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ITMA REVIEW

The journal of the Institute of Trade Mark Attorneys

Issue 398 **December 2012/January 2013** itma.org.uk



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Wishing you all happy holidays



While some of our Antipodean readers are choosing their suncream and deciding which pair of shorts to wear today, here in the UK we have long nights, short days and busy desks to contend with. At this time of year, in particular, I am amazed by the generosity of the authors and contributors to the *ITMA Review*.

In this issue we feature articles by Luke Dixon and Alexander Carter-Silk, have a report on the Autumn Seminar, news of the Spring Conference, and a host of articles and case reports. None of this would be possible without the efforts of Tania Clark and Caitlin Mackesy Davies, who have made the *Review* the excellent publication you hold today. Of course, their work is dependent on the words and photographs that members have provided throughout the year. ITMA is truly lucky and proud to have such excellent and active members and we thank you for your help.

By the time you read this, I hope to have seen you at one of ITMA's Christmas events, but if I missed you, please let me say: ITMA wishes you a merry Christmas and a very happy New Year.

Yours

Catherine Wolfe
ITMA President

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Published on behalf of ITMA by:

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Tel: 020 8962 3020

www.thinkpublishing.co.uk

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ITMA Review

Review content is provided by members on a voluntary basis, and reader suggestions and contributions are welcome. If you would like to contribute an article to a future issue, please contact Tania Clark by email at tclark@withersrogers.com and Caitlin Mackesy Davies at caitlin@thinkpublishing.co.uk.

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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ITMA business

Renewal reminder



Members are reminded that you should have received your membership renewal requests for 2013 via email, or, if the ITMA office does not have a valid email address, via post. These were emailed or sent out to members on 22 November, but if you did not receive a reminder, please contact Lauren Boosey (lauren@itma.org.uk). Please remember

that subscriptions should be paid no later than 31 March 2013, otherwise a late-fee penalty will be applied. ITMA would like to thank everyone for continuing to support the profession and the work carried out by ITMA in representing your interests, and looks forward to receiving notification of your membership renewal.

Administrators' London landmark

The Trade Mark Administrators' seminar is back again in 2013. The seminar will be taking place on 22 February 2013 at Marks & Clerk LLP in London. This year's seminar will focus on UK and Community Trade Mark oppositions, with a particular emphasis on the procedural requirements and potential pitfalls. ITMA hopes to have speakers from both the IPO and OHIM, as well as trade mark practitioners. Registration information and full details will be posted on itma.org.uk soon.



Member Moves

Lucy Walker (pictured right) became a salaried Partner at Barker Brettell on 1 October 2012.

Jackie Tolson (pictured far right) has joined ip21 as a Senior Trade Mark Attorney. She joins the growing practice and is primarily based in the Norwich office. Jackie can be contacted at jackietolson@ip21.co.uk.



Season's Greetings

ITMA would like to say thank you to all of its guest speakers who made presentations at evening meetings, webinars, seminars and conferences this year. Without your help, ITMA would not be able to offer the wide range of support that it does. And, on behalf of the editorial team, thank you to all *ITMA Review* contributors who have filled these pages in 2012!

Member Benefits

Looking to get in shape for the New Year?

With an Incorporate gym pass, ITMA members can get access to the lowest corporate rate at an exclusive network of more than 2,000 gyms, leisure centres and fitness clubs, such as Fitness First, Nuffield Health and LA Fitness. Members are guaranteed to save a minimum of £50 and as much as £250*. You can use Incorporate's proximity report to find your nearest gym, leisure centre or health club. You can then contact them if you wish to verify the rates available.

For more information, visit IP Benefits Plus via itma.org.uk.

*Terms and conditions apply. See website for further details. Correct at time of print. Saving may be less if you are an existing member switching to the cheaper membership at the same club. IP Benefits Plus is managed on behalf of ITMA by Parliament Hill Ltd of 3rd Floor, 127 Cheapside, London EC2V 6BT. Neither are part of the same group as a provider.

IP out there: Tebow or not Tebow?

It does seem to bend the US principle of separating church and state a little: Tim Tebow, quarterback of the New York Jets American football team, has been allowed to trade mark the "prayer" stance he adopts on the field, which involves going on bended knee and placing a fist to his forehead. *The Washington Times* reports the application was prompted by the urge to ensure the gesture "is used in the right way", with the best intentions and no desire for financial gain, but it's surely going to cause great debate at this season's IP gatherings. What's your view?



ITMA at bat part 2: CIPA-ITMA Cricket Club

Robert Ackroyd of WP Thompson reports on the highlights of the season's final play

- 19 July 2012: the match against The Treasury was abandoned due to inclement weather.
- 31 July 2012: CIPA-ITMA beat Bird & Bird by five wickets. Bird & Bird 138-7 (Spurr 3-23, Patterson 2-24) (20.0 overs); CIPA-ITMA 139-5 (Milton 30*, Lumsden 26*) (16.1 overs).

Andrew Spurr opened the bowling with some testing deliveries outside off stump. Rob Patterson backed him up with some useful swing bowling of his own. Spurr then struck twice in one over: first with a beautiful delivery nicked behind and snaffled by Darren Gavigan and then with a slower ball, which confused the batsman all ends up.

However, Bird & Bird then found their rhythm and the ball was disappearing to all parts of the ground before Chris Milton took a good catch at wide third man. The runs did not slow up until Stuart Lumsden, wicket-less for a change, and Milton bowled a series of tight overs. The change of ends at 10 overs saw Bird & Bird batting well to post the biggest total conceded in the season. Probably the less said about the start of the CIPA-ITMA innings the better: Mark Jolly managing to be caught behind off the back of his bat, and Jake Flint's batting woes continuing. However, at the other end, Andy Clemson was scoring runs only on the off side along the ground. Some punchy hitting as well as restrained batting by Milton brought the target in sight. However, Bird & Bird's captain bowled well, seeing the team home facing nine balls for 18 runs.

- 7 August 2012: CIPA-ITMA beat CB&I by seven wickets: CB&I 123-8 (20.0 overs); CIPA-ITMA 126-3 (Grant 26*, Spurr 26*) (16.5 overs).

The final match got off to an ominous start when the opposition turned up on time and started practising! CB&I chose to bat, but could only manage 31 from the first 10 overs, Patterson bowling excellently to get three wickets for just seven runs. The run rate picked up somewhat and CB&I managed to post 123, Lumsden getting hit for 24 in a single over. Clemson again looked like he could bat all day, until he was bowled. A string of fast hitting took CIPA-ITMA to an easy victory, and cemented the 100 per cent winning season.

Undefeated

The team thus went through the season undefeated, although the weather took its toll, leading to the loss of six fixtures. The efforts of Lumsden (Fellow, Marks & Clerk LLP) in arranging the fixtures, marshalling the players and organising most things, and Spurr (Associate, Mathys & Squire) in setting up and updating the website with all manner of statistics, should be recorded, as should the efforts of the players who promoted the CIPA and ITMA names in the IP community.

Media Watch

Members make an impact in the press

Ken Storey lauds some great PR wins, and the rest...

In recent months the ITMA PR machine has been working on overdrive and I bring you news of present and past PR Committee members making their names in the papers. Mike Lynd, a member of the PR and Communications Committee, and the ITMA Council, penned a very useful article in *Brand Republic* at the end of September, which highlighted the benefits of seeking Community-registered designs as a quick, low-risk, cheap and effective means of supplementing IP protection in the EU. Mike was clearly identified as a member of ITMA, as well as a partner in Marks & Clerk. Marks & Clerk also

featured in an article in *The Lawyer*, which also referred to Julie Kay, a past PR Committee member, along with Rebecca Tew, who was named as instrumental in the career development of Alexia Willetts, Head of IP Legal Counsel and Trade Mark Registration at FIFA (see page 8 for more on Alexia). Both Julie and Rebecca lent their support at business exhibitions and it is good to know that they are still working hard in the interests of the profession.

I often try to make a link between the stories I report on, but the only loose connection I can make with the next topic is the fact that Julie would often

come back from International Trademark Association meetings laden with certain US chocolate bars that showed her interest in US confectionery products. So, on to Ben & Jerry's ice cream company, which, according to the *Daily Mail* and many other red-top newspapers, is suing a porn company on the grounds that its X-rated Ben & Jerry's DVDs are tarnishing Ben & Jerry's family-friendly reputation. Of course, I know nothing of the porn company's products, but I suppose titles reported in the *Mail* such as "Peanut Butter D Cup" and "Boston Cream Thigh" give some idea of the racy varieties on offer.

been the subject of media interest. Man of the Match is a trade mark owned by OFS Group and, according to *The Drum* magazine, is being auctioned off. Betting sites and drinks companies are in the market to buy the trade mark, which could sell for a six-figure sum.

And so to a round-up of some of the other disputes that have caught my eye. Yet another David and Goliath battle is currently being fought on Twitter by a small grooming business in Clerkenwell, London, which has used the name Rehab London since 2009 and recently filed to register it for grooming, salons, spas and promotional clothing. It is being opposed by Monster Energy Drinks, which has a trade mark MONSTER REHAB and claims confusion. In an attempt to avert court action, Rehab London has launched a Twitter campaign to persuade Monster to drop its opposition. According to the *Daily Mail*, more than 1.5 million people have seen the campaign, but they don't say how many are actively supporting it. The use of new media to avoid court proceedings is a new twist on how technology can influence business practice.

A recent happy ending was a settlement between Arcadia Group, the owner of Topshop, and Fred Perry. Arcadia, which had used a laurel wreath synonymous with the logo of Fred Perry on one of its jumpers, recognised it had infringed the Fred Perry logo and reached a settlement. Now that Andy Murray has secured his first Grand Slam victory, I wonder if we will see his name develop into as big a brand as Britain's last major tennis champion.

And still with iconic brands, Apple yet again features in this

'Ben & Jerry's ice cream company is suing a porn company on the grounds that its X-rated Ben & Jerry's DVDs are tarnishing Ben & Jerry's family-friendly reputation'

Staying in the realm of sweet subjects, the *Birmingham Mail* reported that a Birmingham restaurant has been banned from using the words PUDDING CLUB to promote a night for all things sweet because PUDDING CLUB is a trade mark owned by a group of sweet-toothed enthusiasts who meet at the Three Ways House Hotel, Mickleton, Gloucestershire. In a pun-ridden article, the *Birmingham Mail* reported that the restaurant has since renamed the evening as Pudding Night and is quoted as saying it hopes its trade doesn't crumble and customers don't "dessert" them with the name change. The article adds that the restaurant owner was offered some crumbs of comfort by fellow traders who said the PUDDING CLUB wanted to have its cake and eat it!

