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ITMA REVIEW

THE JOURNAL OF THE INSTITUTE OF TRADE MARK ATTORNEYS

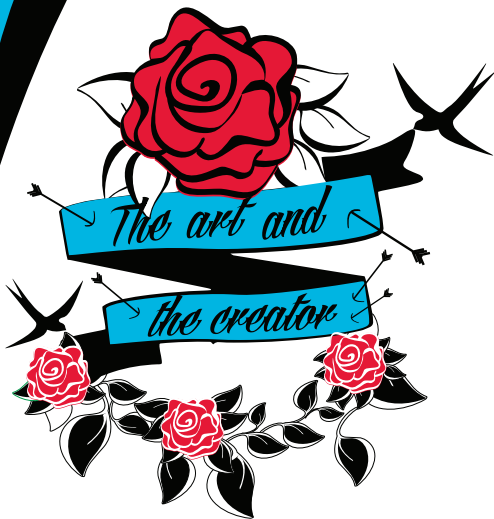
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welcome

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ITMA Review

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Once again I find myself thinking about a seminar that has not yet happened as I write, and which is recent history as I am read. I enjoy the grammar of a future-in-the-past tense: the Birmingham seminar was and will have been wonderful, and excellent photographs were and will have been taken. And yes, I know Douglas Adams thought of this long before me, in relation to the Restaurant at the End of the Universe – which was at the temporal end, not the spatial end.

Birmingham aside, I am fascinated to see that, in this issue of the *ITMA Review*,

we have an article on tattoos. I do not have a tattoo, yet; but I give a solemn vow that if ever I have one, it will be the ITMA square. What could be better?

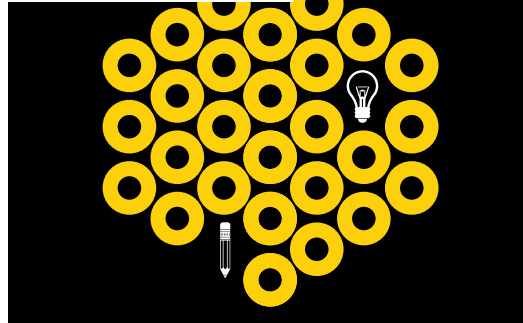
I look forward to seeing you, body-art-decorated or otherwise, at the Christmas lunch. Early tickets make life so much better for the office, so do please get in touch early if you can.

Catherine Wolfe
ITMA President



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ITMA Insider

From the IPO: unsolicited mail update

I doubt if any of you will be surprised to learn that the number one complaint of IPO customers is unsolicited mail. As you probably know, this is where trade mark and patent owners receive an official-looking renewal reminder requiring a signature and the document to be returned to the sender. In some cases these reminders are issued up to 12 months before the renewal date of the trade mark.

The volume of complaints about this type of mail has risen steadily over the past couple of years. This is despite the fact that the IPO has refreshed its website and provided examples of the renewal reminders.

The IPO is currently seeking to gauge the extent of confusion among our users, either initial or ultimate, particularly with companies using names or signs that are similar to our own. We have been gathering evidence from unrepresented trade mark owners for several months, and now we are looking to the profession for any evidence you can provide us with from your clients. We do not

need to hear from those who recognised that the notices were not official reminders.

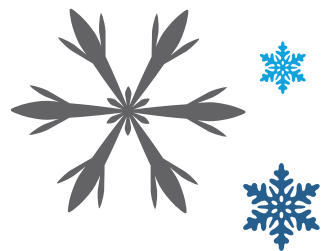
Please forward copies of any evidence you have to:
tmdbusinessdevelopmentteam@ipo.gov.uk

Or post hard copies to:

**Trademarks and Designs Registry
Business Development Team
Room 2G32
Concept House
Cardiff Road
Newport
NP10 8QQ**

To end on a positive note, there has been some success. The Advertising Standards Authority upheld a recent complaint from NBC Bird & Pest Solutions Limited. It considered the presentation of the Trademark Renewal Service Limited mailing was misleading and ruled that it must not appear again in its current form. A copy of the full, final adjudication is available from **asa.org.uk**

Complaints about unsolicited mail have risen steadily in recent years, despite the fact that the IPO has refreshed its website



The holidays start here!

Mark your calendar for the ITMA annual Christmas lunch, which will be held on 10 December at the InterContinental London Park Lane and hosted by the ITMA President, Catherine Wolfe. A pre-lunch drinks reception will provide ample mingling opportunities before we sit down to a traditional Christmas lunch with all the trimmings. See **itma.org.uk** for booking details.

Membership search made easy

Looking for an ITMA member? The members' area of **itma.org.uk** contains a tool that allows you to search our membership by name, membership category, country or even UK county. We hope this tool makes it easier for ITMA members to find one another. Data is updated on a weekly basis, so information returned from your searches will be as accurate as possible.

Please help us keep our membership database up to date by logging in and checking your own record and the information displayed. If your record requires any amendments, please email Marzia at **marzia@itma.org.uk**, and we will make sure your details are revised accordingly.

With your help, we'll all get the most out of this useful tool.

Member moves

The Directors at Lawrie IP are delighted to announce that Sharon Mackison has joined the firm as a Trade Mark Attorney. Sharon can be contacted at sharon.mackison@lawrie-ip.com or on +44(0)141 212 7070.



Eleanor Merrett has recently joined Olswang as a Trade Mark Attorney in the IP department and can be contacted at eleanor.merrett@olswang.com.



TMA Top Scorer



Congratulations to **Danielle Jeeves** (left), who achieved the top mark in the 2013 ITMA Trade Mark Administrators' Course.

The Trade Mark Administrators' Course Committee is delighted to announce also that the following candidates were successful in the exam, held in June:

Kosser Amin
Beverley Appleby
Nurten Aydeniz
Lesley Barkman
Marie Bolam
Magdalena Borucka
Dannika Botchway-Samuel
Olivia Bradshaw
Sophie Carroll
Ajita Chamberlin
Christine Chan
David Clark
Melissa Coe
Sri Dhevi Santhana Dass
Toyin Dodo-Williams
Natalie Dyer
Chloe Elsom
Dylan Facer

Anne-Elisabeth Fauveau
Donna Fortune
Barbara Garfield
Heather Gaughan
Helen Gerrard
Dan Ghindea
Dorothy Gormley
Amanda Greenwood
Debbie Grieve
Penelope Hogg
Kaneez Hussain
Natasha Hybner
Ikechi Iwenofu
Inga Kevisa
Kasia Ksiezopolska
Ramya Kumar
Susan Lee
Margarita Lira
Sarah Mace
Amber Matiatos
Jennifer McCabe
Richard Mead
Jennifer Meehl
Nicola Priest
Lynsey Robinson
Tatiana Sanderson
Irene Sime
Natasza Slater

Ellis Smart
Zoe Squires
Arron Stribling
Laura Taylor
Daniel Troake
Elena Valuiskich
Helena Wade
Kayleigh Walker
Tom Walley
Julie Warren
Jennifer Way
Alison Wriggles
Zi Ye

Copies of unmarked examination scripts are available for £25. If you would like to receive a copy, please contact **Marzia Sguazzin** at marzia@itma.org.uk. Payment can be made by cheque, credit/debit card or bank transfer.

Scripts will be destroyed three months after the date the results were published which, this year, will be **21 November 2013**.

ITMA leadership welcomes JPAA visit



ITMA President Catherine Wolfe, accompanied by both ITMA Vice-Presidents Chris McLeod and Kate O'Rourke, was pleased to receive a visit on 2 September from Dr Yamakawa, the Director General of the Japan Patent Attorneys Association (JPAA), Mr

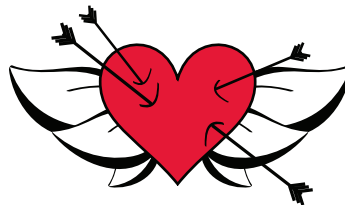
Tanaka, JPAA Vice-President, and Mr Sasaki.

It was a very enjoyable visit and, as ever, when Patent Attorneys meet Trade Mark Attorneys, the talk turned towards designs!

The JPAA kindly gave us a charming scroll, which is on display at the ITMA office.

IPEC is go

On 1 October 2013 the Patents County Court (PCC) became the Intellectual Property Enterprise Court (IPEC). Find full details of changes implemented as a result of Civil Procedure (Amendment No 7) Rules 2013 at legislation.gov.uk



When it comes to celebrity tattoos, the story is always who's got one and where – but what about the artist who created the design? Alastair Rawlence redresses the balance

Recent press reports have focused on whether the rose tattoo on singer Cheryl Cole's rear is aesthetically beautiful... or not. From an IP attorney's perspective, the more interesting question is: who owns the right to exploit that tattoo?

While you may not choose to get one yourself, tattooing as body art is no longer considered as alternative or unconventional as it once was. Fuelled partly by its enthusiastic adoption by rock stars and actors, tattooing has become more mainstream in the past few decades. Pick up a magazine or flick through celebrity gossip columns online, and

you will invariably read news of the latest ink designs adorning everyone from singers to sports stars.

So well known have some of these designs become that they are now a focal point of many adverts featuring celebrity endorsements – think David Beckham in his underpants for H&M, or Megan Fox stripped down for Armani. Many of the tattoo designs favoured by celebrities have trickled down to the high street and, quite probably, to a back, ankle, arm or leg near you.

Thin line

As with most forms of creativity, however, there is a thin line between imitation and infringement. Inking a celebrity can provide the tattoo artist



with a valuable opportunity to showcase their skill and raise their profile. Commonly, however, the tattoo will become so associated with the body it adorns that few imitators or advertisers will consider the tattooist's IP rights when copying or taking inspiration from their designs.

Such oversight may traditionally have been ignored in the once anti-establishment world of tattoo art. But today, this kind of infringement is sufficiently high-profile to grab the attention of the tattoo artist and lead to legal action. The recent dispute in the US between tattooist S Victor Whitmill and the studio behind the movie *The Hangover Part II* provides just one recent example of a tattoo artist

recognising the value of and need for asserting IP rights against unauthorised copying.

The tribal ink-job on the face of a main character in the film may have been made famous because it is the twin of a tattoo sported by former heavyweight champion Mike Tyson, but it was the tattooist's permission that the filmmakers needed in order to use it. While the two parties ultimately reached an "amicable" resolution to the dispute, Warner Bros was reportedly so concerned when the legal claim was brought that it said in a court filing that the studio would digitally alter the facial design for the DVD release.

There is certainly enough precedent for Warner Bros to

be so concerned. A US copyright infringement lawsuit stemming from an advertisement that focused on the tattooed arm of pro-basketball player Rasheed Wallace hit the US courts in 2005. The claim made it clear that Matthew Reed, the tattoo artist, had a right to assert copyright infringement based on that tattoo, even though Wallace argued that he had helped to create the design by suggesting the initial theme as well as amendments to Reed's sketches.

Indeed, Reed's complaint was filed not just against Nike and its advertising agency (for copying, reproducing, distributing and publicly displaying Reed's copyrighted work without Reed's consent), but also against Wallace



A stamp of authenticity

Louis Molloy set up his studio in Middleton, Manchester, in 1981 when he was 18 years old. Over the past three decades, he has created some of the world's most recognisable tattoo designs, and has inked everyone from footballer David Beckham to boxer Ricky Hatton, Boyzone's Ronan Keating and *Coronation Street's* Anne Kirkbride (Deirdre Barlow). As well as his tattooing work, Molloy has collaborated with clothing and home-furnishing designers, endorsed a range of aftercare skin products for tattooing (Forever Ink), and starred in *London Ink*, a reality television show about tattooing.

Novagraaf Manchester has worked with Molloy for the past eight years, registering trade marks for his personal and company name, as well as key designs. Many of these have been licensed to select clothing and home-furnishing manufacturers, including designer John Smedley, to produce capsule collections featuring Molloy's unique artwork. Novagraaf has also worked with Molloy to enforce the copyright on those designs where they have been used or featured without his permission.

for contributory infringement. This was based on Wallace allegedly holding himself out as the exclusive owner of the tattoo to Nike and in the advert, which sees him describe and explain the meaning behind the tattoo.

Overstepping the mark

This wasn't the last time product advertising featuring tattoos fell foul of IP law. More recently, Nike announced that it was pulling a line of leggings and sports bras inspired by tribal tattoos from Fiji, Samoa and New Zealand following an outcry and online petition by Pacific communities. Much of the complaint stemmed from the alleged insensitivity of the tattoo design's use, with members of the Samoan community protesting that the women's leggings used a design similar to the *pe'a* – a traditional tattoo reserved in their culture for men.

