

CITMA REVIEW

ISSUE 431

FEBRUARY 2017

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Welcome to 2017, a year in which we will consolidate CITMA's position as the pre-eminent organisation for trade marks and designs in the UK and further promote the quality of expertise of our members. Also this year, we will continue to campaign for the ongoing rights of representation for our members at EUIPO and for the smooth transition of registered EU trade marks and designs in a post-Brexit world.

There will, of course, be business as usual, including a focus on many of the areas highlighted in this issue of the *CITMA Review*, from negotiating and litigating to further promoting the initiatives of IP Inclusive. It will be another busy year for all of us, but I am confident that, as a chartered institute, we have the strength to thrive despite the challenges ahead.

Kate O'Rourke

Kate O'Rourke
CITMA President

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CITMA



CITMA | INSIDER

Chief Executive's bulletin

Highlights from and updates to Keven Bader's 15th December 2016 message to members



IT COULD BE said that, since my last bulletin, quite a lot has happened.

Obtaining the Royal Charter and launching CITMA may have taken up most of my time in 2016, and more time in recent months, but the organisation still (and I hope you agree) continued with business as usual and didn't get distracted.

Our launch event is featured on page 6 of this issue. We were also very proud to be able to unveil our new charter to our Christmas party guests (see page 8 for photos). On a personal note, I'd like to say that I am really honoured to have been part of what we achieved in 2016, and immensely proud of and grateful to all members for your support.

The award of a Royal Charter is significant; it recognises the hard work you put in, the professionalism in what you do and the service you provide.

For CITMA, we have a great platform from which we can continue to work towards our objectives, ensuring we are promoting and supporting the profession in the best possible way. Whatever challenges we face in the future, we are ready, willing and, I am confident, able to meet them. I hope you have the assurance that we are here for you.

If you haven't had a chance, please do take a look at the information we have on the CITMA website about the Royal Charter. We have uploaded a lot of content that we hope you will find of interest and of use.

It has been pleasing to see so many members updating their professional profiles, and using the title and designation letters available.

In the near future, we plan to share with you some data from the PR campaign carried out alongside the charter launch. I know that your input and your sharing of messages certainly helped to make it a successful event.

2017 SUBSCRIPTIONS

You should have received your subscription notice for 2017. A reminder: the deadline for payment is the end of February – but why wait? Once you have paid, we will be sending you a new CITMA certificate with a special membership pin badge as a small, but perfectly formed, gesture to thank you for your support.

STAFF CHANGES AT CITMA

On 19th December, a new Membership & Engagement Officer started at CITMA. Sashoy Beckford replaces Gavin Graham, who is moving back to his homeland, Scotland. We wish Gavin well for the future and welcome Sashoy. If you have any membership queries or questions about your 2017 subscription, Sashoy will be your main contact: sashoy@citma.org.uk

BREXIT UPDATE

With all the political ebbing and flowing, it has been difficult to proceed on matters related to Brexit with any degree of certainty. The swinging between “soft Brexit” and “hard Brexit”, and all various ifs and buts, does make it complicated, but we are gathering our information and thoughts ready to respond to official consultations that we suspect will be published in early 2017.

In the meantime, we will also continue our dialogue with relevant stakeholders and officials to keep the momentum going and bring IP into the view of those who need to know.

As you may be aware, we also asked members to submit answers to a UK IPO survey on Brexit that closed in late December. We will share any results when we receive news.

NEW CHAIRS IN PLACE

We have been notified by IPReg that Caroline Corby has stepped down from her role as Chair. In the interim, until the appointment of a permanent Chair is made, IPReg lay board member Steve Gregory will take up the position of acting Chair.

The Legal Services Board announced the appointment of Dr Jane Martin as the Chair of the Legal Services Consumer Panel. Dr Martin took over the post from Elisabeth Davies earlier this month.



I am really honoured to have been part of what we achieved in 2016, and immensely proud of and grateful to all members for your support

Member *moves*



Douglas Thomson has joined the trade mark team at Creation IP Ltd. The company is based in Hillington, Glasgow, from where Douglas will serve the company's trade mark client base. Douglas can be contacted at douglas@creationip.com

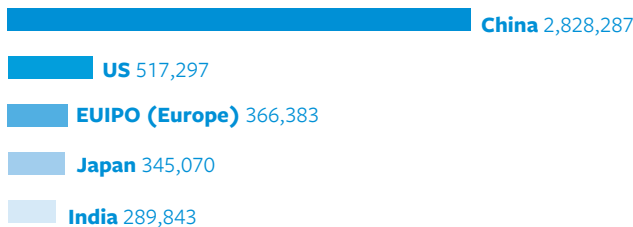
WIPO data: 2015 trade mark highlights



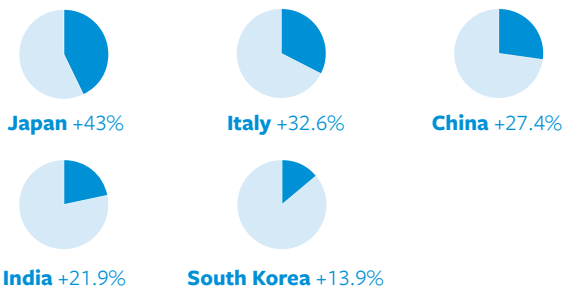
6 million
trade marks filed globally
+15.3%

Top 5 IP offices

Country/number of trade marks filed in 2015



Highest growth rates



SOURCE: WIPO (WIPO.INT), NOVEMBER 2016

New TPN takes effect

A new UK IPO tribunal practice notice (TPN) has come into effect regarding any notice of opposition or application for invalidity filed on or after 3rd January.

The TPN applies to statement of case submissions with these forms:

- TM7: Notice of opposition and statement of grounds;
- TM7F: Notice of fast-track opposition and statement of grounds; and
- TM26(I): Application to declare invalid a registration or a protected international trade mark (UK).

The UK IPO reports that "there has been a growing increase in the number of cases where parties, when completing the form(s), are not answering the questions by inserting the information required in the box(es) provided. Instead, the registrar is being referred to the statement of case. It is often difficult, especially when the paragraphs have not been numbered, to clearly identify where the relevant information appears within the statement of case. This can lead to additional work and costs for the registrar and the parties."

In future, a statement of case with a notice of opposition or application for invalidity must have numbered paragraphs.

Charter and cheer

Turn to page 8 for Christmas party coverage from London and Leeds
▶▶





Well-wishers from across the world of IP gathered at the historic College of Arms on 23rd November to see us receive our charter.

1. Windsor Herald of Arms Major WG Hunt TD and CITMA President Kate O'Rourke with the Royal Charter
2. CITMA Chief Executive Keven Bader addresses the audience
3. CITMA Past President Chris McLeod (right) mingles with guests
4. Attendees gather round for a closer look at the charter document
5. Ingenious "front page" canapés announced our momentous news
6. A close-up of the beautiful, hand-scribed Royal Charter



A look at our inaugural event as we became the Chartered Institute of Trade Mark Attorneys

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1. The room is packed as the three-course lunch kicks off
2. CITMA President Kate O'Rourke shares her highlights of 2016
3. The magnificent Royal Charter attracted plenty of admiration (pictured pointing: Dominic Farnsworth and Lynn Harris)
4. Guests exchange Christmas cheer at the drinks reception
5. Aidan Robson converses with colleagues
6. (L-R) Stephen Powell and Silvia Bertolero
7. (L-R) Louise Goodsell, Harpreet Dhaliwal and Richard Ferguson on the Stobbs IP table

Save the date

The 2017 London Christmas lunch will take place at the London Hilton on Park Lane on 8th December

Charter & Cheer

PHOTOGRAPHY BY SIMON O'CONNOR

The London Hilton on Park Lane played host to 600 guests attending the first CITMA Christmas lunch, marking the culmination of a special year for the profession





5



6



7

LEEDS LEADS THE WAY

PHOTOGRAPHY BY CARIN BURCHELL

Earlier the same week, the northern CITMA Christmas lunch saw members enjoying a lovely, leisurely meal in the sophisticated atmosphere of Gusto in the centre of Leeds.

1. (L-R) Seamus Doherty, Alan Fiddes, Rupert Bent and Keven Bader
2. (L-R) Rob Davey, Phillipa Holland and Graham Marlow
3. (L-R) Amanda Mallon, Alice Chaplin, Charlotte Lister, Sarah Cantrill, Rose Smalley, Amy Galloway and Rahema Hussain
4. (L-R) Peter Lambert, Abdulmalik Lawal, Victor Povid and David Sutherland



1



2



3



4

ANNUAL AWARDS

In London, the event also saw the presentation of awards to:

MICHAEL TENNANT (Tennant IP) – highest mark achieved by a CITMA member on Bournemouth University's Postgraduate Certificate in Intellectual Property

AMY GALLOWAY (Bond Dickinson) – highest mark achieved by a CITMA member on Nottingham Law School's Professional Certificate in Trade Mark Practice

EMILY SCOTT (Boulton Wade Tennant) – highest mark achieved by a CITMA member on Queen Mary University of London's Postgraduate Certificate in Trade Marks Law and Practice

SHARON KIRBY (Kilburn & Strode) – Hogarth award for the highest mark achieved by a Chartered Trade Mark Attorney on Nottingham Law School's Intellectual Property Litigation and Advocacy course

JADE COGGLE (Reckitt Benckiser Corporate Services) and **NATHAN CHAMBERS** (Wynne-Jones IP) – Thomson CompuMark award for the highest mark achieved on the 2016 ITMA Trade Mark Administrators' Course



The image features the word "GO" in a large, stylized font. The letters are dark blue with a dashed white line running through them, resembling a road. The letters are set against a light blue background with a decorative yellow frame. The frame is adorned with yellow leaves and small dots. The overall design is modern and artistic.

GO

YOUR
OWN
WAY

What does it take to set up your own IP business? The CITMA Review asked a panel of entrepreneurial members to reflect on their own journeys, as Carrie Bradley reports

PANEL PARTICIPANTS



CLARE MULLARKEY
STANMORE IP, FOUNDED JANUARY 2015, SOLE PRACTITIONER



JULIUS STOBBS
STOBBS IP, FOUNDED MARCH 2013, NOW EMPLOYS 60 PEOPLE



KATE SYMONS
BONE-KNELL SYMONS IP (DUBAI), CO-FOUNDER, MAY 2014



ANGELA THORNTON-JACKSON
JACKSON IP, DECEMBER 2013, FREELANCE CONSULTANT



AARON WOOD
WOOD IP, FOUNDED OCTOBER 2015

Many practitioners will have daydreamed at some point in their career about taking the leap and setting up their own IP firm or going it alone as a solo practitioner. As attractive as fantasies of becoming the master of your own destiny may be, there is no doubt that navigating the waters of self-employment or entrepreneurship is a serious and daunting prospect, and it is certainly not a commitment that many would embark upon lightly.

So, what does it really take to become the leader of a successful IP business? We put a series of questions to a panel of CITMA members who have taken the plunge and started their own practices, some large, some small, in the UK and abroad. They have all kindly shared with us the primary challenges that they faced and offered their advice for others considering embarking upon a similar journey.

What prompted you to establish your own IP firm or solo practice?

Clare Mullarkey: I had children! I had been on maternity leave and realised that I couldn't do my previous role justice as well as my new role as a mother of two small children. I didn't want to do either job badly, so worked out a solution that would enable me to carry on doing both. Initially, I intended to be freelance, but I have grown a small but thriving practice working with lots of small businesses and start-ups, especially businesses run by other parents.

Julius Stobbs: I felt that our profession generally (and the legal profession in IP) was a little old-fashioned and conservative, and I wanted to be able to offer something different, something more practical and less obviously legal – more of a partnership with clients, rather than just an

“
Research thoroughly, but be realistic and honest with yourself. It is a real challenge. Is your personality suited to it?

arm’s-length advisor relationship. I did not feel that I could achieve this in a traditional environment.

Kate Symons: In late 2012, I was employed by a leading London IP firm to help set up and run, along with Mark Bone-Knell, its first international office in Dubai, United Arab Emirates (UAE). When, in early 2014, the London firm decided to close the office, Mark and I saw the potential in the enterprise and decided to go it alone and establish our own partnership.

Angela Thornton-Jackson: I was a Partner at D Young & Co LLP and was very happy there for 14 years. But after having a baby I didn’t feel able to offer the time or commitment necessary to return to the firm. I was particularly concerned about the travel aspects of the role and how this would work with my new life.

Aaron Wood: For me, it was a mixture of issues. Ultimately, I felt my future and the ability to grow as a practitioner lay outside the firm that I was working for.

What have been the greatest rewards?

Clare: The biggest reward has been the ability to spend so much time with my children. I’ve also found it rewarding being able to run the business in the way I want to.

Julius: As our team has grown, we have been able to diversify to offer wider expertise and a range of services around brands perhaps considered

more ancillary to traditional Trade Mark Attorney work – and this is what I have always wanted to provide. The personal satisfaction has been the main thing: a feeling of real ownership and the ability

to provide a work environment that people seem to really value and enjoy. I also enjoy being able to make decisions without them being sanitised in any significant way.

