristics laid down in the regulations that govern use of the mark. The job of the proprietor is to act as an independent body, confirming whether the goods or services offered by others possess the characteristics covered by the certification mark. Many UK practitioners will already be familiar with certification marks, as the national trade mark system provides for them. However, certification marks are not available in all EU Member States, so will be unfamiliar to many.

As with the UK system, an application for an EUTM certification mark must include regulations governing the use of the mark. The regulations can be filed up to two months after the initial application (Article 17 EUTMIR details the information that must be included in them). The application fees for EUTM certification marks are higher than those for normal EUTM applications, and the registration process is likely to take longer due to the requirement that regulations are examined and accepted.

An EUTM registration for a certification mark will provide the proprietor with EU-wide rights and remedies. This should be highly

beneficial to certifying bodies with interests across the EU. However, it will not be possible to convert EU-wide certification marks into national applications in those territories where national law does not provide for certification marks.

PROCEDURE CHANGES

A large number of procedural changes have also come into play, some of which are affected by the transitional provisions set out in Article 38 EUTMIR and Article 81 EUTMDR.

Many of these changes simply codify previous practice, or seek to make the EUTM system more modern, user-friendly and cost-effective. Examples of these changes include the simplification of translation

requirements, and the abolition of hand delivery and post-box deposits as means of submitting documents to EUIPO.

Furthermore, priority claims must now be made at the time of filing an EUTM application, but such claims will no longer be examined. Rather, they will remain as claims until there is an attempt to rely on them.

There is also now a simplified process for substantiation in opposition and cancellation actions involving rights that can be easily located on official online databases.

Practitioners should also familiarise themselves with the rules on the structure and presentation of evidence (which are now in line with General Court requirements). They should also be aware of the deadlines within opposition proceedings for which continuation of proceedings is now possible, and understand the changes on suspension practice.

One change likely to be welcomed by many is the possibility of pursuing inherent distinctiveness arguments alone through to appeal stage, and to be able to bring in an acquired distinctiveness claim. This means that evidence of acquired distinctiveness will only have to be compiled and relied on once inherent distinctiveness arguments have been exhausted.



INTERESTING TIMES

Now that all changes to the EUTM system are in place, we should hopefully soon see the full benefits of an improved and more modern system in operation. On the procedural side, there will be a period of checking against transitional provisions to be clear which rules apply to a particular situation. With graphical representation and certification marks, it will be interesting to see which issues crop up and how they are dealt with by both EUIPO and the courts. ■



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Growing concern about climate change and its emerging consequences on our society and livelihoods has prompted consumers to increasingly seek out environmentally friendly products and services. This has caused a proliferation of “green” insignia in labelling or marketing of goods and services – and accompanying complexity regarding just how these labels can be used.

There are dangers for brand owners in navigating the thicket of these terms and applicable regulation. There is great potential for inadvertent misuse or accusations of “greenwashing” – where products or services that are not environmentally friendly are labelled, marketed or trade marked as such, and which may amount to misrepresentation and false advertising.

This article will survey the current panorama for the protection of green terms in the EU and some particularly relevant jurisdictions, which could allow brand owners to avoid the pitfalls of “green fatigue”, while satisfying the demands of rising eco-consciousness among consumer audiences.

SUSTAINABLE TERMS

Sustainable terms take many different forms, often including the prefix “eco” or “bio”; the words “green”, “organic”, “bio”, “natural” or “pure”; or the phrase “carbon footprint”. As it is the primary purpose of a trade mark to indicate origin, not to convey a message of environmental friendliness, obtaining registered protection of such terms is a complex area.

There is also a lack of international regulation regarding sustainable words and regulatory/trade mark requirements to protect these terms, leaving the trade mark system potentially open to misuse.

Furthermore, in countries where there are no disclaimer conditions, it is generally possible to obtain registered protection for a trade mark that includes a sustainable term, and which might otherwise not be inherently registrable. A wide range of industry sectors and companies – such

as food and beverage, automotive, fashion and cosmetics – are affected by this issue.

EUIPO guidelines provide that trade marks consisting of words can be refused registration on absolute grounds in accordance with Articles 7(1)(b) and 7(1)(c) of the EU Trade Mark Regulation (EUTMR), where trade marks are devoid of any distinctive character or are descriptive, respectively. To clarify, this is where the words merely denote a particular positive or appealing quality or function of the goods and services if applied either alone or in combination with descriptive terms. These terms include, among others:

- “Eco” as denoting “ecological”. For example, ECODOOR for products on which doors have a significant impact, such as dishwashers, washing machines, vending machines and apparatus for cooking;
- “Green” meaning “environmentally friendly”. For example, GREENWORLD for, *inter alia*: gas fuels; fuels; electric power; gas for lighting; retail services in the areas of fuels; and transmission and transport of electrical energy, heat, gas or water²; and
- “Bio” – for example, BIOMILD for yoghurt that is mild and organic.³

However, it is not difficult for trade mark owners to obtain registered protection for marks incorporating green terms. A search of the EUIPO database on 1st August 2017 revealed 3,764 registered EU trade marks containing the term “green” (plus 317 withdrawn, and 221 refused); 3,222 “eco”-prefixed marks; 3,760 marks containing the word “bio”; and 749 marks containing the word “organic”.

It may be that some of these registrations are potentially invalid, but it is clear that, under current law and practice in the EU, trade marks that are distinctive, but convey a message of being green, will not encounter an objection under Article 7(1)(g) EUTMR. In particular, the mere fact that a trade mark may be of such a nature as to deceive the public if used in relation to goods or services that are not ecologically friendly is not sufficient for the refusal of registration.

Although there is room for argument that registries should step in to avoid the proliferation of misleading green claims, this level of policing (except where deception is plainly obvious) is generally not considered within the remit of trade mark law. Instead, it is left to local regulatory/advertising authorities or consumer associations under unfair competition claims.

OTHER OPTIONS

The 1st October EUTMR reform introduced a new EU certification mark in Articles 74a–k EUTMR, and applications for such marks can now be filed at EUIPO.

It is clear that, under current law and practice in the EU, trade marks that are distinctive, but convey a message of being green, will not encounter an objection under Article 7(1)(g) EUTMR

Whereas a trade mark acts as an indicator of origin, a certification mark acts as an indicator of quality. It signifies that the goods and services in relation to which it is used comply with certain quality standards – irrespective of the origin of those goods or services. The owner of an EU certification mark will certify certain characteristics of goods and services, which may include: material; mode of manufacture of goods or performances of services; and quality or accuracy – but not geographical origin.

Where EU individual trade marks and EU collective marks distinguish the origin of goods and services from one undertaking (or a group of undertakings) from those of other undertakings, the owner of an EU certification mark will not be a supplier of the goods and services on the market. Instead, the owner will be responsible for setting certification standards and monitoring the qualities or characteristics of the relevant goods or services to ensure compliance with the certification standards for the products/services in relation to which the certification mark is used. It is important that the certification mark owner maintains robust procedures for ensuring authorised use of the mark, since a certification mark may be revoked if the original applicant no longer meets the requirement of neutrality.

The standards for enforcing certification marks differ worldwide. In the US, a certification mark owner has an obligation to control use of a mark. Other countries have no such similar provisions (Chile, Japan, South Korea, the EU, etc), or have agency involvement that goes beyond what the United States Patent and Trademark Office provides (China, India, Israel, New Zealand and Taiwan).

These standards provide an alternative and effective method through which to communicate to consumers that goods and services are environmentally friendly, particularly where the certification standards are well policed.

Nonetheless, there remain disparities between the supranational eco and organic labelling systems and private companies that employ their own systems. For example, well-known cosmetics chains produce a range of “natural cosmetics”, while supermarkets regularly advertise “organic products”. Greater clarity is needed regarding the terminology required for marks where terms may be vague or misleading. In this regard, the EU certification mark could play an important role for sustainable labels, as it could bring about an independent system through which to certify the use of such terms.

REGULATED SCHEMES

Meanwhile, where consumers and companies want to communicate that their products are organic (“bio”) or eco-friendly, compliance with EU regulations on use of such logos and labels for a limited type of products must also be taken into consideration.



The Euro Leaf, introduced in 2010, indicates that a product legally qualifies as organic

The EU has established regulatory norms and labelling rules on food products under the Euro Leaf logo, used since 1st July 2010. Commission Regulation (EC) No 889/2008 of 5th September 2008 laid down detailed rules for the application of Council Regulation (EC) 834/2007 on the production and labelling of products with regard to organic production, as well as with regard to imports of said products from third-party countries.

Article 23(1) of Regulation (EC) No 834/2007 defines the exclusive terms that can be used in the 24 EU languages (eg “organic”, “bio” and “eco”) when referring to organic production. The EU organic logo is compulsory for the labelling and advertising of organic pre-packaged food products that satisfy the requirement that at least 95 per cent of the agricultural ingredients are organic.



The organic logo is not exclusive on the packaging; subject to the respect of the EU legislation, national and private labels may be used, and can be displayed on organic products next to the Euro Leaf logo. Moreover, a code number of the control body is displayed alongside, as well as the place name of where the agricultural raw materials composing the product were farmed.

In the UK, the Advertising Standards Authority and Trading Standards are responsible for complaints relating to “organic” claims where there is not sufficient evidence that a food product was certified by one of the local organic certification bodies. Moreover, there is specific guidance on the making of “green” claims for products in the aerosol, automotive and cleaning-products industries (see bit.ly/2xTPa4R).

NON-FOOD PRODUCTS

Since 1992, companies may revert voluntarily to apply the EU Ecolabel to a wide range of products and services supplied for distribution, consumption or use in the European Economic Area and included in one of the established non-food and non-medical product groups.

The Ecolabel is regarded as a helpful tool for marketing that promotes the producer, its products and its commitment to the highest environmental standards. Each country may establish a competent body that is an independent organisation responsible for assessing, awarding and managing Ecolabel applications and licences at the national level. The Ecolabel Index is the largest global directory of ecolabels, currently tracking 465 ecolabels in 199 countries and 25 industry sectors.

COSMETICS

EU Cosmetics Regulation No 1223/2009 covers the safety and efficacy of cosmetic products, including claims. The terms “natural”, “bio” and “organic” are not specifically regulated under the Regulation, but any claim must be capable of substantiation and must not be misleading. In the UK, if manufacturers make claims (such as applying the term “bio”), this will also be judged against the Consumer Protection From Unfair Trading Regulations 2008.

