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ITMA REVIEW

THE JOURNAL OF THE INSTITUTE OF TRADE MARK ATTORNEYS

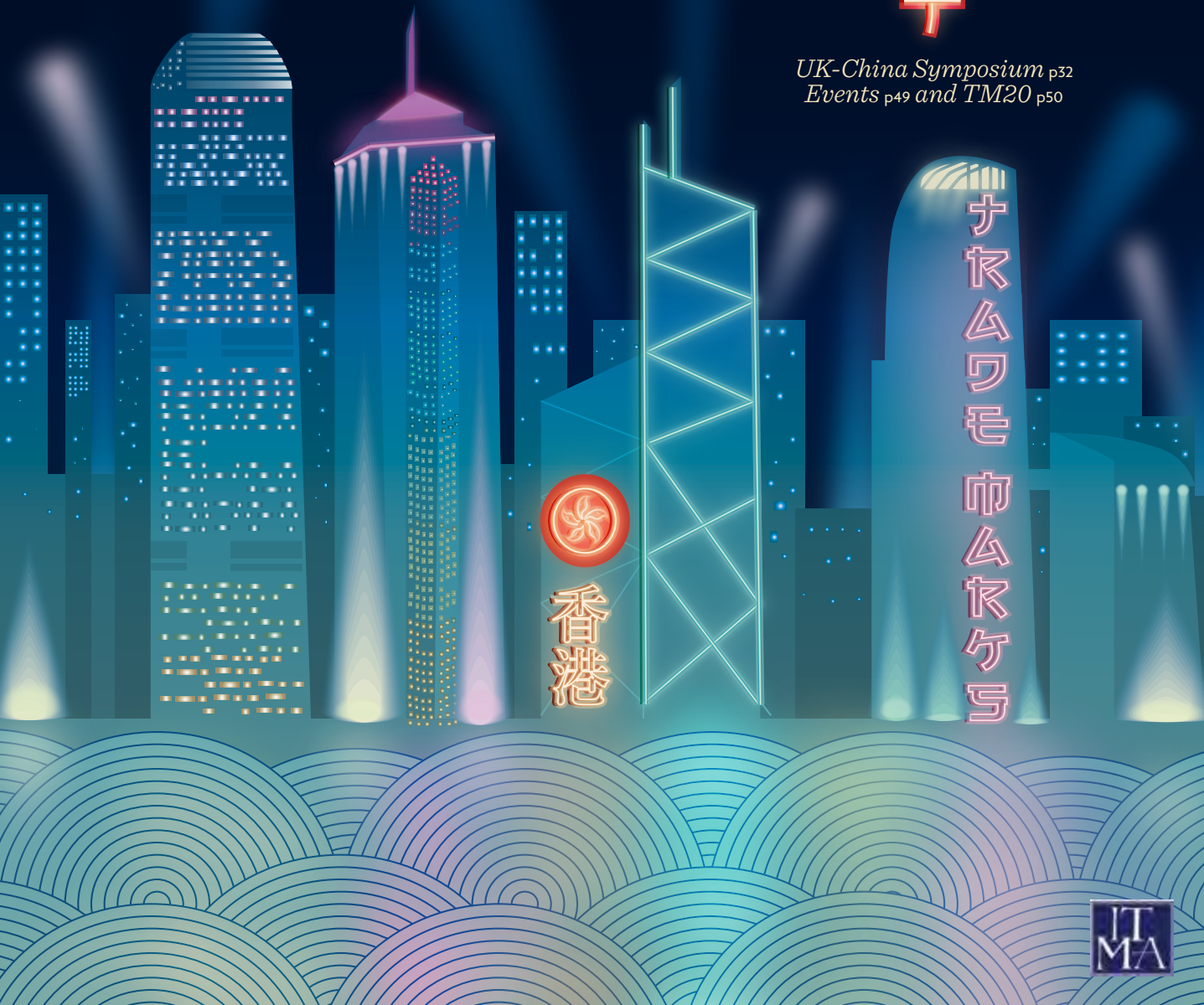
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welcome

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ITMA Review

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

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Those of us in the trade mark world constantly wrestle with language, so I was fascinated to see that the recent edition of the *Collins English Dictionary* includes such neologisms as “al desko” (eating one’s lunch at one’s desk), “photobomb” and “twerking”. With the festive season upon us, I will already have seen many of you at the Manchester Christmas lunch and look forward to seeing many more of you at the London gathering. Neither event is

al desko, although they may involve photobombing and perhaps even some twerking – not in combination, I hope. I hope also that you all manage to spend some time away from your desks for some well-earned rest and relaxation with family and friends.

Chris McLeod
ITMA President

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ITMA Insider

CEO bulletin

Updates on and additions to Keven Bader's email bulletin of 24 September 2014



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IPO moves to GOV.UK

As many of you will have seen, the IPO's transition to GOV.UK went live on 6 October 2014. As the previous ipo.gov.uk website was switched off, redirects from its pages to their equivalents on GOV.UK were activated. This will ensure that any bookmarks customers have made on ipo.gov.uk continue to work.

UK-China IP Symposium

Linked to the IPO is news of a very successful trip to China and Hong Kong by the UK IPO and Department for Business, Innovation and Skills (BIS), to which ITMA was invited to send representatives. Catherine Wolfe, Rachel Wilkinson-Duffy and Rob Furneaux kindly agreed to attend for ITMA, and joined CIPA and IPO representatives along with Colin Birss QC and Baroness Neville-Rolfe (Minister for IP). Catherine Wolfe has written an article about the visit, which appears on page 32 of this Review. If you are interested in additional details, Tom Duke, IP Attaché in Beijing and principal organiser of the event, circulated a report that can be found at gov.uk/government/publications/china-ip-newsletter

WIPO Liaison

I have previously communicated to you information about the revised

internal structure of committees and working groups. We are planning to send further information about all of our groups in the near future, but one group with a pressing need for additional volunteers is the WIPO Liaison Working Group. There is a fair amount of activity happening within the group, and some additional resources would therefore be welcomed. Oscar Benito leads the group and would be happy to discuss matters further with anyone who wishes to know more about its current areas of focus. If you are interested in joining this working group, please email Gillian Rogers at gillian@itma.org.uk in the first instance.

ITMA website update

I have mentioned previously the work we are undertaking in developing a new website for ITMA, which will have integration with our new CRM

system. Following the launch, members will be able to see and develop their membership profiles, which will help in ensuring the information that appears is correct, and enhance the details shown when people use the membership search or public search tools. We will also be communicating with you regarding other new features as they become live.

PR appointment

As some of you may have seen from our September news release regarding Scottish independence, we have appointed Wriglesworth Consultancy to assist us with our PR activities. The company began working with us on 13 September and has already secured coverage for us in the *Independent*, the *IB Times* and the *Times Law* supplement, to name but a few.



Members will be able to see and develop their membership profiles, which will help in ensuring the information that appears is correct



Member moves

Walker Morris has recently appointed Rupert Bent (above) as Partner and Head of Intellectual Property. Email rupert.bent@walkermorris.co.uk



Barker Brettell has promoted Ian Pearce to the position of Salaried Partner. Ian specialises in trade mark work and has considerable experience in relation to brand protection, exploitation and enforcement. Email ian.pearce@barkerbrettell.co.uk



Nicola Scott has joined Bird & Bird in the role of Formalities Officer. Email nicola.scott@twobirds.com

Celebrating our speakers

We'd like to take this opportunity to once again thank the many speakers who have helped to make our gatherings, meetings, seminars and webinars such a success. The ITMA Events Committee is always looking for new and interesting speakers to participate in its busy events calendar throughout the year. If you or a colleague are interested in speaking, please contact the secretary of the committee, Jane Attreed, at jane@itma.org.uk



Keltie would like to announce that the firm will be moving to **No.1, London Bridge, London SE1 9BA**, with effect from **22 December 2014**. All other contact details will remain the same.

IP infographics

In October, the IP Crime Group published its annual report for 2013/14. Among the data included were these interesting insights:



investigated by Trading Standards are: 1 Clothing; 2 Cigarettes/tobacco; 3 Alcohol; 4 Footwear; 5 DVDs. Source: Trading Standards IP Crime Survey 2013/14

In 2013/14 representatives from the clothing, footwear and consumer goods sectors seized at least 650,000 infringing items, with an estimated street value of £40 million. Source: ACG



1 Benefit fraud; 2 Money laundering; 3 Organised criminal networks; 4 Drug dealing; 5 Violence. Source: Trading Standards IP Crime Survey 2013/14

The Police Intellectual Property Crime Unit (PIPCU) is currently investigating **£28,869,991.07** worth of IP crime. Source: PIPCU

Trading Standards authorities across the UK have partnered with at least 100 other organisations and brands to tackle IP crime in the past year. Source: Trading Standards IP Crime Survey 2013/14

The full report is available at gov.uk

Thinking outside the box

A full house at ITMA's Autumn Seminar heard about Customs, insolvency and dispute resolution, as Fiona McBride reports



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After a short introduction by President Chris McLeod, the annual ITMA Autumn Seminar kicked off at the Hyatt Regency Birmingham on 25 September with a record 100 per cent of registered delegates in attendance.

The first talk of the day fell to the double act of Keith Day, Deputy Head of HMRC, Customs Enforcement Division, and Jeremy Newman, UK Country Manager and Managing Partner of Rouse Legal. Day commenced proceedings with a talk about Customs' IP enforcement at the European Union border and, in particular, the changes in legislation that took place on 1 January 2014.

He also ran through IP protection at the UK/EU border following the introduction of Regulation No 608/2013, which amends the previous Regulation No 1383/2003.

The new regulation is a procedural one, Day told the assembled crowd, and describes what Customs has to do and what a right owner has to do. It covers trade marks, designs, copyright, plant variety, patents and geographical

indications. However, some types of IP right – such as trade names and utility models – are excluded from the regulation.

Day went on to explain that Customs has the power to detain goods under supervision, although traveller luggage, parallel trade and overruns are excluded. He advised that the regulation is clearly and squarely aimed at counterfeit products.

Application advice

To benefit from the regulation, Day continued, right owners must submit an application for action (AFA), which now contains an undertaking to assume costs and bear liabilities. The responsibility for destruction costs lies with the right holder. Subtle changes, such as the need for a signature rather than an electronic signature, were highlighted. An AFA lasts for 12 months and is renewable. The first application must be detailed, but renewal is less onerous.

Day advised that Customs is able to detain products on “reasonable suspicion”, but it is then down to the right owner to investigate further. He talked briefly about the European

The new Library of Birmingham formed a fitting backdrop for the discussions about IP at the Autumn Seminar

Observatory on Infringements of Intellectual Property Rights' COPIs database system. This can now be seen by all Customs officers throughout the EU, so there is now no need to submit a separate application in each Member State. Day went on to describe what happens at the border, a bit about goods in transit and future action plans.

The talk was full of useful information and supplemented with very detailed slides, which provided links to guidance and contact points.

Customs excites

Rouse Legal's Newman partnered Day's talk to give a user's perspective on the Customs regime. In particular, he posed the question: "Is it worth it?" He felt strongly that the answer is "yes", and that using Customs should be a significant component of any anti-counterfeiting strategy. Over the past six to seven years, the number of cases reported across the EU has more than doubled, from 40,000 to 86,000.

Newman gave listeners some useful tips on how to complete the AFA. He said that, although it can be burdensome to complete, the information is critical and the system is more effective than its predecessors.

He advised that there are currently delays in obtaining AFAs through UK Customs, so, if a client is in a hurry, it should go to Ireland, where processing appears to be swifter.

Newman has experience with the COPIs database and advised that it seems to be working well in communicating with people across borders. The UK process appears to work smoothly, and more than 80 per cent of cases are resolved swiftly. However, applicants should bear in mind that, in some states, there will be translation costs, which can be expensive, and there is always tension between providing lots of information for the application and cost.

Newman also ran through goods in transit, which matched part of Day's earlier talk. Currently, Customs can detain goods in transit, but, in practice, there is not much that the right holder can do to prove an infringement - there may be detentions but no seizures. Newman rounded up his talk with his top 10 tips on working with Customs and completing the AFA.

Following the tea and coffee interlude, we were treated by Carl Steele, Partner at Ashfords, to his war stories on contract law. Steele gave his view on practical tips, such as: removing the term "draft" from a clean copy; ensuring that you know whether an agreement is a deed or a contract; ensuring that the parties' names and trade marks are correct; and verifying

registered trade mark numbers. Some of the points raised may have been basic, but they were good reminders to all practitioners that agreements can and will be litigated, so we should ensure they are watertight and free from ambiguity at the drafting stage.

The second talk of the second session was given by Roger Elford, Partner at Charles Russell, who spoke about insolvency and how it may affect licences. This was a very interesting topic and not one to which we might usually give much thought.

Household names such as Barratts, Jessops, Game and Habitat offer vivid examples of businesses that have gone bust in recent times, and Elford provided a quick canter through company insolvency and its different regimes. He then focused on cases of businesses in administration and, in particular, situations in which a sale is completed quickly and the buyer may not be aware of any licences. In such cases, the seller would not provide any warranties to the potential purchaser.

Practical ideas

Elford focused on section 23(4) of the Trade Marks Act and listed practical steps for the licensee. He then considered liquidators' powers to disclaim, and licensee insolvency and company voluntary arrangements (CVA). CVAs can be potentially hazardous, he warned, as they can vary the future obligations of a company. Any licensor should check the terms in detail if presented with a CVA from a licensee.

Elford then touched on cross-border issues and problems that arise with insolvency in different

MORE

Speaker presentation materials are available on the ITMA website at itma.org.uk/news/archive/2014

And mark your calendar now for ITMA's Spring Conference, which will take place from 18-20 March 2015



01 Julie Turner (Ablett & Stebbing) and Sylvie Tate (Groom Wilkes & Wright)



02

02. Gareth Jenkins (Wynne-Jones) and Ilse van Haaren (Thomson Reuters)



03

03. Lisa Cook and Jennifer Meel (seminar sponsor Corsearch)



04

04. Sarah Lait (Barker Brettell) and Seamus Doherty (Tomkins)



05

05. From left, ITMA President Chris McLeod with speakers Jeremy Newman (Rouse Legal) and Keith Day (HMRC)



06

06. Katie Smith (Potter Clarkson) and Louise Foster (AA Thornton)

jurisdictions. He ended by looking at the restrictions on the re-use of company names in section 216 of the Insolvency Act. Particular emphasis was given to “phoenix companies” that rise from the ashes with the same name as a company in administration. The restriction applies equally to trade names, company names and trade marks, with some exceptions.

Elford advised that it is important to be aware of this provision when clients have bought assets from a liquidator or administrator. Breach of section 216 is a criminal offence and a director would be held personally liable for the debts of the new company in the event of a contravention.

Domain games

The afternoon commenced with a talk from Matthew Harris, Joint Head of IP and Dispute Resolution at Waterfront Solicitors LLP, on domains, in particular the Uniform Domain-Name Dispute Resolution Policy (UDRP), the Uniform Rapid Suspension (URS) system, the Dispute Resolution Service (DRS) and other alternative dispute resolution (ADR) procedures.