Kate: The biggest reward is working to my own schedule and having flexibility – and the chance to co-own an IP business would probably never have presented itself in the UK. Also, life in Dubai is generally less of a rat race, which I really welcome. My original goals in coming here were to get my teeth into a new challenge, immerse myself in a new culture and plough more effort into business development. Setting up Bone-Knell Symons IP has ticked all these boxes and more.

Angela: The flexibility is the greatest reward for anyone with a family. The work can fit entirely around our schedule. You will never have to miss a school sports day or nativity play!

Aaron: I am free and flexible to the extent my clients allow me to be. Also, I have been able to help some clients I would never have been able to help at other firms, and the quality of work has never been better.

What have been the biggest challenges or setbacks?

Clare: Things I’ve found particularly challenging are choosing suppliers and learning to do everything around the running of a small business alone. You don’t always appreciate the level of work that goes into the business when you work within an organisation. Working out how to identify the time-waster enquiries and how much

information to provide before a potential client commits was also a learning curve.

Julius: For me, the biggest challenge was in setting up the business at scale. If you want to do high-level work for well-known brands and clients, you need some scale. However, the benefits of having large clients and significant growth are actually downsides when it comes to managing cash flow. Also, systems and external providers are hugely variable and very expensive, yet totally essential to our practice, which has created its own set of challenges.

Kate: Financially, running your own business is a sink-or-swim existence, which brings a fair amount of stress with it. The main issue for me is that the law and practice in the UAE is still in its infancy in comparison to the UK; the country itself is only 45 years old. To establish and carry out a business offering European standards within this framework can be challenging. And, while business development in the world of IP is always a challenge, it is even more so in a jurisdiction like the UAE, where trade mark registration can be expensive. It can be a hard sell at times.

Angela: There is a tendency for workload to be a case of feast or famine. Some weeks can be very quiet, others are very busy and you never really know when the work might come. At first, keeping up with continuing professional development can seem like a challenge, but CITMA and CIPA run a series of webinars, so development can also be pursued remotely.

Aaron: I had a few sleepless nights about cash flow in the very early days and dare say I will have a few more. Bad debts hurt more when you are a new firm, and there is the need to continuously question whether you have the most efficient systems and if you need to recruit. Winning new work is always tougher when you are new and small, and it can be hard to switch off.

What has been the most important thing you've learned?

Clare: I've learned that I have more confidence and a wider range of skills than I first thought. In terms of the profession, I've learned that we're really quite hidden in the "real world".

Julius: There are too many things to list. Everyone makes mistakes, but you have to learn, adapt and move on. You need to have a thick skin. Listen to experts, but also trust your judgment.

Kate: I followed my instincts and learned to believe in myself and my abilities. I joined forces with someone I trusted implicitly and believed in, and – crucially – who believed in me and what I could bring to the table. In terms of practising in IP in this part of the world, I learned to realign my thinking and realised that some things defy logic. Patience is your friend.

Angela: I have support out there in the community. I was delighted and flattered to have firms approach me and ask me to help out with their trade mark work. I also got emails of congratulations and encouragement from contacts all round the world, which was a great confidence boost.

Aaron: In the profession, we are all decent people doing the best job we believe we can, and we should be careful about our throwaway words or what we say to those on the other side. And, while firms are often keen to make a "grey" offering of people, it is what makes each of us different and interesting as people that makes clients like us. We must aim for consistency of advice and service, but we should avoid identikit associates and employing clones.

How would you advise others thinking of taking this step?

Clare: Go for it. It's scary and challenging, but also rewarding.

Julius: Research thoroughly, but be realistic and honest with yourself. It is

a real challenge. Is your personality suited to it? If you can answer this question in positive way, then go for it.

Kate: Do your homework, call on your contacts and believe in yourself.

Angela: I think you need to have enough experience in the profession with a firm first so that you have the confidence to deal with things on your own without the benefit of colleagues. You also need to have built up relationships with others in the profession, who will be your source of work.

Aaron: Be very clear about your financial position, including what you will have to spend to set up and where you will be getting work. Know exactly what you need to earn from the business each month, and how much that means you need to bill. As much as you may want to move on from time recordal and billing targets, these are your lifeline.

Where can others go for further advice and support in starting their own IP firm/solo practice?

Clare: There are quite a few networking organisations and groups that have helped me, many of them informal. I've been really fortunate to meet some lovely fellow business owners who have encouraged me, and I have a good friend who had done something similar a year before me, so I had someone I could ask for help and advice.

Julius: Obviously, talking to those who have done something similar to get their take on pros, cons and what to do is sensible, but you also need detached business advice. There are now a lot of business consultancies (and some accountants) that will give

objective advice and offer their professional expertise in areas in which you may not have any experience, and I think that is essential.

Kate: In the UAE, we recommend CBD Consultancy to assist with the mechanics of starting a business here. In terms of IP, I believe it is a close-knit community and am confident that members of the profession will be more than happy to offer advice.

Angela: IPReg, CITMA and PAMIA will all help with the formalities. LinkedIn has been a very useful tool, and blogs like IPKat are great for keeping up with the latest issues.

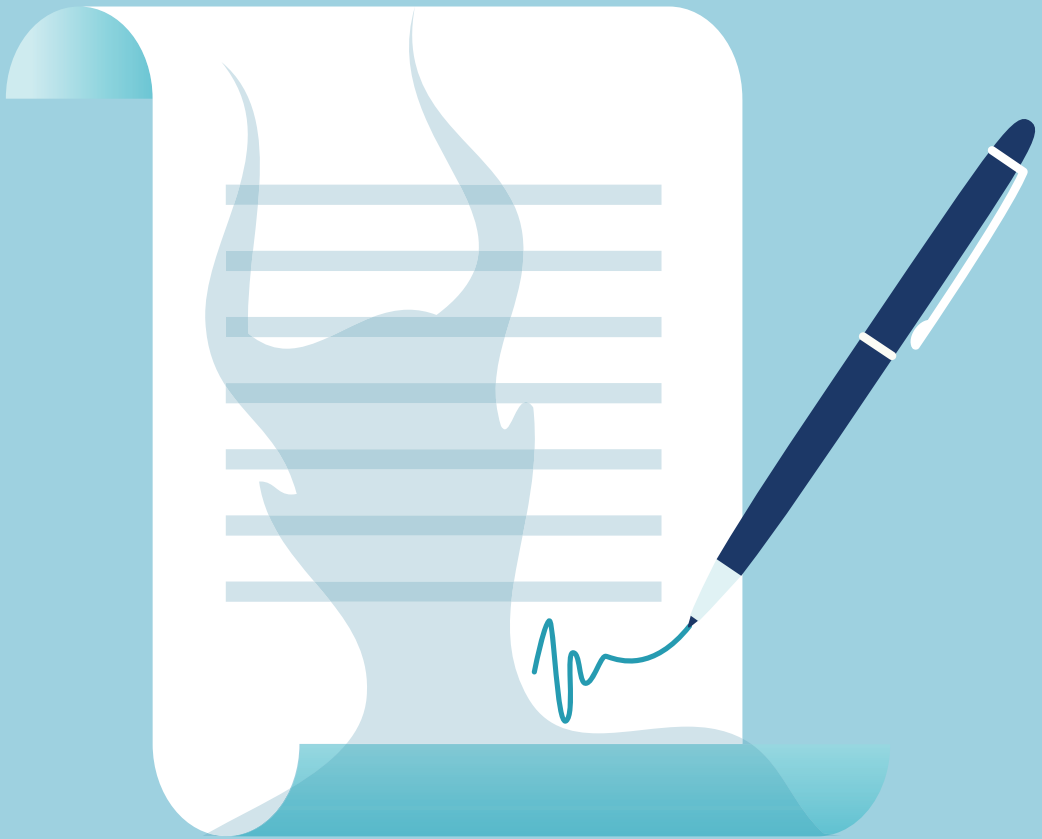
Aaron: You can learn a lot from people in other industries and your accountant. Most of all, remember that there are quite a few attorneys who have set up recently, and don't be afraid to see if they might be willing to be on the end of the phone for moral support, a listening ear or actual advice.

So, before you set off, our panel recommends the following:

1. Do your homework – conduct thorough research first.
2. Be honest with yourself – is your personality suited to, and your level of experience equipped for, the challenges that lie ahead?
3. Be realistic about your financial position and planning – can you support yourself and generate adequate cash flow until the business is established?
4. Be prepared for a dramatic learning curve and seek objective professional advice in business areas unfamiliar to you.
5. Believe in yourself. ■



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BEAT THE DEVIL

When it comes to drafting robust contracts, attention to detail makes all the difference, Carl Steele explains

The Supreme Court in *Arnold v Britton*¹ confirmed the long-standing legal principle that, when interpreting

and construing the meaning of language used in a contract, the Court's role is to ascertain the intention of the parties by assessing what a reasonable person (having all the background knowledge available to the parties at the time of the contract – the “factual matrix”) would understand the parties to mean by their use of the language in the contract.

Crucially, the Court ignores evidence of either party's subjective intentions (for example, what they said to each other when negotiating the contract). Instead, it concentrates

on the meaning of the words used in the contract in their documentary, factual and commercial context.

NATURAL MEANING

The starting point is the natural meaning of the words used in the contract; the words are the primary focus of the exercise. Interpretations as to what the parties must have agreed, based on commercial common sense or surrounding circumstances, should not be invoked to undervalue the importance of the actual language used. It is not the function of the Court to rewrite the contract because it is a bad deal for one of the parties. The Court's job is to identify what the parties agreed, not what the Court thinks they should have agreed. If the natural and ordinary meaning of the

language used means a bad bargain for one of the parties, then so be it.

This is why it is so important to use very clear language in a contract, which reflects what the parties have (and have not) agreed. Any ambiguities could well be a recipe for future disputes. As the old saying goes, “If in doubt, spell it out.”

VITAL DISTINCTION

A warranty is a statement of fact made by one party to another. For example: “The trade mark ASHFORDS is registered in the UK for legal services and has been continuously used in trade for such services in the UK since 2004.” This same statement of fact could also be a “representation”, but the two have very different legal effects.

If a party warrants something that turns out to be untrue, and the other party suffers loss as a result, the latter party may be able to claim those losses from the warrantor pursuant to a breach-of-contract claim (subject to any enforceable limitations and exclusions of liability clauses in the contract, and the ordinary legal rules about causation, remoteness of loss and mitigation). However, unless the contract expressly says so, the other party has no right to terminate the contract as a consequence of the breach of warranty.

This may be different if the facts being warranted are, in fact, representations. A “misrepresentation” is an untrue statement of fact (or law) made by one party to another that induces the latter to enter into a contract that then causes the latter party to suffer a loss. The remedies for a misrepresentation include the right to rescind the contract, which means setting the contract aside and returning the parties to the position they were in before the contract was made.

PAIN POINTS

A party to a contract will often want to exclude or limit its liability for certain losses the other party to that contract might suffer if there is a breach of contract by the first party. For such clauses to succeed, they must not be contrary to the law (eg the Unfair Contract Terms Act 1977) and must

MORE DRAFTING DETAIL

- A contract cannot bind someone who is not a party to the contract (for example, a party’s assignee). However, a third party can benefit from a contract, even if it is not a party to it via the Contracts (Rights of Third Parties) Act 1999, unless the contract states otherwise.
- It is important to distinguish between the date a contract is executed and the date the provisions in the contract are to come (or are deemed to have come) into effect. The latter can be before or after the date the contract is executed – but it can be fraud to misstate the date a contract is executed. Never backdate a contract’s date of actual execution.
- A novation of a contract creates a new contract, transferring both rights and obligations owed under the old contract. An assignment of a contract can only assign the benefit (but not the burden, ie the obligations owed by a party) of a contract.
- Depending on the jurisdictions in which the parties to a contract are located, it may be better to have disputes under the contract referred to arbitration, rather than to national courts. The enforcement overseas of an arbitration award can often be easier than a national court’s order. Post-Brexit, this may prove to be the case when a UK party is contracting with an EU party.

be very clear as to what losses are being excluded or limited.

Typical mistakes in the drafting of such clauses include excluding liability for “indirect and consequential losses” and thinking that this language will exclude claims for loss of profits. It usually won’t, as, when a breach of contract arises, such losses are quite often regarded in law as “direct” losses. Also, if you want to exclude liability for breach of any of the statutory implied conditions in sales of goods, pursuant to the Sale of Goods Act 1979 (eg that goods will be of satisfactory quality or fit for a particular purpose), then the clause will need to state expressly that such implied “conditions” are excluded.