In essence, these regulations do not permit it to be implied, directly or indirectly, that a product has characteristics that it does not have. Importantly, this applies throughout the supply chain and covers marketing, advertising, price lists and misleading indications, including environmental claims.

Although cosmetic natural and/or organic standards have also been developed by different certification bodies, it is important to note that these standards are not usually backed by law. Such certification bodies within the EU establish their own criteria to guarantee the natural or ecological character of cosmetics. Well-known



The Ecolabel is regarded as a helpful tool for marketing that promotes the producer, its products and its commitment to the highest environmental standards

examples are AIAB (Italy), BDIH (Germany), Ecocert (France) and the Soil Association (UK).

LITIGATION

In the US, the Federal Trade Commission has issued Guides for the Use of Environmental Marketing Claims (also known as the Green Guides), but enforcement is rather made by individuals bringing a class-action lawsuit. For example, Tom’s of Maine was sued on the grounds that the company had made representations that its toothpaste, deodorant/antiperspirant and other personal-care goods were “all natural”. This action successfully obtained a declaration for a \$4.5 million (approximately £3.4 million) settlement based on representations in the marketing and labelling being “false and misleading”.⁴

In *Ayana Hill v Roll International Corporation and Fiji Water Company LLC*⁵, the Plaintiffs claimed they were induced to believe that the “green drop” (see right) affixed on the labels of the Defendant’s bottled water meant the product was “environmentally friendly and superior”. The Court eventually dismissed the action, but this put the manufacturer on notice not to “greenwash” its products.

So, ultimately, although trade mark protection is generally not barred for eco terms where the mark is otherwise distinctive, it is crucial to consider the regulatory or advertising restrictions that could prevent use of a registered trade mark for products that are not demonstrably eco-friendly. Not to do so is to risk a brand’s reputation, and even litigation from a public that wishes to protect its own environmental future. ■

1. Judgments T-328/11 of 24th April 2012 (ECOPERFECT); and T-625/11 of 5th January 2013 (ECODOOR).
2. Judgment T-106/14 of 27th February 2015 (GREENWORLD).
3. Judgment C-265/00 of 12th February 2004 (BIOMILD).
4. Allison Gay et al v Tom’s of Maine, Inc, Florida District Court for the Southern District, filed 7th March 2014.
5. California First District Court of Appeal, 26th May 2011.

The EU’s Ecolabel



France’s Ecocert



Germany’s BDIH



Fiji’s “greenwashing”



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ON THE WING



As international business is fuelled by Brexit, Siôn Taylor illuminates the role of those who can ensure your documents are fit for purpose

While UK businesses seek new opportunities outside the EU in the lead-up to Brexit, you can expect to use notaries more frequently to authenticate the commercially sensitive documents needed to launch commercial ventures and initiatives outside the UK. That's why now is a good time to establish a working relationship with a provider of notarial, translation and legalisation services who can get to know you, your clients and the types of documents that you handle – and meet foreign requirements with confidence.

To help, I hope to give an overview of the role of scrivener notary in the UK, and some pointers on how to put these professionals to best use for your clients.

The UK notarial profession has a long pedigree, and the branch known as scrivener notaries has particularly deep-seated roots in the international trade of the City of London. The notary public is a member of the legal profession in England and Wales who certifies facts about documentation in order to render it admissible for use in another jurisdiction. In contrast to notaries in many other jurisdictions, who have a domestic legal function, the UK notary's work is almost always heading abroad.

Although the notary in England and Wales cannot be an expert in producing paperwork in exactly the form required for every legal authority in every legal system in the world, it often falls to the scrivener notary to ensure – on the one hand – that English law is complied with in the form of execution of the documentation, and that – on the other hand – their certification of that fact then also adequately fulfils the requirements of the receiving party overseas.

THE INITIAL STEPS

The notarisation process begins with your draft document, and it is sensible to show this to the notary in advance of any meeting. They can then make recommendations of additions or amendments and raise queries that will enable

the eventual appointment and notarisation to run as smoothly as possible.

What follows is typically:

Verification: The notary has a duty to you, the client, but also to the world at large, that the facts they certify are true. As such, they must ascertain to the best of their ability the details that go into their notarial certificate, so that reliance can be placed on its content. Therefore, the notary will check who you are, and your capacity and authority to execute the document.

To certify the identity of a signatory, the notary will need an original and current photographic identity document, such as a valid passport. To comply with notarial practice rules and money-laundering regulations,



Now is a good time to establish a working relationship with a provider of notarial, translation and legalisation services who can meet foreign requirements with confidence

the notary will also request proof of the residential address of the signatory.

Where the signatory is to sign on behalf of a company, the notary will – in the case of a UK-registered company – check its existence at Companies House. For a foreign-registered company, it is likely that you will need to provide proof of existence of that entity. For example, a recently issued certificate of good standing from the “home” registry of a company would generally be satisfactory.

Proof of authority: Where the signatory is registered as a director of a UK company, the search at Companies House will show this.





But if the board of directors has considered the matter at issue and approved it, and if this is recorded in minutes, sight of these may allow the notary to make reference to the board's specific approval of the documents in question.

Where an individual wishes to sign a document for a company by virtue of some other kind of authority – for example, a power of attorney (PoA) – the notary will need to review this to confirm its adequacy for the particular matter.

Where a person acts for another by virtue of a PoA, it is a key legal principle that, unless specific authority is granted to sub-delegate that authority, such sub-delegation cannot be construed into the wording of the PoA.

Therefore, if the PoA in your own favour does not include a clause to the effect that you may pass on your own powers to other attorneys, the notary will not be able to use that document as proof of your own authority to act for the company in signing further delegation. If you want your local counsel to be able to sub-delegate, permission must also be contained in the PoA to allow for there to be an effective chain of delegation.

A COMMON SCENARIO

To illustrate some common issues, let us take as an example a one-page “authorisation of agent”, to be granted by your client, an English limited company, to deal with certain IP matters in the Middle East. The document is in standard-form bilingual English/Arabic and was sent to you by agents in situ, with a request that the document be returned “duly notarised and legalised”. Let us also assume that your UK client has, very sensibly, granted a PoA to you to deal with such paperwork for use in the Middle East on its behalf.





Notarisation and legalisation may appear esoteric requirements, but failure to deal with them effectively and efficiently can lead to undue difficulties

First, the notary will need to confirm that your own authorising PoA has been validly executed by the company. If the authorising PoA has not been signed in one of the valid methods – for example, if it has only been signed by one of the directors, but has not been countersigned or witnessed – then it is defective insofar as the English-law requirement as to the execution of deeds. In such a case, you could arrange for that PoA to be re-executed, or otherwise you may need to organise a deed of ratification to “perfect” it. The notary would be able to assist with those added steps.

The PoA in your favour will also be checked to ensure that you have been granted specific authority to sub-delegate to other attorneys in situ. If that detail is not present, the notary will insist that it is included in a new draft of the PoA in your favour.

Assuming you have these documents correctly prepared, the notary will arrange a meeting to identify you and for you to sign the authorisation of agent before them. Authorisations of agent are typically classed under English law as “deeds”, and therefore must be executed in one of a few specified ways. The execution formality of a witness would apply here, so you would be requested to sign before a witness who will attest your signature on the face of the document by countersigning. In some instances, the notary may act as the witness.

NEXT STEPS

The notary will now be in a position to draw up the notarial certificate. The form of this certificate may vary depending on the jurisdiction in which the document is to be used. For example, in some Middle Eastern jurisdictions, a “consignee address” – the physical address of the agent – must appear on the face of the certification.

It may be that your recipients would prefer (or need) a bilingual notarial certificate in English/Arabic, in which case the notary can then obtain a translation (from in-house or attached translators) to create a bilingual certificate. These matters ought to be discussed with your notary, who can draw on their expertise to suggest a form of certification. There may be time to have your local counsel indicate the suitability of the notary’s suggested form.

The notarial certificate will then be executed by signing and sealing, and will be physically stitched to your original authorisation of agent. This is carried out with ribbon and a wafer seal to prevent tampering once the document is out of our hands.

LEGALISATION

Once the document has been notarially certified, our scenario requires that the document be properly “legalised”. The process of this legalisation is the solution to the problem posed when a document issued in one country is to be used in another country. It is a form of “comfort” to aid the recipient in placing reliance on the provenance of a document.

Again, the process depends on the jurisdiction where the document will eventually be used. For certain jurisdictions, there exists a simplified legalisation process, whereby the UK Foreign & Commonwealth Office (FCO) applies the so-called “apostille” to the document. The apostille is a government certification that the document has been signed by a notary public and bears their official seal.

For countries that have not signed up to the apostille procedure, the consular mission of that destination country situated in London may be required to stamp the document. The consulate will typically require that a document is first stamped with the apostille by the FCO before it will add their legalisation stamps. This is sometimes referred to as “consularisation”.

In our scenario, the document would be taken by messenger to the FCO for it to affix the apostille. Our messenger can then proceed to take the document, under a cover letter, to the consulate of the destination country. Assuming the provenance appears to be good, the consulate will, for a fee, counter-stamp the document.

At this stage, the bilingual authorisation of agent bears a bilingual notarial certificate, an apostille and consular stamps, and the document is then ready to be sent to your agent in situ.

It is worth bearing in mind that, once the initial checks as to ID and proof of authority have been carried out on this first occasion, the notary would be in a position to streamline the process on the next occasion.

Notarisation and legalisation may appear esoteric requirements, but failure to deal with them effectively and efficiently can lead to undue difficulties. Ultimately, the key is to get experienced advice from scrivener notaries to make sure you get it right first time. ■



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ONE OF A KIND?

Colin Hulme discusses an unusual appeal, and one that found him working in familiar territory

More often than not, appeals from a decision of a UK IPO Hearing Officer (HO) are directed to one of the Appointed Persons. However, s76 of the Trade Marks Act 1994 (TMA) also provides that the appeal can be brought before the relevant court. And, earlier this year, I was involved in what I believe to be the first appeal of this nature heard by the Court of Session in Edinburgh, Scotland.

This article discusses that appeal, CCHG Ltd t/a Vaporized v Vapouriz Ltd, in which Burness Paull LLP and Cam Trade Marks acted for the Respondent, Vapouriz Ltd.