The speaker focused on rights protection mechanisms for trade mark owners, and gave an overview of UDRP and URS, including the

Due diligence of the parties concerned is also required. If things go wrong, whom will you be able to sue?

applicability, providers, language, criteria, remedies/outcomes and the possibility of rehearing, appeal or court review. He considered the advantages and disadvantages of each. Compared with UDRP, there are only a few URS proceedings – URS has additional conditions, so it is a more onerous system.

Harris moved on to a review of Nominet DRS and .eu ADR – again looking at a range of factors, including the applicability, providers, language, test and remedies/outcomes of each.

Whereas UDRP, URS and Nominet all have a contractual foundation, .eu ADR has a legislative basis, so, in theory, it would be possible to appeal to the Court of Justice of the European Union, which is contrary to the whole ethos of the dispute resolution system. Harris ended with tips on and the pitfalls of pre-ADR action, starting the UDR process and drafting ADR proceedings.

The next speaker was Simon Chalkley, Founding Partner of Redd, who gave his overview



of legal considerations when drafting sponsorship and endorsement contracts. Chalkley presented a fictitious scenario (involving Romney's Kendal Mint Cake) to demonstrate and "give flavour" to the subject. His example included a sponsorship deal with a cycling team and personal endorsements from one of the team members.

Chalkley emphasised the need to carry out due diligence before entering into a contract. Among the points to be covered were making sure that the cycling team is guaranteed entry into events over the following year and that the endorsee will actually be a member of the team.

Due diligence of the parties concerned is also required: you need to consider who you are contracting with and who has authority to bind the team. If things go wrong, whom will you be able to sue?

Consideration also needs to be given to the sort of exposure the trade mark will get as part of the deal, and information should be sought about the number of other sponsors, placement of trade mark on clothing etc, and amount of TV coverage that events may receive.

Sponsor talk

Chalkley also drew attention to questions such as what happens if the team does not do well in events and whether the client can extricate itself from the deal if, for example, the endorsee becomes embroiled in a scandal.

In addition to the above, Chalkley discussed the type, level and scope of sponsorship that may be required, as well as exclusivity, consideration,

07. Seminar participants used break times for networking

08. Matthew Cope, Deputy Director of IP Enforcement at the UK IPO

term and termination. He pointed out the importance of doing due diligence relating to the client's IP rights and what warranties it would need to give. This may entail filing new trade mark applications to ensure that the client is adequately protected.

The Autumn Seminar was bought to an end with a talk by Matt Cope, Deputy Director of Enforcement at the UK IPO. Cope gave an informative presentation on the little-known role of the IP enforcement team.

Although the UK IPO was set up as a rights-granting organisation, the need for enforcement led to the establishment of a specialised team to work with agencies such as the police and the Government. There are now 30 people within the team.

Cope outlined what the team does and described the Intelligence Hub, and its key relationships and priorities. The Intelligence Hub manages the database of information and takes a proactive role in the development of policies, he explained. In addition, there is usually someone on secondment from Trading Standards and members of the Intelligence Hub include very experienced ex-policemen.

The IP Enforcement Team has bilateral agreements with overseas bodies and it hosted the first IP Enforcement Summit in 2014, which was attended by some influential figures.

Concluding his remarks, the speaker then moved on to the role of the IP Crime Group – founded in 2004 by the IPO – and the Police Intellectual Property Crime Unit, a dedicated IP enforcement unit within the City of London Police force that is currently funded by the IPO.



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RPMs: room for evolution

Richard Pringle recommends a number of refinements to the current protection mechanisms for online IP

As of 1 October 2014, 416 of the nearly 2,000 new generic top-level domains (gTLDs) applied for in ICANN's new gTLD programme have been delegated and, within those, approximately 2.5 million second-level domains have been registered.

With most of the new gTLDs scheduled for delegation by the end of this year, and with plans already under way to open up another round of applications in 2017, now is a good time to assess how things have gone so far, with a view to pushing for improvements to be made for the next round. In this article, we will look at potential improvements to the IP Rights Protection Mechanisms (RPMs).

The existing RPMs were some of the hardest-fought provisions in the new gTLD *Applicant Guidebook*. Brand owners generally were viewed as not being in

favour of the new gTLD roll-out and merely seeking to delay or prevent it. Complaints about the threat to IP rights caused by the expansion of the gTLD space, with the cost to brand owners of seeking to protect at the second level and the attendant risk of deception and confusion of the public, have not been well-received by the wider ICANN community, especially as trade mark professionals would frequently turn to the GAC (Government Advisory Committee) for support.

The original RPMs developed by the Implementation Recommendation Team (IRT) back in 2009 were intended to be a reasonable, carefully balanced suite of protections. Although they were drafted with the concerns of the broader ICANN community in mind, they emerged from the subsequent multi-stakeholder consultation process significantly watered-down (at one point the

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proposal for the Uniform Rapid Suspension (URS) scheme had been so diluted that it could have taken one week more than the average Uniform Domain-Name Dispute Resolution Policy case to process).

It has always been envisaged, following GAC advice, that there will be a review of the RPMs, to take place 18 months from the launch of the first new gTLD and thus sometime in 2015. We must, of course, await the outcome of that review, yet many IP professionals would agree there are a number of areas in which improvements could be made.

Uniform Rapid Suspension

Early indications are that the URS scheme is working fairly well and generally meeting the goal of offering an abbreviated dispute resolution procedure for clear cases of cybersquatting in the new gTLDs, albeit at a cost to the complainant. Nonetheless, there are some potential areas for improvement that could be considered for the next round, to the advantage of rights owners:

- **Transfer the domain from the losing registrant to the trade mark owner, or place it on a reserved list.** If this is not done at the conclusion of the URS proceedings, the trade mark owner should nevertheless be given the opportunity to secure the domain at the end of its registered term rather than potentially face the prospect of it being registered by another third party before it is able to do so.
- **Redress the balance in relation to defaults or administrative errors.** Generally, the URS procedure seems to favour the registrant (particularly an inactive registrant) while the complainant is given no opportunity to correct procedural defects and errors. So, if the complaint is judged to be non-compliant, for example, it will be rejected with no opportunity for amendment or refund of fees. In contrast, the registrant may ignore the proceedings until there is a determination in favour of the complainant, then re-open the proceedings by seeking a *de novo* review or appealing.

- **Default by the registrant.**

Consideration could be given to dispensing with a full assessment of the merits in cases in which the registrant fails to respond to URS. Since URS is intended to be a “quick and dirty” procedure, and where URS does not lead to transfer in any event, consideration could be given to placing the domain on hold where the registrant does not file anything to support its use, particularly since the defaulting registrant has an extendible six months to re-open the proceedings.

- **Loser pays.** There is little financial risk for the registrant, certainly where only a limited number of names are involved, and thus little disincentive for a cybersquatter. No response fee is payable by the registrant below 15 names and, while there is a fee payable for greater volumes, the successful registrant will be reimbursed. In contrast, there is no cost-recovery for the winning complainant. This needs to be redressed. If the money cannot be collected from the losing party, then a controversial suggestion is that the registrar that facilitated the registration could be required to pay. After all, it can be argued, the registrar has the registrant’s payment details, and there is precedent for this in some of the ccTLDs, such as .no and .be.

- **Redress the balance on abuse.**

A one-year ban is currently imposed on complainants who file two “abusive” complaints, with the possibility of a permanent ban for repeat offenders. Bearing in mind that “abuse” is more than simply losing a case, there is no appeal against a finding of “abuse” unless the panellist abused his or her discretion in making that finding. In contrast, there is no corresponding penalty for respondent abuse of process or repeat cybersquatting.

Having said all that, if the URS scheme is a success, it would also be good to see it applied eventually to “old” TLDs.

Trademark Clearinghouse

Common suggestions for improving the Trademark Clearinghouse (TMCH) include the following:



- The fees charged by the TMCH could be simplified and lowered for .brand Registries. Since .brands will not be running a sunrise, it seems unfair that they should be obliged to pay the same fees as an open registry.
- Extending the TMCH to be used as proof of trade mark rights for a UDRP. Recordal in the TMCH should be *prima facie* evidence of ownership and validity of the mark. Since a TMCH recordal is a pre-requisite for qualifying for the .brand specification, there should be no requirement to also file a copy of the trade mark certificate with ICANN.
- Expanding the scope of the Trademark Claims service to confusingly similar strings and “marks plus”. For the sunrise, it should also be possible to register “marks plus”, where the “plus” element is a purely descriptive term.
- Making the Trademark Claims service a genuinely protective mechanism, by giving the trade mark owner notice of the proposed domain registration in advance, coupled with a mechanism for objection, rather than this being purely a notification after the event. There are significant arguments against this suggestion based on the practicality of varying the registration cycle.

Reserved names

All names could be subject to a sunrise when released for registration. The rules on reserved names are insufficiently clear and thus open to interpretation and potential abuse. Specification 5, section 3.3 of the Registry Operator contract permits the Registry Operator to reserve an unlimited number of names from registration or allocation: “Such names may not be activated

in the DNS, but may be released for registration to another person or entity at the Registry Operator's discretion".¹ Under the Trademark Clearinghouse Rights Protection Mechanism Requirements,² paragraph 2.4.3, where the Registry Operator releases reserved names after the conclusion of the sunrise they need only be subject to a 90-day Trademark Claims service. There is a clear risk of this process being used to circumvent the sunrise.

Qualified Launch Programs

Greater clarity is required around the interplay between the reservation of names to the Registry Operator and the allocation of names under a Qualified Launch Program (QLP – a template launch programme authorised by ICANN that allows Registries to allocate up to 100 names to third parties prior to launch of the Registry). The fact that ICANN needed to issue late guidance on this indicates that the QLP provisions are open to interpretation and potential error.³

Premium names

A host of issues have arisen around the interpretation of policy for premium names. From the perspective of the Registry, it may seem perfectly reasonable to view some terms as being sufficiently attractive to warrant premium pricing. Where that premium pricing is applied to a trade-marked term, so that the price for this term during the sunrise is substantially higher than that for other names, this begins to look like extortion or a circumvention of the sunrise. This is compounded where the name has become designated as "premium" by virtue of the very fact that it is a brand that is naturally used in search in conjunction with the term covered by the TLD.

Some Registries have been willing to move on pricing in these cases when challenged, but there needs to be greater certainty on this issue. It is unacceptable for ICANN to simply state that it does not get involved in issues of pricing. Limits on numbers are also required. We know of one

One geographic TLD has 63,000 premium names, including every three- and four-character word in the OED

geographic TLD that has a list of 63,000 premium names, including every three- and four-character word in the *Oxford English Dictionary*.

PDDRP

While one welcomes the concept of a dispute resolution procedure aimed at catching bad-actor Registries and holding them accountable, the terms of the Post-Delegation Dispute Resolution Procedure (PDDRP) are so narrowly drawn as to make it extremely unlikely it will ever bite in respect of registration at the second level.⁴ The PDDRP requires affirmative conduct and a substantial pattern of bad-faith intent to profit by the systematic sale of trade-mark-infringing domain names. There is a requirement that the Registry Operator has some kind of pattern of actively encouraging the infringing registrations or registering themselves in bad faith. This needs further consideration if it is ever going to be an effective protection.

Adoption of block lists

Dare we even suggest some form of Global Protected Marks List, as previously proposed by the IRT? Donuts' Domains Protected Marks List (DPML) has demonstrated what

can be achieved where the Registry Operator is willing to consider a new RPM. ICANN should consider formalising a version of the DPML as part of a future application process, or provide applicants who commit to such a mechanism with additional evaluation points and priority in contention sets.

Final thoughts

There are many lessons to be learned from round one of ICANN's new gTLDs. Whether we see a second round or a continually open process, as some predict, the message is that, while ICANN has made some additions to the protection of IP rights, there are refinements that could be made to the RPMs that would improve the lot of brand owners without jeopardising the balance that ICANN has struck between the wide range of ICANN stakeholder opinion.

Excerpt from a paper prepared by Valideus for the INTA conference held in September 2014 entitled Internet, Innovation and ICANN: The Evolving Landscape of the Net.



- 1) Base Registry Agreement: www.icann.org/resources/pages/registries-2012-02-25-en
- 2) <http://newgtlds.icann.org/en/announcements-and-media/announcement-30sep13-en>
- 3) <http://newgtlds.icann.org/en/about/trademark-clearinghouse/rpm-requirements-faqs-09apr14-en.pdf>
- 4) <http://newgtlds.icann.org/en/applicants/agg/pddrp-04jun12-en.pdf>



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Redskins ripples?

The recent cancellation of several US trade marks raises important questions for Europe, believes Hernán Ríos

Back in June, the Trademark Trial and Appeal Board (TTAB) of the USPTO cancelled six trade mark registrations of the Washington Redskins, a National Football League (NFL) team, on the basis that the marks were disparaging of Native Americans (Blackhorse v Pro Football Inc). The decision is connected to a general campaign by US state governments to ban the use of ethnic names for sports teams. Since the Redskins decision, many articles and reports on this controversial decision have appeared, and the case does raise a number of questions even for those of us residing outside the US.

For one, is it possible that this US decision could increase the awareness of UK and EU authorities in challenging applications for trade marks that are potentially contrary to public policy and morality? Might this US decision encourage the filing of cancellation actions against existing UK and Community Trade Marks (CTMs) on these grounds?

The decision in question is only the latest in a long-standing legal battle, which began in 1992. The Redskins trade marks were first cancelled in 1999, but the cancellation was overturned on appeal in 2003. According to recent reports, the NFL team is planning to appeal this latest decision from the TTAB as well. Of

course, the six cancelled trade mark registrations will remain in force until any appeals process is complete.

UK and EU authorities already refuse to register words or terms that could be considered potentially contrary to public policy and morality, but there is no guarantee that a word/term may not get by unnoticed or unrecognised. The Washington Redskins own similar trade mark registrations in the UK and Europe (as a CTM) to those held in the US. The existence of these marks raises the question of whether an attempt could be made to have them cancelled outside the US. However, could and would the term “Redskins” be considered a racial slur in the UK or other countries of the European Union (EU) contrary to section 3(3)(a) of the 1994 Trade Marks Act or Article 7(1)(f) of the Community Trade Mark Regulation (CTMR)?

It is clear that the UK IPO and OHIM will not accept any trade mark

application that they consider offensive to any ethnic group and OHIM has already refused applications for such marks. In 2011 the General Court upheld the decision from OHIM’s Board of Appeal against the registration of the trade mark PAKI by Paki Logistics GmbH in classes 6, 20, 37 and 39 in accordance with Article 7(1)(f) of the CTMR, which considered that the term PAKI would be perceived as an racist insult by the English-speaking public of the EU. The Applicant argued that it had been using the mark on its products for many years, including use in English-speaking regions (ie the UK and the Republic of Ireland), that anyone could access and order its products via the internet, and that no complaints against the use of the term PAKI had been received. It was held that a lack of complaints regarding a racist term does not justify the registration of a trade mark and the Court emphasised that the fact that the Applicant had not received complaints about the use

Could and would the term ‘Redskins’ be considered a racial slur in the UK or other countries of the European Union?

of the term PAKI in the course of its commercial activities did not show that no one was offended.