Another phrase that I thought was in common usage has also



Smiling faces all round as One Direction gains rights to its name

FEATUREFLASH/SHUTTERSTOCK.COM

Christian Louboutin has won exclusive rights to selling the iconic red-soled shoes, as worn by Rihanna



'Simon Cowell reached an agreement with the US group that had claimed rights to the name of One Direction, although I suspect large sums of money changed hands'

column. Apple stories appear almost daily in patent disputes, but, also in the *Daily Mail*, I spotted a new twist in its IP woes. This time it has upset the Swiss National Railway (SBB) by using a very similar design of clock face seen on Mondaine watches for its new iPhone, right down to the red circle at the end of the second-hand. According to the *Mail*, SBB is hoping to reach an amicable settlement, which neatly brings me on to a round-up of stories that have featured previously in this column, and that have now moved on a step or two.

As expected, Simon Cowell has reached an agreement with the US group that had claimed prior rights to the name One Direction. I am still amazed that basic errors over the naming of new acts on shows such as *The X Factor* and *Britain's Got Talent* occur, but at least they do get resolved, even if, as I suspect, large sums of money must change hands. In the case of One Direction, the US group has agreed to change its name to "Unchartered Shores" and a joint statement says it all:

"All of the parties involved are pleased with the resolution and wish each other success."

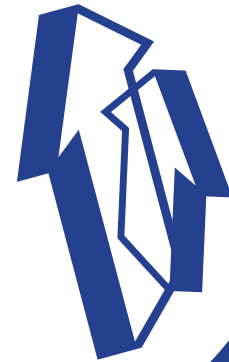
Back in March I reported on the dispute between the Velvet Underground and the Andy Warhol Foundation over the use of the iconic banana image that appeared on a Velvet Underground album cover. The copyright claim has been dismissed by US Federal Judge Alison Nathan, but the Velvet Underground is pursuing the case as it believes the Andy Warhol Foundation should not have used the banana image on a range of other products.

And finally to two familiar colour-related disputes. *The Independent*, along with other national and local newspapers, reported that Christian Louboutin won the right to the exclusive use of red-soled shoes in spite of opposition from Yves Saint Laurent, reversing an earlier ruling in a lower court that a colour could never serve as a trade mark in the fashion industry. *The Independent* also reported that Cadbury had seen

off an appeal from Nestlé against the use of Pantone 2685C. Judge Colin Birss QC toned down the wording of the specification of goods registered so that the purple trade mark should only apply to packaging for some types of milk chocolate, ie chocolate in bar and tablet form, chocolate for eating, drinking chocolate and preparations for making drinking chocolate. Julie Kay can eat her heart out - just joking, Julie!

Ken Storey
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IP PATHWAYS

In the first of a series, we chart the career journey of ITMA member Alexia Willetts

The “cloak and dagger world” of IP was the furthest thing from Willetts’ mind when the law graduate became disillusioned with the profession after leaving the University of Birmingham.

Following employment law placements in the UK’s second city, Willetts spent the next four years as a recruiter with Angela Mortimer plc and then Michael Page Legal in Birmingham. She met Forrester Ketley & Co (now Forresters) trade mark attorney Matthew Shaw, who recognised her “commerciality” and convinced her that her future was in IP.

Although Shaw was not hiring, he recommended that Willetts apply to Marks & Clerk LLP.

Despite not being the average trainee fresh out of university, Julie Kay and Rebecca Tew took a chance on the 26-year-old and she joined the Birmingham office in 2006.

Willetts says her “aggression” and ambition drove her to complete her ITMA qualification before she was 30, and she worked with clients such as kitchen appliance company Pulse (managing brands such as Breville and Nicky Clarke), orthopaedic surgeon Derek McMinn and Sugar Puffs cereal producer Big Bear.

During her time with Marks & Clerk LLP, Willetts says she learned “a lot of what’s involved in the creation

of a brand”, especially the importance of taking a long-term strategic view.

“People can be a little short-sighted, they just don’t appreciate the expansion of a brand and wrongly assume it’ll be fine to take it into the next market,” she explains. “You have to map clients into the future, see what other people are doing in growth areas and look at other jurisdictions if the client goes international.

“As a result of filing trade mark applications you can get aggressive rivals coming to the table accusing you of infringing their rights.”

Willetts’ strong points are in the groundwork phase, working with parameters for marketers and getting clearance by addressing any concerns from patent examiners. Yet she says she is partial to negotiating over the “odd squabble”, too.

In 2009 she responded to a job alert and sent a speculative CV to FIFA, forgetting all about it until she got a call six months later. By November of that year she was heading to Zurich to help run the world’s biggest footballing event – a headline-grabbing transfer from her days as a recruiter in Birmingham.

Main copy reprinted with the permission of The Lawyer. A full feature on Alexia’s work can be viewed at thelawyer.com

PROFILE

WHO: Alexia Willetts

WHAT: IP Legal Counsel and Head of Trade Mark Registration at FIFA

WHERE: Zurich, Switzerland

Capturing the copyright environment

In a presentation to ITMA members, Luke Dixon of Greenberg Traurig Maher LLP covered cases that have been big news in the copyright arena

The past few months have seen some noteworthy cases that illustrate the impact of technology and European jurisprudence on copyright law in the UK.

The Patents County Court (PCC) ruled in *Temple Island Collections Limited v New English Teas Limited* and another [2012] EWPC 1 that the Defendants had infringed the copyright in the Claimant's image of a red London Routemaster bus travelling across Westminster Bridge, set against a monochrome background. This implies that copyright protects ideas, schemes and layouts.

The court found that originality subsisted in a photographic image's creation, composition and also its manipulation using photo-editing software. Despite the differences between the images, the Defendants had taken a substantial part of the image, including visual contrast features and its composition. The iconic elements used did not preclude originality, and the examples of third-party images produced as evidence demonstrated the room for variation in creating images of the scene.

In another PCC case, *Stephen Slater v Per Wimmer* [2012] EWPC 7, a cameraman and a skydiver were found to be joint authors of film footage of a skydiver over Mount Everest. Slater sued Wimmer for using the footage on Danish television without his consent, while Wimmer claimed to own all IP arising from the venture, including in the film footage – though there was no written agreement to this effect.

The court implied terms into the parties' arrangement so that Slater (who had creative control over the film) was the principal director and Wimmer

(who organised the venture) was the producer. As such they jointly owned the copyright. This is a reminder of the importance of addressing copyright issues from the outset. The court also used its new-found jurisdiction in *Lucasfilm v Ainsworth* to rule on both UK and Danish copyrights. It implied a further term in which all copyrights subsisting in the film should be treated the same way.

The Court of Justice of the EU (CJEU) has also considered UK copyright issues in recent months. In *Football Dataco Limited and others v Yahoo! UK Limited and others*, it confirmed that Article 3(1) of the Database Directive protects the structure of the database, not its contents. The application of significant labour and skill is not enough to attract copyright protection if there is no originality in the selection or arrangement of the database contents. This applies even where the selection or arrangement includes the addition of important significance to the data (eg fixing football match dates). The court also confirmed that Member States' national laws cannot provide copyright protection for databases beyond the scope of the Database Directive.

This case was considered by the CJEU on referral from the English Court of Appeal. The Claimants claimed ownership of copyright in the English and Scottish Football League fixture lists, which they said was being infringed by the Defendants, who were using the lists without their consent. The case highlights the influence of European jurisprudence, and the CJEU's ruling downplays the importance of labour and skill in copyright protection.

Lastly, in *Newspaper Licensing Agency Limited and others v Meltwater*

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Based in the IP/IT group, Luke focuses on IP litigation and IP-related issues of commercial transactions across many business sectors. He also has experience in advising clients on copyright issues.

Holding BV and others [2011] EWPC 7, the Court of Appeal upheld the High Court's judgment that PR agencies infringed newspaper copyright when they used a media monitoring service called Meltwater News. This decision has implications for businesses that use such services and for web browsing as well.

The Court of Appeal endorsed Proudman J's decision at first instance wholesale. In doing so, it confirmed that newspaper headlines are capable of being copyright works; that text extracts could amount to a substantial part of a newspaper article; and that Meltwater's end users could not advance the defences of temporary copying or fair dealing to validate their use of the service without a licence from the Newspaper Licensing Agency (NLA). The end-user licence did not amount to "double licensing", even where the media monitoring service had taken a licence from the NLA.

Featured cases in detail:

We've covered some of these cases in detail in the pages of *ITMA Review*. Do refer to the following if you'd like a reminder of the full case comments:

- *Temple Island Collections Limited v New English Teas Limited and another* [2012] EWPC 1 – May 2012.
- *Lucasfilm v Ainsworth* – October/November 2011.
- *Football Dataco Limited and others v Yahoo! UK Limited and others* – June 2012. ■

October event probes progress and problems

In Birmingham, the focus was on OHIM and WIPO, as Dr Dominic Murphy of Withers & Rogers LLP reports

October's ITMA Autumn Seminar successfully updated members on the OHIM and WIPO systems, with a selection of informative and practical briefings.

Starting off the day, Dimitris Botis, Head of Litigation at OHIM, spoke about:

- The European Observatory on Infringements of Intellectual Property – a network of representatives from the public sector and businesses most concerned with IP infringement. Its main duty is to facilitate and support activities in IP enforcement, by giving evidence-based contributions to enable EU policymakers to shape effective IP policies.

- Updating the Manual of Trade Marks – OHIM will examine case law of the preceding year on an annual basis and update the manual accordingly, taking into account comments from its users. The result should be one single manual detailing OHIM's practice and a new set of guidelines.

- IP Translator – as a result of this case, there is now a tick-box to claim all goods or services in a class and OHIM will publish the complete Nice Classification list of goods or services for a class if the whole class is claimed in an application.

- The Convergence Programme – this is split into five areas of work:

- 1) Harmonisation of classification
- 2) Convergence of class headings
- 3) Absolute Grounds for figurative marks
- 4) Scope of protection for black and white marks
- 5) Relative Grounds relating to the likelihood of confusion.

Botis' take-home message was, "Let's work together for the benefit of the offices and users alike", which is a commendably positive and practical approach by OHIM.

Felicity Hide of Boulton Wade Tennant then gave a briefing on descriptive marks, which compared the practice at IPO with that of OHIM and featured several interesting decisions including:

- UNDERGEAR registered for, among other things, clothing – here dictionary evidence establishing the definitions of UNDER and GEAR separately was not decisive.
- UNIFORM WORKS registered for, among other things, clothing – the order of the words was deemed to be important, enabling registration.
- ICTHYOL – a cancellation action based on descriptiveness in respect of "chemicals" was unsuccessful. Evidence including medical journals, encyclopaedias, patents and dictionaries was submitted, but evidence from pharmaceutical dictionaries and statements from the trade would have had more probative value.