FIRST STEPS

On 30th June 2015, Vapouriz filed an application to have a trade mark registered by CCHG Ltd t/a Vaporized (CCHG) for a device incorporating the stylised words VAPORIZED INHALE THE FREEDOM (No 3085823) declared invalid under ss5(2)(b) and 47(2)(a) TMA. The application was advanced on the basis that the CCHG trade

mark was confusingly similar to Vapouriz's earlier registered trade mark for the device, incorporating the stylised word VAPOURIZ (the Vapouriz trade mark).

Both companies are involved in the sale of e-cigarettes and vaping accessories in the UK, running retail outlets trading as Vapouriz and "Vaporized – inhale the freedom", respectively. They are direct competitors in this fast-growing market, which globally was already worth around £6 billion in 2016.

On 1st November 2016, following contested proceedings, the HO allowed the Vapouriz invalidity application, concluding that the CCHG trade mark was invalid due to its similarities to the earlier Vapouriz trade mark. This was due to the fact that both trade marks were registered for identical goods, and so confusion was likely to be caused contrary to s5(2)(b) TMA.

Section 76 TMA provides that an appeal from an HO decision may be made to the Appointed Person; the High Court in England and Wales; and the Court of Session in Edinburgh. CCHG,

based in Edinburgh, opted for the latter of these – a novel route, giving it the opportunity to have the appeal considered on “home turf”.

Interestingly, the rules relating to such an appeal in the courts of England and Wales differ from those in Scotland. South of the Scottish border an appeal to the court is a “review” of the HO’s decision, with the appealing party required to establish errors in law in the HO’s decision. In contrast, Court of Session rule 55.19(10) states that an appeal to the Court of Session “shall be a re-hearing and the evidence led on appeal shall be the same as that led before the Comptroller and except with the leave of the court, no further evidence shall be led”.

At first blush, these positions appear to be at odds with one another, with the Scottish rule suggesting that the appealing party can get a “second bite of the cherry” – having the case completely reheard, rather than the decision reviewed. However, in submissions, it was a matter of general agreement between counsel that, in reality, this distinction was more apparent than real.

Lady Wolffe noted in her judgment that, as the TMA has UK-wide application, it “is desirable that the exercise of the appellate function by this court, if not its procedural rules, accords with that in England”. In coming to such a conclusion, her Ladyship noted, terminological differences aside, the starting point for the TMA in England (before the change by the CPR rule 52(11)) and in Scotland was the same. As rule 55.19(10) envisages that additional evidence may be heard, with leave of the court, the word “rehearing” must be broad enough to encompass such an eventuality. However, as no additional evidence was led, and the HO determined the matter on the basis of papers, “nothing turns on the difference in formulation in the respective procedural rules of the two jurisdictions”.

FAST-PACED PROGRESS

Not least due to a substantial degree of interest from the bench, this appeal proceeded at a relatively fast pace. The appeal was served on Vapouriz on 5th December 2016, with a response to the appeal required to be lodged within 21 days. The answers to the appeal were lodged at the Court of Session on 22nd December 2016, and the Court issued a timetable requiring notes of argument and productions by 10th March 2017. An initial hearing was set for 17th March 2017. The purpose of this initial hearing was to ensure that the “battle lines” had been drawn up and to determine procedure going forward. The substantive hearing on the appeal was heard on 11th and 12th April 2017. As such, only four months after being served with the initial appeal papers, parties found themselves in front of the Scottish IP Court. A decision was then issued on 12th July 2017.

The period of time it took to move from raising the appeal to the decision from the Court



of Session is therefore comparable to that of the Appointed Person process. It will now be interesting to see whether there is an uptake in those using the Court of Session rather than the Appointed Person in this way, especially if it means parties can have a “home fixture”.

TECHNICAL ASPECTS

During the invalidity proceedings, the HO determined that the average consumer was a member of the public aged 18 or over who would pay a reasonably high degree of attention to the selection of goods (through a website, catalogue or retail outlet). As such, visual impressions were important, but aural considerations would have “a not insignificant part to play” given that the goods may be subject to word-of-mouth recommendations and requests.

Using the multi-factorial test, with special focus on the visual, phonetic and semantic comparisons of the marks, as per *Sabel BV v Puma*, the HO determined that:

- visually, the marks had a low to medium degree of similarity, with the Vapouriz trade mark being



Vapouriz mark
No 2605137



CCHG mark
No 3085823

Lady Wolffe aligned herself with case law from England and Europe, dismissing the criticism that there had been mischaracterisation of the average consumer and purchasing process



composed of a device and words that roughly contributed equally to the trade mark's distinctiveness and overall impression;

- aurally, the trade marks were considered to have a high degree of similarity – even if the CCHG trade mark were to be pronounced, “vaporised” would be the first word spoken, and this is very similar to “Vapouriz”; and
- evidence showed the frequent use of the words “vapour”, “vape” and “vaporise” in the trade, making the conceptual messages of both trade marks “similar to the highest degree”.

For an appeal to succeed, it was necessary to show that the HO erred in law or was wrong in making these determinations.

DECIDING THOUGHTS

Lady Wolffe agreed with Vapouriz and aligned herself with case law from England and Europe, dismissing the criticism that there had been mischaracterisation of the average consumer and purchasing process. She determined that the HO had drawn reasonable inferences, especially in relation to in-store purchases, where a consumer might be required to voice

“

their request to the retailer. No evidence was shown for this, but it is accepted case law that an HO is “not obliged to disown all of his knowledge of the day-to-day world”.¹ Nor must the HO be exhaustive in setting out the factors for a decision, or for every stage of the decision-making process.²

Regarding the assessment of distinctiveness or similarities of the trade marks, Lady Wolffe noted that CCHG's contrary assertions were merely being pitted against the qualitative judgment of an experienced HO, and that disagreement alone did not amount to permissible grounds of challenge in an appeal.

Finally, the HO's conclusion on likelihood of confusion was not vitiated by any failure to make an assessment by reference to the trade marks as a whole or giving undue weight to aural similarity to the detriment of relevant visual differences. Lady Wolffe noted that the contention that the main verbal aspects of the marks were descriptive was a mere counter-assertion of the HO's finding of low distinctiveness, and this was not a matter for interference by the court.

The decision of the HO was challenged on three grounds: characteristics of the average consumer and the purchasing public; comparison of the trade marks; and likelihood of confusion. Her Ladyship found that CCHG's criticisms of the HO were ill-founded, and that there were no errors in the HO's decision that justified interference from the Court of Session. As such, the appealed failed on all three grounds of challenge.

ACTION ENDED

This case was an appeal under statute and was heard in the IP Court, part of the Outer House of the Court of Session. It could have been appealed as of right to the Court of Session appeal court (the Inner House), which typically sits as a bench of three judges. It would then have been normal for that stage to take around nine to 12 months. Further appeal from the Inner House to the UK Supreme Court would require leave to be obtained. However, no further appeal was made. ■

1. Cf dicta from REEF Trade Mark [2003] RPC 5, para 39; New Look Ltd (2009), CFI T-435/07, paras 49–50.
2. REEF, para 29; or Pegas Touristik UK Ltd, BL O/603/15, para 19.



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THIS DECISION SHOWS that use of a word mark in a trading name, such as “Technosport BMW”, is likely to give the impression of a commercial connection between a trader and the brand owner associated with the mark. In this case, the use of “Technosport BMW” exceeded the threshold of merely informing customers that BMW cars and parts were used by the Defendants in their business. It was also found that it is not necessary for there to be accompanying infringing logo use for the use of the BMW word mark in this way to infringe.

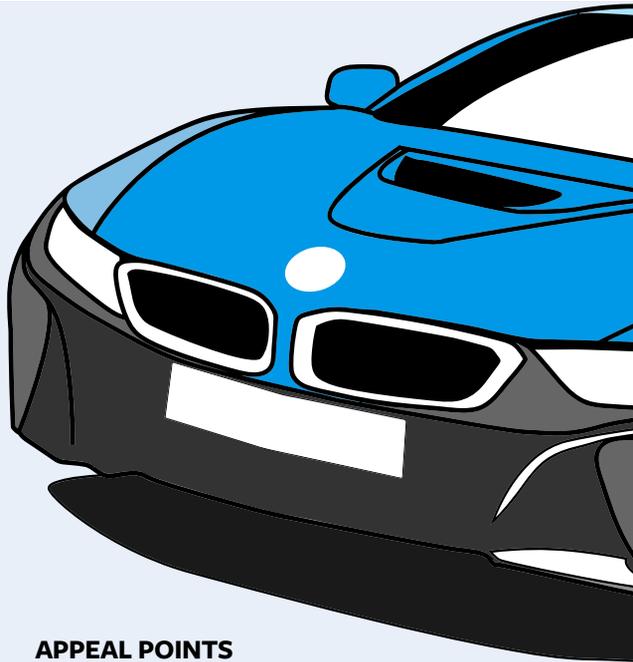
FIRST STEPS

Legal proceedings were first issued at the Intellectual Property Enterprise Court (IPEC) in June 2014. In the first instance judgment in April 2016, the Judge found that the Defendants’ acts in respect of their use of the BMW roundel logo and the “M” logo on their website, on a van livery, on business stationery and on signage constituted infringement of those marks and passing off. The Judge concluded that the average consumer would believe that the Defendants were authorised dealers, because such logo use, when authorised, would only be displayed in relation to businesses authorised by the Claimant.

However, the Judge at first instance found that the Defendants’ use of the BMW word mark did not convey to the average consumer any implication that Technosport was an authorised dealer. Although the Claimant had provided evidence that authorised BMW dealers often use a trading name immediately followed by the BMW word mark, the Judge stated that the Claimant needed to provide further evidence, including from actual consumers stating their confusion. Accordingly, the Judge decided that the Claimant did not provide enough evidence to show that the Defendants’ use of the BMW word mark in the term “Technosport BMW” on shirts worn for their business, in their Twitter name and on the back of a van infringed the BMW word mark.