In addition, if a party wants to exclude liability for any pre-contractual statements it may have made – which the other party may later assert it relied upon when entering into the contract – then the contract needs to include a “non-reliance” clause. Typically, such a clause will state that the parties did not enter into the contract in reliance on statements not

contained in the actual contract and that they waive any claims they may have against the other party in this regard (eg a misrepresentation claim). However, such a clause will be void unless the clause is reasonable – in other words, that it was fair and reasonable to include the clause in the contract at the time it was made.

By also including an “entire agreement” clause in a contract, parties can make clear that the agreement between them is only that which is set out in writing in the contract, and not also some other preceding agreement or statement made during the contractual negotiation process. Parties to a contract include an entire agreement clause to prevent such statements from having contractual force. However, an entire agreement clause alone will not exclude liability for pre-contractual misrepresentations, hence the additional need for a separate non-reliance clause. ■

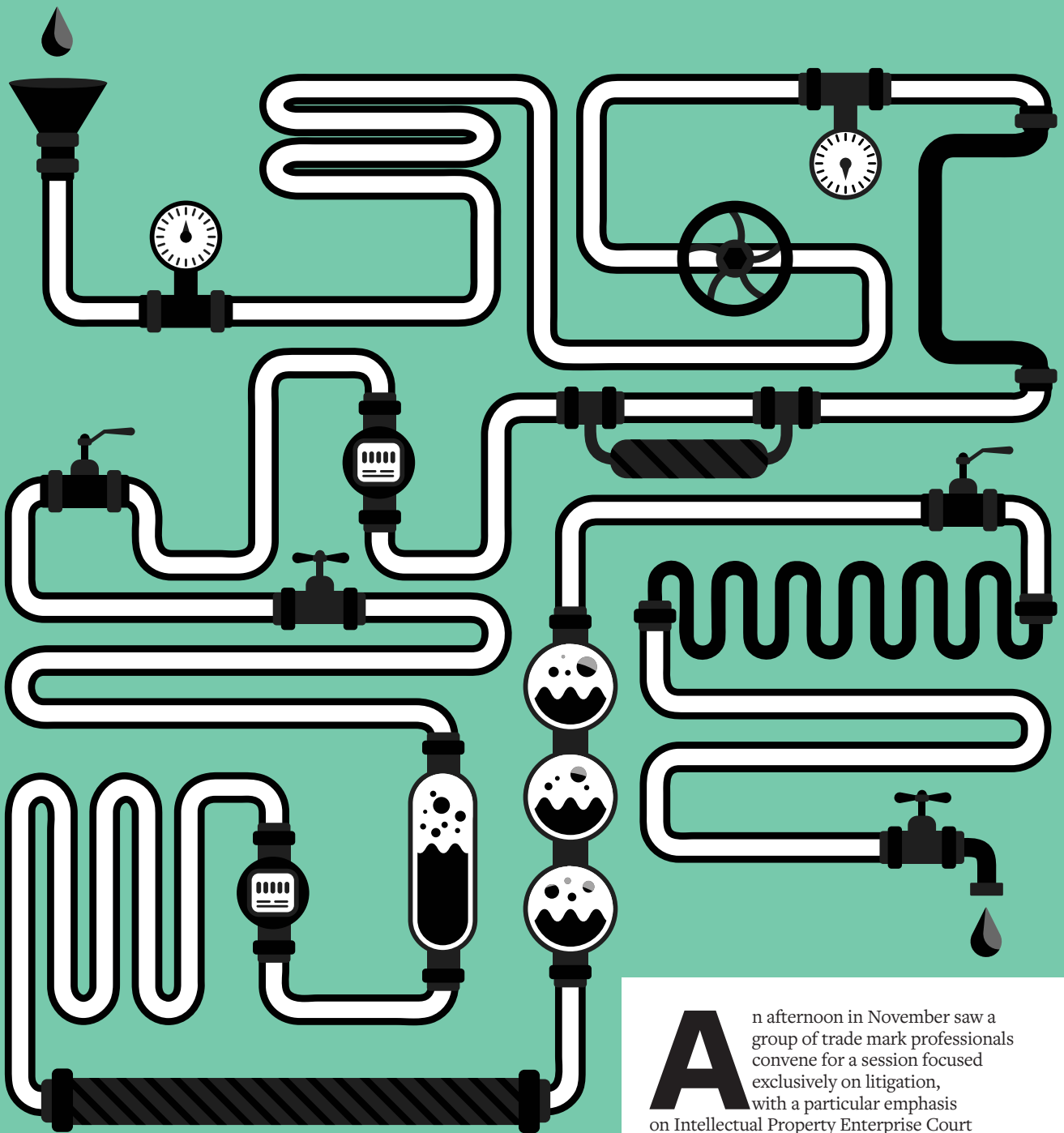
1. [2015] UKSC 36



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Carl spoke on this topic at an event for CITMA members in the South West and Wales.

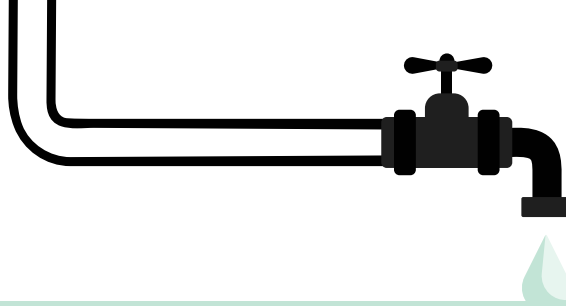


LITIGATOR LEARNING

Mark Caddle distils the useful advice from CITMA's recent specialist seminar

An afternoon in November saw a group of trade mark professionals convene for a session focused exclusively on litigation, with a particular emphasis on Intellectual Property Enterprise Court (IPEC) procedure.

The seminar kicked off with a few war stories from Chris Ryan, litigation consultant and lecturer at Nottingham Law School, in relation to allocation to tracks within the IPEC. Later in the afternoon, he spoke about his experience of requesting default judgments. Given the different levels of costs and damages recovery, it is important, Ryan stressed, to select the correct track when making an initial application to the IPEC. The audience was also reminded that having copies of the *White Book* and the *Intellectual Property Enterprise Court Guide* to hand when lodging forms at the Rolls Building provides security in moments of doubt.



LITIGATION: OUR PANEL'S KEY ADVICE

DO

- Ensure you select the right track at the IPEC. Keep copies of the *White Book* and *Intellectual Property Enterprise Court Guide* (July 2016 edition available at bit.ly/IPECGuide) at hand to help.
- Volunteer for IP Pro Bono to gain experience before the IPEC.
- Obtain advice and assistance from experienced litigators, if needed.
- Consider making use of the Shorter Trials Scheme in weightier disputes where IPEC-style procedure would be beneficial.
- Cooperate with the other side and agree on settled points before appearing at the case management conference or trial.

DON'T

- Rule out the IPEC if London is not your favoured location – the parties can determine another location.
- Forget the possibility of transferring proceedings between the different tracks. This can provide leverage in settlement negotiations.
- See the IPEC diary as being set in stone. If there is an extremely urgent case, and a timetable can be agreed by both parties, a trial can be fixed at an earlier, more suitable date.
- Overdo your written pleadings. Effective and efficient submissions are those that are succinct and on point.
- Forget to enclose the draft order you are seeking when making written applications to the Court.

Andrew Norris of Hogarth Chambers then discussed the rules governing transfers between the IPEC and the High Court. From a tactical perspective, the choice of track and threat of transfer to the High Court can be useful tools in placing pressure on the other side. The choice of track is commercially significant, especially given the lack of a costs cap in the High Court, and its considerably lengthier proceedings. The vast majority of transfer requests are made at the case management conference.

When assessing whether a transfer should be made, the complexity of the dispute, size of the litigants and value of the claim, which includes the potential value of the effects of an injunction, will be considered.

ATTRACTIVE OPPORTUNITY

Norris hailed the Shorter Trials Scheme (STS), which commenced on 1st October 2015 and is being piloted until 30th September 2017, as attractive for litigants with higher-value claims

looking to benefit from the effective IPEC-style procedures. The STS does not have a costs cap, so it could still deter some litigants. However, the assured timelines and echoes of IPEC procedure ought to be encouraging.

Nicholas Caddick QC, also of Hogarth Chambers, discussed the most appropriate use of financial remedies in IP cases. As damages and an account of profits are mutually exclusive, Caddick showed the benefits and drawbacks of these remedies. Generally, disclosure from the defendant drives the decision of which remedy to elect. Caddick illuminated this decision-making process by giving helpful practical examples, with the overarching points being that it can be difficult to show that the claimant has lost sales due to infringement, and that the appropriate remedy will heavily depend on the facts and evidence of each individual case.

The session closed with a general update on the IPEC from His Honour Judge Hacon. Following on from



A common misconception is that the IPEC will only sit in London. However, Judge Hacon noted that the location can be determined by the parties

Norris's comments, Hacon J confirmed that there has not yet been a decision on whether to make the STS permanent, but he hopes that it will be.

He expressed that there are not enough Trade Mark Attorneys advocating in the IPEC and he would like to see the numbers increase, particularly as litigants in person appear more often than attorneys.

USEFUL INSIGHT

A common misconception is that the IPEC will only sit in London. However, Hacon J noted that the location can be determined by the parties. If there is mutual consent for a different UK location, then the case could be heard there.

He also encouraged members of the audience to consider joining the IP Pro Bono scheme, which has been launched to assist small businesses and individuals in IP disputes. Hacon J highlighted that this would be a good mechanism for aspiring Trade Mark Attorney litigants to gain experience of handling cases before the IPEC.

This seminar provided an extremely useful insight into the logistics of handling cases before the IPEC. The speakers shared invaluable practical guidance on the dos and don'ts when preparing for and participating in litigation, which, given the lack of Trade Mark Attorneys acting before the IPEC, is very welcome. ■



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THE LONG TAIL CONTINUES

Once again, a small group casts a long shadow over UK IPO appearance data, discovers Aaron Wood

My observation last year that only a small number of firms and attorneys/barristers were appearing remains true. The top five representatives contribute approximately 20 per cent of all appearances before the UK IPO (the top 10 contribute 29 per cent), and the top 10 firms contribute 25 per cent of all the appearances. So, the long tail continues.

FIRM FOCUS

Looking at the average number of appearances in the period from 2010 to 2016, only 52 of the 274 firms (19 per cent) that have appeared had more than seven *inter partes* hearings for their entire firm over that period. Over the past five years, only 22 firms have had 10 or more hearings over that period (those firms are listed opposite).

REPRESENTATIVE FIGURES

Among representatives (incorporating barristers, solicitors and Trade Mark

Attorneys), of the 342 individuals to have appeared since 2010, only 41 have appeared more than once per year on average in that period. In the past five years (2012–2016 inclusive), only 17 have appeared twice or more per year on average, with 41 having appeared once or more per year on average.

It continues to be the case that most individuals will never have appeared before the UK IPO in *inter partes* proceedings, and most who have will have only appeared once. There were only 30 new individuals among the 101 who appeared in 2016.

Looking at the split between counsel and solicitors/Trade Mark Attorneys, it is 50/50 for 2016, showing a rise in the appearances of non-counsel (it was 55/45 in favour of counsel in 2015). ■

Note: The collection data for 2010–2015 reflects the calendar year. For 2016, data refers to 1st January to 1st December.

“

It continues to be the case that most individuals will never have appeared before the UK IPO in inter partes proceedings

MOST APPEARANCES 2016

Firm: Stobbs IP

Barrister: Jonathan Moss

Trade Mark Attorney: Julius Stobbs

FIRMS WITH 10 OR MORE HEARINGS 2010–2016

	Name
1	Stobbs IP
2	Beck Greener
3	Cleveland
4	Swindell & Pearson
5	Marks & Clerk
=	UDL
7	D Young & Co
8	Haseltine Lake
=	HGF
10	Bird & Bird
=	Mewburn Ellis
=	Withers & Rogers
13	Boult Wade Tennant
=	Forresters
=	Groom Wilkes & Wright
16	Keltie
17	Bristows
=	Nabarro
=	Maucher Jenkins
=	Taylor Wessing
=	Trade Mark Direct
=	Wood IP

TOP 10 APPEARANCES – Barristers 2012–2016

	Name	Chambers
1	Simon Malynicz QC	Three New Square
2	Tom St Quintin	Hogarth Chambers
3	Jonathan Moss	Hogarth Chambers
4	Michael Edenborough QC	Serle Court
5	Amanda Michaels	Hogarth Chambers
6	Denise McFarland	Three New Square
7	Benet Brandreth	11 South Square
8	Jessie Bowhill	8 New Square
9	Christopher Hall	11 South Square
10	Charlotte Scott	Hogarth Chambers

TOP 10 APPEARANCES – Trade Mark Attorneys/Solicitors 2012–2016

	Name	Chambers
1	Julius Stobbs	Stobbs IP
2	Ian Bartlett	Beck Greener
3	Alan Fiddes	UDL
=	Martin Krause	Haseltine Lake
=	Kieron Taylor	Swindell & Pearson
=	Aaron Wood	Wood IP
7	Kate McCormick	Trade Mark Direct
8	Rowland Buehrlen	Beck Greener
9	Angela Fox	Maucher Jenkins
=	John Reddington	Williams Powell



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NAVIGATING THE SEAS OF CHANGE

Our Spring Conference will explore a timely theme in some of London's most historic settings

This year's Spring Conference will see CITMA members and IP professionals from across the world converge again on London. In the face of "interesting times" – that have seen both a historic US presidential election that promises a break from diplomacy as usual, and uncertainty in Europe due to the UK's impending break with the EU – it is timely that our theme is "navigating the seas of change".