IP rights in tattoo artwork will belong to the artist that created the tattoo, assuming it meets the requirements for artistic copyright. To do this, it needs to be 'fixed' and 'original'



Meanwhile, here in the UK, a tattoo on supermodel Kate Moss plays a crucial role in the branding for her recent phone accessory deal with Carphone Warehouse, with much of the product line featuring the anchor tattoo design inked on her wrist. The artist who created or inked that design does not appear to have made any complaint about its use, so it may well be that the hand-drawn anchor is of her own design, that its ownership has been transferred to her or that the design is being used under licence from its creator. If that is the case, its use as a logo for the jointly branded line of products is likely to lead to a trade mark registration – although not if the tattooist owns the copyright to the original design.

Elsewhere in Europe, a 2009 Belgian case helpfully brought into focus the distinction between the rights of the tattoo artist to reproduce their design and the rights of the person bearing the tattoo. The case highlighted that under Belgian law there is a difference between the copyright in the design of the tattoo and the copyright in the design applied to the body. In effect, in its ruling, the Court of Appeal in Ghent held that the tattoo artist who created the design had the right to reproduce the design on others, but had no rights to prevent the person to whom the tattoo had been applied being photographed and those photographs being disseminated.

Advising the artist

With the exception of tribal tattoos based on an indigenous right or designs transferred to another party via assignment, IP rights in tattoo artwork will belong to the artist that created the tattoo, assuming it meets the requirements for artistic copyright. To do this, it needs to be "fixed" (ie permanent) and "original",

Any tattooist seeking to build a reputation for themselves or their studio should also seek relevant trade mark protection for their business or studio name

although the threshold for the latter is fairly low.

As their tattoo body of work will invariably qualify for copyright protection, which does not need to be registered in the UK, in theory there is nothing tattoo artists need to do to prove the subsistence of this right other than keep records of their designs and their creation dates. However, a tattoo design can also be eligible for trade mark protection where it satisfies the requirements of a *bona fide* intention to use; for example use in marketing as part of a branded range of products. It may also function as a design right where the tattoo satisfies the requirement for novelty.

Indeed, as high-quality tattoo art is sophisticated and unique to the individual artist, tattoo designs can be used for a wide range of products, from crockery to fashion items, textiles and jewellery items. Any product requiring decoration may qualify. However, if the tattoo artist wishes to use a tattoo design as a trade mark for products and services, such designs should also be protected by trade mark registration. This is crucial for many tattoo artists as trade marks will enable them to build their business and reputation, and can be licensed to third parties for a wide range of products.

Any tattooist seeking to build a reputation for themselves or their studio should also seek relevant trade

mark protection for their business or studio name. Registering their personal name as a trade mark is of particular importance, as the reputation of tattoo studios tends to lie in the tattooist's name rather than that of the company or studio name. Renowned tattooist Louis Molloy – the artist behind David Beckham's "Guardian Angel" back tattoo – has his name "Lou Molloy" protected as a plain word/signature via Community Trade Mark registrations, for example.

In Molloy's case, those trade mark registrations cover the clothing, cosmetics, textiles and skincare sectors, and products bearing Louis's distinctive designs have been used for home furnishings, such as cushions, clothing (including T-shirts, sweatshirts and polo shirts) and knitwear designs for the likes of



John Smedley. Louis also licenses his tattoo designs via his website and retails a range of body art

aftercare, "Forever Ink" (see "A stamp of authenticity", opposite).

More than just a canvas

But what about the celebrities themselves? After all, they didn't choose the design in order to be a walking advertisement for the tattoo artist. The artist's creativity and skill apart, that tattoo exists because of the individual's taste and desire to be different or to commemorate someone or something, for example. Unsurprisingly, the canvas for that art may feel that they had something to do with making that design famous or, at least, that they had some involvement in its creation in collaboration with the tattooist.

If that's the case and a celebrity is having a custom design created by the tattooist that they may wish to exploit at any stage, they should take an assignment of the copyright from that tattooist, preferably at the time of commission. If they do not, or choose not to, they may find that advertising, packaging designs, promotional materials, etc. featuring that tattoo might infringe the copyright, trade mark or design laws that can protect the tattoo artist's interests in the tattoo – and the drawing, sketch or design that came before it.

Some tattooists may not be aware of the IP rights that exist in their tattoos or may choose to overlook any infringement because of the return they get in terms of exposure for their work. However, as many recent cases have shown, the tide has begun to turn. Future advertisers overlook those rights at their peril.

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Alastair has more than 20 years' experience in the IP sector and specialises in fashion, entertainment and retail.



HEADING FOR



TROUBLE

Elisabeth Burst examines the continuing impact – and inconsistencies – of the IP Translator decision

The IP TRANSLATOR decision (hereafter “the IPT decision”) highlighted the duality, problems and limitations associated with i) the coexistence of national trade marks and practices and ii) Community Trade Marks (CTM) and practices. More than a year later, what are the impacts on and changes in today’s practice?

The issue

The IPT decision concerned the definition and contents of the Nice general class headings. Should we apply a “literal” interpretation (whereby the class heading would include all products and services that fall naturally into a general category) or a broad interpretation (where the general class heading would include the entire alphabetical list of a given class)?

The issue centres on whether or not to include “isolated products” under a general class heading – ie one or more products that do not match the natural definition of a general class heading – or one or more products that relate (or not) to the general spirit of a given class.

The rules of the game

On 16 June 2003, OHIM Communication 04/03 indicated that the use of class headings constitutes a claim for protection of all products and services pertaining to the respective class. This has gone unnoticed by the examiners at the Office, who have continued in practice to apply a literal interpretation to the general class headings.

The IPT decision compelled the President of OHIM to restore the situation. In Communication 02/12 he confirmed that, before IPT, in using a given class heading, “the intention of the applicant... was to

cover all goods or services included in the alphabetical list of that class”. He also stated that it is essential that the actual protection of the mark reflects the applicant’s intent.

A magic tick-box is thus provided for applicants to claim protection for the entire class in just one click.

The French Office took a stance on this issue and recalled that the most important element of the system was “the wording, and nothing but the wording”, and that there is no room for “isolated products” if this does not clearly reflect the applicant’s intent.

This meant those of us involved in trade mark protection in France were supposed to deal with a two-tier system: the OHIM system and the Institut National de la Propriété Industrielle system.

Concrete applications

1. Oppositions

The major consequences of the IPT decision are best reflected in the oppositions.

In fact, this resulted in a three-tier system. The outcome of a proceeding differs depending on whether the decision was rendered before the IPT decision, after the IPT decision on a CTM filed before the IPT decision, or after the IPT decision on a CTM filed after it.

The major risk induced by the IPT decision would be to file a great number of oppositions against a multiple-page description.

As the taxonomy was banned by OHIM and is a simple informative tool deprived of any legal effect, the only solution would be that OHIM publish a list of the “isolated products” in each class to avoid opposition proceedings with endless argumentations.

2. Availability search

The IPT decision’s impact on the availability search is more limited as it occurs in the unusual case when an applicant wants to file a CTM for “isolated products” or similar products, and where it is necessary to evaluate the risk of being sued before OHIM.

A CTM claiming protection for a general description and filed before the IPT decision will be considered

as a prior right for one trade mark project. But the same trade mark will not necessarily have prior rights if filed after the IPT decision.

3. Revocation for non-use

If the owner of a trade mark wishes to obtain maximum protection and claims protection for an entire class, this decision may turn against them at the end of the fateful five-year period. The stakes are high, as the owner could eventually lose all protection for products they would one day need to manufacture.

4. Filing

Here, the best is the enemy of the good. Only well-balanced specifications that are not too broad or precise will ensure optimum protection. Also, a specification giving broad protection at the time of filing may eventually reduce the owner’s rights to an absolute minimum after five years.

Filing an application for the general category of the product of interest, and possibly the isolated products, may be an option to

A CTM filed before the IPT decision and claiming protection under a general description should be given a broad interpretation

consider, but this requires a case-by-case analysis.

5. Renewal

The case of particular interest here is the renewal of CTMs that claim protection for a general specification. OHIM did not take the opportunity to require the owner to give any information at the time of renewal to specify the scope of the trade mark specification by asking whether the renewal applies to all products and services or only to the general description according to its literal interpretation.

6. Conversion of a CTM into a national trade mark

No office has yet given any decision on this. However, the French Office will apply its literal interpretation to CTMs. This is where the divergence of interpretation between offices takes on its full meaning.

A CTM filed before the IPT decision and claiming protection under a general description should be given a broad interpretation. Yet the French Office will go for a literal interpretation and so should reject the insertion of “isolated products” in the specification.

As the French Office totally rejects the statement whereby the applicant intends to protect the entire class of interest, what will be the position of the French Office when it comes to converting such CTMs?

Continuing concerns

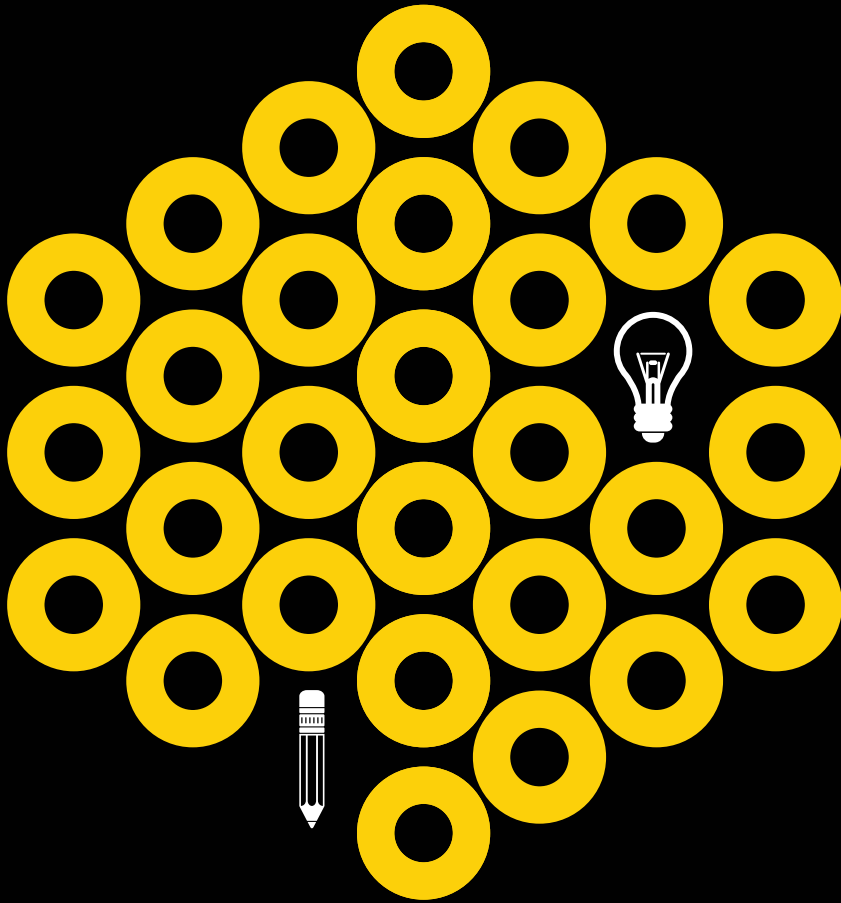
At first glance, one may well ask “What was all the fuss about? All this for ‘isolated products?’” The aim of the IPT decision was to fulfil an urgent legal requirement, but it did not establish the general framework that was needed in view of the implications, uncertainties and risks that have resulted from it, and which will continue to generate concerns and challenges for practitioners.

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DESIGN'S DAY IN THE SUN

John Coldham believes that coming changes to IP legislation are a sign that designs are emerging from the IP shadows



While there have been, historically, few designs cases before the English courts, recent years have seen a more than threefold increase in designs infringement cases

Designs law has commonly been seen as the poor relation of other IP rights, be it as an adjunct to patents, to copyright, or more recently in the brands arena. As a result, designs are sometimes low down the list of legal considerations in the clearance of new products or logos, and their value as a tool against copycats can be underestimated. However, designs are highly significant to the British economy; businesses invested £15.5 billion in designs in 2009 alone, according to the UK IPO.

And while there have been, historically, few designs cases before the English courts, recent years have seen a more than threefold increase in reported designs infringement cases. The Intellectual Property Enterprise Court (IPEC, previously the Patents County Court) has proved to be a popular forum for these disputes. This is perhaps not surprising. Lord Justice Jacob (in *Proctor & Gamble v Reckitt Benckiser*) said that designs should be capable of determination “in a few hours”, and that “the most important thing about [the designs] is what they look like”, and IPEC’s emphasis on minimal evidence and active case management ensures that legal costs are directed to the most important questions before the court. In addition, many designs cases fall well within the damages cap of £500,000, and this – combined with

the fact that losing parties are subject to a maximum costs contribution of £50,000 – has encouraged some potential claimants to enforce their rights through litigation, as the risk of a financially crippling costs order has now been removed.

Driving change

In another indication of the growth of the area, the IPO ran a consultation in 2012 on the structure of designs law. The scope of the consultation was broad – from a question on whether UK unregistered design right should be retained at all (it was), to whether there should be criminal sanctions for infringement of design law (there will be for registered designs).