The Applicant also mentioned the existence of other words that were considered insults and were granted trade mark protection. However, the Court pointed out that none of the examples cited by the Applicant were insults that involved the issue of race or implied racism. The decision also stated that it is disputable that vulgar or common words may be used against people because they have become commonplace, and it cannot be accepted that racist terms may benefit from such development in perception as long as they are perceived as racist terms. Similarly, PAKIS was refused in 2007, as was SUDACA (used as a derogatory term against South Americans) in 2006 by OHIM, OHIM considering the term contrary to public policy or accepted principles of morality. (Perhaps surprisingly, the application for SUDACA was filed by a South American company.)

There have been, however, successful CTM registrations for GRINGO (a South American term for North Americans), a UK national registration and an international registration designating the UK for DAGO (which can be considered a slur aimed at people from Italy, Spain or Portugal), and a UK trade mark for FRENCHY, all of which were quite recent. The decision from the US TTAB may well raise concerns, resulting in a closer look at the issues involved. If so, this could lead to more decisions refusing registration of such marks in the EU and perhaps action to cancel any existing registrations



by offended minority groups, as in the US.

Many terms that may once have been thought tolerable are today considered offensive and corrections have occurred, even without the threat of legal action, as attitudes have evolved. A famous British example is the “Golliwog” mascot used by jam producer Robertson’s (characterised by black skin, eyes rimmed in white, exaggerated red lips and frizzy hair), which was a popular character for many years. Controversy arose when the later-named “Golly”, for which Robertson’s owned various trade mark registrations going back to the 1930s, was condemned as a racist symbol, and Robertson’s ceased featuring the character on jam and marmalade jars in 2001 after 91 years of use. While Robertson’s purported to be withdrawing the character due simply to its declining popularity with children, the products’ target

market, it is difficult not to infer that an appreciation of its potential offensiveness to a rapidly diversifying British public would have been a factor in the decision.

The decision from the TTAB is not yet final and it may be appealed. No actions appear to have been taken to date by the offended body against the REDSKINS registrations outside the US. If the action is ultimately successful, however, it will be interesting to see if it is raised elsewhere. If so, this could encourage other interested groups to take action against existing registrations that they also consider disparaging. Either way, the decision has likely highlighted the issue for UK IPO and OHIM examiners, who may in future be more careful when examining applications for marks that have the potential to be derogatory to ethnic groups or nationalities.



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Grey area

Guy Tritton aims to bring some clarity to the confusing conjunction of trade mark and copyright law

The interaction of trade mark and copyright law is an area that many attorneys feel is somewhat of a no man's land. Under section 47(2)(b) of the Trade Marks Act 1994, a trade mark application can be opposed by virtue of an earlier right, in particular the law of copyright, design right or registered designs. Equally, a registered trade mark can be declared invalid on the same grounds (section 47(2)(b)). Similarly, under the Community Trade Mark Regulation (CTMR),¹ a Community Trade Mark can be declared invalid by virtue of an earlier copyright. However, under the 1994 Act, the opponent or applicant for declaration of invalidity must be the proprietor of the copyright.² In relation to proceedings in OHIM, the applicant relying upon the copyright must be the proprietor or "under the national law applicable to lay claim to that right".³

To succeed on these grounds, it must be shown that use of the trade mark is liable to be prohibited under the law of copyright. But how can use of a trade mark be liable to be prevented by the law of copyright? Copyright does not prohibit mere use of a copyright work, but rather specific acts (eg reproduction, issuing to the public, etc). The intuitive answer is that, if the reproduction of the trade mark would infringe the copyright of the owner, then the opposition or cancellation proceedings will be successful. This certainly is the approach that appears to be taken.

In fact, the tribunal or court should consider the outcome of a hypothetical action. Thus, as in any copyright trial, it is not sufficient merely to show that the mark applied for or registered is similar to the copyright work. For instance, it must be shown that a substantial part of the copyright work has been copied.⁴ These days, that test is satisfied where it can be said that part of the author's own intellectual creation has been incorporated into the trade mark.⁵ The tribunal or court must consider issues such as: opportunity to copy; whether there was copying and the degree of copying; and other issues that would have been relevant at trial (eg whether a document evidencing copyright is a forgery under relevant national law).⁶ Proper and cogent evidence is required of national law of copyright.⁷

Should the applicant be a licensee of the copyright owner, this may raise difficult questions. For instance, the licensee may have applied to protect a logo for goods that fall within the licence. While it might be said that the licence never extended to permission to apply for a trade mark, that is not the relevant question. The question is whether the use of the logo on the specified goods in a hypothetical marketplace is licensed. If the licence extends to reproduction of the logo in relation to the specified goods, that may be a complete defence. Another issue is whether national law regarding burden of proof on copying should apply. For instance, in the UK, where the similarities are sufficient to raise a *prima facie* case of copying, the burden of proof shifts to the defendant to show independent design.⁸ The CJEU decision of National Lottery Commission suggests that evidential laws of the Member State upon whose copyright laws the opponent or cancellation applicant is relying should be applied.⁹

But the opponent or applicant must go beyond merely showing copyright infringement. It must show that, in the hypothetical copyright action, it would be entitled to an injunction to restrain use of the mark.¹⁰ In general, this should not be difficult, nonetheless it may be (eg where the infringing part forms a small element of the trade mark) that it would be disproportionate to have granted injunctive relief in the hypothetical action.¹¹

Other traps exist. If the opponent or cancellation applicant is relying upon an assignment, that assignment must

The opponent or applicant must go beyond merely showing copyright infringement

satisfy relevant national law. For example, under UK law, it must be in writing and signed by or on behalf of the assignor.¹² Moreover, the relevant date for both oppositions and declarations for invalidity is the date of filing of the mark. It is important that, as of that date, the opponent or the cancellation applicant is the proprietor of copyright, or at least entitled to enforce the copyright. Thus, the assignment of copyright to the cancellation applicant prior to issuing a cancellation application is not in itself sufficient. The assignment must expressly include the right to recover for past acts of infringement. This clause is often omitted in written assignments.

The above discussion shows that the consideration of an earlier copyright in trade mark oppositions or cancellation proceedings is not as straightforward as it may initially appear. The evidence and argument must be directed to what would be the outcome of an action for copyright infringement. This in turn involves consideration of potentially complex issues, such as ownership, subsistence, copying, substantial part and the entitlement to injunctive relief.

1. Article 53.2(b), Regulation 207/2009. There is no ground of opposition for CTMs based on an earlier copyright
2. Trade Mark (Relative Grounds) Order 2007, rule 2, rule 5(2)(b)
3. CTMR 37(b)(iii). It is likely this phrase means that the applicant can bring proceedings for infringement of copyright, eg in the UK, an exclusive licensee - see s101, Copyright, Designs and Patents Act 1988
4. See R-1925/2011-4, Board of Appeal, OHIM
5. See C-5/08, Infopaq International A/S v Danske Dagblades Forening [2009] ECR I-6569
6. See T-404, National Lottery Commission v OHIM; on appeal, C-530/12P
7. C-263/09, Edwin v OHIM (Elio Fiorucci) [2011] ECR I-5853
8. Designers Guild Limited v Russell Williams (Textiles) Limited [2000] 1 WLR 2416 (HL)
9. See footnote 8
10. Section 5(4)(b), Trade Marks Act 1994; Article 53(2)(c), Regulation 207/2009
11. Article 3, Enforcement Directive (Directive 2004/48) requires remedies be effective, proportionate and dissuasive
12. Section 90, Copyright, Designs and Patents Act 1988



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Guy spoke on this subject to ITMA members at a seminar held on 12 September 2014.



TM HK

In recent lunchtime briefings in Manchester and Leeds, Paul Stephenson provided a wealth of detail on trade mark law and practice in post-handover Hong Kong

Intellectual property protection in Hong Kong is governed by seven major statutes: the Trade Marks Ordinance (Chapter 559); Copyright Ordinance (Chapter 528); Copyright Piracy Ordinance (Chapter 544) (which deals specifically with optical discs); Designs Ordinance (Chapter 522); Patents Ordinance (Chapter 514); Trade Descriptions Ordinance (Chapter 362); and Layout – Design (Topography) of Integrated Circuits Ordinance (Chapter 445).

Principle chapter

The first of these, the Trade Marks Ordinance (Chapter 559), came into effect in 2003 and is founded upon the Trade Marks Act 1994 as originally enacted.

Although not a word-for-word copy of the 1994 Act, most provisions of Chapter 559 are to the same effect and there would have to be considerable reason to depart from UK case law. Indeed, since the laws of the European Union have been harmonised (and not merely “approximated”) in relation to trade mark law, it is common in trade mark hearings and reported decisions to refer to cases of other EU jurisdictions and the decisions of the EU courts. Strictly speaking, the decisions are persuasive but, in many cases, will be regarded, in practical terms, as binding. It is very common, for example, to refer to leading textbooks such as *Kerly’s Law of Trade Marks and Trade Names*.

It may be the case that UK and EU interpretations of trade mark law differ, so that the UK court implements the decision of the EU court with reluctance. Since the basis of Chapter 559 is the 1994 Act and not the Trade Marks Directive, it may be possible – if thought desirable from the client’s point of view – to seek to persuade the Registrar/court to determine the case as if the UK were not part of the EU; to surgically strike out the EU provisions or that part of the decision that relies on EU law to see how the case would have been decided under the 1994 act *in vacuo*.

Points of difference

There are, nonetheless, a few key differences between Chapter 559 and the Trade Marks Act 1994:

- A registered trade mark becomes vulnerable to a cancellation action after three years’ non-use (section 52(2)(a)). However, under section 52(3)(a), the use can be of a trade mark that “differs in elements that do not alter the distinctive character of the trade mark in the form in which it was registered”.
- The Registrar of Trade Marks can impose conditions and limitations, including disclaimers, as a prerequisite to accepting the trade mark for registration.
- Defensive trade marks are retained.
- Applications for cancellation or for declarations of invalidity can be made either through the office of the Registrar of Trade Marks or, under section 48 of

Chapter 559, through the Court of First Instance (equivalent to the High Court in England). Proceedings through the Registry can take a good deal of time, perhaps as long as three or four years. If, for example, an applicant’s mark is in use, proceedings in the Court of First Instance might be combined with proceedings for infringement or passing off. However, as in the UK, proceedings for infringement would only be viable when the registered mark has been removed from the Register, because the use of one registered trade mark cannot infringe another: section 19(2).

- The opposition period is three months, with the possibility of extension for a further two months. No further extensions are allowed. (An opposition can be based on earlier right: section 12(5).)
- “Series marks” are allowed, up to four in a series.
- Hong Kong is not part of the Madrid Agreement; it follows the Nice Classification of goods and services. Multiple class applications are allowed.

Cited trade marks

When dealing with cited trade marks, consent overcomes a citation: section 12(8). Normally, a Chinese character trade mark will not be cited against what might be regarded as the English word for that mark and *vice versa*, but there are exceptions depending on the factual circumstances. For example, the famous APPLE computers trade mark is unlikely to conflict with the Chinese translation for the word →

HONG KONG IP: RULING PRINCIPLES

- Trade Marks Ordinance – Chapter 559
- Copyright Ordinance – Chapter 528
- Copyright Piracy Ordinance – Chapter 544 (specifically for optical discs)
- Designs Ordinance – Chapter 522
- Patents Ordinance – Chapter 514
- Trade Descriptions Ordinance – Chapter 362
- Layout – Design (Topography) of Integrated Circuits Ordinance – Chapter 445

“apple”, which in Cantonese sounds like “ping gwor”; “apple” is “apple”. Conversely, the words “Double Happiness” are a well-known translation for Chinese characters that are almost always used at Chinese wedding ceremonies. Here, the association between the English and Chinese is too close to ignore. The risk of confusion, therefore, depends on the facts of each case.

It is sensible for the owner of an English-word trade mark to devise a Chinese equivalent for the local Hong Kong – and indeed greater China – market, to counter the real fear that the Chinese may derive their own unflattering colloquial alternative. For an invented word, a transliteration is normally adopted in Chinese character form.

Criminal arm

The Trade Descriptions Ordinance (Chapter 362) might be regarded as the criminal arm of the Trade Marks Ordinance in respect of trade marks for goods. Under section 9 of Chapter 362, a person who, without the consent of the owner of the registered trade mark, applies an identical mark to goods or a “mark so resembling that [registered] mark as to be calculated to deceive”, or “who falsifies any genuine [registered] trade mark, whether by

alteration, addition, effacement or otherwise”, commits an offence.

The test for criminal liability under Chapter 362 in relation to non-identical trade marks seems “tighter” than for the infringement provisions of the Trade Marks Ordinance, which refers to use of a mark that is “... similar to...” the registered mark. It is therefore possible for a mark to be an infringing mark but not amount to the unauthorised use of a mark so similar as to give rise to criminal liability.

It should be borne in mind that proof to the criminal standard requires that likelihood of confusion be shown beyond reasonable doubt, and Chapter 362 uses “forged trade mark” as the governing terminology; “forged” is a strong word with a meaning, it is submitted, beyond merely “liable to be confusing”.

A complaint made to the Customs and Excise Department might dispose of the unauthorised use of trade marks more quickly and efficiently than through the civil courts. Where the defendant is a “man of straw” or where enforcement of a civil judgment would otherwise be



TRADE MARKS

Proof to the criminal standard requires likelihood of confusion to be shown beyond reasonable doubt

difficult, criminal action and reliance on the offices of the Customs and Excise Department is often beneficial. The writer's experience is that Customs and Excise is generally efficient, primarily because one official is left in charge of the case.

Passing off

There is case law to support the proposition that Hong Kong law does not require goodwill to be connected with a business in the jurisdiction in order for a claim for passing off to be made: mere reputation will suffice. The cases tend to propagate the general understanding that Hong Kong (as an

international city) will protect international reputation without more.

In *Ten-ichi v Jancar* [1990] FSR 151, for example, the Plaintiff was the owner or operator of 45 restaurants in Japan trading as "Ten-ichi" or "Tempura Ten-ichi". The restaurant brands were "household names" in Japan and had been featured on television in Hong Kong. One of the Plaintiff's restaurants had been voted as one of the world's top 10 restaurants, and the Court was satisfied the Plaintiff had an international reputation.

An interlocutory injunction was granted to prevent the Defendant operating under the same name, even though the Plaintiff had no business in Hong Kong. The Court concluded that there was a deliberate intention on the part of the Defendant to trade on the name of the Plaintiff, knowing of its good international reputation.

The Plaintiff adduced evidence of an intention to trade in Hong Kong and that the Defendant had the intention of blocking this by building up its own rights in Ten-ichi.