Appropriately, the first day will feature a panel discussion bringing a range of international views on the UK's forthcoming Brexit, with input from the European Communities Trade Mark Association, the UK IPO and speakers from the US and Europe.

The keynote address will reflect the event's south London surroundings, taking its inspiration from the historic *Cutty Sark* and featuring a speaker from distiller Edrington on the subject of the famous Cutty Sark whisky brand. Moreover, with an update from CITMA's EUIPO working group, the Spring Conference promises to be an event with a truly far-reaching focus.

HILTON LONDON TOWER BRIDGE

The conference will take place in the Tower Suite of the Hilton London Tower Bridge, which offers contemporary style and is situated within the

stylish More London development, just minutes away from the iconic Tower Bridge, The Shard, Borough Market and London's financial district.

NETWORKING LUNCH

The Hilton London Tower Bridge is home to one of Jamie Oliver's famous Jamie's Italian restaurants, and our Friday lunch will see us taking over the entire dining area. Delegates will converge at large "Italian tables" and enjoy rustic sharing platters – the perfect way to do that last bit of networking before it is time to head home.

OUR GALA DINNER VENUE

You won't need your sea legs to attend our Gala Dinner, although it will be held under the gleaming copper hull of *Cutty Sark*, one of the world's most famous sailing ships. CITMA is chartering a Thames Clipper to take diners from the conference venue to the dinner, and back again at evening's end, which will give the experience a truly nautical flavour.

Once at the venue, our guests will enter the dry dock area beneath *Cutty Sark* and enjoy a welcome drink. A short introduction will follow from the ship's curator, and then guests will be free to explore this fascinating vessel and its history. Live music will then accompany a catered dinner. ■

Event programme

THURSDAY 16th MARCH

- 9.15am–9.30am** Welcome – Keven Bader, CITMA Chief Executive, and Kate O'Rourke, CITMA President
- 9.30am–9.40am** Keynote – Fraser Morrison, Edrington distillers
- 9.40am–11.00am** Navigating the seas of change panel discussion – Peter Müller (Müller, Schupfner & Partner, Germany; Immediate Past President, European Communities Trade Mark Association), Jess Collen (Collen IP, US), Djura Mijatovic (Zivko Mijatovic and Partners, Montenegro), Adam Williams (UK IPO), Hilde Vold-Burgess (Acapo, Norway)
- 11.00am–11.40am** Break – tea and coffee
- 11.40am–12.20pm** Internet blocking injunctions: the present and the future – Simon Baggs, Wiggin LLP, and Benet Brandreth, 11 South Square
- 12.20pm–1pm** Non-conventional trade marks: every one's a fruit and nut case – Kelly Clarke and Eleanor Merrett, Olswang LLP
- 1pm–2.20pm** Break – lunch
- 2.20pm–3pm** EUIPO update – Rachel Wilkinson-Duffy, Baker & McKenzie LLP
- 3pm–3.40pm** Session details to be confirmed
- 3.40pm–4.10pm** Break – tea and coffee
- 4.10pm–4.50pm** IPO update – Sean Dennehey, UK IPO
- 4.50pm–5pm** Closing remarks

FRIDAY 17th MARCH

- 10.00am** Welcome – Kate O'Rourke, CITMA President
- 10.10am–10.50am** Desert storm or storm in a teacup? Assessing the impact of the GCC trade mark law – Rob Deans, Clyde & Co
- 10.50am–11.20am** Break – tea and coffee
- 11.20am–12pm** Session details to be confirmed
- 12pm–12.40pm** IP enforcement in the post-Brexit world – Arty Rajendra, Rouse
- 12.40pm–2.10pm** Break – lunch, Jamie's Italian
- 2.10pm–2.40pm** Dispute resolution in the Intellectual Property Enterprise Court: decisions, costs and rewards – Douglas Campbell QC, IPEC
- 2.40pm–3.20pm** From Hague to handbags – registered and unregistered design rights for high fashion industries (and some less glamorous ones as well) – David Stone, Allen & Overy LLP
- 3.20pm** Closing remarks

All speakers and timings are subject to change

The conference offers a fantastic opportunity for international networking



Delegate fee includes:

- Entry to all Spring Conference sessions
- Welcome drinks reception and canapés on 15th March
- Drinks reception and Gala Dinner on 16th March
- Conference lunches on 16th and 17th March
- Coffee and tea breaks
- All conference documentation
- USB stick with all speaker presentations

Accommodation options

Many delegates will be taking advantage of the opportunity to stay on site at the Hilton London Tower Bridge. Visit bit.ly/CITMAHilton to book.

Alternatively, our partner HotelMap can assist you in finding a hotel that's right for you. Just go to bit.ly/CITMAHotelMap to see live rates in and around the conference area – More London. You can choose what language to view the map in, your arrival and departure dates, the currency and your room requirements.

Exhibitor opportunities

Our conference offers an opportunity to present your firm, service or offering to an international audience. Contact conference manager Jane Attreed at jane@citma.org.uk for details or to book a Platinum (£1,100 plus £220 VAT), Gold (£900 plus £180 VAT) or Silver (£700 plus £140 VAT) stand. ▶

ON THE RIVER: FAST FACTS

As we travel by Thames Clipper from our Hilton London Tower Bridge conference HQ to the historic Cutty Sark, there is a lot to learn along the way



TOWER BRIDGE

A masterpiece of Victorian engineering, Tower Bridge was completed in 1894. Its spans are still raised to allow passing ships through, and visitors can enjoy a stunning view from its walkway, which joins the two flamboyant towers.



EXECUTION DOCK (WAPPING)

The Thames foreshore at Wapping Old Stairs is believed to be the site of an infamous execution spot (see the replica gallows outside the Prospect of Whitby pub). Convicted pirates were marched from Marshalsea prison in London to the site and hanged on a short rope. Their bodies were then left to be washed over by three tides. The last hanging on this site took place in 1830.



BUTLER'S WHARF (SHAD THAMES)

Once a warren of dilapidated wharves and warehouses, and imagined by Charles Dickens to be the site of Bill Sykes' den, Butler's Wharf has undergone a transformation and is now a jewel of the South Bank. It incorporates one of London's most famous foodie destinations, Le Pont de la Tour, which has hosted the likes of the Blairs and the Clintons. The main thoroughfare on the site is Shad Thames, whose name derives from "St John-at-Thames", a reminder of a time when the Knights Templar controlled the area.



THE MAYFLOWER PUB (ROTHERHITHE)

This is the site from which, in 1620, the *Mayflower* originally began its voyage to the New World via Plymouth, later landing in Cape Cod, now in Massachusetts, US. On board the ship, the first written framework of a new government was signed by the settlers – the Mayflower Compact.

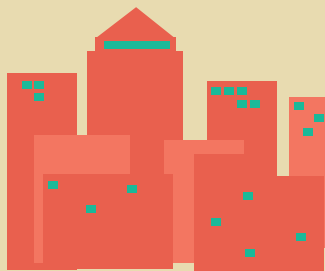
ST ANNE'S CHURCH (LIMEHOUSE)

Built by Nicholas Hawksmoor and consecrated in 1730, this building has the highest church clock face in London and was designed as a maritime clock for use by the ships at the nearby Limehouse docks. It once chimed every 15 minutes to guide the 6,000 ships that were moored up each day.



CANARY WHARF (ISLE OF DOGS)

Named after the Canary Islands fruit produce that once landed at docks here, Canary Wharf is one of the UK's most successful regeneration projects. Gleaming skyscrapers from the world's best architects, including I M Pei and Norman Foster, characterise this financial and business centre.



CUTTY SARK

This ship is a key part of the story of Britain's tea trade. Capable of reaching speeds of up to 17 knots, she was built in 1869 with the hope of providing the fastest way to carry tea from China to England. During her eight return voyages as a tea clipper, however, she failed to live up to her promise, and was narrowly beaten by rival vessel *Thermopylae*. She carried her last tea cargo in 1877, as steamers took over the trade.

In later years, the ship carried a range of cargo: coal from Nagasaki to Shanghai; jute from Manila to New York; and jute, castor oil, tea and Australian mail from Calcutta to Melbourne.

In 2007, *Cutty Sark* was consumed by fire while being restored, which necessitated a lengthy and expensive restoration project. The happy result of an unhappy event is that the fantastic and beautiful *Cutty Sark* is now displayed looking very much like she did when she first set off to sea.



GREENWICH FOOT TUNNEL

Next to *Cutty Sark*, a small domed tower stands alongside the Thames, with a matching sister tower across the river on the Isle of Dogs. These are the terminals of a 1,217ft long and 50ft deep pedestrian tunnel that runs under the Thames and originally allowed dockworkers to travel to and fro.

HOW OUT CAN I BE?

Darren Smyth offers his own reflections on the most personal of questions

On 17th November 2016, IP Out – the networking group for lesbian, gay, bisexual and transgender (LGBT) people and straight allies working in the IP profession – held its inaugural event, at which I was a panellist. “How out can I be?” was the topic of discussion. This article is not a report of that event, but contains my reflections on the topic, based on some things that I said that evening and other thoughts that I perhaps did not express that came to me both before and after the event.

INDIVIDUAL PERSPECTIVE

First of all, it is important to say that everyone’s experience of “coming out” is different: it will depend on their

sexual orientation and gender identity, where they grew up and lived, and when – both the law and social attitudes have changed markedly and very rapidly over my lifetime. I was born in 1970, not long after (private) sexual acts between men had been decriminalised in England and Wales. Even then, however, that freedom did not extend to me when I came out in 1989: I was 19, and the legal age was still 21.

When I started to work in the IP profession in 1998, “Section 28” was still in force; this made it illegal for local authorities to “promote homosexuality” or teach “the acceptability of homosexuality as a pretended family relationship”. Its effect was largely symbolic, for it was without sanction, but nevertheless strong, and it discouraged openness. It was many years before I knew any other LGBT person in the profession, let alone in my own firm.

After about a year in my first job, my boss asked me if I was gay, and I told him that I was. He was tremendously supportive and, when I had one, gave full recognition to my partner. Nevertheless, and although my own story ended well, I don’t recommend in general that work colleagues should push for disclosure from someone that they believe may be gay – a person should be free to be out or not out in the workplace as and to the extent that they choose. However, what employers can do to make the decision about disclosure a bit easier is make it clear that someone who wishes to be out in the workplace will be valued and supported for it.

SUPPORTIVE ACTIVITY

As a basic minimum, formal HR policies should address LGBT issues in terms of equality of treatment, and protection from harassment and derogatory treatment. Most probably already do. But I think it takes more than this to create a truly supportive environment.

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What employers can do to make the decision about disclosure a bit easier is make it clear that someone who wishes to be out in the workplace will be valued and supported for it

If there are LGBT members in a firm, they can really contribute by being open themselves. For example, I hope that letting colleagues know that “I am off to the IP Out meeting” is an easy way to be candid in a casual way. Employers should also consider nominating one or more people to whom LGBT employees can turn if they experience issues in the workplace.

I, and several others I have talked to who work in private practice, have perceived the message, albeit not explicitly stated, that, while it is fine to be out in the workplace, it is better to be “discreet” in front of clients. That is, we should not be out to our clients, because of a perceived risk that some clients may not be comfortable with it. Perhaps we are being overcautious, but, whatever the cause, I think that this is an area where some rethinking is in order.

An employer is not being supportive if openness is permitted only when there is no perceived risk of a negative consequence; an employer should support the degree of openness that each person feels comfortable with. In fact, I suspect that the risk that a client will actually have an issue with, for example, an attorney’s sexual

orientation is small. Indeed, on the other hand, there is a great gain in client relations if a person is being genuine and authentic in their dealings with clients.