The Government published its response in April 2013 and this was followed very swiftly by the introduction of the Intellectual Property Bill 2013 before Parliament in the House of Lords by Viscount Younger of Leckie, the IP minister.

As the first new primary legislation in the IP arena for a while, the Bill sweeps up various aspects of IP law that have been waiting for primary legislation to effect the change. The two main areas of the Bill relate to the unitary patent and to design law. The Bill cleared the House of Lords on 30 July 2013 and is expected to pass through the House of Commons as this issue reaches readers.

Next is a discussion of some of the specific revisions involved in both unregistered and registered design rights.

PROPOSED CHANGES TO UK UNREGISTERED DESIGN RIGHT



- Amended definitions of “design” (no longer “any aspect”) and “original” (commonplace geographical scope widened)
- The default owner of designs will be the designer, not the commissioner
- Qualification now based on designer’s location, not nationality
- Introduction of various defences

PROPOSED CHANGES TO REGISTERED DESIGN RIGHT

- Accession to the Hague Agreement
- Introduction of a Designs Opinion Service
- Introduction of criminal offences for infringement

Unregistered design right

Meaning of “design”

Whereas “design” has been defined as “the design of any aspect of the shape or configuration (whether internal or external) of the whole or part of an article”, the Government response to the consultation indicates that this definition has encouraged claimants to trim their designs down to an (in design terms) insignificant level to catch the alleged infringement. As a result, the phrase “any aspect of” is to be removed.

While it is true that claimants sometimes rely on small parts of their products when seeking to catch an infringer, they could not do this if that small part were not original. Therefore, the premise of this change is arguably flawed. The bigger

question is whether the proposed solution will actually fix the perceived problem; the definition will still include “the whole or part of an article”, with no guidance as to how small a part can be.

Meaning of “original”

The law currently states that a design is original if it is not “commonplace in the design field in question”. The proposed change is to clarify that “commonplace” means commonplace in any qualifying country (the UK, any Member State of the EU, and a few others).

Default ownership

A change of potential practical importance for business is that the default position on ownership is changing to bring it into line with copyright and the Community design. If passed, the position will be that, absent agreement to the contrary, the design right will vest in the designer, not the commissioner. Provided this change is well-publicised, this is likely to be seen as a sensible amendment. However, this proviso is an important one: many smaller companies that pay for the creation of something, be it a design or an artistic work, assume (wrongly in the case of the latter) that if they pay for it they will have the rights in it. Education is needed to ensure that people are aware of the importance of contracts dealing with ownership of rights. This will be all the more important when this change is made to designs.

Qualification

Design right comes into being only if it is created in a way that qualifies it for protection. There are many ways to qualify, from who you are, to where you are, to where you first market your design. However, the Bill proposes to dispose of the “qualifying person”, ie, who you are. In future, a Brit abroad will not necessarily qualify for design right, whereas a non-EU national designing in the UK will.

This change is motivated by the idea of rewarding those who create in the EU (and other qualifying countries), but does not exclude others automatically; for example, if you carry out your first marketing in the EU you are still protected.

Many smaller companies that pay for the creation of something, be it a design or an artistic work, assume (wrongly in the case of the latter) if they pay for it they’ll have the rights in it



The Bill introduces criminal sanctions for certain infringements of registered designs. This is perhaps the most controversial aspect of the changes

New defences

These have been brought in to bring the right more into line with registered designs. These new defences cover private acts, experiments, teaching, and use on ships and aircraft.

Registered designs

Criminal sanctions

The Bill introduces criminal sanctions for certain infringements of registered designs (an attempt to widen this to unregistered designs was unsuccessful). This is perhaps the most controversial aspect of the changes. The Government is to bring in sanctions to prevent deliberate copying of a registered design so as to partly cure the perceived ineffectiveness of civil enforcement for smaller entities and independent designers, perhaps owing to the costs involved in bringing a civil action.

When the criminal sanctions section of the Bill was first drafted, it was incredibly broad. It has since been reined in a little. While the notion of criminal sanctions was supported by several respondents during the consultation, this was generally on the basis that it would be relatively narrow, as it is in copyright and trade marks. It will be important to see how this provision develops in the House of Commons, as it was only on the last day of the Bill's passage through the Lords that an exclusion to the offence was introduced for those accused where they had reason to believe that they did not infringe the registered design. Had this not been introduced, clearance of new products could have become very different. It is not too difficult to imagine a scenario where a designer

takes inspiration from a number of sources, believes they have created something that is sufficiently new, but is actually mistaken in that view (despite taking advice). In such a scenario, they could be guilty of "deliberate copying" and therefore be committing a criminal offence.

Other issues arise from the introduction of criminal sanctions for registered design infringement that are perhaps less relevant to the existing provisions for trade marks and copyright. These include:

- The important question of validity: designs are not examined before grant, so there is a reasonable chance that they will be revoked at a later date, *ab initio*. If this happens, what if a defendant has already been sent to prison?
- The question of whether juries are best placed to assess infringement of registered designs. Remember that two respected members of the IP bar, Justice Lewison – as he then was – and Jacob LJ, could not agree on whether a design was infringed in the *Proctor & Gamble v Reckitt Benckiser* case.
- Whether business users, once put on notice, should be liable for a criminal offence if they continue to use the product in question.
- Whether private prosecutions should really be permitted, because they could have a material effect on pre-litigation negotiations.

Opinions service

The Bill creates the framework for such a service, expected to be similar to the existing Patents Opinion Service, but the detail of precisely what such a service would cover would be dealt with by secondary legislation later.

Accession to Hague

The UK was effectively signed up to the Hague Agreement when the EU joined, but anyone wishing to use the system to protect their rights specifically in the UK had to do so via the EU's membership. This change provides for the UK to join in its own right. This is unlikely to make significant difference in practice.

Procedural changes

Many other changes are being made, for example, to the period permitted for deferment of publication and to records of changes of ownership.

Raised status

The attention being given to design law recently, as manifested in these primary legislative changes and the increased litigation, demonstrates that perhaps design law is no longer the poor relation of other IP rights. Design law can be used to differentiate and to increase competitiveness, and companies are becoming wiser to its advantages.

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INTERFLORA II: IT CAME FROM INTERFLORA



IN A WORLD WHERE SURVEYS HAVE BECOME SUSPECT, NICK ARIES CONTINUES HIS EXPLORATION OF HOW A LANDMARK DECISION HAS ALTERED THE JUDICIAL LANDSCAPE

If it was not before, it is now clear the first limb of the test for letting in survey evidence is whether it will be of real value (not of ‘some value’ or ‘not of no value’)

The Court of Appeal’s 20 November 2012 judgment in *Marks and Spencer v Interflora* [2012] EWCA civ 1501 (“*Interflora 1*”) altered the test for whether or not to allow survey evidence in trade mark and passing-off litigation – a decision that has had an immediate impact on cases including *Roger Maier & Assos of Switzerland v Asos plc & Asos.com Limited* [2012] EWHC 3456 (Ch) and *Fage v Chobani* [2012] EWHC 3755 (Ch), both of which I addressed in the March/April 2013 *ITMA Review*.

And, six months after its first ruling, on 23 March 2013, the Court of Appeal gave another judgment in the same *Interflora/M&S* litigation, giving further guidance on how the new test should be applied (*Interflora v Marks and Spencer* [2013] EWCA civ 319 – known as “*Interflora 2*”).

Meanwhile, judgment has been given in the substantive action in *Interflora/M&S* and *Fage/Chobani*, and, at the time of writing, judgment is awaited in the *Maier/Assos* case.

In addition, on 7 June 2013, Justice Birss QC applied the Court of Appeal’s guidance in refusing permission to adduce survey evidence in a passing-off case (*ZEE Entertainment Enterprises Limited and others v Zeebox Limited* [2013] EWHC 1644 (Ch)). With such intense activity

related to this decision, this article takes stock of the position as regards permission to adduce survey evidence and the impact of such evidence if adduced.

The test – “real value”

Following the Court of Appeal’s decision in *Interflora 1*, *Interflora* obtained permission from Justice Arnold to call evidence from witnesses who, said *Interflora*, gave evidence of confusion in the real world. *Interflora* had sent out a prize-draw questionnaire by email to 100,000 people identified from *Interflora*’s own customer records and from a questionnaire as having seen M&S’s advertisements after having made an internet search for “*interflora*”.

Interflora’s solicitors telephoned people who had provided relevant responses and agreed to be contacted, producing witness statements from 13 of them. Arnold J considered this evidence was “likely to be of some value in assisting the court”, saying it did not appear to be “of little or no value”. In the view of Lord Justice Lewison, however, the evidence was tainted, because: 1) seven of the witnesses had been asked a leading question; and 2) all the witness statements painted a more favourable picture for *Interflora* than the raw questionnaire responses from which they were generated. Further, there were 24 other interviewees who had →



clearly distinguished M&S from Interflora. Lewison LJ considered this imposed an unfair burden on M&S to disprove the validity of the evidence rather than requiring Interflora to validate it at the “gatekeeping” stage. Lewison LJ disapproved of Arnold J’s formulation of the test quoted above, and emphasised that evidence of this kind should only be let in if it is likely to be of real value and the likely value justifies the cost.

Subsequent permissions

Justice Hildyard’s December 2012 decision in the Fage/Chobani litigation gave the Defendants permission to carry out a survey further to the pilot they had already conducted. However, the Defendants would subsequently require permission to adduce evidence resulting from the survey. On 29 January 2013, Hildyard J gave that permission in what he described as a “cop-out solution”. The Judge was unable to determine the value of the evidence, but the particular circumstances (the timetable of the imminent trial had enough scope to accommodate the evidence, and the additional costs of the evidence were low, both partly resulting from the fact that there was no intention to call survey respondents, only to rely on expert reports) meant that permission was given, at the Defendants’ risk as to costs.

Justice Asplin’s November 2012 judgment in the Maier/Asos case gave the Claimants permission to contact respondents for a prize draw “survey” and to conduct a survey at The London Bike Show. The Claimants would subsequently require permission to call witnesses generated from the prize draw and survey. The parties were able to agree the mechanism for this, and so permission was given by way of consent order.

Zee v Zeebox

The Claimants owned the Indian satellite/cable TV channel “Zee TV”, which launched in the UK in 1995.

They had sued the Defendants, who launched a “Zeebox” interactive TV guide/remote control app in November 2011, for trade mark infringement and passing-off. The Claimants had done two pilot surveys and applied for permission to do a full survey and adduce the evidence from it in relation to their passing-off (but not trade mark infringement) case. The Claimants argued that, for passing-off, it was legitimate to look just at the Claimants’ actual or potential customers, which they said are made up of British Asians. The Defendants argued British Asians could not be considered as a distinct group.

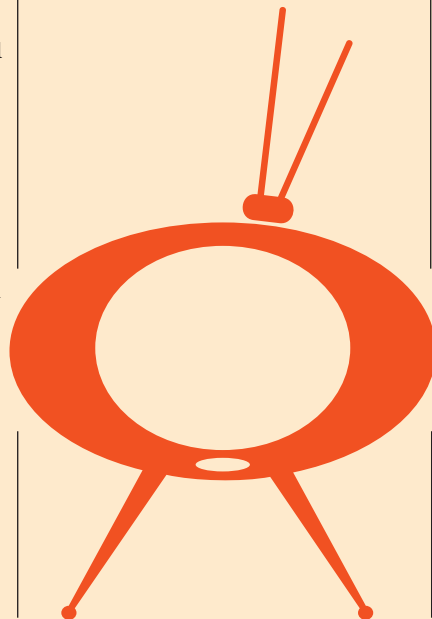
Birss J refused permission, considering the survey was not likely to be of real value, even if he thought it would be of some value (in an implied acknowledgment of Lewison LJ’s comments in Interflora 2). He was not satisfied that the value justified the substantial cost (£150,000 in the context of total estimated costs of £1 million) and increase in trial length. Watching TV was not thought to be an esoteric

exercise, and the act of downloading an app could be readily explained, such that the case was one of ordinary consumer goods/services where a survey is less likely to be valuable. The Judge also took into account his view that the passing-off case was not weak, saying that if the evidence the Claimants will call is not sufficient to persuade the trial judge in the Claimants’ favour, then he doubted the survey would help.

Impact of survey evidence

In Fage v Chobani, the survey went to the issue of goodwill: what did a “Greek Yoghurt” label mean to consumers? Finding that the analysis of Fage’s disclosure on the matter was uncertain, Justice Briggs considered that a survey providing a clear picture of the public’s perceptions would have been useful. However, the value of the survey was undermined by an ambiguous first question, the effect of which was to make it unclear whether respondents were consumers of Greek yoghurt, of yoghurt generally, or (possibly) of other plastic-potted dairy products such as crème fraîche. Although Briggs J held that the survey results “by no means” proved the conclusion he reached that there was a widespread belief among buyers of Greek yoghurt (as defined by that convention) that the product came from Greece, the Judge said it was “by no means” inconsistent with it.