The decision in *Anheuser-Busch v Budejovicky Budvar* [1984] FSR 413 (the "Budweiser case") was not cited in judgment or argument. In that case, American Budweiser beer was available in the UK only through military establishments and diplomatic missions. While there was a "reputation" in the rest of the UK,

such reputations did not amount to a goodwill connected with a business capable of protection at common law.

But is *Ten-ichi v Jancar* good law? Mr Justice Sears admitted in the judgment that passing off was an area of law into which his "feet have seldom strayed" and which follows the "soft line" of cases to a degree unacceptable in UK terms. It may be necessary to consider whether the decision represents "good law" in the context that Hong Kong has traditionally been thought of as a place that produces cheap goods (particularly toys) or counterfeits, so building a good international reputation against that backdrop is therefore a high priority.

Transshipment

Analogous considerations apply to the law of trade mark infringement for goods transhipped through Hong Kong or the highly restrictive exemption from the provisions of the Trade Descriptions Ordinance that pertains to transshipment.

Section 2 of that Ordinance defines "goods in transit" as goods that:

1. are brought into Hong Kong on a vessel or aircraft for the sole purpose of taking them out of Hong Kong, and
2. remain at all times while they are in Hong Kong on the vessel or aircraft.

Therefore, even in the process of taking a container off a ship, placing it on a lorry and transporting

it to the airport for loading onto an airplane would not avoid the provisions of Chapter 362 even if the goods concerned did not, in Hong Kong, see the light of day.

The policy here is to protect Hong Kong's purported "clean" image and to avoid assertions, no matter how remote, that, by referring only to shipping documents, a conclusion can wrongly be drawn that falsely described goods come from Hong Kong.

A similarly tough approach is taken in infringement, as illustrated by *Mattel Inc v Tonka Corp* [1991] 2 HKC 411, in which goods were transhipped through Hong Kong from China en route to the United States. The goods were never unloaded and were in Hong Kong for between 20 minutes and three hours for formalities.

The Trade Marks Ordinance, section 18(5)(f), refers to "imports or exports" of the goods as an infringing act and no exception is made for goods in transit. The Court gave the word "import" a strict, straightforward meaning of "bringing into Hong Kong", without creating an exception for transit.

The importer was consequently held to be liable for both copyright infringement actionable in Hong Kong (for fake Barbie™ dolls) and for trade mark infringement. (On the same facts there would appear to be

no Trade Descriptions Ordinance offence because the goods remained at all times on the vessel.)

Concluding concerns

While Hong Kong has a sophisticated statutory regime for the protection of IP rights, concerns have been raised about the bureaucratic nature of its civil process and the fact that judges nowadays rarely have any IP experience or training.

In pre-handover times, Hong Kong had an industrial base. That has now largely migrated to the mainland, leaving IP cases something of a rarity. The steady criminalisation of IP law in Hong Kong over the past 12 years in the areas of copyright and trade marks may be a reflection of the poor state of civil IP protection available through the courts.

Complex IP matters beyond counterfeiting might be more appropriately dealt with by binding arbitration before mutually agreed experts than by judicial procedures that can take years to complete, sometimes with highly questionable conclusions.

Find out more

- **Relevant Ordinances related to IP in Hong Kong can be viewed on the official website at legislation.gov.hk/eng/home.htm**
- **Each Ordinance can be downloaded in its entirety in pdf format, or can be accessed on a section-by-section basis.**
- **For information on Hong Kong case law, see the judiciary's website at judiciary.gov.hk/en/legal_ref/judgments.htm**
- **Decisions of the Registrar of Trade Marks can be found on the Intellectual Property Department's website at ipd.gov.hk/eng/home.htm. Simply search on the word 'Decisions'.**



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Niall has advised and acted for clients across a spectrum of industry sectors including FMCG, fashion, information technology, broadcasting/entertainment and pharmaceuticals. Many of Niall's clients have included FTSE® 100 and large multi-national corporations as well as SMEs. Notably, Niall was described in The Legal 500® as a highly rated individual with a strong reputation.

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people is not a sensible option anymore: focus is required to be credible externally and efficient in marketing.

- *Where are the fees going to come from?*

This part of the process will involve an analysis and consideration of relative importance to the business in the future of patents, trade marks, design and copyright; you might want to discuss the current breakdown versus strategic intent, looking ahead. Many firms report increasing competition from law firms for trade mark work. In light of this, do you want to invest more in attracting fees from patents or is a fresh approach required to increase billings in trade marks?

- *What resources are required to promote the firm?*

There are several aspects to this part of the planning process: fee-earners business development and marketing collateral, ie web copy, brochures, hospitality and events.

- *Where is the work going to come from?*

It's useful at this stage to analyse historic billings to understand the origination of instructions – for example, what is the split between direct clients and referrers? Which type of referrer makes the biggest contribution to fees? How much business is based on existing relationships and how much is based on new ones?

These are just some of the key questions, but enough hopefully to give you a feel for what is required in the business canvas exercise.

The second stage (and indeed a space reserved on the canvas) is to create a compelling CVP. This is an explanation of how you best deliver value to clients and the market. Done well, your CVP will make it easier for your target clients and referrers to find and employ you.

The CVP exercise is arguably the toughest of the three stages and best done with an expert copywriter. You will know that you've taken a wrong turn if you end up with anodyne statements that refer to "straightforward advice", "pragmatic

solutions", "outstanding client service" and "proactive advisors".

Developing a CVP should start with answering two more questions:

- What are you selling?
- What are your clients (or your referrers) buying?

Once you have collected the thoughts of your colleagues, the idea is to cross-reference the answers and find the common ground – which gives you the messages with which to begin crafting your copy. When

Each goal should have a strategy that guides the business towards specific actions, eg overhauling the company website or launching a sector business focus

complete, this copy can be used for a website, brochures, pitch documents and headlines, as well as in a networking context.

Creating the CVP will help you complete the final piece in the business canvas exercise and lead you to the final stage of the planning process – the development of an overarching strategic marketing plan.

Power tool

A very user-friendly strategic plan is another tool called an OGSM – O stands for "objectives", G for "goals", S for "strategies" and M for "measures".

The OGSM depends on your undertaking another sequence of steps. The first step is to be clear about the overriding key objective of your plan, eg "double the business" or "become the first choice for IP buyers". Next, you need to break down this objective into a series of more specific goals that will lead you towards achieving your stated overriding key objective. So, perhaps that involves breaking into a new market or making some lateral hires or raising fee tariffs.

Strategies are concerned with how you will deliver your goals. Each goal should have a strategy that guides the business towards specific actions, eg improving the business-development capability of fee-earners or overhauling the company website or launching a sector business focus. Each goal should be SMART – specific, measurable, achievable, realistic, and have a timeline attached.

Finally, regarding measures, consider milestones that you can flag to monitor progress towards your goals.

Often there is debate internally about whether an activity is an objective or goal (or perhaps even strategy or measure). It really doesn't matter to which column an activity is assigned. What matters is the process of discussion and focus that result.

As a combined approach these three tools (business canvas, CVP and OGSM) are a powerful way of harnessing the energy of, and managing resources more efficiently and effectively in, any IP firm. Executed brilliantly, they will produce a more successful business and improve internal communication to boot.



Bernard Savage

is Director of Size 10 ½ Boots. The firm is a business development agency specialising in professional service firms.

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Court delivers yes on yellow

Birgit Clark provides detail on a decision regarding protection of yet another colour trade mark

26

In a recent decision (I ZR 2284/12, “Gelbe Wörterbücher”, 18 September 2014) the German Federal Court of Justice (Bundesgerichtshof, or BGH) held that the yellow product packaging and advertisements used by Rosetta Stone, a business which distributes language learning software, infringes the colour trade mark owned by the publisher of the well-known Langenscheidt dictionaries.

The facts

German dictionary publisher Langenscheidt and language software publisher Rosetta Stone both used shades of yellow on their products: Langenscheidt primarily on the covers of its bilingual dictionaries, Rosetta Stone primarily in relation to its language learning software. A conflict ensued and Langenscheidt took the matter to court, alleging trade mark infringement under

section 14(2) No. 2 of the German Trademark Act in relation to Rosetta Stone’s use of the colour yellow on the packaging of its language software, website and advertisements. Langenscheidt based its claim on its German trade mark registration for the colour yellow, registered by way of acquired distinctiveness and covering “bilingual dictionaries in printed form”.

Langenscheidt has been using a yellow get-up for its printed dictionaries since 1956 and since 1986 has also been distributing other language learning products in yellow packaging and in combination with a blue “L”. The Defendant, Rosetta Stone, has been offering language learning software in yellow packaging in Germany since 2010, in combination with its business name in black print and a blue stone device. The Defendant also promotes its products on its website and in television advertisements by using yellow. The lower courts agreed

with Langenscheidt (Landgericht of Cologne, case 31 O 352/11, 19 January 2012 and Oberlandesgericht Cologne, case 6 U 38/12, 9 November 2012) and ordered an injunction of Rosetta Stone’s use of the colour yellow and declared it liable for damages and costs. Rosetta Stone appealed the matter to the BGH and also applied for a cancellation of the Claimant’s colour trade mark at the German Trade Mark & Patent Office. Unsuccessful in the first and second instances, this action is currently also pending at the BGH (case I ZB 61/13).

Decision

In its decision, the BGH confirmed the lower courts’ decisions and held that there was likelihood of confusion under section 14(2) No 2 German Trademark Act between Langenscheidt’s colour mark and the colour used by Rosetta Stone. The BGH also decided against a suspension of the infringement proceedings pending the outcome of

Rosetta Stone's cancellation action against Langenscheidt's mark because "its outcome was still uncertain".

With regard to Langenscheidt's infringement claim, the Court held that Rosetta Stone's use of the colour yellow was "use as a trade mark". In this context the judges acknowledged that German consumers tend to view the use of a colour on products, packaging and advertisements as an ornamental embellishment and would only "in exceptional cases" interpret this as trade mark use. Nonetheless, the German market for bilingual dictionaries was strongly influenced by the use of colours functioning as indicators of trade origin. In the view of the court, this not only affected related products, including Rosetta Stone's language learning software, but also meant that consumers would regard Rosetta Stone's extensive use of the colour yellow in its market segment as a sign indicating trade origin ("Produktkennzeichen").

Furthermore, the Court pointed out that Langenscheidt's registered colour trade mark had acquired an "average degree of distinctiveness" due to its long-term use. Bearing all this in mind, the Court found the Claimant's and Defendant's goods (bilingual dictionaries v language learning software) were very similar, stating that a dictionary was a "helpful and indispensable aid" when learning a language. Furthermore, the shades of yellow used by both parties were highly similar. Even though the Defendant had also used its word mark "RosettaStone" and blue stone logo on

The German market for bilingual dictionaries was strongly influenced by the use of colours functioning as indicators of trade origin

its products and in advertisements, in terms of an overall impression consumers would nonetheless regard the use of colour as an independent sign so that any comparison of the signs had to focus on the colour in isolation. Bearing in mind the average degree of distinctiveness of the Claimant's yellow colour trade mark, and given the high degree of similarity between both the signs and the goods, a likelihood of confusion could not be excluded.

Persistent puzzle

While it is now accepted that pure or "contourless" colour trade marks are protectable as registered trade marks (albeit often via the route of acquired distinctiveness), the scope of protection afforded to such unconventional marks appears less clear-cut. Indeed, the issue of trade marks and colour has been discussed in several recent decisions in the European Union, including the Court of Justice of the European Union's decisions in the Specsavers dispute (C-252/12) and the Oberbank and Santander cases (joined cases C-217/13, C-218/13) on the question of acquired distinctiveness of a pure colour mark, all of which have been cited by the BGH in the Langenscheidt v Rosetta Stone case. OHIM's recent Common Communication on the Common Practice of the Scope of Protection of Black and White Marks of 15 April 2014 has added yet another piece to this jigsaw. It appears to the author that this field of law is the new *casus belli* of EU trade mark law, and it is clearly still evolving. The BGH's decision joins this intriguing field of law and – in the wake of the Specsavers decisions – further illustrates that consumer habits and market practices can have a strong impact on the assessment of likelihood of confusion.



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Logo Lineage

Keith Havelock investigates the origin and development of the Institute's insignia

Any self-respecting organisation is likely to appreciate the value of having and protecting its own distinctive emblem or logo, probably also as a key element in an overall house style. This will reflect its own character and outlook, and serve as that intangible link between what the organisation is and what it produces or the services it performs commercially. In this, ITMA is no exception.

The story of the insignia that our Institute has used over its 80-plus years of existence can be divided into three distinct episodes.

During the first, which extended from the formation of the Institute in 1934 to the mid-1950s, our organisation did not use any particular pictorial emblem. However, stationery and printed publications did show consistent use of its full name, The Institute of Trade Mark Agents, as it was then, in a distinctive, Blackletter script. The stationery displayed the name in an elegant die-engraved form, making the organisation's communications instantly recognisable on arrival

on the desks of members – when they were often accompanied by the latest information circular or report of a recent paper.

To modern eyes, it may seem strange that the Institute did not have its own emblem during this period, given the popularity of label and pictorial trade marks at the time. The likely reason for the omission was that the organisation may have felt it had to tread conservatively in those early years, when there was much more formality in business affairs than there is now.

Classical origins

An oval badge featuring St Bruno of Chartreuse first appeared in 1955, after then-President Leslie Ellwood offered to provide a badge of office for future incumbents and embarked on a search for an illustration to accompany the name of the Institute.

Ellwood was a solicitor who headed the Unilever Secretarial and Trade Mark department in Blackfriars, London. He was also a classical scholar, and his speech before the investiture of the new badge explained the origin of the design. Consideration had been given to the

use of a monogram based on the ITMA initials, but this was rejected on the (light-hearted) ground that these had been the subject of “honest concurrent user in another class”, referring to the use of the abbreviation as a short-hand reference to wartime radio series *It's That Man Again*, which starred comedian Tommy Handley.

The alternative of a geometric design, such as one based on UK Trade Mark No 1, the Bass red triangle label for pale ale, was also rejected, on the ground that “a red triangle carries a secondary, if not primary, connotation of danger”. Thus the emblematic and geometric were rejected in favour of the symbolic.

In selecting an image of St Bruno, Ellwood pointed to the fact that the name “Chartreuse” had been protected in many tribunals in Europe in the early 20th century. After the French Revolution, the monks who had been dispossessed in the Carthusian monastery near Grenoble were allowed to return, subject to rent payment. The trade in their Chartreuse liqueur, a mark that remains famous to this day, enabled the monks to pay their rent.



Three saints were associated with the founding of the Carthusian monastery at Chartreux in 1084: St Bruno, St Hugh of Lincoln and St Hugh of Grenoble. St Bruno, who died in 1101, is often depicted with his fingers to his lips or carrying plants or flowers, as in the Institute's first emblem.

A Spanish book on the saint, published in Valencia in 1596, tells the story of St Bruno's spring. Miraculously, water appeared at a site where none had previously existed; analogous to marks being an indicator of origin. The book depicted the miracle, with St Bruno handing the water of life in a leather bottle to a novice. This 16th-century image was adapted in a watercolour painting to form the basis of the badge and logo of the Institute.