No logo? Still no go

Steve Palmer counsels caution for third-party businesses in using established brand elements



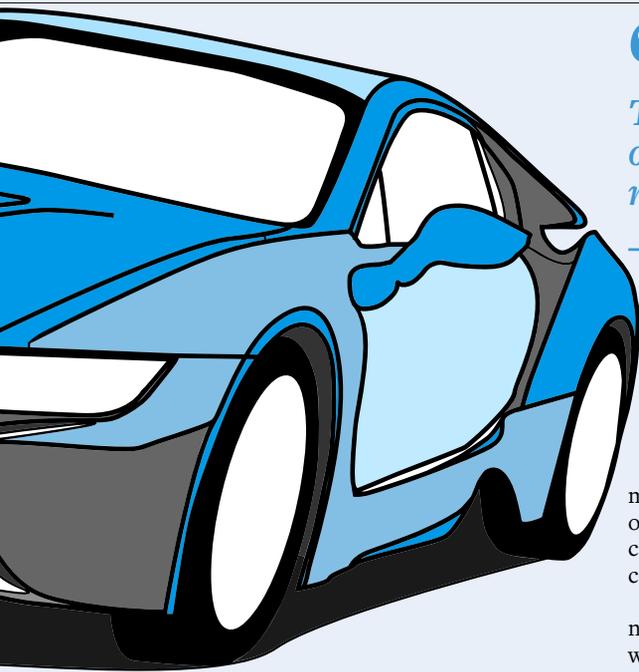
APPEAL POINTS

At a Court of Appeal hearing in June 2017, the Claimant submitted that:

1. The Judge’s reasons for reaching a conclusion of non-infringement of the BMW word mark under Article 9(1)(b) of Council Regulation (EC) 207/2009 (EUTMR) were inadequate. Considering all the relevant circumstances, the Judge should have held that the average consumer would perceive that “Technosport BMW” conveyed that the Defendants were authorised by the Claimant or economically linked to it.
2. The use of “Technosport BMW” did not merely describe what that business did, and if the Defendants wanted to describe its services, they could do this without conveying an economic link.
3. The Judge had also been incorrect to require further evidence of actual confusion from consumers.
4. Under the first instance Judge’s decision, any independent vehicle repairer could use the letters “BMW” in its trading name, as the Defendants had done, without infringing the BMW mark. This decision was of commercial importance to the Claimant, as it would impact upon its authorised dealer network.

The Defendants argued that the Judge’s conclusions in respect of the BMW word mark were factual and evaluative, and as such the Court of Appeal should not interfere with the first instance Judge’s decision unless he made an error of principle.

In his judgment, Lord Justice Floyd summarised that the issues were to be decided in accordance with Article 9(1)(b) EUTMR only because the use of “Technosport BMW” was not identical to the BMW word mark. In its



The Judge had to decide whether the use of the ‘Technosport BMW’ sign was either merely informative or misleading

submissions, the Claimant had also raised arguments in relation to Article 9(1)(c) EUTMR. However, the Court did not consider this further, because the Claimant was successful in respect of its submissions relating to Article 9(1)(b).

Floyd LJ said it was necessary for the Claimant to show that, due to the similarity between the Defendants’ use of the sign “Technosport BMW” and the BMW word mark, there existed a likelihood of confusion on the part of the public. In this regard, *Comic Enterprises v Twentieth Century Fox*¹ was cited as providing an example of the principle that a risk that the average consumer may believe that the services come from the same, or economically linked, undertakings constitutes a likelihood of confusion. Floyd LJ asserted that the main issue in this case was the distinction between: (1) use of a mark by a third party that conveys the impression of a business that provides a service that repairs BMW vehicles and/or uses genuine BMW spare parts; and (2) use of a mark that expresses or suggests that the third party’s business is commercially connected with BMW.

ERROR OF PRINCIPLE

The Court of Appeal found that the IPEC Judge had made an error of principle in deciding that the Claimant was required to adduce further evidence to establish that the combination of “BMW” with a dealer’s name will convey the impression that the dealer is authorised. Instead, the Judge had to decide whether the use of the “Technosport BMW” sign was either merely informative or misleading. The Claimant should not have to prove that all of its authorised

dealers use the combination of “BMW” with a dealer’s name.

According to Floyd LJ, the first instance Judge had not considered the context in which the “Technosport BMW” signs were being used, and, if he had, then he would have come to the conclusion that such use was misleading. Accordingly, the pleaded instances of use of the “Technosport BMW” signs in this case infringed the BMW word mark and constituted passing off.

Floyd LJ also decided that, had there been no BMW roundel logo present in conjunction with the Defendants’ use of the “Technosport BMW” sign, it would still be infringing. This was because the use of the “Technosport BMW” sign was not just informative, but was misleading in itself, and also because it was use of a service mark, which meant the argument that the use of “BMW” was describing the types of goods the Defendant dealt in could not be right.

Finally, the Court did not require evidence of actual consumer confusion to establish the Claimant’s case on the BMW word mark. *Marks & Spencer plc v Interflora Inc*² established that, when ordinary consumer products are at issue, the court can make its own assessment and take into account all relevant circumstances.

CAUTION NEEDED

Following *Bayerische Motoren Werke AG and Another v Deenik*³, this case confirms that the use of a brand name to indicate what services a business provides does not extend to the use of a brand in a trading name. The Defendant was also ordered to change its Twitter handle – an indication that third-party businesses must be careful about how they use another business’s brand in their social media handles, since individual consumers perceive the identity of a business via these.

Palmer Biggs IP acted for the Claimant at both first instance and in the appeal. At the time of writing, this decision is not being appealed.

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Dawn Osborne, Partner, and **Charles Lawless**, Solicitor, acted as co-authors. Dawn was lead partner on the case.

KEY POINTS

- ▶ A word mark used in a trading name is likely to give the impression of a commercial connection between a trader and the brand owner associated with the mark
- ▶ The use of a word mark in a trading name can infringe, even in the absence of unauthorised use of a logo along with it

1. [2016] EWCA Civ 41.
2. [2012] EWCA Civ 1501.
3. Case C-63/97 [1999] ETRM 339.



Core confusion

*Amelie Gerard reveals why the Court
came to an irresistible conclusion*

THE CLAIMANT, Coreix Ltd, which operates in the telecommunications and computer services sector, brought a claim for trade mark infringement under s10(2) and 10(3) of the Trade Marks Act 1994 (TMA), and under the doctrine of passing off, against the Defendants, companies in the same corporate group, together operating in substantially the same sector as the Claimant. The Defendants had adopted the mark CORETX and an associated logo for use by the group as a whole. Thus, it was common ground that if one of the Defendants was liable for trade mark infringement and/or passing off, they were all so liable.

Regarding infringement under s10(2), the claim turned on whether there existed a likelihood of confusion between the two marks on the part of the public. Following *Bayerische Motoren Werke AG v Technosport London Ltd*¹, Douglas Campbell QC, sitting as Recorder in the High Court, considered that there was no requirement that there be evidence of actual confusion, and that likelihood, even if hypothetical, was sufficient. On that footing, the Court found that the Claimant and Defendant were competitors,

and that there was only a (minor) typographical difference between the two marks, which were plainly visually and aurally very similar.

CONFUSION FOUND

These findings all led to the conclusion that the marks were sufficiently similar to cause confusion. Notably, although the Defendants' mark was generally presented alongside its logo, even with the graphical logo displayed, the two marks were nonetheless similar. Further, and in the context of the industry in which the Claimant and the Defendants traded, the suffixes "TX" and "IX" bore similar conceptual meanings, importing transmission and exchange. Evidence of actual confusion at trade shows was also submitted. Overall, the Court found the evidential weight in favour of an infringement under s10(2) to be irresistible.

Regarding the s10(3) claim, the issues in this notoriously expansive provision were distilled down to four principal questions: (1) whether the Claimant's mark had a reputation in the UK; (2) whether it gave rise to a link between the sign and the trade mark in the mind of the average consumer; (3) whether it gave rise to dilution, tarnishing and/or free-riding; and



The Court declined to draw an adverse inference from the refusal by the CEO of one of the Defendants to give evidence

(4) whether the Defendants' use of their mark was without due cause. It was an all-but-settled point that the Claimant's mark had a reputation. Citing, among other things, the aforementioned evidence of actual confusion and the scale of the Defendants' alleged infringement, the Court found that the Defendants' mark had indeed impacted the commercial behaviour of consumers. This militated in favour of establishing a finding that there had been dilution for the purposes of s10(3).

That said, the Claimant's case regarding tarnishing was less persuasive, as it did not succeed in linking certain interruptions in the Defendants' services with an adverse reputational effect, and the allegation of free-riding was rejected. On the facts, there had been no subjective intention on the part of the Defendants to benefit from the reputation or goodwill of the Claimant's trade mark.

DUE CAUSE

Regarding the question of whether the Defendants' use of the mark was without due cause, their counsel argued that the Claimant had either acquiesced to the use of the mark in question or was otherwise estopped from asserting its claim. The Court rejected both arguments. On estoppel, it was found that, following *Marussia v Manor*², no estoppel defence was available as a matter of European trade mark law and, since the TMA was a creature of European law by way of the Trade Marks Directive, that proposition should obtain.

As regards acquiescence, it was noted that, whereas the Claimant had indeed continued to do business with the Defendants after it became apparent to the former that the latter had in place a mark that potentially infringed on its own IP rights, the decision not to bring a claim until 2016 did not amount to acquiescence. There had only been two invoices from the Defendants to the Claimant, and neither of them was relevant to the CORETX services. In any event, it could not tenably be argued that to carry on a business with a party

amounted to endorsing all of its actions, or that such conduct could otherwise be regarded as an encouragement or the creation of an expectation that the Claimant would, in any event, not contest the Defendants' mark. The Court therefore found that there had been an infringement within the meaning of s10(3).

The Claimant's case on the grounds of passing off was largely subordinated to its primary claims under ss10(2) and 10(3), and so was dealt with briefly. The orthodox test for passing off was articulated in *Reckitt & Colman v Borden Inc*³, and requires that the Claimant prove goodwill, misrepresentation and damage. In the event – and substantially for the same reasons that reputation, confusion and dilution were established with respect to the TMA claims – the Court accepted that, should the aforesaid statutory claims fail, a claim for infringement under the doctrine of passing off should nonetheless succeed.