INTERNATIONAL ISSUES

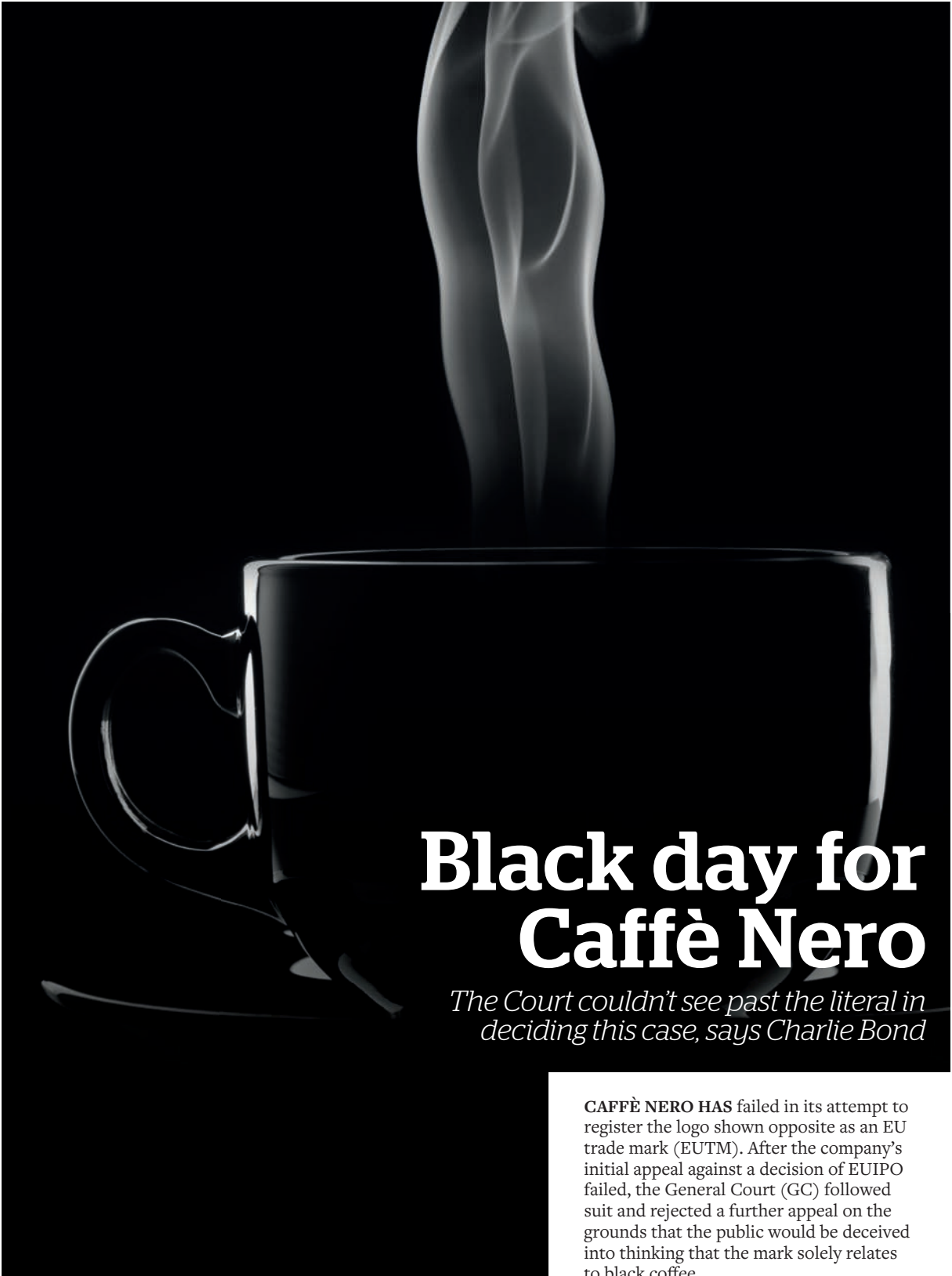
As Mark Bearfoot pointed out in issue 427, IP is an international profession and we may have dealings with many different countries. This can pose problems in a professional context. For my own part, I am no longer comfortable travelling to or working in places where homosexual behaviours are criminalised. This is an example of the kind of choice that I would hope an employer would support.

To be fair, in all my time in the profession, I have only experienced negative attitudes based on my sexuality a couple of times, and both incidents were quite a long time ago. I believe that, as a profession, we are actually more liberal than we perhaps appear. But, even if this is the case, there remains the challenge of presenting this reality to anyone thinking of joining the profession, or who has recently started working in it, so that they can bring their whole, authentic selves to their professional lives.

I believe that the fact that our diversity and inclusivity initiatives lag some way behind, for example, the wider legal profession is not a result of actual hostility, but because we are a rather small profession operating often as rather small organisations. I am hopeful that the IP Inclusive and IP Out initiatives will enable the profession to become as diverse and accepting as it can and should truly be. ■



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Black day for Caffè Nero

*The Court couldn't see past the literal in
deciding this case, says Charlie Bond*

CAFFÈ NERO HAS failed in its attempt to register the logo shown opposite as an EU trade mark (EUTM). After the company's initial appeal against a decision of EUIPO failed, the General Court (GC) followed suit and rejected a further appeal on the grounds that the public would be deceived into thinking that the mark solely relates to black coffee.

CASE HISTORY

In November 2014, Caffè Nero applied to register the EUTM in, among others, classes 30 and 35 (which relate to goods including tea, coffee and confectionery, as well as retail and online shopping services related to these goods). In March 2015, the examiner rejected the application on the basis that the mark was devoid of distinctive character and purely descriptive, and would deceive the public.

In May 2015, Caffè Nero appealed the decision, and, in November 2015, the Board of Appeal (BoA) rejected the appeal on the basis that the public would perceive the words CAFFÈ NERO to mean “black coffee”, and the mark therefore constituted a direct and obvious reference to the nature of the goods and services in question (ie that they are or contain black coffee). It was also found that the mark had no acquired distinctiveness and consumers were likely to believe the relevant goods contained black coffee, even if they did not.

Caffè Nero made a further appeal, which the GC dismissed in its entirety and instead supported the findings of the BoA that consumers would interpret CAFFÈ NERO as referring to black coffee, and would therefore assume goods purchased bearing this brand were or contained black coffee.

APPEAL

Caffè Nero appealed to the GC, which ruled:

1. The BoA was correct in finding that the mark was descriptive of the goods and services. The BoA found that, as the mark incorporates two Italian words, the target public for the purpose of assessing the absolute grounds for refusal is Italian speaking. Caffè Nero did not challenge this point, and so the GC proceeded on the same basis.

The GC found that both words were commonly used in Italian: *caffé*, meaning coffee, and *nero*, meaning black. Therefore, “according to Italian grammar and syntax, the combination of those two terms will thus be perceived by the public concerned as meaning ‘black coffee’.”

Caffè Nero argued that these words in combination have no meaning in Italian or in Italian coffee culture, where coffee is referred to using specific names. The GC dismissed this argument and instead found that, although other terms may be used to refer to black coffee in Italy, it cannot be disputed that the words “*caffè nero*” would also be interpreted as referring to black coffee.

Caffè Nero also sought to argue that the BoA failed to give sufficient weight to the figurative elements of the sign. The GC dismissed this argument and supported the BoA’s finding that

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The GC supported the findings of the BoA that consumers would interpret CAFFÈ NERO as referring to black coffee

the figurative elements of the mark would not make an immediate and lasting impression on the public, meaning the mark lacked distinctive character.

2. The BoA was correct in finding that the mark was deceptive to consumers. The BoA found that consumers would be deceived by the mark and think that Caffè Nero’s goods were or contained black coffee, even if this were not the case. It based this finding on the fact that Caffè Nero sells all of its products in similar packaging, and people often buy them in haste, so they would not take the time to analyse the wording on the packaging, instead assuming they are or contain coffee.

The GC also dismissed Caffè Nero’s argument that, where the mark is capable of being used in a non-deceptive manner, it cannot be rejected on the absolute ground that it deceives the consumer. In making this decision, the GC said that registering a mark that could be in any way deceptive would undermine the essential function of a trade mark, which is “to guarantee the identity of origin of the marked goods or services to the consumer ... by enabling him, without any possibility of confusion, to distinguish the goods or services from others”. The GC therefore dismissed the appeal in its entirety.

Once again, the GC has made clear that marks that may be considered descriptive in one European language will face an uphill struggle in securing protection. To succeed, they must be supported by evidence of acquired distinctiveness in a substantial part of the EU, including in the territory in which the language in use is spoken.

► The Caffè Nero mark



KEY POINTS

- To register a mark that is considered descriptive in a European language, there must be evidence of acquired distinctiveness in a substantial part of the EU, including in the territory where the language in use is spoken
- Where words are incorporated into a figurative mark, the issue of descriptiveness will remain unless the figurative elements make an immediate and lasting impression on the consumer



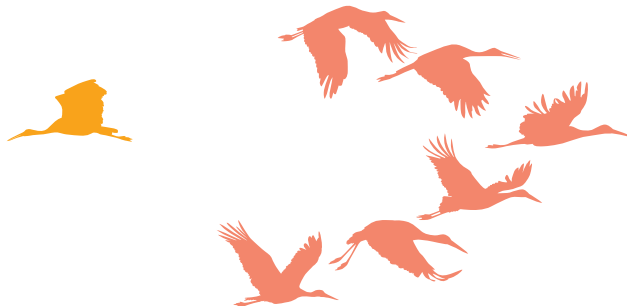
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Kate Swaine, a Partner at Gowling WLG, co-authored this article.



Hard luck for Storck



A partial victory provides a useful precedent, writes Rebecca Davey

THE GENERAL COURT (GC) had to consider whether EUIPO's Fifth Board of Appeal (BoA) had erred in upholding a revocation for non-use brought by Chiquita Brands LLC against confectionery manufacturer August Storck KG's EU trade mark for FRUITFULS. Storck's registration covered "confectionery, chocolate and chocolate goods, [and] pastry" in class 30, but evidence of genuine use was only submitted in relation to hard fruit candies.

EUIPO APPEAL

The BoA had rejected Storck's appeal, finding that there had been no genuine use of the FRUITFULS mark, as there was only one occasion of use during the five-year period in which goods were produced in Storck's factory in Germany. This was insufficient evidence of the extent of the use of the contested mark in the European confectionery market. The BoA further stated that:

1. The invoices provided as evidence showed only insignificant individual quantities of goods and were from the end of the relevant period.
2. There was no evidence to offset the low sales.
3. The sales concerned only a limited territory (ie Slovenia) and a low volume of sales over a brief time span; this was found to be quantitatively insufficient for the whole of the EU.
4. There was nothing (eg legal or other obstacles) to prevent the goods from being sold.
5. There was no evidence to support that there were sales in other countries.

GC APPEAL

In its appeal, Storck argued that there was no obligation to demonstrate genuine use across the entire five-year period. Further, Storck stressed that it was wrong to compare the sales made to the volume of sales in the entire confectionery market in the EU.

The GC agreed that the BoA was wrong to compare Storck's sales of hard fruit candies in one country with the market volume of

confectionery in the entire EU, leading to a conclusion that Storck's volume of sales was very low. The Judges assessed whether "hard fruit candies" constituted a subcategory of confectionery and decided that it did not. To establish a subcategory, the purpose and intended use of the hard fruit candies must be shown to be different to that of confectionery.

Here, the purpose and intended use was found to be the same. Citing precedents in VITAKRAFT¹ and CPI COPISA INDUSTRIAL², the Court found that Storck could not be expected to provide evidence for the entire category of goods, and any proof of genuine use would cover the whole category.

It also held that there was no justification for the BoA to compare sales in Slovenia with those in the entire EU. The GC thus partially annulled the BoA's decision in relation to "confectionery", but confirmed that Storck's trade mark was correctly revoked with regard to "chocolate and chocolate products, [and] pastry".

USEFUL ANALYSIS

This case provides a useful analysis of the requirements of genuine use – in particular because it considers what market (in terms of both categories of goods/services and geographical extent) should be considered in determining "genuine use". It is interesting that the GC decided that any proof of genuine use for "hard fruit candies" would cover the entire category of "confectionery". In terms of the geographical extent, this case shows that the use does not have to cover an extensive geographic area in order to constitute genuine use.

KEY POINTS

- ▶ The GC decided that any proof of genuine use for "hard fruit candies" covered the entire category of "confectionery"
- ▶ "Genuine use" does not have to cover an extensive geographic area and may not be compared to the entire EU market

1. T-356/02.
2. T-345/13.



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Genuine use: who's ready?

Dominic Farnsworth reflects on the now forensic inspection of evidence, which meant defeat for Eveready

EVEREADY BATTERY Company, Inc appealed on the issue of genuine use of its trade mark **EDGE**, which it had acquired from the mark's previous owner, SC Johnson & Son. The issue arose from an opposition to the application to register the mark **POWER EDGE** by Imran Hussain et al. Evidence of genuine use of the earlier mark was requested and documentary evidence was provided.

The General Court (GC) reviewed the findings of the Board of Appeal (BoA), which found that the evidence produced was not sufficient to show genuine use. The GC upheld the findings of the BoA while reiterating settled case law that regard must be given to all the facts and circumstances relevant to establishing whether there is real commercial exploitation of the mark in the course of trade. The issue of genuine use does not involve assessment of commercial success or review of the economic strategy of an undertaking.¹

EVIDENCE

The evidence, in the form of a sworn statement, six invoices and clippings, and pictures of labels and displays relating to the **EDGE** shaving gels, was considered insufficient to establish genuine use.