Likewise, in an entirely non-canonical way, St Bruno was adopted as the *de facto* patron saint of the trade mark profession. Many years later, a letter published in the London *Times* proposed St Bruno as a patron saint of the European Union, in view of the link between trading under marks and the "Common Market".

From 1955 until 1993, the St Bruno emblem was widely used by the Institute, on the front of its publications and other items and in respect of its services. In 1994, a cartoon version of the logo was drawn in connection with the Institute's golden jubilee.

The design is today used only on the President's badge – as originally intended – on commemorative lapel badges given to past officers, and on bookplates for the Institute's annual prizes and awards.

Design refresh

The third era in the story of the logos began in April 1992, when the Council of the Institute proposed a full review of the various sectors of the organisation. As part of this, the Information Committee began an in-depth consideration of the Institute's publications. This led to a complete change of image, as well as the reprinting of all publications in a revised and consistent format. It was also agreed that a new logo should be adopted to enable a more up-to-date style to be introduced.

A committee consisting of Janella Barr, Chairman of the Information Committee, the President Richard Abnett OBE and Honorary Member Ros Stanger then had the task of finding a designer. The search eventually settled on Bill Stotesbury of Tarot Millbury in Kent. His proposed logo, the now-familiar blue

tile design with a hand-drawn version of the Institute's acronym (with the letters T and M slightly emphasised), was overwhelmingly approved by Council. In use, the logo was to be positioned on the right of a new masthead, balanced by a lightly striped margin in matching blue on the opposite side of the page. On letterheads, the logo was similarly placed on the right of the page, with the name of the Institute beneath in an inverted triangle arrangement. The type font for the name, other headings, and copy was Palatino.

In 1998, the change of name of the Institute to the Institute of Trade Mark Attorneys necessitated changes to its stationery and other printed items. On the letter heading, the type font changed, probably for ease of use, to Times New Roman.

Overall, it can, I believe, be agreed that the tile logo is a strong design that has served the Institute well.

And, looking ahead, one thing is certain: the next revised or re-imagined logo that is proposed as the Institute's principal emblem will be something about which every member will have an opinion.



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Bench remarks

Leanne Spencer-Harper provides her summary of an IBIL/MARQUES evening that saw the top decision-makers in trade marks answer a crop of candid questions

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The attendees at a recent Question the Trade Mark Judges event braved the autumn London drizzle in order to interrogate an illustrious panel – and consume the delicious post-panel canapés. Those representing the Bench at the invitation of the UCL Institute of Brand and Innovation Law (IBIL) and MARQUES, were: Fidelma Macken, formerly a Justice of the Supreme Court of Ireland and the Court of Justice of the European Union (CJEU); Sylvie Mandel, formerly of the Cour de Cassation and Board of Appeal Alicante; Oliver Morris, Principal Hearing Officer and Company Names Adjudicator of the UK IPO, and HHJ Richard Hacon of the Intellectual Property Enterprise Court (IPEC). In addition to providing some well-timed puns, Professor Sir Robin Jacob, formerly a Lord Justice in the Court of Appeal, acted as chairman. Below is a brief synopsis of the questions posed and the panellists’ responses.

What is the courts’ current position in respect of survey evidence post the Enterprise and Interflora cases?

HHJ Richard Hacon summarised the prevailing opinion of the panellists: the value of surveys must justify their cost, yet surveys are expensive and rarely valuable in establishing distinctiveness. Sylvie Mandel explained that the way survey questions are written is problematic and that the French courts and OHIM are not receptive to survey evidence. Only

Fidelma Macken spoke in defence of surveys. She said they are useful in principle, but are frequently discounted because the ones administered are “rubbish”. She explained that surveys should be subject to the same rules of evidence as other submissions, and that the cost of a bad survey should not be passed on to the other party, even if general costs have otherwise been awarded.

Are trade mark cases more complicated than they need to be?

Sir Robin Jacob introduced the question by reminding the audience of Heisenberg’s uncertainty principle and suggesting a trade mark-orientated variation: “Trade mark cases are always more complicated than you expect.” Oliver Morris noted that Article 3(1) of the Trade Mark Directive produced more procedural complexity for the IPO, and made registering a trade mark more difficult for applicants. Fidelma Macken defended trade

*If the parties want
a case to balloon, it will.
If the parties wish to keep
things simple, they can*

mark law's complexity, saying: "Trade mark cases are complicated, but not unnecessarily so." Sylvie Mandel also spoke in Article 3(1)'s defence, in effect saying there is no cause for trade mark lawyers to complain, since Article 3(1) provides more grounds to argue. Judge Hacon concluded with the opinion that: "If the parties want a case to balloon, it will. If the parties wish to keep things simple, they can."

Should a parody defence be available in trade mark cases?

This question was met with a sigh from Fidelma Macken, which did not bode well for a parody defence. And, indeed, she expressed the opinion that there was no legal basis for parody to be an acceptable defence to trade mark infringement. Sir Robin Jacob referred to two examples: one in which the expression "Canal 5" had been used to "brand" a stink bomb in a parody of iconic perfume brand Chanel No 5, and another in which a parodist had transformed the "Harrods" trade mark into "Horrids". While the stink bomb parody was deemed acceptable, he said, the Harrods parody was not. "Horrids" went beyond parody; it was offensive. Sylvie Mandel nonetheless defended parody as an important form of free speech, and explained that the French court would accept the parody defence providing various conditions were met, in particular that the parody of a trade mark was of general interest and not used to promote an alternative product.

Would it be clearer if a black and white logo just protected the black and white version?

Oliver Morris said it would be clearer, explaining that a mark registered in black and white protects all colours, but the registry also gives an applicant the opportunity to assert a positive intention to limit registration to a specific colour. Sylvie Mandel explained that the basis for the position that marks registered in black and white cover infringement in any colour is that a mark should be protected as it is "registered" and not as it is "used".

What is the role and nature of the Company Names Tribunal?

Oliver Morris noted that, of 400 applications submitted to the Company Names Tribunal, 90 per cent were unopposed and only four per cent were successfully opposed. He emphasised that the primary purpose of the Tribunal is to address the problem of opportunistic registrations and that it has been effective in

achieving this since its first decision in 2008, when the Tribunal forced "Coke Cola Limited" to change its name.

Lord Neuberger said recently that the CJEU has tended to extend rather than limit IP monopolies, contrary to freedom of expression, and that its IP decisions lacked clarity due to the need for unanimity in decision-making and judgments being "written by committee". Do you agree?

Fidelma Macken both agreed and disagreed. She explained that, in respect of design right, copyright and trade marks, the CJEU is indeed extending monopolies. She explained that, while registration of a trade mark has become more difficult, new grounds make it easier to secure remedies against infringers. However, Macken disagreed with Neuberger that monopolies were being extended in respect of patents, particularly in the pharmaceutical and telecoms sector. In her opinion, CJEU judgments of late had shown a trend in favour of competition. In response to the query about CJEU IP judgments lacking clarity, Macken explained that many advocates fail to recognise that CJEU judges do not have an IP background and that advocates should seize opportunities to politely "educate" the court – the well-respected and notionally polite Brits should embrace this. She added that judgments are not "written by committee". Instead, they are discussed in the background by the judges, and afterwards the lead judge writes a judgment that reflects the views of the majority. This can sometimes mean writing a judgment with which the lead judge disagrees. She would prefer dissenting judgments.

Have you made mistakes? What is your worst mistake?

The general response from the panel can be summarised as: I have been less correct than I wished to be at times, but I won't tell you my worst mistake. At least every lawyer who has ever felt wrongly adjudicated against can rest easy in the knowledge that judges, despite being exceedingly clever, are still human.



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China moves closer

Catherine Wolfe follows up a colourful online account with further details of a successful symposium

Many readers of the *ITMA Review* also read the IPKat blog, so may have seen the postings from September 2014 in which Gwilym Roberts and I describe the ongoing valiant quest of an IPO delegation to present Welsh love spoons to Chinese officials. Every word of those reports is true. However, the *ITMA Review* is a journal of record, and so the fuller – albeit drier – report follows.

It is impossible to convey the extreme labours of Tom Duke, the UK's IP Attaché at the British Embassy in Beijing, with his colleague Shi Hui and the support of Liberty Timewell in London, throughout 2014. Through its unstinting efforts, the team created the second UK-China Intellectual Property Symposium in Beijing on 1 September 2014. This was organised under the joint auspices of the State Intellectual Property Office of China (SIPO) and the UK IPO.

Speaking at the symposium was IP Minister Baroness Neville-Rolfe, Commissioner Shen Changyu and Director-General Wu Kai of SIPO. They were joined by Judge Colin Birss and four representatives of the UK IPO, CIPA's Gwilym Roberts, and Rachel Wilkinson-Duffy, Robert Furneaux and myself on behalf of ITMA. We all extolled the UK IPO and UK IP generally, as well as the value of our professional organisations. We also talked about counterstatements and their tremendous strategic utility. The

press interest was considerable and Chinese state television evening news covered the event.

The week progressed with the signing of a bilateral copyright agreement and a visit by the IPO and ITMA to a State Administration for Industry and Commerce guesthouse for a closed-doors joint workshop. Here, there was real dialogue about counterstatements and the new burden of the need for an applicant's certificate of incorporation when filing applications. Later that week, ITMA and CIPA attended meetings in Nanjing and Suzhou. ITMA talked about counterstatements and CIPA talked about best practices and R&D.

Finally, we joined Judge Birss for a lecture in Hong Kong. Nathan Abraham of the IPO and I joined him on stage for a Q&A session. We attended a closed-door meeting with the Hong Kong IPO to discuss best practices and recent developments. We took the opportunity to thank the Hong Kong IPO for suggesting to SIPO, in the last consultation, that it might consider counterstatements.

The ITMA and CIPA activities were only part of the IP week – Minister

Neville-Rolfe, Judge Birss and Dr Ros Lynch of the IPO, along with their respective teams, also took groups to visit major cities, where they discussed copyright issues, e-commerce and enforcement. At every stage, the China-Britain Business Council was helpful and provided excellent translators.

At the week's finish, there was real confidence in the SIPO's desire to improve enforcement, streamline procedures, and most of all reduce "third party entrepreneurial applications", or "bad faith filings". We found an increasing perception that certain kinds of IP activity are not a token of vigour but are, on the contrary, a drain on the economic activity of the nation. ITMA continues to hope that the counterstatement system will be introduced and we will not give up this campaign.

This ITMA and CIPA delegation believes that China will grow closer to the EU in terms of its procedures and attitudes to IP over the next decade. We look forward with real interest to the day when we really can say to our clients: "It's exactly the same there as here."



Left to right: Andrew Davidson (UK IPO), Gwilym Roberts (CIPA), Catherine Wolfe (ITMA), Nathan Abraham (UK IPO) and Andy Bartlett (UK IPO)

IMAGE © SIMPSON LI



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Court takes cake stand

Can a notice of infringement be an unjustified threat? Marie McMorrow has the Court's answer

The Claimant and Second Defendant in this case were online traders of cake stands and sold their products via eBay.

Simon Blackmore, the First Defendant and Director of the Second Defendant, Mirrorkool Limited, sent two notices to eBay to complain that the cake stands sold by the Claimant infringed their registered designs. The Claimant's listings were subsequently removed. The Claimant contacted the Second Defendant and eBay in an attempt to get its products re-admitted, but approached this process with caution because of a concern that eBay could regard it as a serial infringer and permanently exclude its products. It was the Claimant's case that the notices to eBay from the Second Defendant represented an unjustified threat.

The issues

The issues before the Court were:

1. whether the Second Defendant had made groundless threats in accordance with section 253 of the Copyright Designs and Patents Act 1998 (CDPA);
2. whether the First Defendant (as Director of the Second Defendant) was jointly liable;
3. whether the Defendants could avail themselves of the protection of either section 26(2A) of the Registered Design Act 1949 or section 253(3) CDPA, which prevent proceedings for groundless threats where the infringement relates to the making or importing of a product; and
4. whether the Claimant's case was an abuse of process, as its products could be relisted after seven days.

The decision

Because an unjustified threat is a communication that would be understood by the recipient as constituting a threat of proceedings for infringement that was unjustified, the key issues for the Court were:

1. Is it so clear that the notice to eBay was a threat so as to enable the Claimant to obtain a summary judgment?
2. Is it so clear that the notice was not a threat so as to provide the Defendants with relief by way of a striking-out or summary judgment?
3. Or is the point so unclear that each side has a real prospect of success, so the matter should proceed to trial?

The Court adopted the third position. At first glance, the Claimant appeared to have stronger arguments about whether the threats were groundless (on the basis that it seemed unlikely that the second Defendant could demonstrate that the designs had been infringed).

But the Second Defendant argued that the evidence was incomplete. It was, therefore, appropriate that the matter be determined at trial.

The Court also found that the Claimant's approach had been reasonable. It appeared that eBay had not been prepared to reinstate the Claimant's listings after seven days,

This case highlights the need to make a careful decision before contacting eBay to allege an infringement

so the Claimant's approach was neither disproportionate nor an abuse of process.

The Court found that the First Defendant was also liable as he had signed the notices and claimed ownership of the designs that had been allegedly infringed. In reaching this decision, the Court was mindful that the First Defendant was a Director of the Second Defendant – he had personally signed the notices and was not simply an employee.

Key points

For retailers looking to protect their brand against infringing eBay sellers, this case highlights the need to make a careful decision before contacting eBay to allege an infringement. In the event that an infringement is not established, there is a clear risk that it may amount to an unjustified threat.

For eBay traders, the case reinforces the point that, if a Director is involved in the alleged infringement and has acted in more than just a constitutional role, this may be sufficient to establish personal liability.



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Men's outfitter in the pink

When it comes to the United Kingdom, Victoria's Secret is out, says Nick Smee

The High Court has found that UK and Community trade marks held by Thomas Pink Limited have been infringed by Victoria's Secret's sub-brand, "PINK".

Thomas Pink began trading in London in 1984 and, although its core business has always been the sale of shirts, its offering has diversified over time to include other items of clothing, such as jackets, underwear and hooded tops.

It holds a Community and a UK trade mark (shown below) in several categories, including class 25 (clothing) and class 35 (retail services).

Victoria's Secret is a famous US lingerie brand. Its PINK sub-brand features clothing for the "college girl", including T-shirts, trousers, nightwear and swimwear.

In 2012, Victoria's Secret began to open retail outlets in the UK. Thomas Pink alleged its activities relating to the "PINK" sub-brand amounted to trade mark infringement under section 10(2)/Article 9(1)(b) and section 10(3)/Article 9(1)(c).

Victoria's Secret counterclaimed for revocation and invalidity.

The law

Victoria's Secret argued that the Thomas Pink registrations were too broad. In particular, the "clothing" category was inherently unclear, and should be limited instead to particular items such as shirts and polo shirts. Mr Justice Birss rejected these arguments, finding that the Claimant had used its marks on a range of goods, including trousers, dresses, underwear and scarves, so "clothing" was a fair description.