Of course, none of the survey-related evidence that the Claimants sought to introduce in Interflora was before Arnold J at trial. The Judge did, however, note that M&S had not attempted to adduce any direct evidence of consumer reaction to its keyword advertising (for example by way of a statistically significant survey of its customers). Although he could not infer from this that such evidence would have assisted Interflora, it did mean that M&S could not rely upon such evidence to rebut the conclusions that Interflora



said should be drawn from the evidence that came before the court.

In the SkyDrive case (British Sky Broadcasting v Microsoft [2013] EWHC 1826; see also pages 34-35 for a full report), the Claimants had conducted a survey by showing consumers the word “skydrive” on a card and asking for their reaction to it as the name of an online storage service for photos, music and other files. The survey was primarily relied on to show evidence of the public forming a link in its minds between SKYDRIVE and SKY. The survey had been conducted in 2010 without reference to the Court. For this reason, and owing to several justified criticisms of the survey, Asplin J did not give it much weight, though she considered it gave “at least a feel of the reaction of members of the public to SKYDRIVE”. She therefore did not rely heavily upon it, though did not discount it.

Weight required

If it was not before, it is now clear that the first limb of the test for letting in survey evidence is whether it will be of real value (not, for example, of “some value” or “not of no value”). This means carrying real weight rather than being of more than minimal value. The second limb of the test, that the value of the proposed evidence justifies the cost, becomes all the more pertinent in a post-Jackson world with the recast overriding objective of dealing with cases justly and at proportionate cost. This appeared to be a factor in Birss J’s refusal of permission in Zeebox.

Lewison LJ agrees that judges should be “robust gatekeepers” in their assessment. Moreover, comments from Justice Smith in the substantive judgment in A&E v Discovery Communications [2013] EWHC 109 (Ch) suggest an application for permission should be made before a judge on a fixed hearing rather than in a “busy interim applications Court”.

The Greek yoghurt and SkyDrive cases indicate judges are prepared to place some, albeit not heavy, reliance on even flawed surveys, where they are consistent with the picture they have formed from the rest of the evidence. However, in both cases it appeared greater weight would have been placed on the surveys if they had been conducted more perfectly (ie not

asking ambiguous questions in Fage/Chobani and ensuring closer compliance with instructions in SkyDrive). This suggests that the judges were not inclined to dismiss the relevance of the survey evidence as a matter of principle, meaning (as Lord Justice Jacob acknowledged in Interflora 2) that the days of survey evidence are not over.

The Greek yoghurt and SkyDrive cases indicate judges are prepared to place some, albeit not heavy, reliance on even flawed surveys

**THE
END?**

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AN OPPORTUNITY LOST

Yet the death of C-56 may be just a delay to useful modernisations of Canada's trade mark landscape, hopes Tracey Mosley

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Between December 2009 and March 2010 the Canadian Intellectual Property Office (CIPO) sought input directed at “modernising” the Canadian Trade Marks Act (TMA), touching off a multi-year effort that generated expectation of legislation that would effectively be a draft of a new Trade Marks Act.

On 1 March 2013, the Government of Canada tabled Bill C-56 entitled “an Act to amend the Copyright Act and the Trade Marks Act and to make consequential amendments to other Acts”. A draft of a new TMA it was not, and the Bill died when Parliament arose for the summer. Yet C-56 is worth examining, as it represents an interesting mix of broadened horizons and asserted mandates, some of which are highlighted below.

The TMA recognises trade marks in the form of words and designs, including in combination, distinguishing guises – which must be in the shape of goods or their

containers – or modes or wrapping of packaging goods. Under Court direction, sound marks are registrable.

Evidence of distinctiveness is permitted to obtain registration of marks that are personal names or surnames, or descriptive, and the Registrar can refuse applications that are technically deficient or for marks not registrable or where the applicant is not entitled to registration.

C-56 defined a trade mark as a “sign or combination of signs” that “includes a word, a personal name, a design, a letter, a numeral, a colour, a figurative element, a three-dimensional shape, a hologram, a moving image, a mode of packaging of goods, a sound, a scent, a taste, a texture and the positioning of a sign”. The word “includes” allowed for flexibility as to what constitutes a trade mark in Canada as time and technology advances.

Under C-56, applicants could submit evidence establishing that a trade mark was distinctive at the date of filing an application if the Registrar believed that the mark lacked distinctiveness, was a single

colour or a combination of colours that was not ascribed to a shape, a three-dimensional shape of the goods, an integral part, packaging or mode of packaging the goods, or a sound, scent, taste or texture or “any other prescribed sign”.

In short, the forms of trade marks recognised would be unlimited, but evidence of distinctiveness may be required for some and a non-distinctive trade mark could be refused.

Greater certainty

Over recent decades, applicants, opponents, registrants and others seeking action by the Registrar have often been flummoxed by practices arising or disappearing owing to expediency or jurisprudence.

C-56 should have led to greater certainty in obtaining and defending registrations. For example, the Registrar could correct mistakes on the Register and remove improperly recorded transfers of registrations, actions not defined under TMA.

In Opposition, a 2002 Federal Court of Appeal decision allowing the Registrar to strike some or all



grounds if improperly or insufficiently pleaded eventually led to a 2009 Practice Notice allowing an applicant to request an interlocutory ruling, prior to completion of filing of the opponent's evidence, to strike all or any portion of an opponent's pleadings. C-56 would have inserted this power into the TMA, with the limitation that grounds could only be struck prior to filing of the applicant's counterstatement.

Split decisions whereby an opposition succeeds against certain goods or services, allowing the application to advance for remaining goods or services, would have been made law.

Under Trade Mark Office cancellation proceedings, practice had allowed a registration to be challenged on the basis of lack of use of some goods and/or services, whereas the TMA is not explicit on that point. C-56 formalised the ability to limit such proceedings to specific goods or services.

C-56 allowed proposed use certification mark applications and for division of applications (and further division of a divisional) including during opposition, with the ability to merge resulting registrations. "Wares" would vanish from the Act, to be replaced by the word "goods".

An applicant could claim "standard characters", thus allowing use of a word/numeric/typographic mark in whatever font, design or typeface desired.

C-56 was silent on new treaty obligations, but Singapore made itself felt in that application content for establishing a filing date equated to minimum requirements established by Singapore, including no requirement to state a registration basis at time of filing.

Before the Courts, C-56 would have added as a ground of invalidity whether a trade mark registration "...is likely to unreasonably limit the development of any art or industry", and created criminal offences with penalties addressing counterfeiting of trade-marked goods.

Missing elements

CIPO is not bound by agreements whereby parties state that their trade marks are not confusing, taking the position that it must have regard to the state of the marketplace and not merely the state of the Register. A modern outlook might hold that consumers are sufficiently savvy to discern differences between goods and services offered in Canada under competing trade marks.

The TMA forbids adoption of certain "official marks", except with consent of the identified holder. For example, the Royal arms, Crest and Standard of the British Royal Family cannot be usurped. The Red Cross and Red Lion and Sun symbols are protected, as is the phrase "United Nations". An official mark can prevent the adoption of a trade mark for use and/or registration, on the basis of whether the trade mark so nearly resembles the official mark "as to be likely to be mistaken" therefor. Differences in goods, services, customers and channels of trade are not considered.

Holders of official marks can give consent, with or without terms or limitations, to the use and registration of similar marks. Official marks are not subject to transfer, renewal or cancellation.

Canadian public authorities can declare official marks but equally they can register trade marks in the "regular" system. The minimal provisions governing official marks provide benefits to some and cause consternation to others, suggesting that this category of protection may need review.

C-56 was silent as to domain names, and new or amended regulations to accompany the TMA were not forthcoming.

Use and registration abroad as a registration basis is fraught with dilemmas, including when it can be claimed, where and when foreign use must be established and what constitutes a real and effective place of business abroad. A Federal Court decision from earlier this year, currently under appeal, has clouded matters further.

Nice, Singapore, Madrid... adherence to these treaties is in limbo while Canada and the European Union negotiate a free-trade agreement that will likely require Canada to adopt them.

Arguably, C-56 would have brought into law many processes currently outside the TMA and opened the door to protection for trade marks, such as holograms, made possible by modern technology. In short, C-56 was a solid start towards modernisation, and hopefully a replacement bill will extend that effort.

The minimal provisions governing official marks provide benefits to some and cause consternation to others, suggesting this category may need review

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Do TM Attorneys make a difference?

This was the question posed by Deborah Gerhardt at UNC Law, who tracked the correlation between legal assistance and success in the USPTO trade mark application process

While many international firms apply to register trade marks in the United States Patent and Trademark Office (USPTO) as part of strategy to promote a brand, deter others from using it, and secure a strong arsenal of legal protection, the administrative task of registering a mark with the USPTO does not require the assistance of legal counsel.

So does it make sense to hire a lawyer? To address this question, my colleague Jon P McClanahan and I conducted an empirical study designed to determine whether

hiring a trade mark lawyer matters.¹ This article summarises our research on the registration landscape.²

Methodology

Our study is based on USPTO data from trade mark applications, focusing on those filed since 1984, as that was the first year with complete information about the presence of counsel. As end dates, we used 2012 for application totals and 2010 for publication and registration rates in order to include the most recent data available. We measured success at two points in the registration process: publication and registration.

Before publication, an examining attorney may identify defects in the

Figure 1: Attorney representation in trade mark applications over time

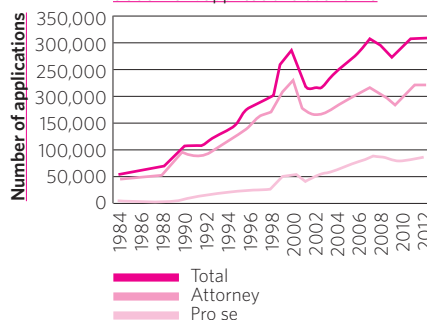
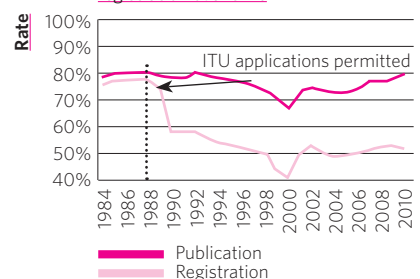


Figure 2: Rates of publication and registration over time



application and send written notification in the form of an office action. This phase involves meaningful review. If an applicant does not make the changes required by an office action, the application will be denied.

Approximately 66 per cent of all applications receive at least one office action. If the applicant overcomes all objections by the USPTO, the mark will be approved for publication in the *Official Gazette*.

We treated publication as the first win in the registration process. After publication, an application may be challenged by a third party or may fail if an applicant does not comply with USPTO requirements. If all such hurdles are overcome, the mark will be admitted onto the Principal Register. We considered registration as the second success.

Figure 1 shows how the general landscape and volume of USPTO trade mark applications have changed over time, considering total applications against the number prosecuted by lawyers and pro se.

Figure 3: Impact of legal counsel on trade mark publication

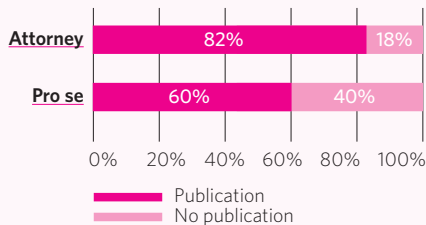
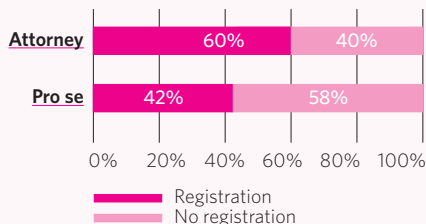


Figure 4: Impact of legal counsel on trade mark registration



While all lines show an increasing trend, in the past decade the increase in the pro se population is especially striking (pro se applications tripled between 1998 and 2012), providing one explanation for the increase in applications generally.

Against this background, Figure 2 provides an overview of publication and registration rates over time.

Publication rates hover close to the 80 per cent mark over the entire period. Registration rates show a similar pattern until 1989, when they fell by more than 20 percentage points. This dramatic drop may be explained by a 1989 change permitting applications to be filed based on intent to use (“ITU”), and indicate that many applicants filed ITU applications and later made a business decision not to use some of those marks or were not able to demonstrate use before the time expired to complete the application.

Figure 3 demonstrates the impact of legal counsel on publication rates, indicating the percentage of applications that the USPTO approved for publication and also those that failed to publish. With 82 per cent of applications prosecuted by attorneys published in the *Official Gazette*, compared to 60 per cent of applications filed pro se, these data suggest that the presence of a lawyer made a meaningful difference. Trade mark applicants who had counsel were 37 per cent more successful in this first stage of the process.