Hide rounded off her talk by stating that more guidance is needed with respect to minimally stylised marks.

Practical advice

Mary Bagnall of Charles Russell LLP then discussed the enforcement of descriptive marks and gave practical advice on pan-EU injunctions. When acting for a claimant, she said, consideration should be given to whether you should limit the scope of relief requested at the outset, minimising expense and submissions needed over the course of the proceedings.

When acting for the defendant, practitioners should not assume that a pan-EU injunction won't be granted if it is not specified; as a general rule it will be granted. Therefore, an assessment of potential infringement should be made in all Member States to narrow any injunction to as few territories as possible.

After lunch, Katie Cameron from RGC Jenkins & Co compared the scope of three-dimensional trade mark rights with that of design rights. Cameron discussed that the functionality, descriptiveness and distinctiveness exclusions for trade marks is broader than the equivalent criteria for designs, and that designs cannot be cancelled for non-use. When a design lapses, the same protection cannot often be offered by a trade mark registration, if registration is achievable in the first place. Cameron suggested that passing off could be extended, or unfair competition laws could be introduced, to fill the gaps in protection.

Head of the Legal Section at the Hague Registry Päivi Lähdesmäki gave an informative talk on the practice at WIPO and the Hague System. The UK is not a member of the Hague System, but practitioners can file an International Design application as the EU is a member of this system. Lähdesmäki helpfully pointed out that as the number of designs to be filed increases, it becomes cheaper to file them as an International Application designating the EU, rather than directly with OHIM.

Torpedo talk

Nicholas Caddick QC, from Hogarth Chambers, gave a talk on the "Alicante Torpedo" – a tactic used to slow down



litigation much like the "Italian Torpedo" in the field of Patent Law. Under Article 104 of the Community Trade Mark Regulations, a court in one Member State may stay its proceedings if an application for revocation or invalidity is filed at OHIM. The proceedings at OHIM can take a long time and, with appeals possible at the Court of Justice of the EU, the stay may last for several years. An application for a stay of proceedings would only be

dismissed on special grounds. Factors taken into account when considering special grounds include the urgency to take action, whether compensation would be an adequate remedy and if passing off has been relied on for the injunction. The fact that a cancellation action is filed at OHIM on receipt of a letter before action was deemed to be an "expected response" and so not relevant to this consideration. ■

Pictured above: 1) Keven Bader (ITMA Chief Executive), Alex Rushent (Corsearch), Katie Cameron (RGC Jenkins & Co) and Chris McLeod (Squire Sanders); 2) Sara Ludlam (Lupton Fawcett Lee & Priestley) and Rupert Bent (Pinsent Masons); 3) Dimitris Botis (Head of Litigation Service, OHIM); 4) Michael Barrett (Fry Heath Spence) and Ese Olowofoyeku (Bolaji Olowofoyeku); 5) Felicity Hide (Boulton Wade Tennant); 6) Rosalyn Newsome (Barker Brettell), Martin Chinnery (Lysaght & Co), Gavin Hyde-Blake (Eccora) and Sally Britton (Pitmans); 7) Mary Bagnall (Charles Russell); 8) Victoria Wisener (Virgin Enterprises), Aidan Clarke (Marks & Clerk) and Roman Cholij (Cam Trade Marks & IP Services); 9) Nicholas Caddick QC (Hogarth Chambers)

IPO in the spotlight

A recent ITMA event saw a discussion on the practices and preferences of the Tribunal Section. Chris Morris of Burges Salmon gives his take on proceedings

Late September saw a joint ITMA/IPO seminar take place at the Royal College of Surgeons on the theme of evidence before the Tribunal Section of the IPO. Allan James and Oliver Morris provided the IPO's perspective with Tania Clark of Withers & Rogers providing a practitioner's response. Here are some highlights from the productive event.

The role of the Tribunal

Allan James opened with his "mission statement" for the Tribunal Section, taking into account the sometimes competing needs and expectations of its various users and those of the IPO, stating it to be: "To enable those who own, or are affected by, trade mark rights to assert their rights at a cost that is acceptable to the parties, takes up no more of the IPO's time than is necessary, and on a timescale that is acceptable to everyone."

James explained that the user base of the Tribunal has changed, with small- and medium-sized enterprises and micro-businesses now making up the majority of applicants. Thirty-six per cent of applicants now represent themselves in proceedings (contrasted with less than the five per cent 15 years ago). These users will not have the funds to engage in High Court litigation-style proceedings and have expectations that matters will be resolved in days or weeks, rather than months or even years.

The IPO therefore has a duty to ensure that a small proportion of big businesses do not swallow up

disproportionate resources. Equally, overly demanding and unrepresented litigants cannot be allowed to do the same (the IPO has taken steps to, for example, curtail prolonged telephone contact).

Finally, complaints from businesses that opposition costs and length are burdensome, voiced to the government's Red Tape Challenge, have resulted in pressure on the Tribunal Section to speed up proceedings and to reduce costs. The Tribunal has responded with several new ideas.

Case management

One step that the Tribunal has taken is a more hands-on approach to case management. Tribunal Practice Note 2/11 sets out a tougher approach to extensions of time, with the aim of reducing the average length of proceedings to less than 12 months. The IPO will expect parties to adhere to the timetable it sets out following the filing of a defence and now, as soon as cases start to stray from the timetable, the Tribunal will automatically schedule a case management conference. Eighty-two of these were held in the first eight months of 2012.

Future proposals

The Tribunal Section plans to launch a consultation on a fast track for section 5(1) and/or 5(2) oppositions, with a view to an October 2013 launch. Current options for how the fast track might differ include:

- Lower opposition fees
 - Grounds limited to sections 5(1)/5(2)
 - Perhaps limited to one earlier mark
 - If more than five years old, proof of use to be filed up front using a pro-forma statement with exhibits
 - Leave required to file any further evidence
 - Decisions normally from the papers
 - Increased, but refundable, appeal fee.
- None of these ideas are yet fixed and they may not all reach the formal consultation stage. However, the IPO is fairly committed to the concept of a fast-track procedure.

The role of pleadings

James also gave us his take on best practice in proceedings. In his view, this reduces the likelihood of unnecessary complications and reduces the risk of procedural tussles over "makeweight" grounds.

Around 43 per cent of oppositions that are based on section 5(1) or 5(2) grounds also include section 5(4)(a) – passing off. It is difficult to understand why a party with a registered mark would also base an opposition on use of the same mark in relation to the goods or services for which it is registered. In 2011/12, no opposition case succeeded under section 5(4)(a), having failed on the same facts under section 5(1) or 5(2).

In a similar vein, 51 per cent of section 5(1)/(2) oppositions also plead 5(3); in 2011/12 two cases succeeded under the latter ground to a greater extent than under section 5(1) or 5(2).

James argues that such a belt-and-braces approach can actually harm an opponent's case and cited *Reed v Reed* (O/101/10) as an example where (at paragraph 171) it was pointed out that one of the grounds argued at the hearing had not, in fact, been included in pleadings at the outset. Pleadings should be clear and specific and should

argue the opponent's best case. The pleadings should be reviewed regularly and permission to add new grounds should be sought as soon as possible.

The role of evidence

Oliver Morris, Principal Hearing Officer at the IPO, then provided his tips "from the coalface" regarding the role of evidence in Tribunal proceedings. He reiterated the role of evidence as being to resolve arguments about facts and emphasised that, unless proof of use is required, there is no requirement to file evidence.

Evidence must be filed in the form of a witness statement with supporting exhibits, raising the question of who the witness should be. The answer: the person with the relevant knowledge of the facts. In most cases, save where evidence is the result of independent research, this is unlikely to be the Trade Mark Attorney. Having the "wrong" witness can lead to problems with hearsay ("I know this because my client told me") and accusations of cross-examination shielding.

This approach could also lead to the attorney being cross-examined and Morris gave an interesting example of an attorney proving to be one of the most reliable and accurate witnesses to appear before him. Q: How do you know that the information your client has provided is accurate? A: I don't.

Common issues with internet evidence

Evidence before the IPO must be from a UK perspective and it needs to be clear that it relates to the relevant time period (use the WaybackMachine Internet Archive or similar if necessary). A simple list of search results proves nothing; the Tribunal will need to see the web pages, together with an explanation of what it is they are purported to prove.

The problems with evidence

Tania Clark closed the formal section of the day with a brief run-through of three common problems with evidence: confidentiality, late or additional evidence and survey evidence.

Confidentiality

Any documents entered into proceedings are available for public inspection. While orders for confidentiality can be requested, they will not readily be granted and the mere fact that information is commercially sensitive will not automatically suffice. Might this lead to parties being reluctant to enter evidence, potentially jeopardising their prospects of success?

Late or additional evidence

Fresh evidence on appeal will generally only be admitted if it has just come to light. This must be weighed against the interests of justice and the fact that, if the evidence is not admitted, the aggrieved party may simply bring separate proceedings later, drawing matters out.

Survey evidence

Permission to adduce survey evidence must now be obtained in advance (Tribunal Practice Notice 2/2012) and the Hearing Officer will require a significant amount of information regarding the proposed nature of the survey. Even if the survey is approved, case law has shown that the requirement that questions must not be leading regularly trips parties up and leads to evidence being deemed inadmissible.

Question time

A lively and lengthy Q&A session ended the day, with a particularly interesting debate over the perceived problem of restricting the volume of evidence filed

at IPO stage to only what is necessary, which can lead to later problems if the matter is appealed to the High Court. A solicitor argued that it had faced issues in court where it was unable to rely on seemingly compelling evidence because it was not filed in earlier instance proceedings. The solicitor's view, therefore, is that a cautious approach should be taken to excluding evidence. If in doubt, put it in.

Allan James's response was that "pointless evidence is always pointless evidence" and he reiterated that taking a kitchen-sink approach at the IPO stage (with a view to crystallising your case later) may actually be harmful as you can't see the wood for the trees and may end up not filing something critical. Further questions followed before drinks and, doubtless, further debate. ■

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'The IPO has a duty to ensure that a small proportion of big businesses do not swallow up disproportionate resources. Equally, overly demanding and unrepresented litigants cannot be allowed to do the same'

State of confusion

Research shows the need for the law to rethink its approach to consumer 'choice'. Alexander Carter-Silk of Speechly Bircham tells us why

The legal expressions "confusion" and "likely to cause confusion" are epithets firmly embedded in our legal consciousness. These phrases have been crucial to many cases, across multiple jurisdictions, so obviously we know just what these words mean – or do we?

Common law preceding the advent of trade marks was the tort of deceit. The first recorded authority, credited as the origin of the common-law action of passing off, is thought to have been brought by a consumer asserting that they had been defrauded by buying cloth to which the "mark" of another supplier had been fraudulently applied.