On invalidity, Victoria's Secret argued that the UK trade mark was devoid of distinctive character under section 3(1)(b) of the Trade Marks Act 1994, and consisted exclusively of an indication of the characteristics of the goods ("pink" being a possible description of clothing) contrary to section 3(1)(c).

The Judge considered that, while the UK mark also included a stylised form of the word "pink" with a visual element, it was nevertheless *prima facie* invalid on both grounds.

In assessing the series mark, Birss J first identified a "single point of comparison", referring to the approach by Mr Wyand QC in *Comic Enterprises v Twentieth Century Fox*, [2014] EWHC 185 (Ch), (Glee).

He found that, on the true interpretation of the mark, the wording must be coloured pink, while the background may be any colour.

The Judge then considered whether the UK mark had acquired distinctiveness through use. Although Thomas Pink had never used the UK mark in its exact form, it had used

the Community Trade Mark (CTM) extensively, sometimes on a pink background. The Judge found that this use differed only in immaterial aspects to the UK mark as registered. The differences would not be regarded as distinctively significant to the average consumer, the important distinctive element of the UK mark being the word "PINK" in a particular style.

On this basis, and given the extensive use of the CTM over a lengthy period, the UK mark had acquired distinctive character.

Infringement

Thomas Pink alleged that Victoria's Secret's activities gave rise to a likelihood of confusion on the part of the average consumer. It adduced examples of actual confusion, some of which involved consumers wrongly assuming that the Claimant's shop was associated with the Defendant (rather than the other way round).

The Judge held that although such confusion is in a sense the "wrong way round", it is nonetheless capable of establishing a likelihood of confusion, as well as the likelihood of a "link" for the purposes of section 10(3). However, overall, only limited evidence of confusion was adduced – the Judge concluded that it did not lend any significant support to the case, although it did prevent the Defendant from credibly contending that no actual confusion had occurred.

The Judge identified the average consumer as a consumer of "clothing", and (applying *Jack Wills v House of Fraser* [2014] EWHC 110 (Ch)) not as a single person, but a

The Thomas Pink CTM

PINK
THOMAS PINK
JERMYN STREET LONDON

The Thomas Pink UK mark

PINK
PINK



elements inside the Defendant's stores, would counteract a likelihood of confusion.

However, in the post-sale context, no swing tags would be visible, and the presence of "PINK" emblazoned on goods would infringe under section 10(2).

distribution of consumers from different backgrounds, some buying for themselves, and some for others. It was, therefore, inappropriate to divide consumers (as the Defendant sought) between consumers of low-end and high-end clothing.

The Judge concluded that the use of "PINK" on the Defendant's clothing and on its shop fascia infringed the marks. The word "PINK" emblazoned on the Defendant's clothing gave rise to a likelihood of confusion.

The Judge took into account that the goods were identical and the sign was very similar to the mark, particularly the prominence of the word and its outlined typeface.

The shop fascia (pictured above) also gave rise to a likelihood of confusion, irrespective of whether the store was connected on the inside to an adjacent VICTORIA'S SECRET-branded store (as some of them were).

The Defendant's swing tags did not infringe under section 10(2), as these clearly referred to "VICTORIA'S SECRET", as well as "PINK" (albeit in smaller lettering), and this context, combined with other contextual

10(3) infringement

For the purpose of section 10(3), Thomas Pink was found to have a major reputation relating to luxury shirts, a lesser reputation for casual tops, knitwear, ties, boxer shorts and socks still sufficient to satisfy section 10(3), but no reputation for other items such as skirts, trousers and footwear. Although it had not used the UK mark in its exact form, it had nevertheless gained a reputation (following the same logic applied to acquired distinctiveness).

The requirement of a "link" is made out in those instances where there is a likelihood of confusion, so the Judge focused on the swing tags, where no such likelihood had been found. He found that the average consumer, when presented with a swing tag inside one of the Defendant's stores, would appreciate from the context

that it in some way related to VICTORIA'S SECRET, but would nevertheless find that the sign "PINK" was reminiscent of the Claimant's mark, particularly given the outline format of the word and the identical goods on which it is used.

Victoria's Secret argued that it had acted with "due cause", having previously carried out substantial activity in the US, and was simply expanding its operation into Europe.

This argument was rejected. The Judge took into account a wide range of factors, including the infringement under Article 9(1)(b), the fact that the Defendant had not paused to consider Thomas Pink's European and UK trade mark rights before launching here, and that its US activities related to a different territory and did not pre-date the CTM.

The Judge found a serious risk of detriment to the repute of the marks – the Defendant's mass market offering and "sexy sells" approach being likely to diminish Thomas Pink's "luxurious" reputation, with every risk that this would lead to consumers deciding not to buy its products. Similarly, the Defendant's use, over time, was bound to diminish the trade mark's ability to act as a designation of the origin of its goods (causing "dilution").

Comment

This judgment contains useful analysis on acquired distinctiveness where the sign used is not identical to the mark as registered, and the identification of a "single point of comparison" when dealing with a series mark.

Birss J also provides a detailed assessment of section 10(2) infringement, from the identification of a distribution of average consumers, to the analysis of the infringing sign when used in a myriad of contexts.



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Cookie confusion

Case crumbled over decision on the scope of a registered design, says William Corbett

Biscuits Poult filed Registered Community Design (RCD) 1114292-0001 for a design representing a cookie with a soft chocolate centre. Banketbakkerij Merba applied to invalidate the RCD, citing several previous designs for cookies featuring chocolate chips and/or chocolate centres.

OHIM's Invalidity Division rejected the application, holding that the RCD created a different overall impression.

However, OHIM's Board of Appeal overturned this decision on the basis that the inside of the cookie could not be considered when assessing individual character because it was not visible during normal use. As the outside of the cookie did not differ sufficiently from the previous designs, the RCD lacked individual character.

General Court decision

The General Court considered that Council Regulation (EC) 6/2002 – the Community Designs Regulation (CDR) – Article 4(2), regarding component parts of complex products, governs “a specific scenario”, and agreed with the parties that this article did not apply to the RCD.

However, while ostensibly not applying Article 4(2), the General Court nevertheless held that, as the chocolate filling only became visible when the cookie was broken, the filling “does not relate to the appearance of the product at issue”.

In reaching this conclusion, the General Court seems to have considered the “product at issue” (that is, the design for which the RCD sought protection) to be a complete

cookie containing a chocolate filling, not the cookie segment shown in the RCD. The invalidity of the RCD was therefore upheld.

Analysis

The General Court was correct to hold that a cookie is not a “complex product” as defined in the CDR. However, somewhere along the line, this case went badly off track. The Board of Appeal and General Court have assessed overall impression as if Biscuits Poult had applied to register a whole cookie.

In fact, the RCD shows a cookie segment, which clearly possesses a visual appearance (indeed, one of commercial importance, of interest to consumers and commonly deployed by advertisers). The Court of Justice of the European Union (CJEU) has previously made it clear that the assessment should be based on the design as reproduced in the application for registration (PepsiCo v Grupo Promer Mon Graphic, C-281/10 P).

The CDR does not generally require that a design must be visible at any particular point in time – for example, when an item is purchased. The exclusive right to “use” a design (Article 19(1)) covers a wide range of acts, including “making” and “stocking”, not just sale.

The Board of Appeal and General Court assessed overall impression as if Biscuits Poult had applied to register a whole cookie

The scope of protection provided by an RCD depends on its visual representation, not any notion of the product at issue. It is the responsibility of RCD applicants to make clear the scope of the design for which protection is sought (which must be determined objectively). Biscuits Poult's RCD satisfies this requirement and it is hoped that it will appeal this case to the CJEU, so the Invalidity Division's original conclusion can be reinstated.

A longer version of this article was published on elexica.com on 11 September 2014.



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Delta defence delivers

Victory was gained in case concerning complementary goods, writes Jennifer Dzafic

In February 2008, Micrus filed a Community Trade Mark application for the mark DELTA for class 10 “medical and surgical devices, namely microcoils used for endovascular surgery for the treatment of aneurysms”.

Laboratórios Delta Lda filed an opposition based on earlier trade mark rights in: an International Registration (logo shown below), designating several European Union countries covering goods in class 5, including “pharmaceutical products for children and patients”; a Portuguese trade mark registration of the same mark; and the Portuguese company name, Laboratórios Delta.

The Opposition Division decided the case, for reasons of procedural economy, based on the Portuguese registration. It concluded that the respective class 10 and 5 goods were “similar to a certain degree”, that the marks were identical and, consequently, that there was a likelihood of confusion.

It concluded that the word PORTUGAL had been included in the earlier mark because of a legal requirement in Portugal in force at the time the application was filed. Therefore, that word was not taken into consideration in the comparison of marks. Micrus appealed the decision in its entirety.

Appeal activity

The Board of Appeal (BoA) found that the Opposition Division had made a “fundamental procedural error” in judging the likelihood of confusion on the basis of the Portuguese

registration, when this was not the registration on which it had originally decided admissibility.

However, the BoA decided to exercise powers within the competence of the Opposition Division and found the opposition was admissible in respect of the Portuguese registration and therefore went on to look at the merits.

The BoA felt that the level of attention of the specialist public that would use these goods and end consumers would be higher than usual, as the goods involved have an impact on health.

Although the goods were different in nature, they could be intended for the same public and distributed through the same channels. The BoA felt pharmaceutical companies could cover multiple areas within the health-care sector through different divisions. So, “it was not beyond the bounds of possibility for goods in class 5 and goods in class 10 to be produced by the same company and, as a result, to have the same commercial origin”.

It also commented that medical treatments can be complementary to

surgical operations. The BoA felt that, notwithstanding the high levels of attention paid, there was a likelihood of confusion and dismissed the appeal.

General Court

Micrus filed a further appeal, alleging that the BoA made an error when assessing the similarity of goods. It argued that the goods were intended for use only by brain surgeons – a subset of highly specialised doctors – limiting the target consumer to a distinct market segment.

The Court found that, even though the consumers of the applied-for goods might be a narrow group, it could not be excluded that highly specialised surgeons would use pharmaceutical products before, after or during an operation. It further found there to be a “certain connection between the goods”.

Conclusion

The Court concluded that the BoA had not erred in finding the goods complementary in nature and of similar commercial origin, and were consequently, at least to a certain extent, similar. This is a potentially useful case for practitioners dealing with conflict in the medical or pharmaceutical sectors.

DELTA
PORTUGAL



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Space race

Galileo was outmanoeuvred on definition of research and development, explains Chris Morris

This case concerns an opposition filed by Galileo International Technology LLC (“Galileo”) on the basis of two earlier Community Trade Mark (CTM) registrations for GALILEO, covering, most relevantly, goods and services in classes 9 and 38.

The opposition was directed against an application filed by the European Space Agency (ESA) for a figurative mark (shown below).

The application covered “research and development in the field of satellite radionavigation” in class 42.

Both the Opposition Division and Board of Appeal at OHIM rejected the opposition, finding that the services covered by the application were not similar to the goods and services for which the earlier marks were protected. Galileo appealed to the General Court, arguing that OHIM did not take into account that there was, in fact, a high degree of similarity between the goods and services covered by the earlier marks and the services covered by the application.

The arguments

Galileo based its appeal on three main arguments:

1. “Research and development” covers any stage of technological development of a product, including (in this case) any component of satellite navigation systems, from the most complex to the most basic. As such, the specification “the field of satellite radionavigation” does not confine the services to a particular sector.
2. Because of the first argument, the relevant consumers for the class 9 goods covered by the earlier marks – which encompass components that

could be included in satellites – are the same as those for the services covered by the application. Since they are aimed at the same consumers, the respective goods and services are complementary.

3. Likewise, the services in class 35 and 38 of the earlier marks, relating to the operation of global positioning systems, are complementary to the services covered by the application.

Court considerations

Consideration was first given to Galileo’s very wide definition of research and development (R&D) to include the technological development, manufacture and improvement of goods. The Court highlighted the fact that the

Organisation for Economic Co-operation and Development (OECD) defines R&D as creative work focused on increasing the stock of knowledge. There is no reference to production or marketing of goods. The Court accepted that such work could include developing prototypes, but found it was not an industrial activity per se.

While goods can be complementary to services, if the target markets at which they are aimed are different, then the goods and services are generally different. The Court upheld that the application was aimed at a specialist public, whereas the goods covered by the earlier marks were aimed at the general public. While the goods could be used for research,

they were not the purpose of the research.

Complementarity means the goods or services are indispensable to or important for the use of each other, such that consumers may think the same undertaking is responsible for both.

There was no risk of that in this case and the appeal was dismissed. This case provides a helpful restatement of the principles to be applied when considering similarity of goods and services, and the extent to which those principles can be stretched.

The goods could be used for research, but were not the purpose of the research



The European Space Agency Mark



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Layout landmark

Farah Mukaddam explains why the CJEU decided that the design of a retail store can function as a trade mark



IMAGE © LEWIS TSE PULLING/SHUTTERSTOCK.COM

In a landmark ruling following a reference from the German Bundespatentgericht, the Court of Justice of the European Union (CJEU) held that a three-dimensional representation of the layout of a retail store by means of an integral collection of lines, curves and shapes that does not indicate the size or proportions of the store layout is, in principle, capable of registration as a trade mark. This is not only for goods, but also for services, even if the services are not an integral part of the offer for sale of those goods – for example, demonstrations of the products displayed.

Registration will, however, depend on the requirements of Article 2 (signs capable of being a trade mark) and Article 3 (grounds for refusal or invalidity) of the Council Directive 2008/95/EC being satisfied.

The CJEU held that it was plain from Article 2 that designs are among the categories of signs capable of graphical representation. It followed that a design that depicts the layout of a retail store is a sign capable of graphic representation.

Accordingly, it was not necessary for the CJEU to:

1. attribute any relevance to the fact that the design did not indicate the size and proportions of the retail store;
2. consider whether the design should be treated in the same way as “packaging” of goods.

Further, the CJEU ruled that a design that depicts the layout of a store is capable of distinguishing the goods or services of one undertaking from those of another under Articles 2 and 3(1)(a). This could be the case where the layout departs significantly from the norm or customs of the economic sector concerned.

However, the fact that a design can be a trade mark does not necessarily mean it has distinctive character for the purposes of Article 3(1)(b). It is not determinative of whether it is

descriptive of the characteristics of the goods or services under Article 3(1)(c) or that it satisfies the other terms of Article 3(1). This is a matter for a national court. We will see whether the Bundespatentgericht deems the Apple store layout sufficiently distinctive and non-descriptive to function as a trade mark.

Importance

The decision is the first to recognise that the design of a store can be a trade mark. It will be welcomed by retailers who have expended significant resources in designing a store so that the layout has brand recognition, particularly design-led retailers and franchisors who require each franchise to have the same “look and feel”. It may encourage retailers to adopt distinctive store layouts in the hope that their investment in such “branding” will be protected.

However, the decision makes it clear that, to be protected, the layout must depart significantly from the norm. Only recognisable and very bespoke store layouts are likely to meet the requisite threshold.