UNEQUIVOCAL EVIDENCE

This decision is a salutary reminder that all infringement claims are heavily fact-dependant, sometimes to the extent of overturning received wisdom. The Claimant did indeed fail to bring an action for a period of approximately three years, and operated a much smaller enterprise than the Defendants. Nevertheless, the evidence was unequivocal when it came to establishing a likelihood of confusion and that the continued use by the Defendants of their mark would be detrimental to the Claimant's. Interestingly, the Court declined to draw an adverse inference from the refusal by the CEO of one of the Defendants to give evidence and submit to cross-examination, notwithstanding that his testimony would likely have thrown a great deal of light on proceedings.

KEY POINTS

- ▶ The High Court considered the interaction between likelihood of confusion and actual confusion for the purposes of ss10(2) and 10(3) TMA claims and passing off
- ▶ The infringement claim succeeded despite the Claimant and Defendants trading with each other for three years prior to the claim being brought

1. [2017] EWCA Civ 779.
2. [2016] ETMR 32.
3. [1990] 1 WLR 491.



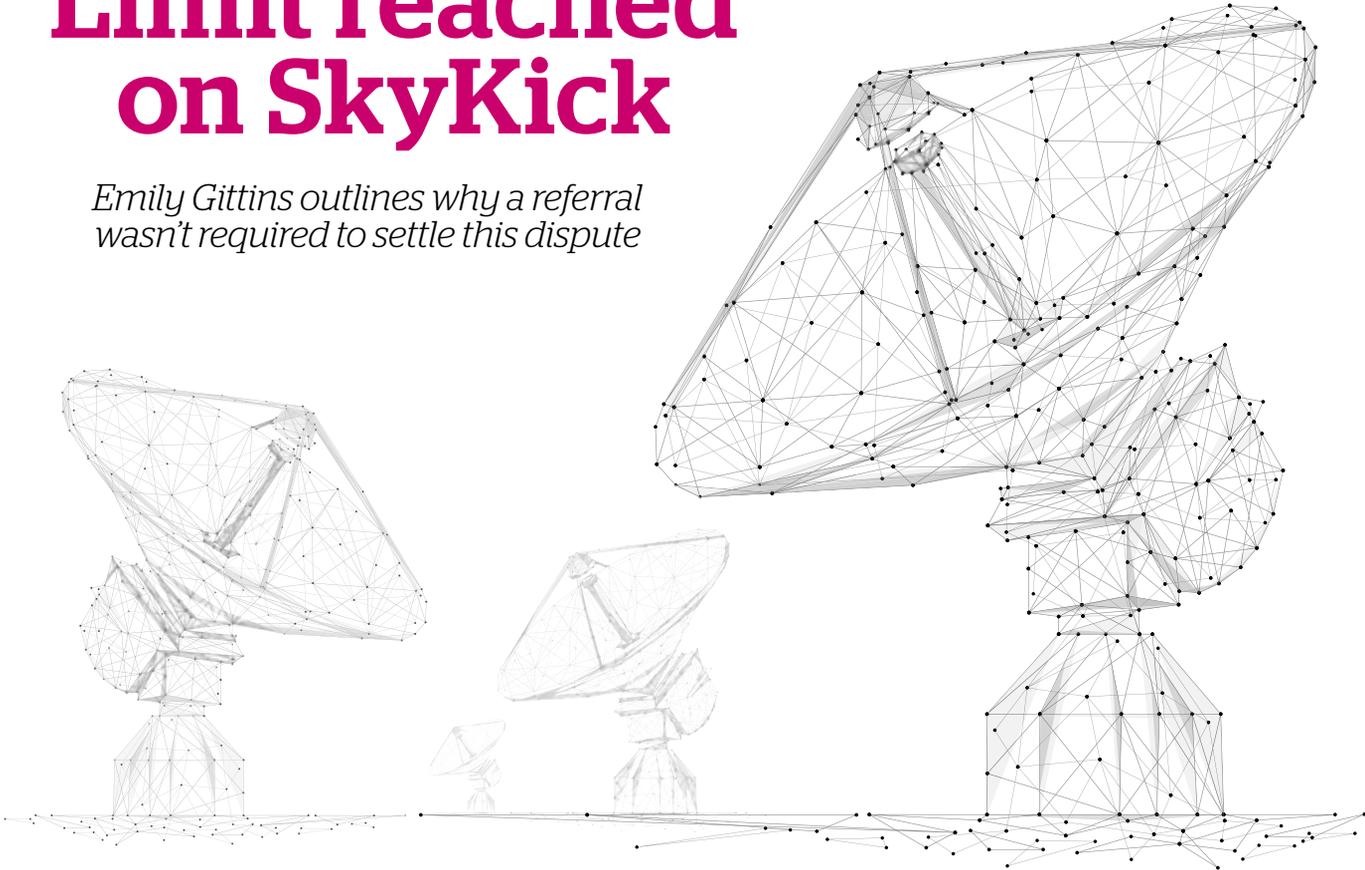
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Limit reached on SkyKick

*Emily Gittins outlines why a referral
wasn't required to settle this dispute*



IN THIS DECISION, the High Court ruled that a reference should not be made to the CJEU as to whether Article 1(13) of Regulation (EU) 2015/2424 (the Regulation) is contrary to EU rights and therefore invalid.

The Claimants (Sky) were various entities within the Sky Group that provide a range of broadcasting entertainment, digital internet telecommunications and software services. The Defendants (collectively, SkyKick) were a start-up that provides cloud-based IT migration, backup and management services to IT solution providers in partnership with Microsoft.

CONTEXT

SkyKick decided to adopt its name in November 2011. It carried out US trade mark searches in 2012, which did not identify any SKY marks, but did identify marks with a SKY prefix.

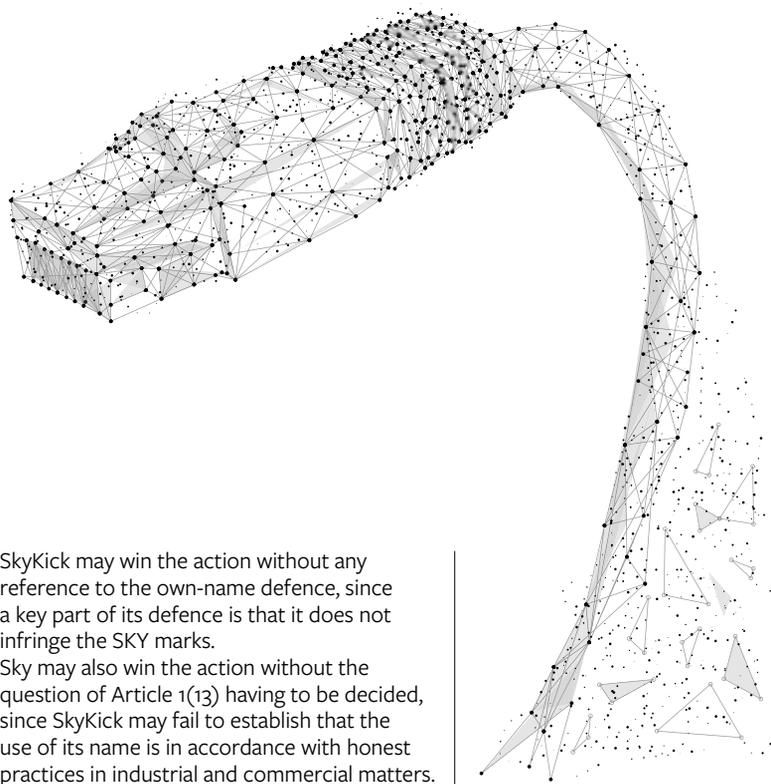
In February 2016, SkyKick filed an international trade mark application

designating the EU. It also brought applications at EUIPO to invalidate Sky's EU trade marks (EUTMs) on the basis that the word SKY was not distinctive in relation to the field of cloud computing. In addition, SkyKick brought proceedings in the Intellectual Property Enterprise Court seeking a declaration of non-infringement. In response, Sky initiated proceedings in the High Court for infringement of two of its EUTMs and one UK trade mark in relation to the use of SKYKICK. It relied on Articles 9(1)(b) and 9(1)(c) of the Regulation, and corresponding parts of the UK Trade Marks Act 1994 (TMA).

SkyKick's defence was that it had very different businesses from Sky and operated in different fields, so was not in competition. In addition, SkyKick relied on the own-name defence, and contended that it was using its own name in accordance with honest practices in industrial or commercial matters.



The Judge was not convinced by any argument by SkyKick that reference to the CJEU would give it much-needed certainty as soon as possible



OWN-NAME DEFENCE

The own-name defence is still part of UK law, pursuant to s11(2)(a) TMA for corporate entities; however, it is due to be amended in accordance with Article 1(13) of the Regulation to apply to natural persons only. The own-name defence has already been limited to natural persons for infringement of EUTMs. SkyKick therefore applied for a reference to the CJEU to review the validity of Article 1(13) of the Regulation. They said that it was invalid, as it was an interference with the freedom to conduct business and the right to property that companies had under the existing law as it was interpreted in *Anheuser-Busch v Budějovický Budvar*.¹ SkyKick also argued that there had been no proper impact of the change in the law to remove the own-name defence for companies, and that it was discriminatory between natural and legal persons.

Sky argued that the EU legislator originally intended that the law relating to the own-name defence to trade mark infringement would only apply to natural persons, and that the legislator has now simply decided to make an express alteration to the law to adjust it to reflect what was intended in the first place.

OUTCOME

The Judge thought that both parties had a properly arguable case, but that the merits of the argument of law were not strong enough either way to weigh in the balance in the exercise of the Court's discretion to make a reference to the CJEU. In making his decision, the Judge considered that:

- 1) SkyKick may win the action without any reference to the own-name defence, since a key part of its defence is that it does not infringe the SKY marks.
- 2) Sky may also win the action without the question of Article 1(13) having to be decided, since SkyKick may fail to establish that the use of its name is in accordance with honest practices in industrial and commercial matters.
- 3) If the Court decided to make a reference to the CJEU now, it would need to set out a factual basis on which the CJEU was to be invited to consider the matter, which, at this stage, could be based only on assumptions.
- 4) SkyKick argued that it needed certainty as a start-up that is still making a loss and dependent on funding from investors. As originally formulated, SkyKick's application involved a stay of the proceedings once the reference to the CJEU had been made. The Judge said that this was not a way of producing certainty quickly and he was therefore not convinced by any argument by SkyKick that the reference would give it much-needed certainty as soon as possible. In addition, the Judge did not think that it was justified to make a reference to the CJEU and keep the proceedings on track for trial rather than wait and see if a reference was required after trial.