Subsequently, in *Southern v How* (circa 1618), reported in Popham's Reports of 1656 and three years later in J Bridgeman's Reports, the principle that one party should not be permitted to represent its goods as those of another was recognised:

"Wherein it was stated that a clothier... had gained great reputation for his making of his cloth, and by reason whereof he had great utterance to his great benefit and profit, and that he used to set his mark to the cloth, whereby it should be known to be his cloth, and another clothier perceiving it, used the same mark to his ill-made cloth on purpose to deceive him, it was resolved that an action did well lie."

In *Blanchard v Hill* (1742) it was, in fact, assumed by Lord Hardwicke LC that an action would lie between clothiers as "deceit", irrespective as to whether *Southern v How* was an action by a purchaser or not.

When the Judicature Act 1873 heralded the combining of the courts of law and equity, the equitable approach prevailed and fraud stopped being a required element of passing off. The basis of the modern law of passing off is conveniently summarised by Lord Langdale MR in *Perry v Truefitt*:

"A man is not to sell his own goods under the pretence that they are the goods of another man; he cannot be permitted to practice such a deception, or to use the means which contribute to that end. He cannot therefore be allowed to use names, marks, letters, or other *indicia*, by which he may induce purchasers to believe that the goods which he is selling are the manufacture of another person."

By 1842, therefore, focus had shifted from the defendant's intentions, to the effect of the defendant's conduct on consumer behaviour. Yet, by 1925, debates continued – should the law operate as a species of unfair competition or should it exist for the protection of the consumer?

Tale of two principles

The law has always protected two parties, the business against having its goodwill "appropriated" and the customer against being "deceived". The test for confusion by the consumer conflates and confuses two principles.

Goodwill, infamously described by Lord McNaughten as "the thing which brings in business", requires a physical manifestation: a sound, colour, work or shape (cyphers) that is perceived and "connected" with the thing the consumer has learned to associate with a particular quality or source. Goodwill can, as we know, take a great deal of time and substantial cost to build, but we do recognise and protect it.

How do you test whether the proprietor has made that critical "association" with its "goodwill" and, what's more, how can one demonstrate that a competitor has cheated, been guilty of "free-riding", deceived or confused consumers when the evidence of the response to the cypher lies buried in the consumer's mind?

As a young lawyer coming to this fresh 20 years ago, I was bemused. Reading the case law I could see how judges evaluated advertising, looked at the similarity of packaging and listened to witnesses trying to explain how they had been influenced or deceived. I mused on



'Does the competitor seek to use cyphers created by the originator to take commercial advantage of the originator's innovation and investment in the minds of the public?'

the number of times surveys were submitted and contemptuously dismissed.

And I never found a case that satisfactorily explained how reputation worked in the consumer's mind or, indeed, provided more than list a host of factors and judge's conclusions that a mark was "too close" or "not close enough" – a judgement often completely disassociated with the trading environment.

This judicial explanation of confusion was an inadequate proxy for the two heads of the wrongdoing and not particularly compelling as an understanding as to how cyphers and consumers interact.

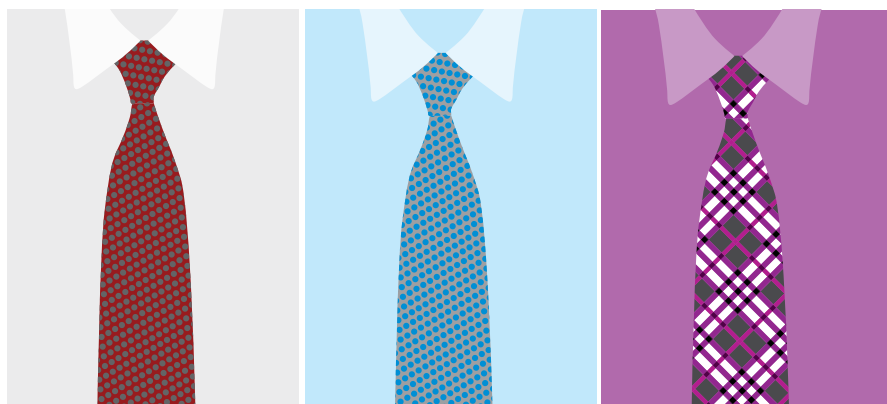
In 1915, Lord Parker, in *Spalding v Gamage*, reviewed the law of passing off as it then stood. He recognised that express misrepresentation was rare, concluding that: "The more common case is where the representation is implied in the use or imitation of a mark, trade name or get-up with which the goods of another are associated in the minds of the public."

A matter for the mind

It is convenient for lawyers to have a rule, such as "confusion as to source", but that is to trivialise the concept of wrongdoing that the law seeks to redress. The underlying question is, does the

competitor seek to use cyphers created by the originator to take commercial advantage of the originator's innovation and investment in the minds of the public? We must look to the mind for the answers.

For the past year, Speechly Bircham has been studying this with Dr Jane Leighton of Mountainview Learning. In a three-pronged piece of analysis we reviewed Nobel Prize-winning research on behavioural economics, historical and contemporary judicial thinking, and conducted experimental work to measure consumers' response to variations in packaging and logos, ▶



'Behavioural science explains how, to cope with the vast quantities of information we receive, we take mental shortcuts. This is heuristics'

etc. Conclusions from all three sources were consistent and compelling.

Behavioural economics lie at the interface between economics, psychology and law, which played a significant part in competition law in the guise of game theory. The influencing of consumers to take decisions based on visual or other input lies at the heart of fair competition.

Behavioural science explains how, to cope with the vast quantities of information we receive, we take mental shortcuts. These shortcuts are known as heuristics. This process allows us, and in this context shoppers, to solve problems and make judgements quickly and efficiently. These strategies shorten decision-making time and allow consumers to function without constantly stopping to consider their next course of action. There is a rich history of research and science to support this.

Heuristic theory

This work explains how branding operates on the consumer's mind. Originating in simple marks of trade, we have evolved into a media-rich society in which communication cyphers are a great deal more subtle. When we talk of trade marks or packaging with "reputation", what we are really addressing is the degree to which the heuristic "cypher" – be it colour, shape or text – has become imbedded in the subconscious mind of the consumer.

In their widely discussed writings on behaviour, Daniel Kahneman and Shane Frederick suggest that decision-making, based on heuristics, is a two-stage process. The first stage is satisfied when the consumer identifies or "notices" products. This stage is entirely subconscious

and was described by them as "attribute substitution". They further suggest that, faced with an overwhelming volume of information, individuals select information upon which they choose to make their decision. Individual consumers "filter out" all of the information considered unnecessary to their decision and make rational decisions within the bounds they have chosen. Misappropriation of cyphers allows the plagiarist to get inside the irrational or subconscious first-stage decision.

The second stage in the decision-making process requires a proportionate increase in objective evaluation of the array of products that have been selected and that fall within the boundary. While this evaluation process may involve a greater degree of conscious consideration, it will not dispel the heuristics and is very unlikely to remedy any mistaken association created by the first stage. The consumer will hunt for a reason to differentiate; this will frequently be price.

Judgments are littered with explanations of this process intuitively deduced, including the following:

- United Biscuits (United Kingdom) Limited v Asda Stores Limited [1997] RPC 513: "First, although occasional mistakes may be made for unaccountable reasons it is unlikely that a significant proportion of shoppers would fail to distinguish between Penguins and Puffins if they are both next to each other." (Emphasis added)
- C-487/07, L'Oréal v Bellure NV [2009] ECR I-5185 at [39]-[42]: "39. As regards detriment to the distinctive character of the mark, also referred to as 'dilution', 'whittling away' or 'blurring', such detriment is caused

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when that mark's ability to identify the goods or services for which it is registered is weakened, since use of an identical or similar sign by a third party leads to dispersion of the identity."

The science and lab results from Speechly Bircham's study with Mountainview demonstrates that speed of recognition is, indeed, slowed down by the presence of similar or lookalike products, allowing the plagiarist to demand attention based on the original products' goodwill.

Courts understand that reducing the "heuristic" power of brand cyphers is to be restrained. How much of a leap of faith is it to approach the evidential presentation in a structured way, demonstrating the subconscious impact of the brand cyphers rather than trying to ask a witness how they went about "being influenced"?

If the claimant can provide evidence in court that a consumer "has learned" the heuristic trigger sufficient to render recognition automatic (first-stage processing) and that the plagiarist has appropriated the heuristic cypher with provable behavioural response, then there is the potential for trials to be shorter and cheaper, with less wasted evidence and less reliance on the roulette wheel of judicial perception. ■

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Networking without working the room

When it comes to making and growing your business contacts, it's time for a fresh approach, advises Bernard Savage of Size 10½ Boots

How do you feel when you walk into a room full of strangers at an International Trademark Association or regional business networking event? Are you in your element, or do you feel a little left out in the cold? Typically, people at formal events struggle to project themselves well, which means they don't get the value they would like from making an appearance. These tips on networking practice may send you in a new, more productive, direction:

Find your audience. First, remember that networking is just one ingredient of a business development strategy. Inertia and lack of understanding of marketing and business development may result in an over-dependence on networking at formal events. A truly effective networking strategy starts with a clear identification of target clients and knowledge of where these people "hang out". Ask yourself: do your target clients really visit Chamber of Commerce and regional events? Or are these events simply within your comfort zone and, in truth, mainly attended by your competition looking to make the same connections? Rather than relying on the same old networking schedule, consider where the people you really want to speak to spend their own time. So, if you are targeting high-tech companies, it will be better to find out where people in that industry gather. Even a little desk research on the internet will offer this information.

Remember your base. Effective networking is as much about keeping in touch with existing contacts (clients, referrers and prospects) as it is meeting new people. Do you have a system to stay in touch with your important contacts? Don't be over reliant here on social media; nothing works as well as face-to-face communication.

Good habits. Smart networking can be broken down into developing good habits and behaviours in three distinct stages: preparation before events; how you present yourself at the networking event itself; and what you do afterwards in follow-up and ongoing communication. Good preparation gives you an advantage because it gives you both confidence and focus. This preparation should include finding out who is likely to attend an event and then using online research (for example LinkedIn) and talking to colleagues to get the inside track on individuals. It's also important to set yourself goals in advance, for example by setting a target number of business cards you will collect.

Share, don't sell. The smarter networkers don't sell at events, but instead focus on building rapport with people they meet and seeking to help them. Good ways to help people include sharing market intelligence, introducing people to your own professional network, and simply being friendly and putting people at ease.

Suit your style. Effective networking does not require you to attend formal

events with men in grey suits. If you are more comfortable meeting a small group of like-minded people in a pub, do that! You are more likely to get value from an environment that suits your personality.

Be open and interested.