The sworn statement provided approximate turnover figures for various periods and the approximate total number of units sold. However, these were said to be uncorroborated by supplementary supporting documents, and the imprecise nature of those figures was considered to indicate that the person providing the statement had no access to the company's records. This weakened the statement's probative value.

The invoices, which corresponded to three months within the five-year period, were said

to be of a duration and frequency of use that did not support Eveready's desired conclusion, despite the counterargument that the evidence is to be considered in its entirety and that the period of use was representative of genuine use. The Court also noted that four out of the six invoices showed only a low volume of sales that was not offset by any other evidence, such as frequency of sales.

The change in the proprietor of the registered mark does not affect the obligation under Article 42(2) of Council Regulation (EC) No 207/2009 to show genuine use during the relevant period of five years preceding the date of publication of the application. A proper reason for non-use must refer to circumstances unconnected with the proprietor.²

SIGNAL OF CHANGE

The tone of this judgment signals again that the burden of evidence required to show genuine use of the mark is becoming more onerous. Photos displaying supermarket shelves offering the products were considered irrelevant, because they were unable to prove the number of products marketed or the duration of marketing. Invoices were scrutinised for volume of sales. And the sworn statement was given less probative value because of imprecise turnover figures. In such an environment, fulfilling the requirement for evidence of genuine use is fast becoming a stringent forensic exercise.

- ▶ The disputed application



KEY POINTS

- ▶ The judgment signals that the burden of evidence in showing genuine use has become more onerous
- ▶ Evidence must show robust proof of marketing, appropriate volume of sales and precise figures

1. VITAFRUIT, T-203/02.
2. Il Ponte Finanziaria SpA v OHIM, C-234/06 P.



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Claws out to no avail

Overall dissimilarity between marks meant no win for Monster, confirms Becky Knott

ON 12th DECEMBER 2012, Hot-Can Intellectual Property Sdn Bhd filed an application to register an EU trade mark (EUTM) for a figurative mark in classes 29, 30 and 33 (shown right). On 13th May 2013, Monster Energy Company opposed the application on the basis of Articles 8(1)(b) and 8(5) of Council Regulation (EC) No 207/2009 in respect of its earlier EU figurative marks (a selection of which is shown right) covering goods in classes 5, 25, 29, 32 and 33.

The Opposition Division upheld the opposition. This decision was appealed and dismissed by the Fifth Board of Appeal (BoA) on 4th May 2015. Monster subsequently brought an action at the General Court requesting that it annul the decision, uphold the opposition and order EUIPO to pay costs. Monster relied on two pleas: infringement of Articles 8(1)(b) and 8(5), meaning that the BoA was wrong to find no likelihood of confusion and no unfair advantage taken of Monster's reputation.

PLEA RESPONSES

The BoA held, and the Court agreed, that, as the signs at issue were EUTMs and the goods everyday foodstuffs, the relevant public was the average EU consumer, reasonably well informed, observant and circumspect. As Monster did not dispute the similarity of the goods at issue, the Court merely restated the BoA's finding that the goods were identical or similar.

The BoA held that the marks were dissimilar and that, in Hot-Can's mark, the three vertical wavy lines were not dominant and there were no negligible elements. In Monster's marks, it found that the representation of claws was the dominant element, like the stylised word "Monster" where it appears. Monster challenged this assessment and argued that the BoA failed to take into account its marks' reputation.

The Court confirmed the BoA's finding regarding the dominance of the three wavy lines in Hot-Can's mark, noting that "hotogo" was at least as visually important. It also agreed with EUIPO that the presence of "hot" enables the three wavy lines to be viewed as depicting heat.

The Court dismissed Monster's arguments that the figurative element of its marks represented the letter "m", holding that the BoA was correct to view these as slashed claw marks. Contrasting this with the depiction of steam in the Hot-Can mark, the Court confirmed that there were considerable visual and conceptual differences between the marks.

Consequently, the Court held that the BoA correctly found that the marks at issue were dissimilar overall and that, as the concept of similarity does not vary between Articles 8(1)(b) and 8(5), there was no likelihood that the relevant public would make a connection between the marks at issue under Article 8(5).

The Court dismissed the action and held that the BoA was right to find no likelihood of confusion. There was then no need to adjudicate on the plea concerning Article 8(5).

POWER OF SIMILARITY

This case reiterates that: the similarity of marks is the most important factor for actions under Articles 8(1)(b) and 8(5); marks should be considered as a whole; and arguments concerning dominant elements should be considered carefully, with verbal elements likely to be treated as dominant (this should be considered when running availability searches too).

- ▶ Hot-Can's EUTM Application No 011418101



- ▶ A selection of Monster's earlier marks



KEY POINTS

- ▶ Similarity of marks is the crucial factor for Article 8(1)(b) and 8(5) actions
- ▶ Verbal elements are likely to be treated as dominant



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Baby steps

Olivia Gregory details the progress of a six-year squabble

IN ITALIAN, *bambino* may be the word for “baby” or “infant”, but it is clear that trying to register the word as a trade mark is not child’s play. In this case, that effort has meant six years of squabbling: first before EUIPO, then before the General Court (GC) and finally before the CJEU. The main issue was whether the revocation of the earlier mark on which the opposition was based had to be taken into account on appeal. As the revocation action was filed after EUIPO reached a conclusion in the opposition, the CJEU was not convinced it did.

The Opponent involved was Diset, SA, and the trade mark Applicant was Westermann Lernspielverlage GmbH. Their trade marks, which were considered in the decisions, are shown on the right.

Diset opposed Westermann’s trade mark application based on Article 8(1)(b) of Council Regulation (EC) No 207/2009, namely that there was a likelihood of confusion. Diset was partially successful, and the opposition was upheld for goods in classes 9 and 28, and for some of class 16. Westermann appealed this initial refusal, and the EUIPO Board of Appeal (BoA) overturned the decision for some class 9 goods.

However, Westermann was not going to give up that easily.

THE FIGHT BACK

Shortly after the BoA reached its decision, Westermann struck back, applying to revoke Diset’s trade mark on the grounds of non-use. It then appealed to the GC seeking the partial refusal of its mark in the opposition to be annulled. The GC dismissed the appeal.

It is clear why Westermann considered that the revocation action should have been taken

into account, as, post-cancellation, the basis for the opposition decision no longer existed. Westermann submitted to the CJEU that the failure to take account of this fact:

- i) breached its right to be heard and the right to a fair trial (because the GC would not adduce relevant evidence); and
- ii) was an error of law and distorted the facts (as Diset’s earlier mark did not have any effect at the time, having been revoked).

However, appeals are for a review of whether there was an error of law or issue of competence at the date a decision was made. They are not a re-examination of the facts. Diset’s earlier mark was partially revoked when the GC reached a decision, and cancelled when the CJEU reached a decision, but the relevant date was when the revocation action was filed, which was after the decision of the BoA. Therefore, the GC was not required to take it into account, and both of Westermann’s grounds for appeal at the CJEU were dismissed.

TIMING TAKEAWAY

In this case, it would not have been possible for Westermann to challenge Diset’s mark on non-use grounds before EUIPO reached its initial decision, but this is an apt reminder of the importance of taking action quickly. After all, despite everything our mothers taught us, trade marks aren’t always something brand owners want to “share nicely”.

THE CONTESTED MARKS

- ▶ Diset’s trade mark (classes 16, 28 and 41)



- ▶ Westermann’s trade mark (classes 9, 16 and 28)



KEY POINTS

- ▶ Appeals are not an opportunity to re-examine the facts of a case
- ▶ Timely action is a necessity in trade mark challenges



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So appealing



Rachel Fetches exposes the internal contradictions that led to a disputed decision

THE CJEU set aside the General Court's (GC's) judgment in *Groupe Léa Nature SA v EUIPO – Debonair Trading Internacional Lda* in respect of an opposition filed by Debonair (the Opponent) against a Community trade mark (CTM, now EUTM) application relating to a figurative sign for "SO'BiO étic" in the name of Groupe Léa (the Applicant). The Applicant sought registration relating to goods in class 3 (including domestic cleaning products and cosmetics) and class 25 (clothing).

OPPOSITION HISTORY

The opposition was based on the Opponent's earlier registered rights for the word mark "SO...?, ...", which was registered as a CTM for class 3 goods (cosmetics) and a UK Trade Mark for class 25 goods (clothing).

The opposition was rejected by the Opposition Division (OD). This decision was subsequently annulled by the Board of Appeal (BoA) on the basis that the OD had not considered that the Opponent had proven genuine use of the mark for various cosmetics. With the exception of domestic cleaning products, the application covered goods similar to those specified for the Opponent's earlier mark. Given the enhanced distinctiveness of the earlier marks, "so" was found to be the dominant element, and, as the Opponent was the proprietor of a family of marks containing "so", the BoA found a likelihood of confusion between the signs.

On further appeal at the GC, it was held that the BoA had been incorrect in its analysis relating to the earlier marks and had been wrong to separate the element "so" and find that it dominated the overall impression, prevailing over the punctuation marks.

The Opponent and BoA appealed.

NEXT STEP

The GC held that, out of context, the English word "so" might be understood by consumers as meaning "then", "thus" or "therefore", and would have a laudatory function when accompanied by another word. The Opponent argued this did not justify the ultimate assessment made in the judgment that "so" had a laudatory function and only weak inherent distinctiveness in relation to those goods when used on its own.

The BoA relied on the interpretation that the laudatory meaning of "so" depended on the word accompanying it. For its part, the GC did not provide reasoning that would have allowed the parties to understand its finding that "so" had a laudatory function in the absence of an accompanying word in the earlier mark.

REFERRAL

The CJEU held that the reasons in the judgment were contradictory. The GC had initially stated that "so", the only word element in the mark, had a laudatory function, and later, in that same judgment, held that the laudatory function existed when "so" is used with another word.

This contradictory reasoning amounted to a failure by the GC in its obligation to state reasons for its decision. Consequently, the parties and Court could not ascertain the circumstances in which, in the GC's analysis, the word "so" could be deemed to have a laudatory function.

The case has been referred back to the GC.

KEY POINT

- ▶ Contradictory reasoning within a judgment may provide parties with grounds for appeal



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Court backs digital lending

It's good news for libraries and those who use them, writes David Yeomans



THIS CASE CONCERNS the lending of e-books by libraries and other publicly accessible establishments under the “one copy/one user” principle of lending, whereby a user is permitted to download a single digital copy of a book onto a personal computer and is able to access that copy for an allotted lending period only, during which time the copy cannot be downloaded by another user.

Directive 2006/115/EC on rental right, lending right and certain other rights related to copyright (the Directive) provides that the exclusive right to authorise or prohibit the lending of a book rests with the author. However, EU Member States may deviate from that right with regard to public lending on condition that the author of the book receives at least fair remuneration (this is sometimes referred to as the “public-lending exception”).

At present, draft legislation in the Netherlands is based on the understanding that the public-lending exception does not apply to e-books. Seeking a declaratory judgment to the contrary, Vereniging Openbare Bibliotheken, the Dutch public library association, brought an action against Stichting Leenrecht, a foundation responsible for collecting the remuneration due to Dutch authors. The District Court of The Hague asked the CJEU for guidance.

DYNAMIC OPINION

Advocate General Szpunar provided his opinion in June 2016, recommending a dynamic interpretation of the Directive and that the lending of e-books under the one copy/one user principle should be considered comparable to the lending of traditional books.

In its judgment of 10th November 2016, the CJEU agreed, citing one of the objectives pursued by the Directive, namely that copyright must adapt to economic developments, such as new forms of exploitation. The Court held that

digital lending indisputably constitutes a new form of exploitation and that, therefore, the concept of lending under the Directive must be interpreted as covering the lending of e-books under the one copy/one user principle, since the characteristics of this form of lending are essentially similar to the lending of printed works.

The Court also held that the Directive does not preclude EU Member States from imposing, as a restriction on the public-lending exception, a condition that the copy of the work in question must first have been brought into circulation by an initial sale (or other transfer of ownership) of that copy within the EU by the right holder or with their consent. This illustrates that, in certain circumstances, EU Member States are free to lay down additional conditions to improve the protection of authors' rights.

Finally, the CJEU held that the public-lending exception does not apply to the making available of an e-book where that copy was obtained from an unlawful source, since another objective of the Directive is to combat piracy.

PUBLIC BENEFIT

While the judgment only applies to the lending of e-books under the one copy/one user principle, it is clearly good news for libraries, as they need not seek contractual licences to lend in this way. It also benefits the public by approving temporary access to e-books via libraries.

KEY POINTS

- ▶ Copyright must adapt to economic developments, such as new forms of exploitation
- ▶ The concept of lending must be interpreted as covering the lending of e-books under the “one copy/one user” principle



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Isn't it ironic?

In relation to this registration, the answer was no, as Amélie Gérard explains

THE CLAIMANT in this case, Michael Ross, applied to register the domain name “playboy.london” on 27th August 2014. The Defendant, Playboy Enterprises International, Inc (PEI), wrote to Ross on 21st October 2014 complaining of this registration. In his reply, Ross denied that he had registered the domain name in bad faith and refused to transfer the domain name. As a consequence, PEI submitted a successful complaint under the Uniform Domain-Name Dispute-Resolution Policy (UDRP) seeking that the domain name be transferred.