KEY POINT

- SkyKick's application for a reference to the CJEU as to whether the own name defence is contrary to EU rights was rejected

¹ Case C-245/02 [2004] ECR I-10989.



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Going grey

George Sevier considers a final decision on criminal liability for grey goods



THE DEFENDANTS in criminal proceedings were accused of dealing in counterfeit and “grey” goods. Their dealings were alleged to amount to offences under s92(1) of the Trade Marks Act 1994 (TMA). The Defendants sought to argue that the offences set out in s92(1) applied only to counterfeits – an argument rejected by the Crown Court and Court of Appeal, and now the Supreme Court.

The Supreme Court also confirmed that treating dealings in grey goods as a criminal offence did not constitute a disproportionate breach of the right to protection of property under the European Convention on Human Rights (ECHR).

Whereas counterfeits are goods manufactured without the consent of the proprietor of a trade mark applied to the goods, “grey” goods are products the trade mark owner has allowed to be manufactured, but which are put on the market without its consent.

The sale of counterfeits and grey goods amounts to infringement under s10 TMA, as long as the trade mark owner has not consented to the sale of the products in the European Economic Area (s12 TMA). It has long been understood that dealing in counterfeit and grey goods also amounts to a criminal offence under s92(1) where:

“... a person ... with a view to gain for himself or another, or with intent to cause loss to another, and without the consent of the proprietor (a) applies to goods or their packaging a sign identical to, or likely to be mistaken for, a registered trade mark, or (b) sells or lets for hire, offers or exposes for sale or hire or distributes goods which bear, or the packaging of which bears, such a sign, or (c) has in his possession, custody or control in the course of a business any such goods with a view to the doing of

anything, by himself or another, which would be an offence under paragraph (b).”

STRAINED ARGUMENT

The Defendants contended that “such a sign” referred back to s92(1)(a). In other words, s92(1)(b) applied only when the relevant sign, or trade mark, had been applied to goods without the proprietor’s consent. As grey goods have the trade mark applied with consent, they argued that these were not goods that bore “such a sign”. The Supreme Court held that this was a “strained” construction of s92(1)(b), and the argument was dismissed.

The Defendants also argued that s92(1) involved a disproportionate breach of their rights to peaceful enjoyment of their possessions and to not be deprived of their possessions under Article 1, Protocol 1 ECHR.

This argument was also dismissed. Although the Appellants had rights in the goods they had bought, they did not have proprietary rights in the trade marks. Section 92(1) did not stop them from selling the goods, so long as the trade marks were not attached. The TMA did not, therefore, deprive the Appellants of any property.

BEYOND DOUBT

This decision confirms the position that has been adopted for years, but putting the matter beyond doubt can only be helpful for brand owners.

KEY POINTS

- ▶ Dealing in grey goods can be a criminal offence under s92(1) TMA
- ▶ Imposing criminal sanctions for the sale of goods that infringe trade marks is not a disproportionate breach of the ECHR



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Off track

An unconvincing argument derailed the Applicant, explains Richard May

IN MARCH 2016, Tictrac Ltd (the Applicant), which operates a digital health platform, filed a UK trade mark application for the sign depicted below in classes 9, 16, 35, 36, 38, 41 and 42 (the Application).

UDG United Digital Group GmbH (the Opponent) opposed the Application under s5(2)(b) of the Trade Marks Act 1994. The Opponent is the owner of a mark (also depicted below) in classes 9, 35, 36, 38, 41 and 42, and operates in the field of digital marketing. Its registration is less than five years old and not subject to proof of use.

MERIC PRINCIPLE

When comparing the contested goods and services, the Hearing Officer (HO) relied heavily on the Gérard Meric principle: goods can be considered identical when the goods designated by the application are included in a more general category designated by the earlier mark. Consequently, the HO concluded that large swathes of the Applicant's specifications were identical to the Opponent's goods and services due to the Opponent's inclusion of broad terms such as "computer software" in class 9, "data search in computer files" in class 35 and "financial affairs" in class 36.

The HO was also content to acknowledge similarity between a number of goods and services. For example, he found similarity between: "downloadable publications" in class 9 and "publishing services" in class 35; "telecommunications devices" in class 9 and "telecommunications services" in class 38; and "books, photographs and graphic prints" in class 16 and "publication of printed matter" in class 41. Overall, most of the Applicant's goods and services were deemed identical or similar to those covered by the Opponent's registration.

OPTICAL ILLUSION?

All parties agreed that the Opponent's mark consisted of a fingerprint device. The Opponent said the same of the Application. However, the Applicant argued that its sign consisted of a device resembling a racing track, the distinctive word being TICTRAC, and that, within the device, the letters "T", "I" and "C" could clearly be perceived (although the HO quickly discarded the latter point).

Relying on CJEU case law regarding mixed word and device marks, the HO concluded that, although the word TICTRAC contributed to the overall impression of the Application, he was not bound to regard it as dominant. Given its size and positioning, the HO concluded that the device element made a greater contribution to the overall impression of the Application.

CONFUSION

The HO concluded that the contested marks were both fingerprints, and went on to find them visually similar and conceptually identical. Consequently, a finding of confusion followed, and the Application was rejected for all of the conflicting goods and services.

This case highlights the value of broad specifications in the first five years of registration. Arguably, the parties are not in competition, yet the Opponent was able to prevent a similar mark from proceeding to registration largely due to the Meric principle and a young registration.

KEY POINTS

- ▶ The HO applied established case law and found that, in a mixed trade mark comprising graphic and word elements, the word element must not by default be regarded as dominant
- ▶ The Opponent succeeded in arguing a likelihood of confusion based on the visual similarity and conceptual identity of the device marks

Tictrac's UK application
No 3154420



TICTRAC

UDG's EU registration
No 12591038



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All shook up

BrewDog found itself in the doghouse over an Elvis mark, reports Melanie Stevenson



BREWDOG PLC, a Scottish craft brewery known as much for its quirky branding as for its beers, applied to register ELVIS JUICE and BREWDOG ELVIS JUICE in respect of beer, ale and, in the case of the latter, a range of class 32 goods. Both applications were opposed by ABG EPE IP LLC (ABG), a brand management company linked to Elvis Presley’s estate, on the basis of its EU trade mark registrations ELVIS and ELVIS PRESLEY for class 32 goods, and related class 35 retail and wholesale services. ABG pursued its opposition under s5(2)(b) of the Trade Marks Act 1994, dropping its initially pleaded s5(3) grounds.

ANALYSIS

The goods all being identical or similar, the analysis focused on the marks, and in particular on the balance between the various elements in each composite mark. ABG argued that JUICE was generic of liquids, including alcoholic drinks, and/or might suggest that the liquid held some special power, while ELVIS was highly distinctive. BrewDog countered that JUICE was purely fanciful for the goods, and that the average consumer would see ELVIS JUICE simply as a funny name. Interestingly, presumably in response to BrewDog’s argument that ELVIS was of low distinctiveness due to its commemorative function in respect of Elvis Presley, ABG appeared to question the extent to which the name Elvis holds any meaning in this day and age. (Fans will be pleased to read that the Hearing Officer (HO) firmly quashed any suggestion that the King’s star may be waning.)

The HO found that ELVIS was of average inherent distinctiveness (ABG had not filed evidence of use), whereas JUICE had “some mild allusive characteristics”. Although consumers would consider the two words to form a single unit, ELVIS would be the slightly more prominent of the two. No matter how (im)perfect the recollection of the average consumer, ELVIS JUICE would likely be regarded as a sub-brand or brand extension of ELVIS. Therefore, there was a risk of indirect confusion on the part of consumers between ELVIS and ELVIS JUICE.

Reviewing the case law on composite marks, the HO reached the same conclusion for BREWDOG ELVIS JUICE, despite the relative reputation and inherent distinctiveness of BrewDog’s house mark, and the fact that BREWDOG retains in the composite mark an independent distinctive role roughly equal to that of the ELVIS JUICE element.

The HO stated that: “It is important to bear in mind when considering these marks that even though Elvis may have a concept to aid recall, one is still looking at a brand, not the person himself.” However, he considered Elvis to be an uncommon name, with Elvis Presley being the most famous Elvis. Use of Elvis therefore provided a conceptual hook for the average consumer in the contested applications, as well as in the earlier marks.

PROTEST ACT

It remains to be seen whether BrewDog will appeal. In the meantime, however, BrewDog’s co-founders have changed their names to Elvis by deed poll in protest at the idea “that a name could be confined to a single, late celebrity”.

KEY POINTS

- ▶ The average consumer of beer may be more considered nowadays than in the past, but will not deploy above-average levels of care and attention
- ▶ A famous name such as Elvis is more likely to be considered distinctive for goods that would not traditionally be used in a commemorative manner than for traditional memorabilia
- ▶ The HO considered that the reputation and inherent distinctiveness of BREWDOG were insufficient to remove the risk of indirect confusion between BREWDOG ELVIS JUICE and ELVIS



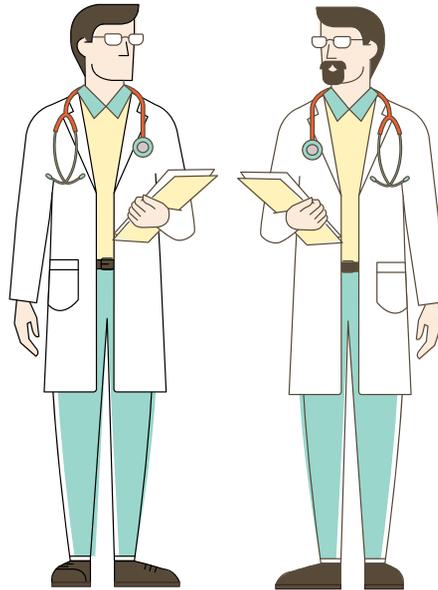
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Harley a difference?

Charlotte Wilding suggests that requiring proof of use could have been the right prescription



BERKSHIRE AND HARLEY LLP (B&H) is the proprietor of UK trade mark No 3107547 (shown below) in classes 9, 10 and 44. HCA International Ltd (HCA) opposed the application under ss5(2)(b) and 5(3) of the Trade Marks Act 1994, relying on its earlier UK trade mark No 2308643 THE HARLEY STREET CLINIC in class 44.