The people that you meet rarely remember what you say, but will always recall how you made them feel. Do you come across to strangers as open and warm, or closed and cold? Simple techniques to help you appear inviting and interested are smiling, open body language and listening attentively to others rather than scanning the room while they talk.

Follow-up steps. The secret of people that get more value from networking is that they always follow up, and promptly, too. The best follow-up is a short email including a clear action, for example suggesting an informal meeting over coffee. Emails should focus on setting the appointment, not your firm or personal credentials. And sending brochures in the post is largely a waste of time!

Finally, JBY. Perhaps the most important word of advice is Just Be Yourself. Effective networkers don't have some magic formula, and they don't spray business cards around the room. Effective networkers show confidence in engaging people, are focused in what events they attend and always take action by following up. And they don't work the room! ■

Madrid Protocol: pros and cons

It's a popular road to multinational protection, but beware of these little-known limitations to US filings, warn Nicholas Wells and Allister McManus

The advantages and benefits of the Madrid Protocol are known to the most experienced trade mark practitioners and students alike. If filing from the UK, the owner requests the IPO to submit the application to the World Intellectual Property Organization (WIPO), where it becomes an International Registration – a supranational document that does not protect the mark in any of the chosen countries, but which permits WIPO to submit it to all of the designated countries. A Request for Extension of Protection (REP) then designates the countries in which protection is desired, and each relevant national trade mark office then reviews the application and (hopefully) approves it under local laws.

Taken on face value, it is a tremendous tool for helping clients secure simultaneous trade mark protection in several countries by filing one application, paying one fee and using one language. The ease of handling renewals and assignments is a further benefit – a modest fee and a single form (in one language) is all it takes to update trade mark records in dozens of countries. In some cases, using the Madrid Protocol can cut costs by half.

However, despite the potential advantages, the Madrid Protocol isn't right for every mark. Obvious drawbacks include the fact that certain countries are not included, the lengthy examination periods, and the possibility of further prosecution costs and limited filing languages. Two of the most serious limitations are these:

- If the Basic Application is abandoned or cancelled during the first five years after the International Registration is issued, all foreign applications and registrations based on the International Registration will automatically be cancelled as well. This is called a Central Attack. Such cancelled local marks can be converted to standard national marks, but only at significant expense and effort.
- The owner of the International Registration cannot transfer ownership of any dependent marks to an owner that is not resident in a member country. This means, for example, that marks obtained under the Madrid Protocol cannot be transferred to a Canadian owner without first withdrawing the marks from the Madrid System at great expense.

Less well known, however, are these eight serious drawbacks specific to trade mark applications filed in the US through a REP under the Madrid Protocol:

1) Inability to use Supplemental Register

Marks cannot be registered in the US if they are “merely descriptive” of the relevant goods and services, unless the mark has acquired “secondary meaning”

as a trade mark. Where this is not possible, US law rather helpfully and uniquely provides a secondary trade mark register, called the Supplemental Register, in which descriptive marks can be registered without showing secondary meaning. A mark on the Supplemental Register gains some benefits of registration, including the ability to preclude other confusingly similar marks from registering, which can be vital in providing the client with at least some form of protection in the interim. After five years on the Supplemental Register, a mark is eligible for registration on the Principal Register, where it will be accorded full legal protection.

But Madrid-based applications are not eligible for the Supplemental Register. If a mark within a Madrid-based application is deemed merely descriptive, there is no

possibility of moving it to the Supplemental Register as would be done with a national (direct-filed) application. Instead, the Madrid filing must be abandoned and a new national application filed (if the client can afford further expenditure), incurring additional fees and – crucially – the loss of the priority date of the Madrid-based filing.

2) Inability to change class numbers

The US Patent and Trademark Office (USPTO) is known (infamously) for the specificity that it requires in a description of goods and services. For direct-filed applications, however, the USPTO is flexible in permitting adjustments to ensure that anything in the scope of the original language of the application can proceed to registration (barring other obstacles). Because Madrid-based applications are tied to an International

Registration, however, the USPTO imposes several restrictions on how a description of goods and services can be amended.

The first restriction is that the class numbers used in a Madrid-based application cannot be changed. For example, if a Madrid-based application lists “laminating film for inkjet paper” in class 16, the USPTO will reject the description because these goods belong in class 17. Yet the USPTO will not permit the goods to be moved to class 17; the application can only contain the specific class numbers that were originally submitted by WIPO. In this example, the Madrid-based application cannot be saved because the wording is narrowly drawn, whereas with a direct-filed US application it would be possible to save the term by paying the appropriate additional per-class fee (see point four).

3) Inability to move goods between classes

In direct-filed US applications, it is permissible to move goods between classes to achieve correct classification. That is, any goods that are within the scope of the language of the original application may be placed in any class that is part of the application. For example, if an application included “mattresses and mattress pads” in class 20 and “bed sheets and duvet covers” in class 24, the USPTO would permit “mattress pads” to be moved to its correct place in class 24.

But in a Madrid-based application, such moves are not permitted. In the above example, “mattress pads” would need to be deleted as not being in class 20, even though the proper class (24) is already part of the application. The obvious detriment of this is loss of coverage for goods that may be very important to the client.

‘Because Madrid-based applications are tied to an International Registration, the USPTO imposes several restrictions on amendments’

4) Inability to add classes

A final related issue is that classes cannot be added to an application. In a direct-filed application, it is a simple matter to pay an additional per-class filing fee to add a class to an existing application so that goods included in the originally filed application can be properly classified. This is useful in at least two circumstances:

- The first is where many items are listed in one class and the trade mark examiner requires that an item must be moved to its proper class, but that class was not part of the original application. The applicant may pay the additional per-class fee, have that item moved to the newly added class and the application proceeds.

- The second is where a client wishes to delay payment of some fees. Goods in many classes can be listed in a new application without designating any class numbers. The trade mark examiner (examining attorney) will issue an office action listing the applicable classes for the goods in the application. The client can then pay the additional per-class filing fees (or delete any unneeded goods and services) so that the application can proceed. This may allow a delay in paying the majority of filing fees for more than nine months from the original filing date.

But this option is not possible with a Madrid-based application. Considering the above example, if a Madrid-based application included “mattresses and mattress pads” in class 20, it is not possible to add class 24 to the application. The only option is to again delete “mattress pads” from the application.

To be fair, the three issues related to the description of goods and services are less traumatic than they might be because Madrid-based applications coming to the US from the UK and the EU typically have more broadly worded descriptions that permit greater flexibility when submitting amendments ▶

than might otherwise be the case. For example, if a class heading has been used, this can often be amended to include anything that would be in that class. Yet we have seen numerous instances in which a client wished to maintain certain crucial items within a pending Madrid-based application, but was forced to delete it (or abandon an application altogether) because of the challenges discussed, particularly where the client has a limited specification.

5) Inability to add further filing bases

A Madrid-based application is submitted to the USPTO by WIPO under section 66(a) of the US Trademark Act. Direct-filed US applications may be filed under one of several different filing bases, such as 1(a) for “use in commerce” applications, 1(b) for “intent to use” applications, and 44(d) to claim a date of priority to an earlier non-US application. None of these filing bases can be included with a Madrid-based application, which can only list section 66(a) as its filing basis. The practical limitation that this imposes is that, with a Madrid-based application, there is no option to specify an earlier priority date under the Paris Convention, and no ability to immediately allege use of the mark in commerce. Lack of an allegation of use may result in a weaker registration as illustrated further below.

6) Weakness of registrations in disputes

In the US, rights in a mark arise through use of the mark in commerce. US law does permit Madrid-based applications

to register without first establishing use of the mark in commerce in the US – this is one great advantage they have over direct-filed applications. Yet if a dispute arises in a US court regarding a Madrid-based registration, the opposing party will seek cancellation of the mark because there is no record that the Madrid-based registration has been used in commerce in the US. Thus, the burden of proving use of the mark will fall on the mark owner.

Conversely, a direct-filed US application must provide the USPTO with evidence of using the mark in commerce before it can register. Because of this requirement, a direct-filed registration is *prima facie* evidence of using the mark, and, in a dispute, the burden falls on the opposing party to show that use has ceased or was fraudulently alleged to secure the registration. Thus, in general, direct-filed applications are in a better position during litigation than Madrid-based applications. Once a Madrid-based registration passes its six-year anniversary – so that evidence

of use has been submitted to the USPTO – the Madrid-based registration would be on an equal footing with a direct-filed registration, but again, should a dispute arise before the end of that period, the owner of a Madrid-based registration will be in a weaker litigation position.

7) Inability to modify marks

After a mark has been submitted to WIPO to become an International Registration under the Madrid Protocol, the mark itself cannot be changed.

The USPTO, however, allows “non-material” changes to a mark, both during prosecution and after issuance of a registration (via section 7(e) of the Trademark Act). Examples of non-material changes include redesigned logos that adjust non-material design elements, or word marks in which a hyphen or space is deleted or added. Thus, if the owner of a mark makes minor changes to the mark after the initial application is filed, the mark as used in commerce will differ from the mark as it appears in the trade mark

WHAT'S THE CATCH? US DIRECT FILING V MADRID PROTOCOL

	USE OF SUPPLEMENTAL REGISTER	CHANGE CLASS NUMBERS	MOVE G/S BETWEEN CLASSES	ADD CLASSES	ADD FURTHER FILING BASES	WEAK REG IN A DISPUTE	MODIFY MARK	MAINTENANCE DEADLINES
MADRID PROTOCOL	No. Not eligible. Application must be abandoned – loss of priority	No. Class numbers tied to International Registration	No	No	No	Yes. No use shown yet so burden of proof on trade mark owner	No. Mark tied to International Registration	Yes. WIPO and USPTO
US NATIONAL	Yes. After five years mark is eligible for Principal Register	Yes	Yes	Yes	Yes ‘in commerce’, ‘intent to use’ and ‘priority from non-US appl’ bases available	No. Use shown to obtain reg. Stronger rights	Yes. For non-material changes	Yes. Only USPTO

‘While the Madrid System has the advantage of filing one form to renew numerous marks, US filing deadlines are often missed by non-US mark owners’

application or registration. This may be raised as an issue in any dispute proceedings and, under US law, it will also impede the owner’s ability to submit an acceptable Statement of Use to the USPTO, which may result in cancellation. There have been cases in which a word mark was registered with a space, but was used without a space with the result that the Statement of Use was rejected because it did not match the mark as registered. The mark then had to be amended under section 7 before the Statement of Use could be accepted. But, with a Madrid-based application this will not be possible. This point is of vital importance, particularly as it is common for clients to make changes to branding (even if very slight) in the time between filing for protection and bringing a brand to market.