The ruling is particularly important in the UK, where there are no laws of unfair competition: before this decision, retailers had no choice but to seek trade mark protection for particular aspects of store layout or to bring claims against copycats in passing off – neither of which gave them broad protection for the layout of their stores.

It must be noted that, although the decision signals that the layout of a store is now, in principle, capable of trade mark registration, it does not give rise to any new principles of law. Rather, it shows the CJEU’s willingness to recognise new non-traditional signs that denote trade origin as trade marks within the existing legal framework. Its impact remains to be seen.



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Case captures growing debate

Stuart Jackson warns that dangers remain despite positive progress on parody

Parodies of literary, dramatic, musical and artistic works have been made for as long as such works have been created, and with many intentions – perhaps to mock or ridicule a work, to highlight a contemporary issue, or simply in an attempt to be humorous. Yet what makes a work a parody – or for that matter a caricature or a pastiche – is difficult to define. Nevertheless, you generally know one when you see it.

To succeed, however, a parody must evoke an earlier work and, to do so, will generally copy a substantial part of it. In principle, therefore, a parody will nearly always infringe copyright in the work that it parodies, subject to any available defence.

The problem for parodists in the UK is that there has, historically, been no defence. And, even if solutions are found by judges to arrive at a just result, the potential for unlawfulness is likely to have a chilling effect on freedom of expression.

To deal with this problem, Directive 2001/29/EC (the “Directive”) stated in Article 5(3)(k) that European Community Member States may provide for exceptions and limitations to the rights of copyright owners in “use for the purpose of caricature, parody and pastiche”.

The Directive explains that the intention is to achieve a fair balance between the interests of rights owners, and freedom of expression and public interest.

The UK has now taken up this opportunity with the enactment

of the Copyright and Rights in Performances (Quotation and Parody) Regulations 2014/2356 (the “Regulations”), which came into force on 1 October. These inserted a new section, 30(a), into the Copyright, Designs and Patents Act 1988, stating that: “Fair dealing with a work for the purposes of caricature, parody or pastiche does not infringe copyright in the work.” This, however, was not an end to the uncertainty, because neither piece of legislation has defined the terms “parody”, “caricature” or “pastiche”. It is a situation that, therefore, continues to challenge

politician, who distributed a calendar containing a reproduction of a drawing that resembled one used on the front cover of a book in the Vandersteen series *Suske en Wiske*.

The original drawing depicted the series’ main character wearing a white tunic and throwing coins to people. Deckmyn’s reproduction showed the Mayor of Ghent throwing coins to people wearing veils or turbans. The owners were successful in first-instance proceedings, but Deckmyn appealed, claiming that the drawing was a political cartoon and fell within the scope of the Directive

In principle, a parody will nearly always infringe copyright in the work that it parodies

both authors of parodies and the courts, and which was addressed in a case heard in the Court of Justice of the European Union (CJEU).

CJEU referral

A copyright infringement action was brought in Belgium by the heirs of comic book author Willy Vandersteen against Johan Deckmyn, a Belgian

and of a Belgian law that had been similar to the Regulations since 1994.

The heirs of Vandersteen argued that the criteria for a parody were not met, and that the drawing conveyed a racially discriminatory message, which they did not want to be associated with Vandersteen’s work.

The Brussels’ Court of Appeal stayed the proceedings and referred

three questions to the CJEU for a preliminary ruling.

1. Is the concept of “parody” autonomous within the concept of European Union law?
2. If so, must a parody satisfy the following conditions or conform to the following characteristics:
 - a) display an original character of its own (originality);
 - b) display that character in such a manner that the parody cannot reasonably be ascribed to the author of the original work;
 - c) seek to be humorous or to mock, regardless of whether any criticism thereby expressed applies to the original work or to something or someone else;
 - d) mention the source of the parodied work?
3. Must a work satisfy any other conditions or conform to other characteristics in order to be capable of being labelled as a parody?

The CJEU stated that, when a provision of EU law makes no express reference to the law of Member States for the purpose of determining meaning, it must normally be given an autonomous and uniform interpretation throughout the EU. The answer to the first question was therefore “yes”.

Questions 2 and 3 were answered together by saying that the Directive does not define parody, so the word has its usual meaning in everyday language, which, the Court explained, includes the essential characteristics of evoking an existing work while being noticeably different

from it, and, second, constituting an expression of humour or mockery.

Nothing in the Directive, the CJEU pointed out, requires a parody to satisfy any other conditions or characteristics, and in particular the Directive does not specify that a parody must display an original character of its own, be reasonably attributed to someone other than the author of the original work or relate to or mention the original work.

We believe that this ruling will help to achieve fairness for those seeking to exercise their freedom of expression of opinions, and should benefit public interest generally.

Potential danger

In the final part of the judgment the Court held that, in principle, rights holders do have a legitimate interest in ensuring that the copyright work is not associated

with a message that is discriminatory or otherwise contrary to the Charter of Fundamental Rights of the European Union. It is in the applications of this final part by national courts that problems could arise. Deckmyn is a member of a right-wing political group, and his parody was unpleasant to the point of verging on being overtly racist.

However, most, if not all, Member States already have laws in place against inciting racial hatred, as well as laws of defamation. Not only is it unnecessary to use the law of copyright to deal with such issues, but there is a danger that it could be used by a copyright owner to suppress a lawful opinion with which it happens to disagree. This could, to some extent, undermine the beneficial effect of the CJEU’s answers to the referred questions.



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Scant evidence scuppers appeal

The Hearing Officer's reasoning held up for Money Map, writes Charles King

This case concerns the unusual matter of an application's opponent appealing an earlier decision on the grounds that the Hearing Officer neither applied correctly the relevant legal principles governing genuine use nor followed correct procedure.

The Applicant, Integrated Financial Arrangements plc, had applied for two word marks – MONEYMAP and MoneyMap – for “the provision of financial information, namely analysis of investments in portfolios” in class 36. This was opposed by Motu Limited, whose director claimed that both marks were similar to an earlier UK trade mark registration (shown below), and that they covered identical or similar services. The Applicant put the Opponent to proof that the earlier mark had been used during the five-year period ending with the date of publication of the application.

On 21 September 2012 the Hearing Officer rejected the opposition on the basis that the Opponent had failed to prove use satisfactorily. The Opponent's evidence amounted to a witness statement and two exhibits consisting of two sheets of A4 paper. The first exhibit comprised handwritten figures with a handwritten representation of the mark in the top right-hand corner. The second was an undated financial form used by the Opponent in consultations, again bearing the mark in the top right-hand corner.

The Hearing Officer agreed with the Applicant's written submissions, which argued that such evidence was insufficient to discharge the burden

of proving use, stating in part that: “... I have no turnover figures before me, no indication of marketing spend, and no evidence to show the average consumer is exposed to the mark at all”.

Later proceedings

In later proceedings, the Opponent appealed the decision on the grounds that the Hearing Officer had imposed an incorrect requirement for significance and substantiality of use, and that due and proper attention was not given to the Opponent's evidence of use.

There were also two procedural grounds: that the Hearing Officer accepted written submissions from the Applicant filed out of time, and that the Opponent's representative had been informed in a phone call with the law section of the trade mark registry that further clarification would be sought if there were issues with the sufficiency of the evidence submitted. The Opponent also applied to adduce further evidence.

In oral submissions, the Opponent's representative, Mr Moody-Stuart, maintained that the exhibits should have been considered in context with the witness statement, which explained their commercial use. Turnover figures, he argued, were not a requirement to show proof of use,

and evidence of marketing spend was irrelevant given that all use happened during face-to-face consultations with clients.

The Appointed Person agreed with the Hearing Officer's assessment of the evidence of use submitted, declaring that the Opponent's account “of how the earlier mark has been used is in the vaguest of terms”, and, moreover, that the Opponent “took a significant risk by filing such scant evidence”. The Appointed Person was also not persuaded by the procedural grounds for appeal.

Appeal decision

The Appointed Person then refused the Opponent's application to adduce further evidence on various grounds set out in *Ladd v Marshall* [1954] and *Hunt-Wesson's Inc's Trade Mark Application (SWISS MISS)* [1996], finding, among other reasons, that the Opponent's new evidence would have been available for the first witness statement and that its content would not have had a significant influence on the case.

The appeal was dismissed and permission granted for the Applicant's mark to proceed to registration. The case provides a valuable reminder of the importance of maintaining comprehensive compilations of evidence to prove use of marks.

The Motu mark



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Blurring the lines

Traditional class distinctions came under attack, reports Elizabeth Taysom

The case of Cranleys Solicitors v Cranleys Partnership LLP, an appeal to the Appointed Person, found legal services and accountancy similar for the purposes of an invalidation action. It highlights that, when assessing likelihood of confusion, judgments should not be confined to the similarities between the day-to-day function of the service.

Rather, Mr Geoffrey Hobbs QC explains that, to accurately assess consumers' perceptions of similarity, we need to consider the markets more broadly and recognise how services overlap.

The facts at issue involve Cranleys Partnership – a firm of accountants – applying to register CRANLEYS as a trade mark covering class 45 “legal services; conveyancing services”. This was opposed by Cranleys Solicitors based on its earlier rights in class 45 for legal services. Interestingly, Cranleys Partnership tried to use an earlier trade mark registration, which covered accountancy services, to invalidate the rights on which Cranleys Solicitors' opposition was based. Its success hinged on the question of whether accountancy and legal services are similar.

First, the Hearing Officer rejected the invalidity action, finding law and accountancy to be distinct fields. This conclusion was reached by comparing the normal daily practice of an accountant, which might include keeping audits and inspecting financial reports, with that of a solicitor, who provides a legal service. This led to the conclusion that

consumers would view accountancy and law as separate fields. This assessment was underpinned by characteristics of the market – for instance, that family names are often used, and it was felt that this reduced the likelihood of confusion.

On appeal, law and accountancy services were deemed similar and the invalidity action was accepted. This case forces us to reassess how likelihood of confusion is established. Our focus must extend beyond merely the physical attributes of the goods or service. In essence, Hobbs QC shows how we must apply the TREAT tests (see *British Sugar PLC v James Robertson & Sons Ltd* [1996] RPC 281 Chancery Division UK) in a more in-depth way to reflect the modern interactions between services that blur the lines between traditional class distinctions.

Fundamental in the CRANLEYS case was evidence that showed that accountancy services are no longer confined to traditional “accounting”. The example was given of a consumer looking to work out the result of an economic transaction. In such a case, legal services would be used together with accountancy services, showing us how services that operate side

Adopting a wider analysis that acknowledges the interaction between services will be helpful

by side are related, and regarded as similar by consumers. Here the goodwill established by Cranleys Partnership since 1998 strengthened its case for likelihood of confusion.

The decision demonstrates the need to take into account all the factors that come together to make up consumers' perceptions when assessing likelihood of confusion. Adopting a wider analysis that acknowledges the interaction between services will be helpful.

Following this decision, it will be interesting to see if similarity and likelihood of confusion will be found in other circumstances in which services converge.

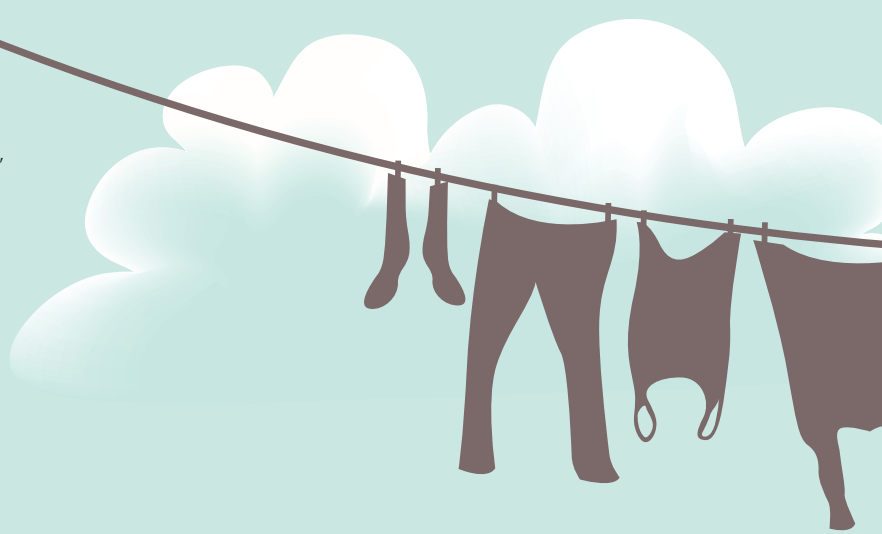
When considering the likelihood of confusion, we may see a continued blurring of the lines between other trade mark classes previously considered clearly separate.



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Outer limits

Testing the decision of the Hearing Officer didn't pay off. Peter Dawson explains why

The Applicant, Antonino Aiello, applied to register the mark 100% CAPRI in the UK for goods in classes 3, 9, 18 and 25. The Opponent, IN.PRO.DI. (Inghirami Produzione Distribuzione SpA), filed a notice of opposition based on a likelihood of confusion with its earlier Community Trade Mark (CTM) registration for CAPRI, which covered "outer clothing" in class 25, after being subject to a partially successful non-use revocation action previously filed by the Applicant. Both marks are shown opposite.

The Applicant put the Opponent to proof of use and the Hearing Officer held that the evidence showed use in relation to "outer clothing". The Hearing Officer concluded that there was a likelihood of confusion in relation to class 25 in its entirety, glasses in class 9, and bags in class 18.

The Applicant filed an appeal against this decision on the grounds that the Hearing Officer:

1. had been overly generous in his findings as to genuine use;
2. should not have maintained the registration for "outer clothing"; and
3. erred in his assessment of the likelihood of confusion.

It is worth noting that the Applicant did not allege that the Hearing Officer's approach to the law was incorrect; it was the application of the law that was the subject of the complaint.

Standard of review

Amanda Michaels, sitting as the Appointed Person, concisely reviewed the standard required to overturn a Registrar decision, citing the well-known jurisprudence in Reef Trade Mark [2003] RPC 5 ("Reef"), BUD Trade Mark [2003] RPC 25, and Datec Electronics Holdings Limited and others v United Parcels Services Limited [2007] UKHL 23, [2007] 1 WLR 1325. This canon holds that surprise at the conclusion or a belief that the

wrong decision has been reached by the Court is not sufficient to justify interference. In short, nothing less than a distinct and material error of principle, or a clearly erroneous conclusion, will suffice.

This is a very high threshold to reach in trade mark decisions, particularly in likelihood-of-confusion cases, as: "Appellate review of nuanced assessments requires an appellate court to be very cautious in differing from a judge's evaluation... alleged errors that consist of wrongly assessing similarities between the marks, attributing too much or too little discernment to the average consumer, or giving too much or too little weight to certain factors in the multi-factorial global assessment are not errors of principle warranting interference" (as stated by Mr Daniel Alexander QC, sitting as the Appointed Person in Digipos [2008] Bus LR 1621).