Ross sought declarations and relief at the Intellectual Property Enterprise Court (IPEC) on the basis that: (a) he had not infringed PEI's trade marks or passed off any goods or services as those of PEI; (b) he was entitled to keep the domain name; and (c) the threats in the letter of 21st October were unjustifiable.

Deputy Enterprise Judge Amanda Michaels of the IPEC considered several issues, including:

1. whether the Court has jurisdiction to overturn the decision of the UDRP panellist to transfer the domain name;
2. whether PEI's letter constitutes unjustified threats within the meaning of s21 of the Trade Marks Act 1994 (TMA); and
3. whether Ross was entitled to a declaration that the registration of the domain name (a) does not infringe PEI's trade marks, and (b) had not passed off any goods or services as those of PEI.

JURISDICTION

Ross was not seeking a declaration directly overturning the decision to transfer the domain name, but instead asked for a declaration that he was entitled to keep the domain name.

Michaels J held that the Court did not have the authority to overturn the decision. However, in case she had erred in her finding, the additional arguments made by Ross were

reviewed – in particular, the argument that a UDRP decision is provisional and not final.

The Judge reviewed previous case law that considered the interplay between the decisions of the UDRP and the courts and found that, while “the Court may have the power to determine the substantive dispute between the parties ... it is a matter for the domain name registrar to decide what (if any) steps should be taken in the light of the Decision and the Court's judgment”.

Therefore, it was held that the Court does not have the power to overturn the decision to transfer the domain

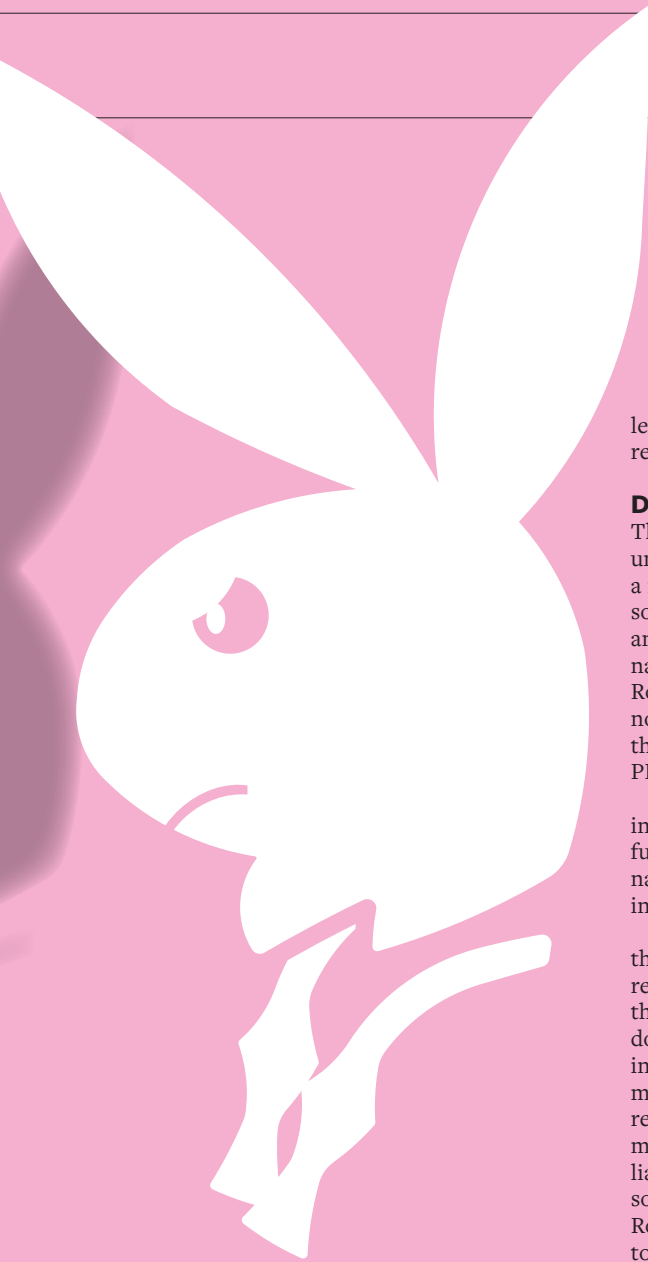
name or issue a declaration stating that Ross was entitled to keep the domain name, as this would be tantamount to granting an appeal against the decision.

THREAT

The Judge first considered whether Ross was a “person aggrieved” within the meaning of s21(1) TMA. Given that Ross claimed that he intended to restrict access to the domain name to close friends and family, the intended use of the domain name was for private matters rather than commercial interests. Further, Ross's proposition to undertake not to use the domain name in relation to the supply of goods or services suggested that he had no commercial interests. As trade mark infringement proceedings under s10 TMA could only relate to use of a domain name in relation to goods or services, the Judge held that Ross was not a person aggrieved within the meaning of s21(1).



The Judge held that there is no reason why Ross's use of the domain name would be ironic if it were not intended to contrast with PEI's marks



She went on to consider whether the threats of proceedings for trade mark infringement were justified and whether Ross suffered any loss or damage by way of the letter. She eventually held that the onus was on PEI to justify the threats, which it did not appear to have done, given the vagueness of the allegations in its letter. Accordingly, the Judge considered the threats to be unjustified and would have found in Ross's favour had he been a person aggrieved.

With regard to damages, Ross pleaded that he incurred legal costs as a result of the letter and his plans for the website were on hold. However, the Judge held that she could not see how the delay in setting up the website would have caused any loss, given that Ross's interests were for private matters and that the

legal costs regarding the letter would be recoverable as costs, not as damages.

DECLARATION

The Judge noted that trade mark infringement under s10 arises only where there is use of a mark in the course of trade in relation to some goods or services. As PEI did not submit any explanation of how use of the domain name would infringe its marks, and in view of Ross's argument that the domain name would not be used or sold for financial gain, use of the domain name would not have infringed PEI's marks.

The Judge found there was no trade mark infringement in this case, but noted that a future owner may choose to use the domain name for a different (and potentially infringing) purpose at a later date.

In terms of passing off, Ross argued that the use of the word "playboy" was an ironic reference to himself. However, the Judge held that there is no reason why Ross's use of the domain name would be ironic if it were not intended to contrast with the nature of PEI's marks. Further, this irony relied on the reputation and goodwill in the PLAYBOY mark, such that the domain name would be liable to be seen by the UK public as having some sort of connection to PEI. As such, Ross's use of the domain name would lead to passing off.

While a declaration that Ross's registration of the domain name did not infringe PEI's trade marks was technically possible, given that the registration was considered to pass off PEI's rights, the Judge held that such a declaration would be unlikely to serve any useful purpose. Accordingly, it was not appropriate to make the declaration sought.

The IPEC dismissed Ross's action for groundless threats, declarations of non-infringement, passing off and entitlement to retain a domain name.

KEY POINTS

- ▶ The IPEC refused to revisit the UDRP decision to recover the domain name "playboy.london"
- ▶ There was no reason why Ross's use of the domain name would be "ironic" if it were not intended to contrast with the nature of PEI's marks



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Now hear this

Saaira Gill emphasises the importance of jurisdiction when enforcing a client's EU trade marks

THE CLAIMANT, AMS Neve Ltd, is a UK-based manufacturer of audio equipment. It owns, via its trustee and shareholder, an EU trade mark registration for “1073” and two UK registrations for logos incorporating a sine wave. The first Defendant, Heritage Audio SL, is a Spanish company that trades in audio equipment. The second Defendant, Pedro Rodriguez Arribas, is the sole director of Heritage and is domiciled in Spain.

AMS brought proceedings against Heritage and Arribas in the Intellectual Property Enterprise Court (IPEC) for the infringement of its EU and UK Trade Mark registrations and for passing off. The Defendants challenged the jurisdiction of the English courts to try the claim pursuant to the Criminal Procedure Rules Part 11.

INFRINGEMENT

As this was not a full trial, His Honour Judge Hacon issued only a preliminary decision on infringement and passing off. For both the EU and UK Trade Marks, AMS alleged that the infringing acts were the advertisement, offer for sale and sale of goods under or by reference to the signs. The relevant acts said to constitute passing off overlapped with the infringing acts, but also included statements made on the Defendant's website and social media pages, which AMS alleged implied an association between Heritage and AMS.

AMS relied upon the following evidence to support the contention that Heritage had offered for sale and sold goods bearing at least one of its registered trade marks in England:

- an invoice (bearing a sign) issued by Heritage to a customer with an address in London;
- a chain of emails between a company in London and the second Defendant regarding the supply of goods, apparently bearing an infringing sign;

- pages from Heritage's website that featured the signs and included a list of distributors, one of which was SX Pro in the UK;
- terms of sale on Heritage's website that made it clear Heritage accepts orders from the EU and will ship to countries within the EU; and
- a witness statement from a solicitor who acts on behalf of AMS, and who had a telephone conversation with SX Pro regarding placing a “special order” for a product that was “built to order by Heritage Audio”.

The Defendants did not deny that the signs complained of were used on their goods and advertising, or that use of the signs could arguably constitute infringement. However, they argued that the evidence did not support the claim that Heritage had used the signs in England, because Heritage itself had never supplied the goods to England, nor offered to sell or advertised its goods in England.

JURISDICTION

The jurisdiction of the court with regard to UK infringement and passing off is governed by Regulation (EU) No 1215/2012, which Hacon J referred to as “Brussels I”. The jurisdiction of the court with regard to the infringement of an EU mark is governed by Council Regulation (EC) No 207/2009 (EUTMR).

Article 4 of Brussels I states that persons domiciled in a Member State shall be sued in that Member State, whatever their nationality. Similarly, Article 97 EUTMR states that proceedings shall be brought in the courts of the Member State in which the defendant is



Article 97 EUTMR states that proceedings shall be brought in the courts of the Member State in which the defendant is domiciled



domiciled, or in which it has an establishment.

AMS relied on Article 7(2) of Brussels I, which states that a person domiciled in a Member State may be sued in another Member State in matters relating to tort “in the courts for the place where the harmful event occurred or may occur”. CJEU case law has established that Article 7(2) is intended to cover both (a) the place where the damage occurred, and (b) the place of the event giving rise to the damage.

In addition, AMS relied upon Article 97(5) EUTMR, which states that proceedings may also be brought in the courts of the Member State in which the infringing act has been committed or threatened.

COURT CONCLUSIONS

Hacon J took into consideration the judgments issued in C-523/10 (Wintersteiger) and C-360/12 (Coty). He concluded that, in the context of an alleged infringement of a national registered trade mark, the courts of the Member State in which the mark is registered will have jurisdiction as the place where the damage occurred. The court of the Member State concerned must assess whether there has been damage in that jurisdiction.

Hacon J interpreted Coty to suggest that “the jurisdiction conferred under Article 97(5) will not be the place the trade mark is registered, but the place of the defendant’s active conduct – which may or may not be the same thing as the place of the event giving rise to damage within the meaning of Article 7(2) of Brussels I”.

He considered the evidence and was satisfied that AMS had a good arguable case that, at least to some degree (possibly only a limited degree), the UK mark had been infringed and there had

been passing off. On the provisional findings made in relation to the facts, Hacon J concluded that the IPEC had jurisdiction for the UK marks.

With regard to the EU registrations, he concluded that the position was not the same; in his view, the judgment in Coty drew a distinction between the event of taking steps to put a sign on a website (or taking a decision to that effect), and the event of the display of the sign on the website. Only the courts of the Member State where the former event had taken place have jurisdiction, which in this case was the Spanish courts, as that is where the infringing acts have been committed.

INEFFICIENCY ISSUE

This case highlights the issue of potential procedural inefficiency resulting from a brand owner having to bring proceedings in multiple jurisdictions if it wishes to pursue a claim in all its key territories. While this case is slightly uncommon, it nevertheless highlights the importance of determining where infringing acts have been committed.

KEY POINTS

- ▶ As to infringement, the courts of the Member State in which the mark is registered will have jurisdiction as the place where the damage occurred
- ▶ In the EU, there is a distinction between taking steps to put a sign on a website, and the display of the sign on the website. Only the courts of the Member State where the former took place have jurisdiction



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Bitter pill for a brand owner

In a heavily regulated sector, a lack of evidence was an important issue, reports Richard May

IN DECEMBER 2014, Acre Pharma Ltd filed a UK application for DECADRON for “pharmaceutical preparations and substances” in class 5. The application was opposed by Chemidex Pharma Ltd based on its earlier identical registration for DECADRON in class 5, which covered “pharmaceutical preparations containing hormones”. Acre put Chemidex to proof of use in its counterstatement and also applied to revoke the Chemidex registration on the basis that it had not been put to genuine use.