8) Danger of missed deadlines

Finally, an International Registration is subject to renewal every 10 years with the filing of a renewal form and appropriate fee with WIPO. This serves to renew the mark in all countries in which it is registered through the International Registration.

However, the USPTO imposes separate and distinct maintenance rules for US marks, including those obtained via the Madrid Protocol. Specifically, an affidavit to allege use of the mark must be filed between the fifth and sixth anniversary of the date of US registration (not the date of filing); and between the ninth and 10th anniversary of the date of US registration and every 10 years thereafter. If the International Registration is renewed, but the proper affidavits are not filed directly with the USPTO, the US registration will be cancelled.

Experience has shown that, while the Madrid System has the advantage of filing one form to renew numerous marks, these US filing deadlines are often missed by non-US mark owners unaware that they are distinct from WIPO, resulting in unintended cancellation of US marks.

Careful consideration

So, while there is no doubting that the Madrid Protocol is a powerful tool for lowering costs and managing the maintenance of international trade mark portfolios, owners and their representatives still need to think carefully before taking that route to registration when such portfolios include the US. When the fine print is considered, direct filing in the US may better serve the client’s needs. ■

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What is genuine and what is fake?

Explore this question at the
ITMA Spring Conference 2013
20-22 March

As we come to the end of an incredible 2012 for London and the UK, it's time to confirm your place at another great London gathering – the 2013 ITMA Spring Conference.

Like last year's well-received event, which saw colleagues travelling to London from across the globe, the 2013 conference will feature talks from some of the leading international speakers on developments in the trade mark industry throughout the UK, Europe and the world.

Once again, the recently renovated 8 Northumberland Avenue will provide a unique, lavish – and eminently central – setting for the two-day gathering; the perfect backdrop for both serious presentations and social events, giving delegates the opportunity to network and unwind in a lavish and luxurious setting or explore entertainment and cultural opportunities on the doorstep.

It doesn't stop there – this year's event promises to be bigger and better, with a few surprises along the way.

Beyond counterfeit

The concept of “fake” is usually used in the trade mark world in the context of counterfeits, but what else could this mean in the IP industry? In a highlight of the conference programme, ITMA looks forward to hearing from the OHIM Observatory, with news of progress on its studies into the extent and nature of counterfeiting in the EU and beyond, reflecting on changes in the economic and social landscape.

Genuine article

The concept of what is “genuine” is equally understood in respect of

counterfeiting. However, the term also has a wider meaning in the trade mark community. Not only is ITMA concerned with whether use of a trade mark is genuine, but also whether the users of those trade marks are. The 2013 conference will consider these concepts, and also look far beyond them to consider how genuine use (or its opposite) can affect infringement and opposition proceedings.

Don't miss the packed programme, which is a chance to learn from, meet and mix with those who share your interests. Check for updates, speaker information and booking details on itma.org.uk.

Social scene

Alongside the serious business, conference attendees will enjoy an Exhibitors' Meet and Greet, featuring some of the biggest suppliers to the legal profession, as well as Delegates' Lunches and Evening Drinks events. And once again, the immensely popular Gala Dinner will be held in the prestigious Victorian Ballroom, converted from speaker central into an elegant evening venue.

Look out for information on how to book your conference place in the next issue of *ITMA Review*.

'The 2013 conference will feature talks from some of the leading international speakers on developments in the trade mark industry throughout the UK, Europe and the world'



A GENUINELY HISTORIC VENUE

We received a great response and fabulous feedback on our venue last year, so 8 Northumberland Avenue will once again be our Spring Conference headquarters. An incredible building with a fantastic history, which includes being requisitioned by the War Office in 1940, the hotel is a one-minute walk from Trafalgar Square, making it almost unrivalled in terms of its central London location.

8 Northumberland Avenue will offer a variety of stunning, sumptuous and stylish rooms perfectly suited to accommodate ITMA's schedule of lectures, seminars and social events.

Heart of the action:
The ITMA Spring Conference will take place at 8 Northumberland Avenue in central London

The Caribbean comes of age

George C J Moore of Caribbean Trademark Services explains the status of protecting trade marks among the trade winds



At last, trade marks in the Caribbean have come of age. The hang-ups of the past are almost completely gone and trade marks can now be registered fairly easily throughout the region.

As a result, with few exceptions, there is no more statutory insistence on having an existing UK registration as a prerequisite to the filing of an application, no contending with the cumbersome old British classification system (which dates from 1938), no closed door to registration of service marks, no limitation to single-class

applications, no hassles with voluminous documentation (Statement A, Declaration and other superfluous forms), no more official insistence on outdated formality provisions, and no more waiting forever for applications to progress.

Still waiting to join this revamped regime, however, the British Virgin Islands is now working on drafting a modern trade mark act to replace its relic of an act dating back to 1887. Meanwhile, the Bahamas has taken no steps yet to replace or update its own

legislative heirloom, the Bahamas Trade Marks Act of 1906.

But apart from these two ancient statutes, the Caribbean has become a quite congenial and welcoming area of the world, embracing and accommodating the burgeoning business of registering and protecting trade marks.

Smooth sailing

Especially smooth has been the transition from dissolution of the Netherlands Antilles in 2012 and the creation of three new Caribbean

'Overall, and with limited exceptions, the Caribbean now offers Paris Convention priority, multi-class applications have become the norm, the latest version of the Nice Classification applies and there are no more stumbling-block prerequisites, while the processing of applications, including oppositions, has become quite efficient and the incidence of official objections has become reasonable and manageable'

jurisdictions: Curaçao, St Maarten and the BES Islands (also known as the Caribbean Netherlands, consisting of Bonaire, St Eustatius and Saba). In all of these, trade mark processing has proceeded without a hitch.

Broadly speaking, the Caribbean embraces 30 different political entities. Fifteen are independent countries and 15 are overseas territories, attached to Britain, France or the Netherlands. In addition to the 18 British Commonwealth, English common-law jurisdictions, there are four Dutch-speaking jurisdictions, four French-speaking entities, three Spanish-speaking jurisdictions, and Creole and French-speaking Haiti. This is in addition to the juts-out-into-the-Caribbean presence of Florida, of course.

All but the British Commonwealth jurisdictions are governed by civil law. The 18 Commonwealth jurisdictions offer the advantageous underpinning of English law, which many regard as the world's most reliable, predictable, efficient and effective legal system.

Overall, and with limited exceptions, the Caribbean now offers Paris Convention priority, multi-class applications have become the norm, the latest version of the Nice Classification applies and there are no more stumbling-block prerequisites, while the processing of applications, including oppositions, has become quite efficient and the incidence of official objections – with the exception of Belize – has become reasonable and manageable.

What are those exceptions to all this good news? First, as lamented earlier, the Bahamas is still entrenched in the stone age, saddled with the old British Classification, affording no protection for service marks, allowing single-class applications only and illegal demand for certified copies at the outset of any

priority-based filing, rather than later – all of which are further confounded by snail's pace processing. In fact, the latest publication of the *Gazette* in July 2012 covered only applications filed up to October 2007, a lag of nearly five years.

Fast favourite

We recently had the pleasure of welcoming a freshly minted jurisdiction, Grenada, into the modern fold. Until August 2012, one could not register a trade mark there without first having a UK registration for it. Therefore, no matter how extensively it was used in Grenada, or indeed the entire Caribbean, no trade mark could be registered in Grenada without the notable expense and trouble of registering it in the far-away UK.

Now, however, Grenada has positioned itself at the pinnacle of reform, having become the last of 11 British Commonwealth nations in the Caribbean to adopt a comprehensive new trade mark act – a statute, unique in the Caribbean, which provides for expedited examination, all for a modest additional fee of US\$19. Add to that the availability of electronic filing and a short, one-month opposition period, and Grenada may prove to be enticing for innovative trade marks in search of a fast-track to registration, irrespective of cost.

Grenada is also unique in the Caribbean in not requiring the submission of a signed power of attorney form until two months after the date of initial filing. Statutorily, Grenada has become fast track, and leapt from the bottom of the heap to the top.

On the contrary, Guyana's penchant for slow processing has the extraordinary result that clients sometimes receive a notice that renewal

is already overdue, which arrives just behind a long-awaited and still-fresh Certificate of Registration. In these instances, at least, the registry has the good conscience to waive the fees for late renewal.

Sadly, also, Barbados is slipping evermore into extended delays. This has an unfortunate disadvantage, peculiar to that jurisdiction – namely that the date of registration is not deemed to be the date of filing, but instead the date of publication. Since, as a result of the processing delays, publication now occurs several years after the date of the initial filing, the effective date is negatively affected – adding injury to insult.

Another thorn for proprietors is the Cayman Islands and the matter of annual trade mark maintenance fees, a nuisance unfortunately copied last year by Turks and Caicos Islands. On the positive side, at least Turks and Caicos does not impose penalty charges for late payment of annual fees and neither does it strike off trade marks when annual fees have fallen into default, as provided in the Cayman Islands' trade mark amendments of 2011.

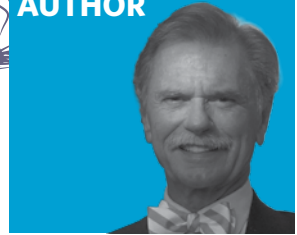
Notable exception

The single most notable exception to smooth processing of trade mark applications is Belize, where specifications of goods and services can be subjected to repeated waves of official objections, short deadlines and, indeed, official pronouncements that sometimes thumb their nose at established practice in other major common-law jurisdictions.

Furthermore, the registry resists recognition of the Nice Classification's doctrine of classification by analogy in describing newly formulated goods and services. Thus, the likes of IBM and other major rights-holders are not infrequently told, in effect, that the quite specific names and appellations bestowed by these inventors on their inventions have no place under the Nice Classification and are unacceptable in Belize.

In Belize, the back and forth of official objections can become an annoying game of ping-pong in which the registry always has the last word and

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the bank wins every time. Not until final resolution has somehow been achieved can there be any certainty that the registry will not comb through the proposed specifications once again and come up with yet another official objection. Explaining this, in turn, to clients can only increase the level of exasperation.

Minor nuisances

Official fees are always a touchy matter for all parties, of course, as all too often and seldom with much notice, they invariably creep or (more often) jump up. Here, Grenada gets the prize for the highest percentage increase, with its introduction in August 2012 of a 20-fold leap in official fees, a new registration now costing a Government fee of \$305, or \$351 for a design.

Bermuda, however, actually gets the prize, since its official fee of \$440 for each and every class registration tops that of all other Caribbean jurisdictions. How the official fees can range so dramatically from one jurisdiction to another is a mystery and a constant source of client requests

'Official fees are always a touchy matter for all parties, of course, as all too often and seldom with much notice, they invariably creep or (more often) jump up. Here, Grenada gets the prize for the highest percentage increase, with its introduction in August 2012 of a 20-fold leap in official fees, a new registration now costing a Government fee of \$305, or \$351 for a design'

for confirmation. Cheapest in the Caribbean, Guyana's official fees are commensurate with its ponderous pace of processing.