Figure 4 illustrates a similar pattern for registration rates, although since intent to use became an optional filing basis in 1989, registration rates have been substantially lower than publication rates because many published marks are abandoned before the applicant demonstrates use. Overall, the success rates were notably higher when the applicants had trade mark counsel. The registration rate increased from 42 per cent to 60 per cent for applicants represented by

While all lines show an increasing trend, in the past decade the increase in pro se applications is striking (having tripled between 1998 and 2012)

counsel, reflecting a 43 per cent increase in the success rate. The data indicate that the assistance of counsel correlates with success in the application process.

Impact of experience

Next, we examined whether experience, a law degree, or a combination of both, affected success rates. Overall, the average publication rate is 77 per cent. Against that backdrop, Figure 6 shows how experience affects publication.

We divided the applicant pool into three experience categories to compare the success of lawyers and non-lawyers in each one. Each set of bars represents an experience level, from the least experienced to the most. Within each set, the bar on the left shows the percentage of pro se applications that published, and the bar on the right depicts the publication rates for applications handled by attorneys.

While experienced attorneys filed 88 per cent of applications prosecuted by counsel, only 8 per cent of pro se applicants had that much experience, and they were all large companies that had filed other applications with counsel. This information led us to question whether these experienced pro se applicants were genuinely proceeding without the benefit of legal assistance. In stark contrast, 85 per cent of pro se applications were filed by the least experienced. Only 7 per cent of attorney applications fell into the least experienced category. ➔

The registration rate increased from 42 per cent to 60 per cent for applicants represented by counsel, reflecting a 43 per cent increase in the success rate

The difference in success rates between the two most populated categories reveals the greatest practical significance of Figure 6. A layperson with little experience filing trade mark applications had a 57 per cent chance of succeeding. The presence of an experienced trade mark lawyer increased the success rate by 26 percentage points, a 46 per cent increase over the rate for inexperienced pro se applicants. A moderately experienced lawyer improved the likelihood of publication by 30 per cent (17 percentage points), and even help from an inexperienced lawyer increased the likelihood of publication by 19 per cent (11 percentage points).

Because an applicant's ultimate goal is registration, Figure 7 explores the impact of legal counsel and experience on registration rates.

Again, the data show that experience correlates with success. Still, at all experience levels, lawyers were more likely to get marks registered. Applications prosecuted by inexperienced lawyers were 30 per cent more likely to register than those prosecuted by similarly inexperienced pro se applicants (12 percentage points). With moderately experienced counsel, the registration rate increased by 35 per cent (14 percentage points) over that for inexperienced pro se applicants, and when the lawyer was very experienced, the registration rate increased by 50 per cent (20 percentage points).

So, while not a mandatory part of the process, trade mark lawyers do indeed appear to matter – there is a demonstrated correlation between

legal assistance and success in the USPTO trade mark application process. Experience also matters. Experienced pro se applicants performed almost as well as experienced lawyers, and applicants with experienced counsel succeeded 50 per cent more often in registering their marks than inexperienced applicants acting without counsel.

Figure 6: Impact of legal counsel and experience on publication rates

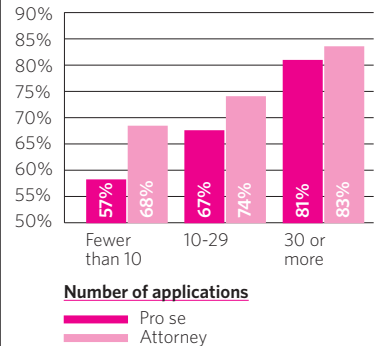
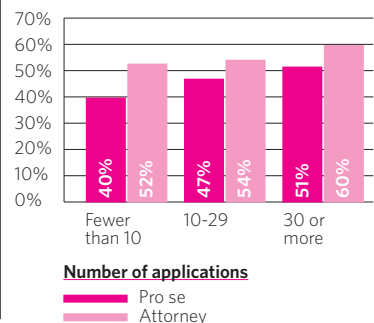


Figure 7: Impact of legal counsel and experience on registration rates



1) Deborah R Gerhardt and Jon P McClanahan, 'Do Trademark Lawyers Matter?', 16 Stanford Tech L Rev 583 (2013) (available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2246750).

2) See also Barton Beebe, 'Is the Trademark Office a Rubber Stamp?', 48 Hous L Rev 751 (2011).

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UK Registration No 2426014 was one of the marks cited by the Opponent

Gone to The Dogs

Charlotte Duly reflects on a decision made on a term with multiple meanings

It is not often that a trade mark decision references a dog's anatomy. This decision concerns an appeal by The Little Wing Trading Company Limited (the Opponent) following its opposition to a UK trade mark application filed by Saks Hair (Holdings) Limited (the Applicant) for the word mark THE DOGS in classes 3 and 44. The opposition was brought under Section 5(2)(b) of the UK Trade Marks Act on the basis of earlier UK and Community Trade Mark (CTM) registrations for the word mark BULLDOG and a stylised form of BULL DOG (shown above right).

Original decision

Section 5(2)(b) allows an opponent to prevent registration of a later-filed application for a mark that is similar to its earlier mark and which is to be registered for identical or similar goods/services, and if there exists a likelihood of confusion on the part of the public.

When comparing the marks, the Hearing Officer (HO) concluded that THE DOGS and BULLDOG were visually similar to a moderate degree. On a phonetic basis the marks were also found to share a moderate degree of similarity. The conceptual comparison was a matter of contention between the parties. The HO noted that the Opponent's mark invoked a very particular breed of dog. The Opponent had stated that the "THE" in the Applicant's mark was entirely devoid of distinctive character and would have no effect on the overall conceptual character of the mark. By contrast, the Applicant said that the role of "THE" could not be ignored and pointed out that, while THE DOGS can refer to a variety of dogs, it can have a number

of alternate meanings, for example as a slang term related to greyhound racing, as well as more vulgar meanings. The HO agreed that the "THE" element could not be dismissed and that the average consumer would see the mark THE DOGS to be capable of denoting a variety of meanings. By contrast to this, the Opponent's mark did not share any of these meanings or allusions.

The HO then assessed the overall similarity of the marks. Finding that "THE" contributed to the mark as a whole, he found they shared a low to moderate degree of similarity. Overall, no likelihood of confusion was found.

The HO also assessed the Opponent's claim of acquired distinctiveness and noted gaps in the evidence filed, in particular that the Opponent's sales figures had not been put into an overall context of the total UK market.



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AP appeal

The Appointed Person (AP) reminded the parties this was not a re-hearing but rather an opportunity to review the original decision to see if there were any errors; it was not the job of the AP to interfere in decisions where the conclusion reached was one that the HO was properly entitled to make.

The Opponent appealed in relation to the conceptual similarity of the marks at issue, the overall similarity of the marks at issue, the inherent distinctiveness and acquired distinctiveness of the earlier marks, and the overall assessment of the likelihood of confusion. The Opponent's various arguments were not successful. The AP supported the HO's strategy for considering the similarity of the marks in isolation. It is when the overall likelihood of confusion is assessed that the interplay between the mark and the goods and services is considered.

When considering the overall similarity of the marks, the AP agreed that this was not a tick-box exercise and reminded us that "it is an overall assessment in which the HO balances a variety of factors that may not have equal weight". In finding that the HO had not erred in relation to the points appealed, the finding that there was no likelihood of confusion was upheld and the appeal was rejected.

This case reminds us of the role of the AP in appeals from HO decisions and the AP's limited ability, and indeed often reluctance, to interfere with a decision that has been correctly assessed. This decision also shows that seemingly innocuous elements, such as "THE", can play an important role when assessing the similarity of marks.

Mind your language

Rob White offers a reminder of why it is vitally important to consider possible translated meanings within parts of a trade mark

In a recent judgment, the General Court annulled a decision of OHIM and the second Board of Appeal (“BoA”), which had both rejected an opposition filed by the supermarket chain Aldi to the registration of the logo trade mark shown opposite in respect of what were deemed to be identical goods.

The case raises interesting points related to the consideration of European Union languages and potential alternative meanings of words when comparing trade marks. It also highlights the importance of assessing trade marks as a whole and not dissecting them in any unrealistic fashion.

The facts

On 27 July 2006, Dialcos Spa (“Dialcos”) applied to register the logo shown opposite (“the logo”) as a CTM for the following goods:

- Class 29 – Dietetic preparations for special diets, in particular gluten-free preparations for making bouillon and gluten-free sauces.
- Class 30 – Dietetic preparations for special diets, in particular gluten-free flour, gluten-free pasta and cereals, gluten-free biscuits, gluten-free preparations for bread, pizza, pastry and confectionery, and prepared dishes (risottos, soups, pastas).

Aldi GmbH (“Aldi”), the company behind the well-known supermarket chain, opposed the logo based on its earlier word trade mark for ALDI registered on 14 April 2005, essentially for the class headings of classes 29 and 30 with some additional dessert-related terms in class 29.

On 30 April 2010, OHIM rejected Aldi’s opposition under Article 8(1)(b)

of Regulation 207/2009 as it now is, because it saw “manifest differences” between the marks despite the fact that the goods were considered identical. Aldi’s claim to a reputation giving rise to an argument that its Aldi brand had a highly distinctive character would not, in OHIM’s view, alter its reasoning and the decision.

On 5 July 2011, following an appeal lodged by Aldi, the BoA rejected Aldi’s case, stating that visually, aurally and conceptually the marks were not similar. The BoA believed consumers would not be confused, even if the relevant goods were identical – an important point to which the General Court later referred.

This case is an important reminder of the need to consider possible meanings of trade marks or individual parts of a mark in EU languages in any CTM opposition proceedings

The BoA considered that, owing to the figurative nature of the logo and the number of letters in the mark, and the “fanciful typeface” of the last two letters (di), its view was that “it would require a considerable stretch of the imagination to consider the last four letters of the mark applied for to be the dominant component in the overall impression created by that mark, especially from a visual point of view”.

In fact, the BoA went as far as to say that the two parts of the logo (being, in its eyes, “dial” and “di”) would be very likely to be viewed by consumers as two separate elements. The BoA considered that the different beginnings of the signs and the number of letters and syllables would outweigh any similarities.

General Court ruling

Unsatisfied with the BoA decision, Aldi appealed to the General Court where OHIM aimed to defend its decision and Dialcos was the Intervener, putting its own arguments forward.

In an interesting development, Aldi attempted to file new evidence with the General Court to show intensive use of its mark Aldi in certain countries in conjunction with the prefix “di”, which, for example, in Italian, Spanish and Portuguese would mean by Aldi or from Aldi. Given the weak, generic nature of words such as “by” and “from”, it is surprising that Aldi did not present this evidence to OHIM at the outset, as it would undoubtedly have improved its case. This is particularly so given that a Community Trade Mark (CTM) may not be registered if



THE OPPOSED MARK

dialdi

the grounds for refusal under Article 8(1)(b) exist in only part of the EU.

The General Court, however, could not review or consider the new evidence, because its function is only to review the legality of decisions made by the BoA as per Article 6 of Regulation 207/2009.

As OHIM had considered the respective goods to be identical and the BoA did not carry out any assessment of the goods, then the position for the General Court was that the goods were identical. Further, as it was agreed that neither mark had any conceptual meaning, the comparison to assess likelihood of confusion would rest only on the visual and phonetic similarities.

Regarding the goods, even though Dialcos' application referred to "in particular, gluten-free" goods, it still covered general preparations for special diets. Because of this, the General Court said that even a consumer who does not belong to such a specific dietary group may still purchase goods for special diets – such as sugar-free and fat-free products – owing to current health trends. Also, as such products can be obtained without medical prescription, they are not goods

with a "potential hazard" that require a high degree of attention.

The General Court said that with regard to the comparison of marks, given the identity of the goods, the degree of difference between the marks must be high.

It ruled that the BoA had given "exaggerated attention" to the graphic differences and, given that the letters of the logo are all the same colour and size and are not separated by any space, that the BoA had dissected the marks in an unrealistic manner. The starting point must be that the public will see the mark as a whole.

Therefore, particularly due to the fact that the potential perceived meaning "by Aldi" could be an issue in certain countries (which the General Court said the BoA should have assessed in terms of risk of confusion), the General Court found the marks to be similar.

The BoA decision was annulled. The author is unaware of any appeal having been filed.

Reminder

This case is an important reminder of the need to consider possible meanings of trade marks or individual parts of a mark in EU languages in any CTM opposition proceedings, particularly if such translated meanings may improve the strength of a case for a client.

Any supporting evidence covering this or other points should always be gathered and filed in the initial opposition because new evidence is generally not accepted in appeals.

Also, the unrealistic dissection of the logo mark by the BoA serves as a reminder that marks should be considered as a whole because consumers will not break them down into separate parts.

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Aventis saves face

A figurative element was important to this beauty industry decision covered by George Cameron

In the first action of this dispute, Fasel sought registration of a figurative Community Trade Mark (CTM) for goods in class 10. The application was opposed by Aventis Pharmaceuticals based on its earlier registered word mark SCULPTRA covering goods and services in classes 5, 10 and 44 in the Czech Republic, Finland, Germany, Hungary and the UK.