The parties agreed that the genuine-use issue was paramount: if the Chemidex registration survived the proof-of-use/revocation assessment, then the opposition would succeed.

THE EVIDENCE

As evidence, Chemidex largely relied on:

- prescription data from the NHS showing that 133 prescriptions were issued for 4,042 Decadron tablets in 2010;
- IMS Health data showing two entries for Decadron in 2011 and 2012; and
- a letter from Chemidex’s distributor Movianto confirming delivery of Decadron tablets from 2010 to 2012.

In response, Acre relied on a document disclosed by The Medicines and Healthcare Products Regulatory Agency. The document included a summary of the product characteristics (SPC) for dexamethasone tablets between 2009 and 2014 (dexamethasone being the generic drug name for Decadron). All the SPCs identified Chemidex as the holder of the drug. However, only one SPC, dated February 2009, cited Decadron as the drug name, and this reference was outside the relevant use period. Those SPCs that included a date within the relevant period all referred to the drug as “dexamethasone 500 microgram”. Acre also relied on various listings in trade publications, and the common theme was the absence of “Decadron” where it would have been listed. “Dexamethasone”, however, was listed.

None of the typical evidence of use was submitted by Chemidex (eg invoices, delivery notes, purchase orders, sales figures and packaging samples). The Hearing Officer (HO) remarked that, in the heavily regulated pharmaceutical industry, one would expect records of drug authorisations and sales to be easily locatable. Relying on PLYMOUTH LIFE CENTRE (O/236/13) and CATWALK (O/404/13), the HO considered that he was entitled to be “sceptical” about the lack of convincing evidence under such circumstances and that it is just as important to consider what the evidence does not show as to consider what it does.

HO DECISION

Nevertheless, the HO decided the case based on what Chemidex had filed and decided that such evidence was insufficient to show any sales of the drug under the Decadron name. There was some discussion as to whether the 133 prescriptions in 2010 were for Chemidex’s Decadron or imported (non-Chemidex) Decadron. The HO was persuaded by the latter, but made the point that, even if he was wrong, 133 prescriptions is a proportionately small number that took place for a very short period, which he deemed insufficient use to create or maintain a market share in the drug.

SOLIDITY REQUIRED

This case reminds us that evidence of genuine use must be sufficiently solid and specific to convince a tribunal to maintain a registration, particularly in heavily regulated industries where good record keeping is expected.

KEY POINTS

- ▶ The Registrant failed to file typical evidence of genuine use in an industry where good record keeping is expected and evidence should be easily locatable
- ▶ In the absence of solid and specific evidence of use, the HO revoked the registration and the opposition failed

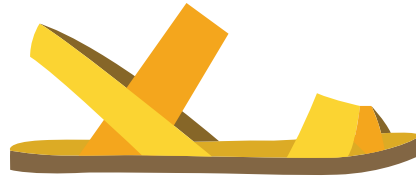


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Treading a rocky road



Birkenstock found itself on the back foot in defending a non-traditional mark, writes Loren Ravenscroft

THE UK IPO has issued a decision allowing the invalidation of a UK trade mark (shown right) described as “a pattern applied to the sole of footwear”, registered by sandal maker Birkenstock Sales GmbH for footwear. The decision reminds us that the road to registration (and, indeed, to maintaining a registration) for non-traditional trade marks is a rocky one, and the UK IPO is likely to take the path of least resistance when it comes to deciding the issue.

The invalidity action was brought by rival shoe company Eurogloria SL and based on a range of potentially relevant grounds under the Trade Marks Act 1994: sections 3(1)(b), 3(1)(c), 3(1)(d) and 3(2). Eurogloria argued that not only was the mark devoid of distinctive character, it was descriptive of the quality and intended purpose of the goods in that it indicated grip, was customary in the trade and was essentially a shape necessary to obtain a technical result (it will stop the user from slipping).

INHERENT DISTINCTIVENESS

It is worth noting that the Hearing Officer (HO) avoided addressing most of the difficult questions around the registrability of non-traditional trade marks, still a developing issue, by deciding that the mark was devoid of distinctive character under s3(1)(b) and dismissing all of the other grounds, finding that Eurogloria had not made out its case in support of them.

While acknowledging that there is some overlap between s3(1)(b) and the other grounds, the HO decided that Eurogloria had not convinced her that the sign indicated the nature and purpose of the footwear, and nor had it provided UK-based evidence to show that the sign had become customary in the trade or had a technical function.

The outcome, however, was favourable to Eurogloria: the mark was found to lack inherent

distinctiveness under s3(1)(b) for footwear. But the UK IPO’s dismissal of the other grounds, citing a lack of evidence, reminds us that, as is all too easily forgotten, the onus in such actions at the UK IPO is on the applicant for invalidity to demonstrate that the mark does not satisfy the criteria in s3. The UK IPO has, after all, already decided the issue once, at the examination stage, and must be provided with reasons if it is to revisit its decision.

ACQUIRED DISTINCTIVENESS

The HO dismissed Birkenstock’s claim that the mark had acquired distinctiveness, stating that, despite a high volume of sales, the evidence did not point to the sign having been used independently of the Birkenstock brand, or as a trade mark at all. This is in line with recent case law, notably the KitKat decision, pursuant to which non-traditional marks must operate independently and function as trade marks in their own right, and the registries and courts will take the line that the perception of the average consumer is different for this category of marks.

Even if consumers recognise a non-traditional mark, the courts and registries will not generally assume that they see it as a “badge of origin” unless they have been trained to do so through extensive marketing and use in a brand sense. Applicants for registration, and, indeed, registered proprietors defending invalidity actions, need to demonstrate convincingly that this has occurred.

► The Birkenstock registration



KEY POINTS

- Achieving and maintaining registration of so-called ‘non-traditional’ trade marks is far from straightforward
- The UK IPO is likely to take the path of least resistance when faced with difficult questions surrounding this developing issue
- The onus is on the applicant for invalidity at the UK IPO to show that the mark does not satisfy the criteria for registration under s3 TMA (and foreign evidence will not assist an applicant to establish its case)



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Defining decision

Chris Morris considers the impact of classification in determining confusion

THIS CASE CONCERNS an opposition against an application to register the mark SKIN DEFINE, filed by FB Beauty Ltd (the Applicant). The Opponent was Next Retail Ltd, with proceedings based on its earlier registered trade mark DEFINE and a claimed goodwill in the same mark. The opposition was directed against all goods covered by the application – a wide range in class 3 related to “cosmetics” (a variety of products used on eyes, lips, nails, cheeks and skin). The earlier mark was old enough to be subject to use requirements and the opposition was based only on “perfumery; perfumes; eau de toilette; shower gels; [and] cosmetics” covered by the earlier registration. The Opponent claimed a goodwill for the same goods, and skin lotions.

Having considered the evidence, the Hearing Officer (HO) concluded that genuine use of the earlier mark had been demonstrated. Citing Geoffrey Hobbs QC’s decision in Euro Gilda¹, the current position was summarised as follows: “fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify”.

BROAD TERM

The Opponent contended that, because it had used the mark in relation to “eau de parfum, body wash, body cream, body lotion, eau de toilette and bath caviar”, and these products fell within the scope of the goods relied upon, it had fulfilled the burden of proof. The HO confirmed this is not the correct approach. Instead, what must be considered is how the consumer would perceive a product. On that basis, a fair specification was “eau de toilette; perfumes; cosmetics in the form of perfumed body moisturisers; perfumed shower gels; [and] perfumery in the form of perfumed bath preparations”.

The HO found that the broad term “cosmetics” in the opposed mark was identical

to cosmetics in the form of perfumed body moisturisers (the latter falling within the former). Because of the differences in nature and method of use, and the fact they were not in competition, the remaining goods covered by the opposed mark were only considered somewhat similar to those covered by the earlier mark. The HO found that the earlier mark was averagely distinctive, with the relevant consumer being the general public.

The HO agreed with the Applicant that DEFINE alludes to positive aspects of the Opponent’s goods, namely that they “define” the user. In contrast, SKIN DEFINE would refer to the abilities of the Applicant’s goods to aesthetically improve the skin.

On balance, the HO found that, because the “skin” element of the opposed mark would undoubtedly be recalled, there was no possibility of direct confusion. In relation to indirect confusion:

- For the identical goods “cosmetics”, the consumer would think both DEFINE and SKIN DEFINE goods came from the same entity, so the opposition succeeds.
- For the remaining goods, with non-fanciful or invented words, the “trigger” in the mind of the consumer is linked to a particular context, and confusion is less likely. In light of the level of similarity of goods and the concept created by SKIN DEFINE, confusion will not occur.

IMPACT OF USE

This case reiterates the importance of evidence of use and the effect it can have on proceedings. It also shows the advantages of a goods specification that is not composed solely of catch-all terms.

KEY POINTS

- ▶ With regard to proof of use, the appropriate approach to what must be considered is how the consumer would perceive a product
- ▶ For marks with non-fanciful or invented words, the “trigger” for confusion is linked to a particular context

1. Euro Gida Sanayi Ve Ticaret Ltd v Gima (UK) Ltd, O/345/10



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Burges Salmon LLP represented the Applicant in this case.

events

More details can be found at citma.org.uk

DATE	EVENT	LOCATION	CPD HOURS
6th February	CITMA/CIPA CPD talk Best practices for filing design applications	Withers & Rogers LLP, Sheffield	1
21st February	CITMA London evening meeting*	Royal College of Surgeons, London WC2	1
22nd February	CITMA CPD webinar US trade marks – TTAB disputes, an overview and update	Log in online	1
23rd February	CITMA Scotland pub quiz	Voodoo Rooms, Edinburgh	
15th–17th March	CITMA Spring Conference* Navigating the Seas of Change	Hilton Tower Bridge, London SE1	9
15th March	CITMA drinks reception* Part of the CITMA Spring Conference	More, London SE1	
16th March	CITMA gala dinner and drinks reception*	Cutty Sark, London SE10	
25th April	CITMA London evening meeting*	Royal College of Surgeons, London WC2	1
16th May	CITMA London evening meeting*	Royal College of Surgeons, London WC2	1
14th June	CITMA CPD webinar	Log in online	1
20th June	CITMA London evening meeting*	Royal College of Surgeons, London WC2	1
13th September	CITMA CPD webinar	Log in online	1
15th November	CITMA CPD webinar	Log in online	1
8th December	CITMA London Christmas lunch	London Hilton on Park Lane, London W1	

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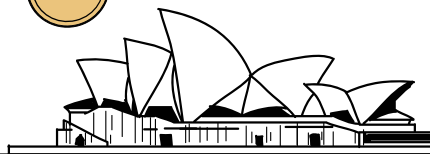
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THE TRADE MARK 20

Q&A



I work as... a lawyer at Bird & Bird LLP in London.

Before this role, I was... at university in Oxford studying materials science, economics and management.

My current state of mind is... optimistic. I try to take a positive outlook on life because optimism helps us see new opportunities, learn from different situations and move forward.

I became interested in IP when... I was doing my degree; I was working in an environment in which people were constantly innovating, and that's when I realised the importance of IP protection.

I am most inspired by... people who have overcome bad fortune to fulfil their dreams.

In my role, I most enjoy... working with like-minded and motivated clients and colleagues.

In my role, I most dislike... that there is free coffee in the office! I am now a coffee addict and drinking far too much; I never regularly drank coffee before I was a lawyer. My top three coffee shops nearby are Sampa on Leather Lane, Fleet Street Press and Department of Coffee and Social Affairs.

On my desk is... a set of photos from the photo booth at the Bird & Bird annual IP reception.

My favourite mug says... (if I had one) anything but "Starbucks".

My favourite place to visit on business is... Barcelona, where I was lucky to go on a retreat to meet the rest of the worldwide IP group at Bird & Bird.

If I were a trade mark or brand, I would be... Tesla. I have a keen interest in technology and am also environmentally conscious, and Tesla's work on zero-emission cars perfectly reflects these values.

The biggest challenge for IP is... ensuring that the law keeps up with the pace of innovation.

The talent I wish I had is... being a world-class sportsperson. I would love to win an Olympic gold.

I can't live without... human interaction.

My ideal day would include... exploring a new city on foot and taking in all the sights, smells and sounds. The last new city I went to was Edinburgh, where I walked more than 25km in two days!

In my pocket is... a loyalty card for all three of the coffee shops I mentioned earlier. However, they always get lost before they get full.

The best piece of advice I've been given is... if you need something doing, ask a busy person.

When I want to relax I... watch a film with my cat on my lap.

In the next five years I hope to... visit Australia, so I will have "ticked off" every continent. Although I haven't booked yet, I plan to visit Sydney, Melbourne, Alice Springs and the Great Barrier Reef, and maybe do a trek in the rainforest.

The best thing about being a member of CITMA is... getting my regular fix of the CITMA Review, and the wild Christmas lunch!



Emily Gittins
confesses to a dark
(but rich) addiction

“

I was working in an environment in which people were constantly innovating, and that's when I realised the importance of IP protection

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