Any laundry list of other Caribbean trade mark nuisances must include the following: no proprietor searches are possible in Barbados, St Kitts and Nevis, and Trinidad and Tobago; Belize and Trinidad require that powers of attorney be on A4-sized paper; St Vincent insists on receipt of not one but two formally executed powers of attorney; Trinidad still applies the Seventh Edition of the Nice Classification; Bermuda and Trinidad still push certain marks on to old-fashioned Part B of the register; Antigua, in focusing on long-neglected

applications, insists on submission of documentation that was not required by the law at the time of filing; Barbados and Belize require a statement confirming use to renew a mark; and Bermuda allows no late renewal, only costly restoration.

Altogether, however, those specific hardships are, for the most part, relatively minor matters considering they come in the context of nearly 30 different jurisdictions, and the Caribbean overall can now be regarded by practitioners as an arena of modern law, predictability, general efficiency and pleasure. Let's hope that, in the near future, the Bahamas and Guyana will come of age, too! ■

In NZ normal service resumes



Upholding an appeal on OptimizePro, the court has returned certainty to opposition proceedings, says Nick Holmes of Davies Collison Cave

October saw the end of a period of uncertainty for New Zealand's trade mark community, which, as I reported in this publication last May, began when Mars New Zealand Limited ("Mars") opposed Roby Trustees Limited's ("Roby") application to register the OPTIMIZEPRO label for dog food (see below) based on its prior trade marks OPTIMUM NUTRITION FOR LIFE and OPTIMUM, both used and registered in relation to dog and cat foods.

The New Zealand Assistant Commissioner of Trade Marks rejected Mars' opposition, as she considered that the OPTIMIZEPRO label was not likely to deceive or cause confusion. However, on appeal, Venning J found that Roby's use of the OPTIMIZEPRO label would be likely to deceive or cause confusion, contravening section 17(i)(a) of the Trade Marks Act 2002 ("the 2002 Act"). Venning J also found that Roby's use of the proposed mark would contravene the Fair Trading Act 1986 (thus contravening section 17(i)(b) of the 2002 Act) and indicate a connection to Mars sufficient to prejudice Mars' interest, contravening section 25(i)(c) of the 2002 Act.

The High Court's assessment of the OPTIMIZEPRO label raised eyebrows, as the Court virtually ignored the slogan "LEAD THE PACK" and discounted the presence of the word "PRO". Venning J also gave significant weight to the aural and conceptual similarities between the respective marks, despite the fact that the marks would usually be purchased only by visual inspection.

Overall, Venning J's assessment of the opposed mark departed from past practice in New Zealand as the Court focused on separate elements of the opposed mark rather than considering the mark "in its entirety".

Roby successfully appealed to the Court of Appeal of New Zealand, which on 21 October returned to a more conventional assessment process when determining whether or not the OPTIMIZEPRO label was likely to be confused with Mars' prior trade marks. The Court of Appeal also allowed Roby to introduce new evidence to establish that other parties had been able to register marks commencing with the prefix "OPTI-" in relation to the same goods as those for which Roby had applied.

The Court of Appeal concluded that Roby's use of its OPTIMIZEPRO label would not be likely to confuse or deceive New Zealand consumers, noting:

1. "We accept that the Court should consider the impact of any essential feature of the proposed mark... it must be borne in mind that there are other marks in the same class that begin with OPTI-. In such a case consumers may pay more attention to the other features of the respective marks. The proposed mark is also a device mark, and must be considered as a whole" (emphasis added).
2. The visual impact of the marks is significant because the goods in question will be purchased in supermarkets.
3. While the respective marks convey similar ideas "there is nothing inherently

distinctive about the idea". The Court held that Mars' evidence did not establish that the word OPTIMUM had become so associated with its products so as to lose its ordinary descriptive meaning. Consequently, when the OPTIMIZEPRO label was considered in its entirety, the Court of Appeal observed that: "We do not think it is likely that the proposed mark will deceive or cause confusion to a substantial number of persons in the market for dog food. Rather we consider that 'PRO' and 'LEAD THE PACK' clearly distinguish the mark from the Mars marks." In departing from the assessment made by Venning J, the Court of Appeal observed that Venning J "ultimately attached too little weight to the visual and aural dissimilarity of the marks when considered as a whole".

We consider that the Court of Appeal's decision is consistent with established principles that would ordinarily be applied in a New Zealand trade mark opposition, when assessing whether or not two trade marks are likely to be confused with one another. In so doing, the Court has returned some certainty to New Zealand trade mark opposition proceedings. ■

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The disputed marks:

Roby's application

OPTIMIZEPRO
LEAD THE PACK

Mars' registrations

OPTIMUM **OPTIMUM**
NUTRITION FOR LIFE

Case in point: T-301/09, IG Communications Limited v OHIM, CJEU, General Court, 26 September 2012

CITI mark holds its own

This banking industry prefix reigned victorious thanks to strong connections, report Victoria Baxter and Ben McMeechan of SJ Berwin LLP

In 2001, IG Communications Limited (“the Applicant”) filed a Community Trade Mark (CTM) application for the sign CITIGATE covering various goods and services in classes 9, 16, 35 and 42. Citigroup, Inc and Citibank, NA (“the Opponent”) opposed, relying on several marks consisting of or including the word CITI (including CITIBANK, CITICORP, CITIGROUP, CITIBOND, CITIEQUITY, CITIGARANT, CITICARD, CITIGOLD and THE CITI NEVER SLEEPS) covering various goods and services in classes 9, 16, 35, 36, 38 and 42. The opposition was made under Articles 8(1)(b) and 8(5) of Council Regulation (EC) 40/94, now Council Regulation (EC) 207/2009 (“the Regulation”).

The Opposition Division rejected the opposition, and the Opponent successfully appealed to the First Board of Appeal. It held that the marks were sufficiently similar to give rise to a likelihood of confusion under Article 8(1)(b) in relation to all of the goods in classes 9 and 16 and for certain of the services in class 35. For the remaining services in class 35 and those in class 42, the Board of Appeal found that Article 8(5) had been satisfied.

The Applicant appealed to the General Court.

Family connection?

The Applicant argued that the Opponent had not proved the

existence of a family of CITI marks, because it had not established use of its various CITI marks (except for CITIBANK) under Article 8(1)(b) and had not demonstrated the reputation enjoyed by those marks (again, except for CITIBANK) for the purposes of Article 8(5).

The Court noted that the concept of a family of trade marks had been considered in its earlier case law (Il Ponte Finanziaria v OHIM – Marine Enterprise Projects (BAINBRIDGE) T-194/03) in the context of Article 8(1)(b) and not Article 8(5). Under Article 8(1)(b), the proprietor of a family of marks may be able to demonstrate a possibility of association between the mark applied for and the earlier marks forming part of the family, which may lead to a likelihood of confusion. Therefore, under Article 8(5), the existence of a family of marks was one of the factors to be taken into account in establishing whether there was a connection between the mark applied for and one of the earlier marks in the family, in so far as that earlier mark had a reputation.

The Court, referencing its decision in BAINBRIDGE, confirmed that the proprietor had to prove use of all the marks belonging to the family or, at the very least, of a number of them. It was not necessary therefore to establish the reputation of all the earlier marks in the family.

The Court endorsed the Board of Appeal’s findings that CITIBANK was in the nature of a “house mark” and that the Opponent had developed a series of sub-brands based on the CITI concept. Although some of the marks were less well known than the CITIBANK mark, there was still proof that they had been used in brochures and other publications. Accordingly, the Board was correct to find there was a family of CITI marks.

Article 8(1)(b) Comparison of the goods and services

The goods in classes 9 and 16 were accepted as identical. The Court also considered that “computer programming” services in class 42, covered by CITIEQUITY and CITIGARANT, were highly similar to the “computer programming services” covered by the Applicant’s sign. The other services in class 42 were dissimilar.

The Court concluded that there was a low degree of similarity between “market research, market analysis and strategic marketing services; preparation of business reports; public agency services; management consultancy services; [and] services relating to business operations” in class 35 with the class 36 services covered by the earlier marks. While, as a result of their nature and intended use, the services were different, there was a connection between them as the class 35 services in the application were mainly directed at professional undertakings.

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These undertakings, having had recourse to those services (such as positive market analysis), might then need the class 36 services (such as investment services).

There was no similarity between the other services in classes 35 and 42 and the services covered by the earlier marks.

Comparison of the signs

The Court decided that there was at least an average degree of aural and visual similarity between the signs because of the reproduction of CITI at the beginning of most of the marks, the fact that they were mostly three syllables long, and that the CITI element was pronounced in the same way in all the marks (also emphasising that, as established in the case law, the consumer generally pays greater attention to the beginning of a mark than the end).

As for the conceptual comparison, all of the signs were structured in such a way that the relevant public would see them as composed of the element CITI and a second word. The relevant public would perceive CITI as alluding to the word “city” as a generic place name, the financial district in London or New York City. As for the second element in the earlier marks, they were descriptive of, or connected to, the financial and monetary services provided by the Opponent. The combination in the

earlier marks of a descriptive element, together with “citi”, which was not spelled in the conventional way, meant that the CITI element had a highly distinctive character. CITIGATE also included the “citi” element and, while “gate” did not allude directly to the Applicant’s services or to financial or monetary services, it did have a clear meaning and could be seen as referring to a characteristic of the services provided. As the signs adopted the same structure, there was a high degree of conceptual similarity.

Likelihood of confusion

The Court concluded that the average consumer encountering the CITIGATE mark would think that it was a new mark belonging to the CITI family of trade marks and therefore upheld the finding of a likelihood of confusion.

Article 8(5)

In assessing the ground of opposition under Article 8(5), the Court noted that recognition of the existence of a family of marks will increase the distinctive character of the marks belonging to the family. As a result, not only did the CITIBANK mark enjoy a reputation within the EU, but its distinctive character was further enhanced because it belonged to a family of marks, the distinctive element of which was “citi”.

The Court endorsed the Board of Appeal’s finding that the “aura of the CITIBANK mark was likely to rub off” on the Applicant and that the relevant public might decide to use the Applicant’s services in the belief that the mark was linked to the well-known CITIBANK mark. The risk of unfair advantage was increased due to the family of CITI trade marks (following its earlier decision in Citigroup and Citibank v OHIM (CITI) T-181/05). Further, it was likely that the distinctive character of the CITIBANK trade mark would suffer detriment. The Court concluded that there was no due cause and also rejected the Applicant’s argument that the Opponent had acquiesced in the use of the sign.