Given this, Hearing Officers' conclusions on the multi-factorial global assessment required under section 5(2)(b) are almost invulnerable to challenge, even if they contain or are based on errors of the types listed above. This highlights the need for submissions in registry hearings to be as full and complete as possible.

Grounds in detail

Use

The Applicant highlighted shortcomings, inadequacies and inconsistencies in the Opponent's proof of use. In the sole witness statement, the chairman of the board of directors stated that the Opponent's clothing had been clearly branded with the registered mark and there had been use "on a significant scale" during the relevant period.

However, no turnover figures or details of advertising were

Hearing Officers' conclusions on the multi-factorial global assessment required under section 5(2)(b) are almost invulnerable to challenge



given, and the statement was corroborated by only a few supporting documents (predominantly invoices showing sales of a little more than €100,000).

In fact, many of the invoices either showed use of a “negative” image of the mark as registered (black letters on a white background) or use in a “completely different” font.

The only evidence that actually showed use on garments or labels consisted of printouts from two websites (one of which depicted use of the completely different font, and the other consisting of “what seems to be an advertising card for use in a shop window”).

Nevertheless, the Hearing Officer evaluated the evidence, which was described as “not being without fault”, and concluded that it evidenced genuine use of the mark on a variety of items of clothing.

In respect of the negative image, the Hearing Officer held that it did not alter the distinctive character – a point that was conceded by counsel for the Applicant.

The main thrust of the Applicant’s argument was that the Hearing Officer had failed to expressly consider the relevance of the use in a wholly different font on the website, which was significant as it was the single exhibit that actually showed use of the mark as applied to the goods in question.

The Appointed Person, however, was not convinced by this argument, holding that it was insufficient to cast doubt upon the Hearing Officer’s overall findings (as the evidence had been weighed, including the inadequacies).

This is somewhat surprising, as, in this case, genuine use was based merely on invoices coupled with a witness statement.

Fair specification

The Hearing Officer held that there was genuine use in relation to a range of goods in class 25. In particular, the vast majority of the sales were of shirts, which the Hearing Officer described as “outer clothing” as they are “often worn in public without anything over the top of them”.

Counsel for the Applicant submitted that this was far too generous a conception and, as the evidence for the most part showed only sales of shirts, a fair specification would have been just “shirts”. On this point the Appointed Person conceded that use in relation to goods other than shirts was “certainly very low” and it “might not have been surprising” if the Hearing Officer concluded that there was inadequate evidence of use on wider goods.

The Appointed Person was sympathetic to the argument that the Hearing Officer had wrongly treated the term “outer clothing” as meaning “all clothing save for underclothing”. Nonetheless, there was not a “material error” that warranted interference, as there was some – albeit limited – evidence of use in relation to wider goods such as jackets and suits.

This clearly demonstrates the reluctance with which Appointed Persons approach appeals of Registrar decisions, particularly where there are no material errors of principle. However, interference in such cases is

not prohibited and, as set out by Lord Justice Robert Walker in Reef, “an appellate court should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle”.

Confusion

Finally, the Applicant argued that the Hearing Officer failed to place due emphasis on the visual differences between the marks, which should have been regarded as important because of the limited distinctiveness of the word “Capri” in relation to outer clothing (particularly for “capri” trousers). Unsurprisingly, the Appointed Person gave short shrift to this argument by holding that the weighting of factors in the global assessment is not an error of principle that warrants interference.

Conclusion

This decision demonstrates the difficulty that Appellants face in trying to overturn findings made by Hearing Officers in section 5(2)(b) cases where there are not “material errors”, but where conclusions, on the face of it, appear incorrect. It also offers an indication of the low level of evidence that may be sufficient to show genuine use.



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Mark stands firm despite an out-of-date filing, as Nick Bowie explains

This case relates to an appeal of a decision by Mr CJ Bowen on behalf of the Registrar by which he set aside a decision to invalidate UK Trade Mark Registration No 2586491 for WHEYHEY after the proprietor failed to file a TM8 (notice of defence and counterstatement), in the exercise of his power under rule 43 of the Trade Mark Rules 2008.

To provide the background, the directors of The Protein Ice Cream Company Limited (the “Appellant”) – proprietor of UK Trade Mark Application No 2578732 for its WHEYHEY logo (the “Logo Mark”, shown) – and Mr Jacobs had previously been directors for Wheyhey Limited, which was the proprietor of UK Trade Mark Registration No 2586491 for WHEYHEY (the “Word Mark”).

Mr Jacobs fell out with the other directors and subsequently resigned as a director of Wheyhey Limited.

Two months later, Wheyhey Limited went into liquidation. The liquidator notified Companies House that Wheyhey Limited’s registered office address had changed but, crucially, the UK IPO was not notified.

Mr Jacobs purchased certain rights from the liquidator of Wheyhey Limited, including, as he claimed, the Word Mark and Logo Mark and the company’s goodwill. While it is generally accepted that the Word Mark was assigned to Mr Jacobs, the Appellant denies Wheyhey Limited owned the Logo Mark. And neither Mr Jacobs nor his solicitors recorded the assignment at the UK IPO.

The Appellant applied to invalidate the Word Mark on the basis of similarity with the Logo Mark. Simultaneously, the Appellant filed a Community Trade Mark (CTM) for Wheyhey, covering similar class 29 and 30 goods.

The UK IPO served all correspondence to Wheyhey Limited’s address for service, which had not been updated to reflect the change in registered office address. As Mr Jacobs had not received the Form TM26(I) application to begin invalidation proceedings, he was not in a position to file a Form TM8 in response. In the absence of a Form TM8, on 19 July 2013 the Logo Mark was invalidated under rule 41, without the knowledge of Mr Jacobs.

It was only upon applying to register his ownership of the Word Mark that Mr Jacobs was notified by the UK IPO of

the invalidity decision, on 4 October 2013. Mr Jacobs' new solicitors filed a Form TM29 on 6 November 2013, requesting the Registrar set aside the invalidity decision, pursuant to rule 43.

At the same time, Mr Jacobs applied to rectify the register in relation to the Logo Mark, on the ground that he retained ownership of it or it still belonged to Wheyhey Limited.

A preliminary view was issued by Mr Bowen on 17 January 2014, setting aside the invalidity decision. In appealing that decision, the Appellant needed to prove Mr Bowen made a distinct and material error in his application of rule 43.

Rule 43 states, *inter alia*, that, for an application to set aside an invalidity decision to succeed, the following two conditions must be met:

1. the application must be made within six months after the register has been amended to reflect the declaration of invalidity (rule 43(2)), and
2. the proprietor must demonstrate to the reasonable satisfaction of the Registrar that his or her failure to file a Form TM8 in time was due to a failure to receive the Form TM26(I) (rule 43(3)).

Further, in arriving at his or her decision, the Registrar must have regard for:

1. whether the person seeking to set aside the decision made his or her application promptly after becoming aware of it, and
2. any prejudice that could be caused to the other party to the original proceedings if the decision were set aside.

The Appellant submitted that rule 43 cannot apply in cases in which blame is attributed to the proprietor of the cancelled trade mark, either personally or on the part of its representatives.

The Appointed Person dismissed this interpretation of the rule and held that the Registrar did not give undue weight in finding that Mr Jacobs' solicitors' lack of IP knowledge was a reasonable explanation for failing to record the assignment in good time.

Similarly, the Appellant asserted that the negligence of the proprietor

or his representatives must preclude the Registrar from being "reasonably satisfied" that the proprietor had failed to file a Form TM8 because he did not receive the Form TM26(I).

The Appointed Person dismissed this submission, holding that negligent behaviour on behalf of the proprietor was not relevant in assessing his ability to bring the application to set aside the decision. However, the proprietor's negligence could be a relevant factor in the Registrar's analysis of prejudice caused to the other party, which, ultimately, was addressed within the Registrar's decision.

In the absence of any evidence that Mr Jacobs had been made aware of the invalidation threat, the Registrar could not consider this point when exercising his discretion.

Potential prejudice

In deciding to set aside the invalidity decision, the Registrar considered potential prejudice either party would suffer from the outcome. However, the Appellant submitted that the wording of rule 43(3) required the Registrar to take into account the prejudice caused to the Appellant only.

Again, the Appointed Person dismissed this interpretation of the rule: although the Registrar must

give consideration to the potential prejudice caused to the Appellant in the event that the invalidity decision were set aside, clearly the Registrar must also take other considerations into account (irrespective of the weight given to them), including the potential prejudice to the proprietor in the event that an application to set aside the invalidity decision were refused.

In any event, the Appointed Person clarified that any submission of prejudice on the part of the applicant for invalidity must prove potential prejudice, usually with evidence. Thus, while prejudice may be possible, it is not in itself a bar to setting aside a decision under rule 43.

Given the above, the Appointed Person held that the Registrar did not make a distinct and material error in his application of rule 43. Accordingly, the appeal was dismissed, although the Appointed Person's decision may be subject to further appeal.

This case provides useful guidance on the UK IPO's assessment of the conditions required to satisfy rule 43 to set aside cancellation decisions – in particular, the significance of negligence on the part of the proprietor in failing to submit a Form TM8.

The Appointed Person clarified that any submission of prejudice on the part of the applicant for invalidity must prove potential prejudice



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Dominant position

Emma Reeve explains why weaker elements were dismissed in determining distinctiveness

The Applicant filed the trade mark (shown below, top) under Application No 2583079 in classes 29 and 30 on 31 May 2011. The Opponent filed an Opposition against the application under section 5(2)(b) of the Trade Marks Act 1994.

The opposition was based on the Opponent's earlier UK Trade Mark Registration No 2571528 in classes 29, 30, 31 and 32 (below, centre and bottom) filed on 8 February 2011.

The appeal to the Appointed Person centred on the Hearing Officer's alleged misapplication of the following guidance from the Registrar:

"The visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements."

The Applicant contended that the Hearing Officer, Professor Ruth Annand, led herself into error by first deciding what in her view constituted the dominant and distinctive elements of the marks, rather than considering that question in connection with each of the visual, aural and conceptual aspects of the overall impression of the marks. This led her to overlook other non-dominant elements in making her visual and conceptual comparisons, when she had made no finding that such non-dominant elements (or any of them) were negligible.

On the point of visual similarity, the Hearing Officer concluded that

any similarity between the marks rests in the word elements "Green farm" and "GREEN FARMS", which are the dominant and distinctive elements of both marks.

The Appointed Person confirmed that the conceptual impression provided by both parties' marks is either that of a farm or farms belonging to someone called GREEN, or a farm or farms that are in some way environmentally sound.

Whatever the average consumer's interpretation of the words is, it will be the same in respect of both marks.

In the view of the Appointed Person, the Hearing Officer was entitled to decide that the marks were visually similar to a fairly high degree and conceptually similar to a very high degree.

Sub-point

The Applicant advanced a sub-point, with two aspects:

- 1) The Hearing Officer should not have afforded the words "Green farm" and "GREEN FARMS" dominance within the respective marks as they are of low distinctiveness.
- 2) The Hearing Officer wrongly determined that the words "GREEN FARMS" in the earlier mark were possessed of average distinctive character in her global assessment of likelihood of confusion.

The Appointed Person was of the opinion that the Hearing Officer was correct to conclude that the words "Green farm" and "GREEN FARMS" dominated the overall impressions of the marks in the minds of the average consumer.

Conclusion

Although both trade marks contained stylised differences, the word elements were the dominant and distinctive elements held to cause a likelihood of confusion. This case highlights the weight attached to the words in a logo mark with minimal stylisation.



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events

More details can be found at itma.org.uk

Date	Event	Location	CPD hours
27 January	ITMA London Evening Meeting Overlapping trade mark and passing-off actions in the UK and OHIM, Michael Edenborough QC, Serle Court	Royal College of Surgeons, London	1
4 February	ITMA Charity Quiz Night	Penderel's Oak, London	
24 February	ITMA London Evening Meeting	Royal College of Surgeons, London	1
4 March	ITMA Talk in Leeds	St Philips Chambers, Leeds	1
18 March	ITMA Drinks Reception	London, TBC	
18-20 March	ITMA Spring Conference	One Whitehall Place, London	
20 March	ITMA Gala Dinner	London, TBC	
28 April	ITMA London Evening Meeting	Royal College of Surgeons, London	1
19 May	ITMA London Evening Meeting	Royal College of Surgeons, London	1
16 June	ITMA London Evening Meeting	Royal College of Surgeons, London	1
21 July	ITMA London Evening Meeting	Royal College of Surgeons, London	1
22 September	ITMA London Evening Meeting	Royal College of Surgeons, London	1
20 October	ITMA London Evening Meeting	Royal College of Surgeons, London	1
24 November	ITMA London Evening Meeting	Royal College of Surgeons, London	1



Planning is well under way for our Spring Conference, to be held at One Whitehall Place, London. Book early for another informative, international event




THE TRADE MARK 20 & A

I work as... a Partner in the IP team at Brodies in Edinburgh, resolving all types of IP disputes in Scotland for clients with business interests here.

Before this role... my last non-law role was working in a large department store – hence the affinity with the world of brands.

My current state of mind is... wishing I could be wittier.

I became interested in IP when... I realised it would enable me to work with people in many diverse industries. (The fact that the job offer came in from the IP team, which had a cabinet full of shiny luxury goods, had nothing to do with it, I assure you.)

I am most inspired by... meeting entrepreneurs who have that “spark” of genius. Failing that, a great night out and a glass or two of Sauvignon always works.

In my role, I most enjoy... the diversity, and achieving settlements in situations where it seemed parties were just too far apart. A successful 3am mediation deal for an individual against a huge conglomerate still makes me smile.

In my role, I most dislike... interim injunction requests after 5pm on a Friday.

On my desk is... nothing (we’re a paperless office).



Associate Member
Robert Buchan
recounts his long
relationship with
all things brand

My favourite mug... “Careful, the beverage you are about to enjoy is hot”.

My favourite place to visit on business is... Barcelona – great city, people, architecture and food.

If I were a trade mark or brand, I would be... more stylish, sophisticated and attractive than the reality – that’s what successful branding is often about.

But, seriously, Apple: it delivers results anywhere and provides a great user experience.

The biggest challenge for IP is... providing robust, cost-effective protection without stifling progress and alienating customers, especially where social media is involved.

The talent I wish I had is... telepathy, so I know what the other side wants.

I can’t live without... Starbucks, running, books, good company, food and wine.

My ideal day would include... a run along the beach, a get-together with friends and family, and then seafood at Fishers Bistro in Leith.

In my pocket are... keys to filing cabinets to store my “paperless office”.

The best piece of advice I’ve been given is... be true to yourself and always use sunscreen (on Scottish skin).

When I want to relax I... climb Arthur’s Seat to remind myself how lucky I am to live in Edinburgh or retreat to the Floatarium Spa.

In the next five years, I hope to... stay healthy and happy, and learn new skills.

The best thing about being an ITMA member is... having good friends and being in the Scottish CPD (continuing professional development) team.

If you’d like to appear in TM20, contact caitlin@thinkpublishing.co.uk