HCA filed a witness statement from its CEO, Mr Aida Yousefi, which provided details of the group’s five hospitals, including The Harley Street Clinic (founded in 1965). Exhibits included revenue figures, patient numbers, information leaflets, press releases and articles.

B&H filed a witness statement from Mr Ahmed El-Amir, Operations Manager at the Harley Street Eye Clinic. This stated that B&H is a leading ophthalmic clinic group comprising the Harley Street Eye Clinic and the Berkshire Eye Clinic. B&H was incorporated in March 2014, and Mr El-Amir claimed it had grown in reputation in the UK since. The exhibits contained promotional materials, newspaper articles, website printouts and in-house brochures.

B&H did not put HCA to proof of use.

HEARING HIGHLIGHTS

In a hearing on 26th May 2017, in relation to s5(2)(b), the marks were found to be phonetically and conceptually highly similar, with a medium level of visual similarity. The class 44 services were held to be identical, as HCA’s specification covered broad medical and healthcare services.

The class 9 goods were reviewed in three groups, of which the majority were found to have a moderate degree of similarity on the basis that they were complementary. The remainder of the class 9 goods were considered dissimilar, as there was “no evidence as to the probability of a medical/healthcare service provider being responsible (economically) for any goods used in the treatment and diagnosis of illness”.

The class 10 goods were separated into five groups, all of which were considered to be

dissimilar (except “eye baths, eye droppers”), on the basis that such goods could be purchased by the general public or prescribed to patients, such that the end users were the same.

Although use of HCA’s mark was not insignificant, it was considered to be weak in distinctive character. To the extent that the goods and services were identical or similar, likelihood of confusion was found to exist. However, where the goods were dissimilar, there was none. The s5(3) ground was dismissed, as the acquired reputation of HCA’s mark was found to be low.

Ultimately, the opposition failed in respect of a number of class 9 and 10 goods, with the remaining goods and class 44 services being refused registration. As both parties were equally successful, an award of costs was not issued.

The decision highlights the importance of considering goods and services individually in order to allow for a proper comparison. Further, where a registration is more than five years old, it should always be put to proof of use. Had B&H done so, HCA’s broad class 44 specification may have required amendment to be more limited, which may have reduced the likelihood of confusion.

KEY POINTS

- ▶ Always put an Opponent to proof of use if a mark is more than five years old
- ▶ A detailed comparison of separate goods and services is likely to be necessary
- ▶ Significant use of a mark does not automatically mean distinctiveness

UK registration
No 3107547



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Attack of the clone?



Robert Cumming wonders why unfair advantage was not raised by the Applicant

HERE, AN INVALIDITY application was filed by Star Television Productions Ltd (the Applicant) against UK trade mark registration No 3084008 (the Registration) in the name of Starverse Media Ltd (the Proprietor). The Registration provided protection for entertainment and broadcasting services, and related goods and services.

The Applicant owns a number of “Star” branded television channels aimed at the South Asian market and received by more than 10 million viewers in the UK. Its Earlier Mark (i) (shown right) covers broadcasting and entertainment services, and other related goods and services.

The application for invalidity was based on the following grounds:

- Section 5(2)(b) of the Trade Marks Act 1994 (TMA) – the Registration was similar to and covered identical or similar goods and services to the Earlier Mark, and a likelihood of confusion with Earlier Mark (i) existed.
- Section 5(4)(a) TMA – there was goodwill in Earlier Marks (ii) to (vi); misrepresentation by the Proprietor, resulting in damage (or likelihood thereof).

Both parties filed evidence, and the case was decided on the papers. Under s5(2)(b) TMA, the UK IPO found visual, aural and conceptual similarity between the Registration and Earlier Mark (i). Its assessment took into account the nature and intended purpose of the goods and services, and the parties’ common trade channels. Many of the goods and services were deemed to be self-evidently identical or highly similar. Notably, some of the Proprietor’s services were not obviously covered by terms in Earlier Mark (i)’s specification, yet the IPO deemed that there was a medium level of similarity because of the “close connection” of the services.

Despite the Proprietor’s arguments, the IPO did not take account of actual use. Analysis was made in relation to the goods and services as listed in the respective specifications. Accordingly, under s5(2)(b), the Applicant was partially successful, invalidating the Registration in respect of goods and services with at least a medium level of similarity to those covered by the Earlier Mark.

Finding those goods and services invalid under s5(2)(b), the IPO didn’t need to consider s5(4)(a) grounds. For the remaining goods and services where no similarity was found under s5(2)(b), such as marketing and advertising, the IPO went on to consider the grounds under s5(4)(a).

Addressing misrepresentation, the IPO found that, as the services were “too far apart for any economic connection to be made”, members of the public were unlikely to be misled. Given this, it did not assess whether goodwill existed, despite evidence of consumer awareness of the Applicant’s services, media presence, and details of significant annual sales and marketing spend.

Ultimately, the UK IPO only found 60 per cent of the goods and services listed in the Registration invalid. Reduced costs were awarded at 60 per cent.

This case is particularly interesting, because the Applicant did not raise s5(3) arguments (unfair advantage), which might have changed the outcome in relation to the non-similar services.

KEY POINTS

- ▶ In the assessment of similarity of goods and services, how the mark was used by the Proprietor was irrelevant
- ▶ Despite evidence of extensive use, the IPO did not analyse goodwill under s5(4)(a) TMA after finding that there could be no misrepresentation because the services in question were “too far apart”

The Registration



The Earlier Marks



(i) (series of two)



(ii)



(iii)



(iv)



(v)



(vi)



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Hold the Bellini

Magdalena Borucka explains why a Cipriani scion failed to secure a name-based mark



GIUSEPPE CIPRIANI founded Harry's Bar, home of the Bellini, in Venice in 1931, and opened Hotel Cipriani in 1958. In 1966, all shares in the hotel were transferred to a third party, and Hotel Cipriani SpA (now Hotel Cipriani Srl) was authorised to use the name Cipriani. In 2014, the hotel was renamed Belmond Hotel Cipriani. It has earned a reputation as one of the world's most luxurious hotels.

Giuseppe Cipriani and, subsequently, his son, Arrigo Cipriani, carried on running Harry's Bar and opening new venues under the Cipriani family name, becoming known for serving traditional Italian food in an opulent setting.

In 1969, Hotel Cipriani SpA applied to register the Italian word mark CIPRIANI and, in 1996, applied for an EU trade mark (EUTM), which was transferred to Hotel Cipriani Srl in 2006. On 31st July 2009, Arrigo filed an application for a declaration of invalidity of this EUTM in respect of all goods and services on the grounds of Article 52(1)(b) of Council Regulation (EC) No 207/2009 (EUTMR) (bad faith), and Article 53(2)(a) EUTMR, read together with Article 8(3) of the Italian Industrial Property Code (infringement of the right of a well-known person to his name). The Cancellation Division rejected the application, and EUIPO's Fourth Board of Appeal (BoA) dismissed Arrigo's appeal. Arrigo appealed to the General Court (GC).

The GC affirmed the test for bad faith and confirmed that all relevant factors at the time of filing of a trade mark application must be taken into account. Since the Italian registration had never been challenged, seeking registration for an EU mark for business activities lawfully exercised for many years could never constitute

an act of bad faith. Extending the protection of a national mark to the EU can only be seen as a normal commercial strategy. In the GC's opinion, Arrigo had not produced evidence to support his allegations that the sole intention of the EUTM registrant was to hinder Arrigo's activity in the independent restaurant sector.



The GC further confirmed that EUIPO may take the judgment of national authorities into consideration, and found that the BoA was right in referring to the judgment of 9th December 2008 of the English High Court and applying the principle of *res judicata*.

Regarding the alleged infringement of Italian law, the GC held that Arrigo failed to produce the national provisions or elements of doctrine that applied. The evidence aiming to show that the surname Cipriani is commonly linked per se to Arrigo was insufficient, especially as most of it referred to him by his first name and surname. Therefore, at the relevant date, Arrigo could not have relied on the renown of the Cipriani surname alone, and the relevant Italian provision could not apply. The application was dismissed as unfounded.

The factual matrix surrounding the Cipriani name is complicated and has now been the subject of a number of proceedings. That said, there is little new law in this decision, which simply restates the position on bad faith.

KEY POINTS

- ▶ The established test for bad faith was confirmed
- ▶ EUIPO may take into consideration decisions given by national authorities
- ▶ No satisfactory evidence for an own-name defence was produced



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Pirelli doesn't earn its stripes

Simple tyre markings were not distinctive, reports Sinéad Mahon

THE GENERAL COURT (GC) has upheld the refusal by a EUIPO Board of Appeal (BoA) to register as a trade mark a sign consisting of a pair of curved strips on the side of a tyre.

In October 2014, Pirelli Tyre SpA filed an EU trade mark application for a figurative mark for “tyres, solid, semi-pneumatic and pneumatic tyres, rims and overs for vehicle wheels” in class 12. The Examiner refused the application on the ground that the mark was devoid of distinctive character.

Pirelli appealed, but the BoA dismissed the appeal, finding the mark inherently devoid of distinctive character under Article 7(1)(b) of Council Regulation (EC) No 207/2009 (EUTMR). The BoA noted that the goods applied for were aimed at professionals and the general public, who pay a high level of attention when purchasing. It also noted that the shape of the stripes in the mark was too simple, and that the position and colour of the stripes on the side of the tyres were not capable of adding distinctive character. Pirelli had filed no evidence to substantiate a claim that the mark had acquired a distinctive character through use.

Pirelli appealed and adduced new evidence before the GC to support the claim that the mark was distinctive. However, as the GC cannot review new evidence, it was rejected.

PLEA REJECTED

In its first plea, Pirelli claimed that the BoA conducted only an overall analysis of the distinctive character of the mark for the goods concerned, without giving reasons for its decision for each of the goods covered. Pirelli claimed that the relevant public would perceive the mark as more than a mere frame for technical information, but, as it is common to include technical specifications

on the side of tyres, the BoA did not need to take the specific reasoning into account, and this plea was rejected. Pirelli also claimed that the BoA infringed Article 76 EUTMR by finding that the mark was devoid of distinctive character without providing evidence of the same, but it was found that the BoA does not need to supplement the evidence in its possession.