The opposition was made under Article 8(1)(b) of Regulation No 207/2009. The Opposition Division considered that the contested mark consisted of the word CULTRA with a stylised “C” and rejected the opposition in its entirety. It concluded that the visual, aural and conceptual differences between the marks was sufficient to exclude any likelihood of confusion, even in the case of identical goods.

Appeal decision

Aventis’ appeal to the Board of Appeal also failed because, overall, the marks were considered similar to a low degree. Specifically:

- The marks were visually similar to a very low degree. Noting that consumers generally pay greater attention to the beginning of a word than to the end, it was significant that the beginning was different. The contested mark starts with a rounded figurative element or with a capital letter “C”, while the earlier mark starts with the letter “s”. The second significant difference was that the earlier mark contained the letter “p”.
- The overall aural impression of the marks was similar to a low degree. Both marks have two syllables, the second “tra” being phonetically identical.

Referring to the word element of the contested mark as merely “ultra”, the presence of the “s” and “p” created a considerably different aural impression. There was no indication that other relevant languages would pronounce these letters other than clearly.

- The marks were not conceptually similar. The earlier mark referred to sculpture, whereas the contested mark was merely a laudative formula denoting a positive effect, or could, for the public who perceive a “c” at its beginning, refer to culture.

It was also found that:

- the goods and services of the marks were identical or similar, therefore endorsing the Opposition Division’s assessment;
- the goods and services were health related to a high degree and primarily target a professional public in the relevant territories, whose degree of attention would be relatively high; and
- the difference between the marks, especially visually, were sufficient to avoid the likelihood of confusion.

General Court

Aventis further appealed to the General Court, contending that the Board of Appeal had not applied the “correct facts” in assessing the likelihood of confusion. Aventis accepted the following findings of the Board, which was confirmed by the Court:

- The degree of attention of the relevant public is at least as high as the Board found it to be. The Court referred to case law that held that both professionals and end consumers of health-related goods and services display a high degree of attention.¹

The same was held for end consumers of cosmetic goods and services;² and

- The goods and services of the marks are identical or similar.

The Court then applied established case law, carrying out the global assessment based on comparative overall impressions, bearing in mind their distinctive and dominant components. Here, the Board’s decision was in part founded on incorrect premises:

Visual comparison – the Court agreed with the Board that there was only a very low degree of visual similarity for much the same reasons.

Phonetic similarity – contrary to the Board, the Court found that the marks were phonetically similar. The Board had failed to compare the marks from the perspective of those who would pronounce the figurative element of the contested mark (the letter “c”), which would bring it closer to the earlier SCULPTRA mark. The Court observed that the pronunciation of the beginnings of the words “cultra” and “sculptra” by the relevant Hungarian and Czech public was liable to give rise to similar sounds. Furthermore, while the letter “p” would not escape attention, greater attention is usually paid to the beginning of a mark.

Conceptual similarity – disagreeing with the Board, the Court found some degree of conceptual similarity between “cultra” and “sculptra” because the concepts of culture and sculpture may be linked to each other. There was no explanation by the Board to the contrary.

Allowing the appeal, the trade mark application was rejected.

The Board’s global assessment was

inadequate, leading to erroneous conclusions on aural and conceptual similarity. Having regard to the similar/identical nature of the goods and services, the contested mark was confusingly similar to the SCULPTRA mark.

Narrowed scope?

This is a noteworthy case for brand owners for health and cosmetic products, the General Court having approved the notion that professionals and end consumers alike pay a high degree of attention where health and cosmetic goods and services are concerned. This would suggest that the scope for those trade marks might be narrower, but the present case shows that it is not unduly restricted.

The decision of the Court also identifies the importance of adopting a consistent methodology when considering visual, phonetic and conceptual similarities of the marks. Where a figurative element may be perceived to be a letter, then this should be considered in the global assessment. Omitting this exercise could lead to a failure in identifying any similarities.

The decision of the Court identifies the importance of adopting a consistent methodology when considering visual, phonetic and conceptual similarities of the marks

- 1) Case T-95/07 Aventis Pharma v OHIM - Nycomed (PRAZOL); case T-240/08 Proctor & Gamble v OHIM - Laboratorios Alcala Farma (oli); case T-412/08 Trubiun Pharmaceuticals v OHIM - Merck (TRUBOIN)
2) Case T-131/09 Farmeco v OHIM - Allergan (BOTUMAX)

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Court sharpens focus

The CJEU has offered new clarity on the Specsavers case, as Iain Connor reports

On 18 July this year, the Court of Justice of the European Union (CJEU) delivered its ruling in the Specsavers v Asda case, a reference from the UK Court of Appeal. The key findings made by the Court were:

- 1) trade mark proprietors may overcome a non-use objection where that mark is used only in conjunction with a word mark superimposed over it, provided that the distinctive nature of the trade mark as it is registered is not lost;
- 2) where a trade mark is only registered in black and white but the trade mark owner has in practice used the trade mark in a particular colour, the use of a similar colour by a defendant will be relevant to the question of infringement; and
- 3) where the defendant has used the allegedly infringing sign in its own corporate colours in which it has a reputation, this is a factor to be taken into account when carrying out the necessary global assessment test for infringement.

Earlier actions

Specsavers had registered the marks shown right: one wordless with overlapping circles, the other combining the word “Specsavers” with the shape.

At first instance, the UK High Court held that Asda had not infringed some of Specsavers’ figurative trade marks and ordered that the Specsavers wordless logo mark should be revoked for non-use. The reason for this was that Specsavers could show no evidence of use of the wordless mark

alone. Instead, Specsavers sought to rely on use of the shaded circles in combination with the word “Specsavers” overlaid on them. The court did not consider that Specsavers had genuinely used the logo in the wordless format because it had always been used in conjunction with the “Specsavers” wording.

Subsequently, the UK Court of Appeal decided to refer various questions to the CJEU on two broad issues. The first was whether the wordless logo mark should be revoked for non-use. The second concerned the relevance of the use of colour to both the trade mark as used in commerce and the allegedly infringing sign.

The use of a wordless mark in combination with a word mark can be used to demonstrate use of that wordless mark.

The CJEU ruled that Specsavers’ use of the combination mark was capable

The use of a wordless mark in combination with a word mark can be used to demonstrate use of that wordless mark

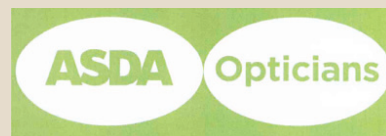
of amounting to use of the wordless mark provided that it did not alter the distinctive character of that wordless mark. This finding means that it will be more difficult to claim that figurative marks should be revoked for non-use just because they have not been used in isolation.

In practice, this means that businesses can have a more pragmatic approach to the evolution of their brand and do not need to ensure that the mark is only used in the precise form as registered. However, care still needs to be taken as a radical rebrand could well alter the distinctive character of the mark as registered, and so open up a “non-use” challenge.

THE SPECSAVERS MARKS



THE ASDA SIGN



Backing brevity

Kristina Passmore describes why short was sweet in the Carsyda comparison

THE OPPONENT'S MARK



International
trade mark
No 821045

Carpisa is an Italy-based franchising chain producing handbags, suitcases and leather goods. It owns an international registration for a device mark that includes the word "Carpisa" and a representation of a turtle (shown above right). Kuvera, the owner of the Carpisa brand, filed an opposition against an application by a Chinese company to register CARSYDA for, *inter alia*, identical goods. Kuvera raised objections under sections 5(2) (b) and 5(3) of the Trade Marks Act (the "Act"), relying on its earlier trade mark and use. These grounds were dismissed by the Hearing Officer. The decision on section 5(3) was not appealed and, despite section 5(2)(b) appearing in Kuvera's notice of appeal, it was not argued.

Kuvera's opposition also raised objections under section 5(4)(a) of the Act, relying on the use of the mark and sign CARPISA in relation to bags, jewellery, accessories and similar goods since August 2007. This was also dismissed by the Hearing Officer.

Proper assessment

Kuvera's appeal to the Appointed Person was focused on whether the Hearing Officer had conducted a proper assessment under section 5(4) (a), pursuant to which the trade mark CARSYDA should not have been registered if its use in the UK was liable to be prevented by the law of passing off. Kuvera contended that the Hearing Officer dealt with the passing off ground too summarily,

and in particular that he should have referred to the "further guidance" set out in *Halsbury's Laws* and quoted in Wild Child Trade Mark [1998] RPC 455; that is, to have regard to:

- the nature and extent of the reputation relied upon;
- the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- the similarity of the mark, name, etc, used by the defendant to that of the plaintiff;
- the manner in which the defendant makes use of the name, mark, etc, complained of and collateral factors; and
- the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived, and all other surrounding circumstances.

However, the Appointed Person decided that while a brief discussion of section 5(4)(a) would have been inadequate had the opposition been solely based on this ground, given that the Hearing Officer's brief discussion followed a very detailed consideration of both the section 5(2) (b) and section 5(3) grounds, it was

not necessarily inadequate since there is considerable overlap between the factors to be considered.

The Appointed Person decided there was no requirement that the full list of factors for considering passing off in *Halsbury's Laws* be set out by the Hearing Officer so long as there is evidence elsewhere that these factors had been considered.

Nevertheless, the Appointed Person decided to test Kuvera's complaints by reference to factors (a) to (e) above and concluded that the Hearing Officer had reached the correct conclusion, and dismissed the appeal.

Noting that the Hearing Officer had already compared the word CARPISA with CARSYDA (the dominant elements of the marks) in his assessment of similarity under section 5(2)(b), the Appointed Person decided it would have been "unnecessarily repetitive for him to have set out a further detailed comparison... in the passing off section". The take-home point is that a Hearing Officer does not necessarily err in their assessment of a ground of opposition by dealing with the specific ground briefly if they have adequately dealt with overlapping factors elsewhere.

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Punch thrown

Invoking Medion had no effect for the opponent here, explains Mark Bhandal

Punch Industries (“Punch”) filed an appeal from the UK IPO decision dismissing an opposition under section 5(2)(b) of the Trade Marks Act 1994 in relation to trade mark application No 2526769 filed by delta pronatura Dr Krauss & Dr Beckmann KG (“Dr Beckmann”).

At opposition, the examiner found that:

- 1) the marks covered identical and similar goods (washing and cleaning products in classes 1, 3 and 5);
- 2) the earlier mark had a low level of distinctiveness and was suggestive of the goods;
- 3) Dr Beckmann Original and logo was the dominant part of Dr Beckmann’s mark;
- 4) Colour & Dirt Collector was a descriptive element that did not have an independent, distinctive role and was similar but not identical to the earlier right (because “& Dirt” was interposed); and therefore
- 5) the marks were visually, aurally and conceptually dissimilar.

The opposition was dismissed.

Punch appealed and argued that the examiner was incorrect in his findings of descriptiveness in relation to both marks and that the Medion principle (C-120/04, Medion AG v Thomson Multimedia Sales Germany & Austria GmbH, CJEU, 6 October 2005) had been incorrectly applied.

Descriptiveness

Punch argued that the examiner had incorrectly found the earlier mark was descriptive of the goods at issue and was of such low distinctiveness that it was tantamount to being

unregistrable. The Appointed Person did not agree, stating that the validity of an earlier right cannot be called into question in opposition proceedings other than if cancellation proceedings were filed. Examiners are able to deduce precisely how distinctive a trade mark is, providing the assessment does not conclude that the mark is devoid of distinctiveness.

The examiner had stated that Punch’s mark “has some inherent distinctiveness, albeit a relatively low level, for the goods for which it is registered”, which was therefore deemed permissible.

Application of Medion

In Medion, the Applicant sued the Opponent over the use of its LIFE mark within THOMPSON LIFE. The Court of Justice found that, where the goods are identical, the use of a registered mark (with normal distinctiveness), albeit prefixed with the applicant’s company name, was an infringement of the earlier right where the earlier mark also had an independent distinctive role in the composite sign.

Punch argued that the Medion principle applies where the use of an earlier right, prefixed with the applicant’s company name, is

identical or similar to the mark in question, and the incorrect findings of descriptiveness had contaminated the application of this principle.

The Appointed Person again disagreed, finding that the examiner had considered the Medion principle correctly but found that it did not apply because he was not convinced that “Colour & Dirt Collector” had an independent distinctive role in Dr Beckmann’s mark.

Consequently, the correct tests had been applied and the appeal was dismissed. It appears that the decision of Justice Arnold in *Aveda Corporation v Dabur India Limited* [2013] EWHC 589 (Ch) was not cited to the Appointed Person.

CONTESTED MARKS

Punch’s earlier mark

**COLOR COLLECTOR
COLOUR COLLECTOR**

(No 2537192, a series of two)

Dr Beckmann’s mark



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Sky wins on SkyDrive

Forward thinking on specifications was not penalised, writes Alice Stagg

In this case, Sky International and others (“Sky”), owners of various UK and Community Trade Marks for Sky, sued Microsoft Corporation and an associated company (“Microsoft”) for: (i) trade mark infringement under Article 9(1)(b) and Article 9(1)(c) of Council Regulation EC No 207/2009 (the Community Trade Mark Regulation, “CTMR”) and the equivalent UK national provisions; and (ii) passing off in relation to Microsoft’s use of SkyDrive as the name for its cloud storage device.