INSUFFICIENT EVIDENCE

Pirelli also argued that the BoA was wrong to conclude that the mark was devoid of any distinctive character. It claimed that the criterion for this is how the relevant market perceives the mark. The GC found that the BoA was correct to consider the mark simple and void of any aspects that the relevant public would perceive as indicating the commercial origin of the goods.

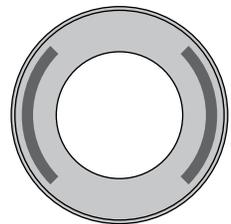
The third plea contested the BoA's decision that the mark had not acquired a distinctive character through use. The evidence did not include information relating to the market share held by the mark, or the duration, extent or geographic area of use. Instead, it largely related to stripes affixed to tyres that also included the mark PIRELLI. The GC found that the evidence was insufficient to establish that the relevant person would identify the mark applied for, and therefore it had not acquired distinctive character through use.



KEY POINTS

- ▶ The threshold is high in terms of the ability to register position marks that consist of a basic geometrical figure; there must be additional elements that enable the consumer to remember the mark
- ▶ Evidence of acquired distinctiveness through use must contain details of the market share held by the mark, and the duration, extent and geographic area of use

- ▶ The mark applied for



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No QD for LG

One possible meaning was all it took to quash registration, says David Yeomans

IN THIS JUDGMENT, the General Court (GC) determined that the mark QD was not registrable as an EU trade mark (EUTM) for a range of goods in class 9.

On 12th January 2015, LG Electronics, Inc (LG) applied to register QD as an EUTM for some consumer electronic products and associated software in class 9. EUIPO refused the application on the basis that the mark was descriptive of the goods and non-distinctive.

LG's subsequent appeal was rejected by the Board of Appeal (BoA) on 24th May 2016. The BoA stated that the acronym "QD" would be taken to mean "quantum dot", a type of display technology used in televisions, monitors and mobile devices.

LG further appealed to the GC, relying on two pleas in law: infringement of Articles 7(1)(b) and 7(1)(c) of Council Regulation (EC) No 207/2009.

PLEAS DISMISSED

In its first plea, LG disputed the reliability of the sources relied upon by the BoA in support of its assertion that "QD" can mean "quantum dot", but did not supply any evidence or a detailed argument. The sources in question were two online dictionaries specialising in abbreviations/acronyms and four commercial websites relating to relevant goods (eg an extract from a website advising consumers on choosing a television).

This argument was dismissed by the GC, which stated that, although particular caution needs to be taken when dealing with certain internet sources, the fact that the BoA had located evidence showing that "QD" has been/is being used by several operators in the field concerned as an abbreviation for "quantum dot" was sufficient to support its finding of descriptiveness. The GC stated that this

reasoning also applied to the Applicant's audio goods (since they usually have a screen that could use quantum dot technology) and software (since the software could be intended to form part of devices incorporating the technology).

LG also argued that the letters "Q" and "D" have no specific meaning in relation to the goods concerned, since the abbreviation "QD" meaning "quantum dot" does not feature in any of the three dictionaries that it considered authoritative, and that, when understood to be an acronym, QD would be taken to mean *quaque die* (Latin for "every day").

The GC rejected these arguments, pointing out that the registration of a word mark must be refused if at least one possible meaning identifies a feature of the goods or services concerned.

In view of its decision that the mark was descriptive, there was no need for the GC to examine LG's second plea in law: whether or not the mark lacked distinctive character.

DESCRIPTIVENESS REMINDER

This judgment serves as a reminder of the potential difficulty in registering marks of this nature. If one possible interpretation of the mark identifies a feature or characteristic of the goods or services concerned, it is likely to be very difficult to register it without submitting evidence of distinctiveness acquired through use.

KEY POINTS

- ▶ In the context of the goods concerned, "QD" would be taken by some to mean "quantum dot"
- ▶ Since a quantum dot display is a potential feature of the goods, the mark is descriptive, notwithstanding the fact that other interpretations of the mark are possible



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Laws of attraction

The case was a lesson in goodwill assessment, writes Désirée Fields

ON 23RD JANUARY 2012, Mr Egüed filed an EU trade mark (EUTM) application for the figurative mark BYRON covering wine and alcoholic beverages (shown below). Jackson Family Farms LLC (JFF) opposed the application on the basis of Article 8(4) of Council Regulation (EC) No 207/2009 (EUTMR), relying solely on the earlier non-registered trade mark BYRON, used in the course of trade to designate wine.

The opposition was upheld, and EUIPO's Second Board of Appeal (BoA) dismissed Mr Egüed's appeal, finding that JFF was engaged in genuine trading activities and that goodwill had been established. Mr Egüed appealed the decision to the General Court (GC).

HYPOTHETICAL

On appeal, the GC had to assess whether the BoA had correctly decided that UK law would hypothetically allow JFF to prohibit the use of the later mark in an action for passing off. The GC noted that goodwill would be proven by trading activities, advertising and customers' accounts, and that the relevant date was the application date of Mr Egüed's EUTM. Later evidence could not be taken into account.

The GC considered that invoices issued to UK wine wholesaler Boutinot and sent to a UK address were the most relevant evidence, as they demonstrated that wines had been sold under the BYRON trade mark in the UK. The GC noted that an accumulation of evidence could establish the necessary facts even where each individual item would be insufficient.

The GC confirmed the BoA's decision that JFF was engaged in genuine trading activities concerning the wines sold under the BYRON trade mark and had acquired goodwill by the relevant date. The GC held that even very slight trading activity could create goodwill.

An opponent relying on Article 8(4) EUTMR had to provide evidence not only of the earlier right's acquisition and scope, but also the

continued existence of the earlier right. The GC concluded that the goodwill acquired on the application date of the contested application continued to exist five months later, when the opposition was filed.

Where Mr Egüed contended that, even if the non-registered trade mark BYRON generated goodwill in the UK, said goodwill would be owned by Boutinot, the GC noted that JFF controlled the manufacture and quality of the goods, and that the public probably perceived it as the producer of the wine. It was irrelevant that JFF had allowed its earlier EUTM BYRON to expire in 2007.

Dismissing the appeal, the GC confirmed that, given the identical nature of the goods concerned and similarities between the signs, there was a likelihood that consumers would confuse Mr Egüed's goods with those of JFF, which would cause JFF damage.

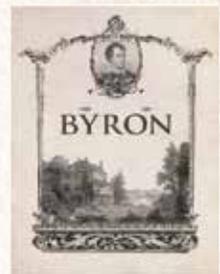
DECIDING FACTOR

This case illustrates how EUIPO bodies assess goodwill in EU opposition proceedings. The EUIPO and GC would not rely exclusively on documents submitted by the Opponent to assess the national laws of the Member State concerned, and should carry out an overall assessment of all evidence produced. The size of the Claimant's business was not determinative, and the deciding factor was to show that the Opponent was engaged in genuine trading activities at the relevant date, the filing date of the contested application, and that the goodwill continued to exist at the time of the filing of the opposition.

KEY POINTS

- ▶ Goodwill must be proved at the date of the application of the contested EUTM
- ▶ The opponent must provide evidence of continued existence at the date of the filing of the opposition
- ▶ The size of an opponent's business is not determinative; rather, the opponent must show that it is engaged in genuine trading activities

- ▶ The mark applied for



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events

More details can be found at citma.org.uk

DATE	EVENT	LOCATION	CPD HOURS
24th October	CITMA Lecture – London* Nailing jelly – tips on effective trade mark practice	58VE, London EC4	1
27th October	CITMA Paralegal Seminar Madrid Protocol: tips and tricks – what paralegals need to know	Keltie LLP, London SE1	
1st November	CITMA Seminar for Litigators – London	Carpmaels & Ransford LLP, London WC1	2.5
15th November	CITMA Webinar	Log in online	1
28th November	CITMA Lecture – London* Update on UK IPO and UK court cases	58VE, London EC4	1
8th December	CITMA Christmas Lunch – London**	London Hilton on Park Lane, London W1	
13th December	CITMA Northern Christmas Event	TBC	

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THE TRADE MARK 20

Q&A



I work as... a part-qualified Trade Mark Attorney at Marks & Clerk.

Before this role, I was... an IP Administrator at Marks & Clerk.

My current state of mind is... restless. I am trying to make the most of the summer before the Nottingham course in October.

I became interested in IP when... I reluctantly agreed to do some work experience at an electronics company in Shanghai. I was fascinated with how the law could keep up with fast-paced product launches.

I am most inspired by... new challenges.

In my role, I most enjoy... coming up with creative arguments for what seems like a weak case.

In my role, I most dislike... spending weekends studying, but it will be worth it in the end!

On my desk is... a framed photo of me and my partner at a Christmas ball, and a purple wheelee bin-shaped stationery pot – a nod to my Liverpoolian roots.

My favourite mug... is covered with French bulldogs. The dream is to have my own Frenchie sidekick called Pablo one day.

My favourite place to visit on business is... the office of my forward-thinking fashion client, where some meeting rooms have swings suspended from the ceiling instead of chairs.

If I were a trade mark/brand, I would be... the above fashion client – ambitious

and quick to adapt, but not afraid to inject a bit of fun and personality into things.

The biggest challenge for IP is... Brexit. Keeping clients informed of developments and maintaining “business as usual” are crucial.

The talent I wish I had is... being fluent in Spanish. I spent a year studying in Madrid, but, since then, the only practice I have had is when ordering tapas.

I can't live without... my daily to-do lists.

My ideal day would include... brunch at a dog-friendly café in Manchester's Northern Quarter and a stroll around the shops before an evening gig or theatre trip.

In my pocket is... an engraved business-card holder (a brilliant Secret Santa gift from a fellow trainee, Maya).

The best piece of advice I've been given is... being shown how to iron a shirt by my sixth-form tutor, who realised his form group was woefully unprepared for adult life.

When I want to relax, I... have a dance party in my apartment.

In the next five years, I hope to... qualify, buy a house (a millennial can dream) and be the proud owner of Pablo.

The best thing about being a member of CITMA is... keeping up to date with developments in the law, and the opportunity to get involved with groups like IP Out.



Frenchies and Spanish are front of mind for Jack Kenny

“

On Brexit, keeping clients informed of developments and maintaining ‘business as usual’ are crucial