Justice Asplin upheld both claims. In doing so, she placed particular emphasis on Sky’s “spontaneous real life examples of confusion” from callers to its customer services helpline, who had called to complain about the shortcomings of the SkyDrive system. For the purposes of the trade mark case, she held that although these calls amounted to only 0.000011 per cent of calls to the helpline overall, they constituted

“enough examples to give rise to the conclusion that confusion is sufficiently likely to warrant the court’s intervention” (at paragraph 155).

Sky also sought to rely on the results of a survey that it had carried

Justice Asplin placed emphasis on Sky’s ‘spontaneous real life examples of confusion’ from callers to its customer services helpline

out, without the prior approval of the court. Asplin J accepted the “justified criticisms” of the survey put forward by Microsoft’s senior counsel. She did not, however, “discount it altogether”, suggesting that “despite its shortcomings it gives at least a feel of the reaction of members of the public to SkyDrive” (at paragraphs 229-231).

This seems difficult to reconcile with the judgment of the Court of Appeal in *Interflora 2* ([2013] EWCA Civ 319) in which Justice Lewison held that “a judge should not let in evidence of this kind unless the party seeking to call that evidence satisfies him: a) that it is likely to be of REAL value; and b) that the likely value of the evidence justifies the cost” (at paragraph 26).

Microsoft argued that Sky’s marks were invalid on the basis that they were descriptive for cloud storage; this was unsuccessful.

Further, Microsoft argued that Sky’s Community word mark for SKY was invalid on the basis that Sky had



amended it in bad faith. In 2011, and in advance of the IP TRANSLATOR decision, Sky had amended the mark in various ways. In IP TRANSLATOR, the Court of Justice of the European Union (CJEU) ultimately held that trade mark applicants must, in future, indicate specifically when using class headings whether they intend to cover all goods and services in that class.

Sky's head of IP accepted in cross-examination that the amendments included the goods and services provided by SkyDrive, but did not accept that they had the effect of an extension of the registration. For example, the mark was registered in class 42. Sky had amended the specification thus (amendment in italics): "Scientific and technological services, and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; legal services *including online technical storage facilities, online technical back-up facilities, software as*

a service [SaaS] services, and electronic hosting of files, data, photographs graphics, documents, videos images, audio files, audio-visual files, computer applications, information for others and videoconferencing services, but excluding the performance of chemical analyses."

The judge dismissed Microsoft's argument. First, the question of bad faith must be assessed at the time at which the application for registration is filed. Second, she found it "extremely difficult" to characterise Sky's behaviour as "falling short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in this area" (at paragraph 284). Sky had

made its application prior to the IP TRANSLATOR judgment, which was "anticipated by all", its application had been tried, tested and ultimately accepted by OHIM, and the amendments covered actual goods and services being provided by Sky.

The judgment highlights the persuasiveness of any evidence of actual, spontaneous confusion in this kind of case. Further, it shows that it is worthwhile to maintain an awareness of ongoing and upcoming developments and decisions in the field: companies will not be penalised for planning their registration and enforcement strategy around them.

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Queensbury ruling

Carrie Bradley calls the shots in a boxing brand fight

These proceedings concerned a battle over the QUEENSBERRY brand. The Claimant was Boxing Brands Limited (“BBL”), a company associated with the well-known boxing promoter Frank Warren. The Defendants (collectively referred to as “Sports Direct” for the purposes of this article) were the retail giant Sports Direct International plc and three other companies associated with it. Of these, the second Defendant was the successor to a boxing enterprise that had been started by Luigi La Mura and Andrew Goodwin (of Sports Direct) with the opening of a gym in Bedford in 2004.

The background to the dispute is difficult to summarise succinctly since each party relied on and owned several registered trade marks comprising the mark “QUEENSBERRY” in various forms and registered in respect of a range of goods and services. However, the core issue at the heart of the dispute essentially concerned which party had the right to use the mark as a clothing brand. In this regard, the earliest mark and basis for BBL’s infringement proceedings was its UK trade mark registration number 2485784 filed on 8 May 2008 (the “784 mark”) covering class 25 goods. Prior to trial, BBL had successfully secured interim injunctive relief against the fourth Defendant in respect of launching a range of QUEENSBERRY-branded clothing. Likewise, BBL had agreed not to launch its own range until after the trial.

The defence

In respect of BBL’s 784 mark, Sports Direct countered that:

- 1) it was invalid under section (4)(a) Trade Marks Act 1994 (“the Act”)

Justice Birss QC adopted a pragmatic approach towards assessing the accuracy of their evidence and placing the due degree of reliance on their respective testimonies

since at the date of the application, La Mura and Goodwin could have prevented its use by virtue of an action for passing off;

- 2) it had been applied for in bad faith under section 3(6) of the Act since BBL was already aware that the mark was in use by Sports Direct;
- 3) it was liable to be revoked under section 46(1) of the Act on the grounds that its use was liable to deceive or mislead; and
- 4) in any case, it had a defence under section 11(3) of the Act since it had an earlier right in a particular locality.

Sports Direct also counterclaimed that BBL was liable for passing-off (on the basis of the earlier rights referred to at point one above).

In issuing his decision, Justice Birss QC appeared to have little difficulty

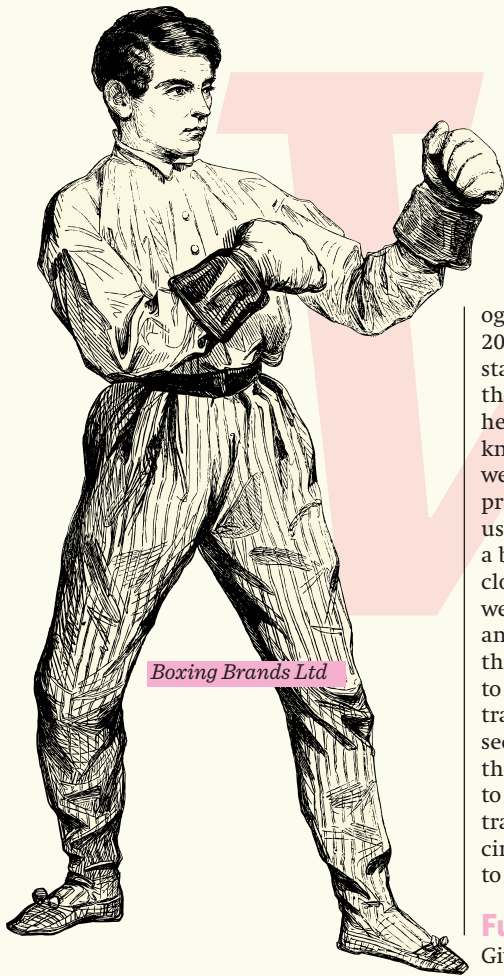
in finding for BBL in respect of almost all of the points before him.

Passing off

Birss J considered Sport Direct’s claim for actionable common law rights under passing off in accordance with the classical trinity set out by Reckitt and Coleman Limited v Borden Inc and others, namely goodwill, misrepresentation and damage. In this regard, Birss J found that the boxing gym business run by La Mura and Goodwin was tiny, and the geographical extent of its goodwill was entirely localised in and around Bedford among its users or potential users. As such, he accepted only that they “...had a right, protectable in passing off, to prevent someone else opening a gym in Bedford and calling it QUEENSBERRY but their goodwill did not extend any further.”

In accordance with *Lego v Lemelstrich* [1983] FSR 155, Birss J considered that, “Even if the owner of a protectable goodwill has not generated any goodwill outside the sphere of their business, it is possible that usage outside that field could lead to passing off.” However, he found that La Mura and Goodwin’s business had no goodwill as a boxing agency or in relation to clothing and therefore had “... no right in the law of passing off to prevent anyone from using the word QUEENSBERRY as a trade mark in relation to articles of clothing, footwear or headgear.” The challenge to the validity of the 784 mark was therefore rejected on this ground.

It was accepted that the second Defendant was the successor in title to whatever goodwill was generated by La Mura and Goodwin. However, that goodwill had been found to be



Boxing Brands Ltd

associated with the gym only and thus did not relate to clothing. Birss J found that, “No one seeing clothing or sports equipment sold by the claimant... would be likely to consider those goods had anything to do with the gym in Bedford.” Since Sports Direct’s challenge for validity under section 5(4) of the Act had failed, its counterclaim based on passing off was also rejected accordingly.

Bad faith

In accordance with the test summarised by Justice Lindsay in *Gromax* [1999] RPC 267, the question before the Court was whether, in applying to register the 784 mark, BBL’s conduct involved dealings that fell short of the standards of acceptable commercial behaviour observed by reasonable and experienced business men in its field of activity. Birss J found that it did not. Having considered and agreed with the reasoning in the recent decision of the Court of Justice of the European Union in *Malaysia Dairy Industries v Ankenœvnet for Patentør*

og *Varemærker* (C-320/12) [27 June 2013], Birss J held that the relevant state of mind in this case was that of the promoter, Frank Warren. While he found that Warren must have known that La Mura and Goodwin were using the name QUEENSBERRY prior to the application date, that use was as the name of a gym and/or a boxing team or stable – not as a clothing brand. Birss J stated, “They were not using it as such at the time and a prudent business man would therefore realise he needed to apply for a registered trade mark in class 25 to secure his rights. The fact that Warren could be said to have won a race to the trade mark register in these circumstances does not amount to bad faith.”

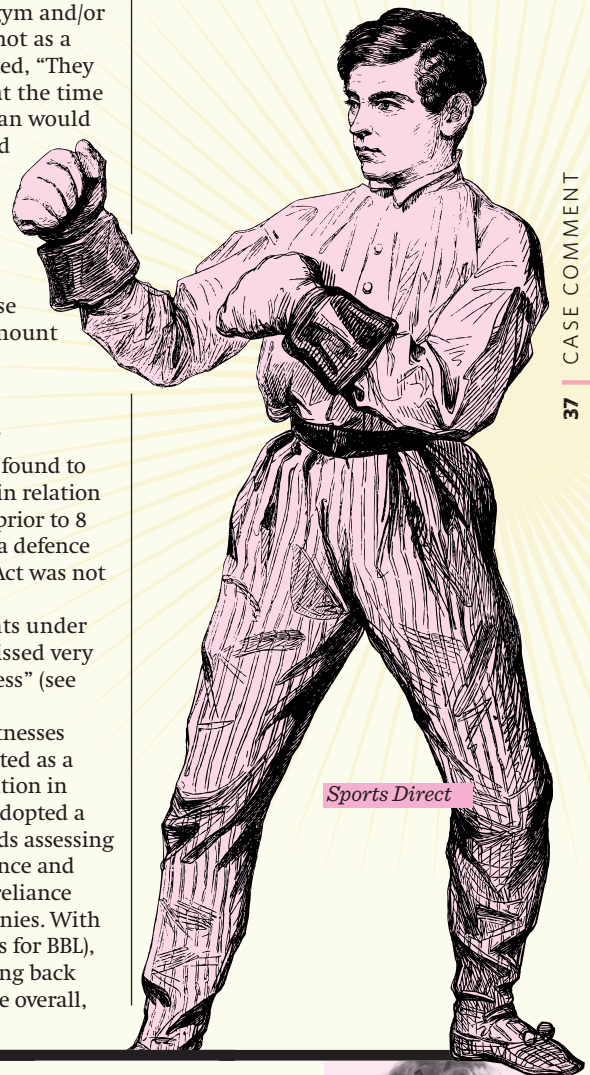
Further issues

Given that the Defendants’ predecessors had not been found to have been using the mark in relation to clothing in any locality prior to 8 May 2008, it followed that a defence under section 11(3) of the Act was not available to Sports Direct.

Sports Direct’s arguments under section 46(1)(d) were dismissed very briefly by Birss J as “hopeless” (see [125] of the judgment).

The credibility of the witnesses on both sides was highlighted as a further issue and complication in these proceedings. Birss J adopted a pragmatic approach towards assessing the accuracy of their evidence and placing the due degree of reliance on their respective testimonies. With regard to Warren (a witness for BBL), Birss J stated that “...standing back and looking at the evidence overall,

the thrust of Mr Warren’s evidence was supported by the documents and in my judgment he was setting out an essentially truthful account. That does not mean that I accept every detail of this evidence but I thought the broad thrust was true.”



Sports Direct

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Baggage battle

Sheena Sheikh explains why Trunki was not able to be taken for a ride

38

The High Court has handed down a judgment that illustrates the importance of obtaining design protection, and which also provides a useful summary on the test for the exception on novelty-destroying disclosures found in Article 7(1) of Council Regulation 6/2002/EC of 12 December 2001 on Community designs (“the Regulation”).

The facts

The Claimant, Magmatic Limited, is the maker of the well-known “Trunki” children’s ride-on suitcase.

It was not disputed that the Trunki was an innovative design. The only earlier ride-on suitcase design adduced, known as the “Rodeo”, was created by the same designer.

He had submitted it to a plastic design competition on the theme of luggage while at university, and the design won. The concept board for the Rodeo can usefully be found at Annex 1 of the judgment.

The Defendant, PMS International Limited, has a strong presence in the discount sector of the retail market. In 2012 it started selling and importing a ride-on suitcase under the name “Kiddee Case”, the design of which was admittedly inspired by the Trunki suitcase.

Claims

The pertinent claims were for infringement of:

- (1) A Community Registered Design (“the CRD”) that was registered on 20 June 2003.
- (2) UK unregistered design rights in a number of designs relating to the Trunki.
- (3) Copyright in the artwork and safety notice on the packaging of the Trunki (the latter was not in dispute).

A useful comparison of the CRD, unregistered design of the Trunki and the Kiddee Case can be found at Annex 2 of the judgment.

Court considerations

To determine the scope of protection of the CRD, Justice Arnold considered the application of the Article 7 exception in the Regulation to the facts of the case. This exception states that any disclosure that makes a design public in any part of the world will have “been made available to the public” for the purposes of Article 5 and 6. This is subject to the exception where “these events could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community”.

The judge went on to make some legal observations as to the operation of the exception, including:

- 1) It is theoretically possible for a design to have become sufficiently obscure as a result of passage of time that it could not reasonably have become known in the normal course of business at the filing or priority date of a registration even if it could have become known at the date of the event.
- 2) Proving that the exception applies rests on the party relying on the exception, but the evidential onus may shift to the other party once it is shown that the disclosure relied on appears to be an obscure one.

Justice Arnold held that, given the relative obscurity of the Rodeo, it did not form part of the design corpus of which the informed user would be aware

Rodeo “obscure”?

Arnold J held on the facts that because the relevant sector was the suitcase sector and the theme of the competition in which the Rodeo design was presented was luggage for an award that was well-known in the field of product design in the UK, it was possible that people connected with the luggage trade would have attended the presentation ceremony and thus seen the Rodeo design. As such, he held that the “obscure designs exception did not apply”.

But, when assessing the overall impression of the designs, Arnold J held that, given the relative obscurity of the Rodeo, it did not form part of the design corpus of which the informed user (in this case, a 3-to-6-year-old, or a parent, carer or relative of such a child) would be aware.

Surface significance

A point of contention was the significance, if any, of the surface decoration on the Kiddee Case given that the CRD did not include any surface decoration. The Claimant submitted that when comparing the

CRD with the Kiddee Case the surface decoration was to be ignored, while the Defendant argued that it should be taken into account. Following Justice Jacob’s decision in *Proctor & Gamble Co v Reckitt Benckiser (UK) Limited* [2007] EWCA Civ 936 (para 40), Arnold J held that the CRD was evidently for the shape of the suitcase and the proper comparison was with the shape of the Kiddee Case.

Overall impression

It was held that although there were some differences between the Kiddee Case and the CRD, both had a “slim, sculpted, sophisticated, modern appearance, prominent ridge and horn-like handles and clasps looking like the nose and tail of an animal”. As such, the overall impression was the same. It was also held that the Kiddee Case infringed four of Trunki’s UK unregistered design rights as well as the copyright in the safety notice of the Trunki packaging.

Arnold J granted the Defendant permission to appeal on the issue of surface decoration when assessing the overall impression.

Comment

Arnold J’s treatment of the Article 7(1) exception makes clear that it is possible for a piece of prior art to not be so obscure as to fall within the exception but be obscure enough not to form part of the design corpus of which the informed user is aware.

Also, although the onus on proving that the exception applies rests on the party relying on the exception, the evidential onus may shift once it is shown that the disclosure relied on appears to be an obscure one.

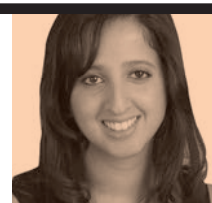
The wider commercial implication of this decision is to illustrate the value of Community design registrations as it could lead to obtaining a pan-European injunction.

Briffa represented the Claimant.

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O/277/13, in respect of UK trade mark applications no 2442444, 2442447 and 2459605 in the name of Wapple.net Limited and consolidated oppositions no 95786, 95787 and 95890 thereto by Apple Inc, Appeal to the Appointed Person Professor Ruth Annand, UK IPO, 8 July 2013

WAPPLE marks fall far from the tree

*Apple fails to prove similarity,
as Geoff Weller summarises*



This case was about Apple Inc's (AI) attempt to prevent the registration of three marks by Wapple.net Limited (WN). It addresses a range of common issues in UK trade mark oppositions, including proof of use, establishing that a mark is well known and (separately) has a reputation, as well as awards of costs off the scale. However, at its "core" it was about the (dis)similarity of the marks APPLE and WAPPLE and the result that without similarity of WN's marks to APPLE (despite its fame) they will not be refused registration.

The three opposed marks were the word mark WAPPLE and the logo marks Wapple.net and wapple canvas.

They were applied for in respect of essentially a range of internet and WAP (wireless application protocol) software in class 9.

AI opposed on a range of grounds:

- there was a likelihood of confusion with AI's earlier trade marks for APPLE both registered and "well-known mark" (section 5(2)(b));
- it had a reputation in APPLE, and use of WN's marks would take unfair advantage of or dilute its distinctive character (section 5(3)); and
- use of WN's marks would constitute passing off of APPLE (section 5(4)(a)).

At first instance, AI succeeded only against the Wapple.net logo (on the basis that this mark was similar and there was a likelihood of confusion and that use would dilute its distinctive character), and the oppositions failed on all grounds

against the WAPPLE and wapple canvas marks. Crucial to this outcome was the finding that these two marks (unlike the Wapple.net logo in which the APPLE element stands out) were simply not similar to the mark APPLE.

AI appealed in respect of the two failed oppositions and in respect of the decision of the Hearing Officer to award WN costs off the standard scale (owing to the large volume of the evidence presented by AI).

Crucial to this outcome was the finding that these two marks (unlike the Wapple.net logo) were simply not similar to the mark APPLE

The grounds of appeal included that the Hearing Officer had erred in:

- assessing the evidence both of genuine use and reputation;
- refusing the well-known mark claim for not properly specifying the goods for which they claimed APPLE was well known;
- the comparison of the marks; and
- the assessment of Section 5(3) and Section 5(4).

The Appointed Person dismissed the appeal on all these grounds, finding no error in the Hearing Officer's approach. So the AI appeal largely failed. Its only point of success was a technical point of not having been given the opportunity to comment on the off-scale-cost award against it. While agreeing that this was an error in procedure, the Appointed Person felt the award was *prima facie* appropriate but allowed AI further time to submit comments.

This case interests rights holders and practitioners as it involves a world-famous brand and addresses common issues in UK oppositions. It also reiterates that, without similarity of marks, registration will not be refused – despite the fame of one of the brands involved.

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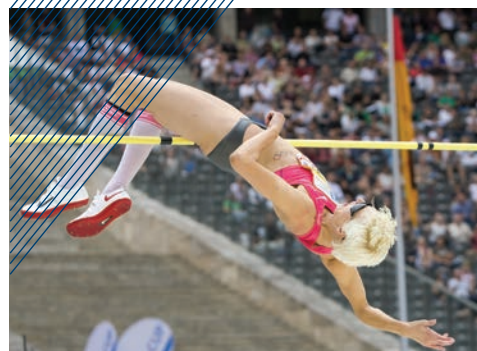
Geoff is experienced in filing and prosecuting trade mark applications in the UK, Europe and internationally, as well as in handling contentious matters.



events

More details can be found at itma.org.uk

Date	Event	Location	CPD hours
29 October	ITMA London Evening Meeting**	Royal College of Surgeons, London	1
7 November	ITMA Glasgow Talk Brand protection for Glasgow Commonwealth Games 2014 and IP considerations in the Scottish independence debate	Brodies, Glasgow	1
12 November	ITMA Webinar The PCC small claims court, Jane Lambert		1
13 November	ITMA Birmingham Talk Michael Edenborough QC, Serle Court	Browne Jacobson, Birmingham	1
14 November	Herchel Smith Lecture "What has IP done for the law?" Lord Justice Floyd	London	
26 November	ITMA London Evening Meeting** CJEU and General Court update, Désirée Fields and Hiroshi Sheraton, McDermott Will & Emery	Royal College of Surgeons, London	1
27 November	ITMA Leeds Afternoon Talk Damages in IP cases Tom Alkin, 11 South Square	Walker Morris LLP, Leeds	1
28 November	CIPA/ITMA CPD Webinar The Perils and Pitfalls of Domain Name Disputes Eric Ramage, Alexander Ramage and Associates LLP and Nick Wenban-Smith, Nominet		1.5
5 December	ITMA Edinburgh Talk Coexistence agreements: the risks and how best to avoid them. A round-up of key IP developments in 2013	Pinsent Masons LLP, Edinburgh	1
10 December	ITMA Christmas Lunch*	InterContinental, London	



ITMA's Glasgow Talk in November will cover brand protection for the Commonwealth Games 2014

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Media Watch

Little versus large was once again on the agenda, as Ken Storey looks into coverage of marks over the past few weeks

ILLUSTRATION BY PHILLIP COUZENS



Isn't it odd how often drink-related stories feature in the Media Watch column? In one such brewing dispute, Norwich microbrewer Redwell felt the full force of Red Bull's Austrian legal team when it sought to register the name Redwell for drinks in the UK. After some adverse publicity it was reported that the UK division of Red Bull was instrumental in brokering an agreement between the parties. This hinged on Redwell agreeing *not* to enter the energy-drinks market. Redwell's owner and co-founder, Patrick Fisher, was only too happy to sign up to this, saying he would not do so in a million years.

Just as that dispute was solved, another was brewing. Another microbrewery, this time based in Stalybridge, near Manchester, applied to register the mark TICKETYBREW for beer. Unfortunately for the microbrewer, Crabbie's Alcoholic Ginger Beer already has the mark TICKETY BOO in classes 32 and 33 covering beer and alcoholic drinks. Crabbie's owner, Halewood International, denies any legal action, saying that its trade mark attorney had telephoned TicketyBrew to alert it to the issue.

No doubt the latter case will be resolved, but it was interesting that in both instances the microbrewers used social media to defend their positions. It is all too easy for commentators to side with the perceived underdogs, but increasingly it seems that attorneys need to be aware that publicity is

not the sole preserve of the printed or broadcast media. So even more of a minefield for attorneys to tread – it's enough to turn one to drink!

It has always been a maxim that you should write about subjects you know about. Thus I was interested to see in the *Racing Post* that BetVictor has gained a victory in retrieving 11 website addresses from a woman whom it called a "serial cybersquatter". Sally Hill, from Leeds, was alleged to have amassed a portfolio of 1,356 domain names, including more than 100 mimicking the names of well-known betting operators, of which 11 incorporated the word "betvictor". Victor Chandler International Limited complained to Nominet,

claiming Hill's registrations were tantamount to passing off, were likely to confuse people and would unfairly disrupt its business.

Nominet's expert, Jon Lang, reportedly had little trouble in upholding the complaint. It makes me wonder what the remaining 1,345 domain names are for and whether this is akin to the enterprises prevalent in the late 1990s when, I believe, the term "cybersquatting" originated as a result of action taken to defend domains such as marksandspencer.com.

BSkyB has again featured prominently. It is reportedly instituting legal proceedings against Luxembourg-based M7 Group over its use of SKYLINK as a brand name for a pay-TV operation in Europe. This follows BSKyB's

victory (reported on page 34) over Microsoft over the use of the term SKYDRIVE for its cloud storage facilities. It was reported that BSKyB agreed a settlement with Microsoft that will allow it a reasonable time to make the transition to a new brand. It's amazing how a compromise can be reached after a court ruling!

Most news outlets covered the spat between Apple and Amazon over the use of the term APP STORE, with both parties signing covenants that prevent either suing or countersuing over the use of the term. Since the main argument from Amazon was that APP STORE was generic, this point no longer needs to be decided by the judge.

In other news, Nestlé lost its bid to register the shape of its two-fingered chocolate bar in the UK, but I suspect this case will feature again as the UK ruling contradicts that of the EU.

Finally, *Press Gazette* reported that the publishing giant Newsquest had won a two-year legal battle with Kent-based publisher Evagate Publishing over two farming titles. Newsquest launched *The Southern Farmer* in November 2011, but Evagate claimed that infringed its own title *South East Farmer* and sought damages. Judge Sarah Asplin rejected Evagate's claims, which weren't helped by its Sales Director calling advertisers encouraging them to provide evidence of confusion. Newspaper folk accused of lacking credibility when giving evidence... now, where have I heard that before, Mr Leveson?



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