Family approach

The Court’s decision is not a surprising one, but contains a useful summary of the approach to families of marks, in particular in the context of oppositions under Article 8(5).

In relation to unfair advantage, the Applicant did attempt to argue that due to the “banking sector’s fall from grace”, the Opponent’s services might take unfair advantage of the Applicant’s services, rather than the other way around. Not surprisingly, this argument was given short shrift by the Court. ■

Case in point: [2012] EWHC 2099 (Pat), Bayerische Motoren Werke Aktiengesellschaft MW (BMW) v (1) Round and Metal Limited (2) Philip David Gross, High Court, Arnold J, 27 July 2012

BMW makes spare parts argument

The replica market must be transparent about parts' origin, as Karen Lee and Simon Miles of Edwin Coe LLP discuss

The Claimant company in this case, well-known car maker BMW, owns various Community-Registered Designs (CRDs) for wheels for motor vehicles. The First Defendant, Round and Metal Limited ("R&M") imports and sells replica alloy wheels for motor cars, including replicas of alloy wheels that were essentially of the same appearance as BMW's CRDs. BMW claimed that R&M had thereby infringed its CRDs. R&M denied infringement on the basis that Article 10(1) of Council Regulation 6/2002/EC ("the Regulation") applied.

Article 10(1) is a transitional provision, which provides that until amendments are made to the Regulation, there shall be no protection for a Community design, "which constitutes a component part of a complex product used within the meaning of Article 19(1) for the purpose of the repair of that complex product so as to restore its original appearance".

BMW also owns various Community Trade Marks (CTMs) containing the words "BMW" and "MINI" and advanced further claims that R&M had infringed its CTMs and committed passing off by supplying adhesive stickers along with the replica wheels that reproduced these CTMs, and posted certain listings on its eBay store. R&M denied that its acts amounted to either infringement or passing off.

Design infringement

The case was heard by Arnold J who found in favour of BMW. In coming

to his decision, he noted that the principal issue in the action concerned the interpretation of Article 10(1). This involved four main sub-issues:

1. Did Article 110(1) exclude the relevant features of designs to which it applies from protection or did it amount to a defence in respect of certain acts that would otherwise be an infringement? The relevance of this question went to the burden of proof, ie does the onus lie on BMW to establish that Article 110(1) does not apply in the circumstances of the present case (as R&M argued) or lie on R&M to establish that it does apply (as BMW argued)?
2. Did Article 110(1) only apply where the design of the component part is dependent on the appearance of the complex product?
3. What was meant by "used... for the purpose of the repair of that complex product"? How does one determine what the purpose is?
4. What was meant by "so as to restore its original appearance"? Is this restricted to the appearance of the car when originally manufactured?

Burden of proof

Although the wording of Article 10(1) was not entirely clear in this respect, Arnold J considered that it was much more consistent with BMW's interpretation than that of R&M, and that this interpretation was supported by the legislative history of Article 10. It was therefore up to R&M to establish that the exception applied.



'Arnold J considered that the designs of the alloy wheels of the kind in issue were not dependent on the appearance of the car, because it was clear from the evidence that replacement of wheels of one design with wheels of a different design was a perfectly realistic option'

Dependency

Recital 13 of the Regulation refers to "a component part of a complex product upon whose appearance the design is dependent", but the italicised words do not appear in Article 10(1) itself. BMW contended that Article 10(1) was to be interpreted in accordance with Recital 13 and so restricted to component parts whose design is dependent on the appearance of the complex product. R&M said that the inclusion of the italicised words in Recital 13 was an accidental result of the legislative history and that what mattered was the wording of Article 10(1) itself.

In typically detailed fashion, Arnold J looked at the principles of interpretation in EU history and said that Article 10(1) must be construed in accordance with Recital 13 and that it should be interpreted as being restricted to a component part that is dependent on the appearance of the complex product. Arnold J said that this was supported by case law in Spain and Italy (which BMW relied upon), as well as legislative history.

This meant that Article 10(1) enabled replacement of parts that "must match" the overall design of the product, a principle that has of course been around in similar form in UK design right and in the former UK registered design law for years. This was to ensure that the original equipment manufacturer could not monopolise the aftermarket where the owner of the product had no realistic alternative to replace the part with one of the same

design if the original part became damaged. In the case of a motor car, this meant parts such as body panels, bumpers and windows. Arnold J considered that the designs of the alloy wheels of the kind in issue were not dependent on the appearance of the car, because it was clear from the evidence that replacement of wheels of one design with wheels of a different design was a perfectly realistic option.

Purpose

Article 10(1) only applies to component parts "used... for the purpose of the repair of that complex product". It is common ground that the test is an objective one and that if Article 10(1) does apply it protects the supplier, the repairer and the end user.

BMW submitted that the question to be asked was how the component part in issue was normally used in practice: was it normally used to repair the complex product when the part was broken, damaged or worn, or was it normally used for another purpose, such as improving its appearance? R&M argued that the test was simply one of considering the intrinsic properties of the component part, and that it was sufficient if the component part was suitable for use for repairing the complex part, ie Article 10(1) would apply even if (say) 75 per cent of the replica wheels sold by R&M were used for upgrades and 25 per cent for repairs.

For Arnold J, the language of Article 10(1), particularly the words "is used..."

‘R&M had not shown that there was no possibility that the end users would not be, and that there was a real likelihood that subsequent purchasers of cars to which wheels bearing stickers are fitted would be confused. These subsequent purchasers, on seeing the wheels of BMW’s design bearing BMW logos, will naturally assume that the wheels are genuine BMW wheels’

for the purpose of” directed his attention to what the part is normally used for. Consequently, he considered that BMW’s interpretation was the right one and concluded that Article 110(i) only applied where the component part in issue is normally used for repairing the complex part.

Original appearance

Article 110(i) only applies where the part is used to restore the complex product to “its original appearance”. BMW submitted that this meant the appearance the complex product had when it was sold by the manufacturer or fitted by its authorised dealers. R&M, however, submitted that the “original appearance” included parts fitted by previous owners of the car, including upgrades.

Again Arnold J preferred BMW’s interpretation. For him, the purpose of Article 110(i) was to prevent consumers being locked into a captive market for spare parts when they purchase a car and that they were not locked in where a previous owner has upgraded the car. He said that R&M’s replica wheels were not normally used to restore the car to its original appearance when it was supplied by the manufacturer or its authorised dealer, rather it was to improve the appearance of the car.

Accordingly, it was held that R&M had infringed each of BMW’s CRDs.

Trade mark infringement

BMW argued that the supply of the adhesive stickers for attaching to the wheels that reproduced various BMW CTMs amounted to trade mark infringement under Article 9(i)(a) of Council Regulation 207/2009/EC (“the CTM Regulation”).

R&M argued that the requirement (under the sixth condition) to show use that affects or is liable to affect one of the functions of the trade mark was not satisfied. The only function relied on by BMW was the origin function. R&M argued that purchasers of the wheels would know that they

did not emanate from BMW and that subsequent purchasers of a vehicle to which wheels bearing the stickers were fitted would not take the stickers to denote the origin of the wheels, but rather the origin of the car.

Both arguments were rejected. Arnold J said that while garages would not be confused, R&M had not shown that there was no possibility that the end users would not be, and that there was a real likelihood that subsequent purchasers of cars to which wheels bearing the stickers are fitted would be confused. These subsequent purchasers, on seeing the wheels of BMW’s design bearing BMW logos, will naturally assume that the wheels are genuine BMW wheels and not – as R&M submitted – that the logos merely referred to the make of the car.

R&M operated an eBay store called “Alloy wheel shop” in which there were two listings of “18” BMW parallel wheels” and a photograph of a wheel bearing the word MINI. Arnold J found that R&M had not demonstrated that there was no possibility that the average consumer would be confused. On the contrary, he considered that there was a real likelihood of confusion since the manner of use was such to give the impression that the wheels in question were genuine BMW wheels.

In relation to the Article 12(b) and (c) defences, Arnold J said that they did not apply because there was a likelihood of confusion and therefore the requirement of honest practices was not met.

As such it was held that R&M had infringed each of BMW’s CTMs and the Judge considered that it was not necessary to reach a conclusion on the passing-off claim.

Arnold J has provided a typically clear and logical interpretation of Article 110(i) in this difficult area of law concerning the protection of spare parts. He has differentiated between spare parts where there are no realistic alternatives and those where there are aesthetic considerations. ■

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Case in point: 0/294/12, EASYTONE (2571595), UKIPO, 1 August 2012

Easy marks, difficult decision

Purpose played a big part in this case, writes Stephanie Burns of Berwin Leighton Paisner LLP

Reebok International Limited (“Reebok”) filed an application for EASYTONE covering “clothing, footwear and headgear” in class 25 (“Reebok’s mark”). Following publication, Matalan Limited (“Matalan”) filed a notice of opposition on the grounds of section 5(2)(b) and section 5(3) of the Trade Marks Act 1994, relying on six earlier marks consisting of EASY, EASY JEANS or EASY in conjunction with stylisation covering class 25, all of which were more than five years old. Matalan also argued that its marks enjoyed a significant reputation in the UK.

The opposition proceeded to a hearing and the Registrar reviewed the evidence filed by each party. Matalan’s evidence consisted of a decision in Matalan’s favour in relation to Community Trade Mark (CTM) opposition proceedings in relation to the same mark, as well as a separate witness statement providing evidence of use of its trade marks. Reebok filed evidence consisting of definitions of the word EASY and state of the register evidence, as well as evidence that the element EASY is in use on the market in a descriptive sense – meaning “easy to wear”. Reebok also filed evidence of its own use of the mark EASYTONE in relation to footwear since 2009 and clothing since 2010. Matalan’s evidence in reply chiefly criticised Reebok’s evidence and highlighted the fact that its own use of EASY pre-dated Reebok’s launch of EASYTONE and therefore the reputation in the mark EASY would lie with Matalan.

The Registrar noted therefore that it was common ground between the parties that both parties’ marks include identical goods covered by the term “clothing” and that if the opposition cannot succeed against “clothing”, it would not succeed against “footwear” and “headgear”, also covered by Reebok’s application.

The Registrar then proceeded to a comparison of the respective marks, making the comparison between Reebok’s mark and Matalan’s word mark registration for EASY (“Matalan’s mark”), this representing Matalan’s best case.

In assessing Reebok’s mark, the Registrar determined that, although the mark consists of two words, both work together to create an allusive term and the distinctive character of the mark resides in the combination of the two words rather than either one of them individually.

Comparing Reebok’s mark with Matalan’s mark, the Registrar determined that while both share the common element “EASY”, the element “TONE” doubles the length of Reebok’s mark and therefore the marks were moderately

‘Although the mark consists of two words, both work together to create an allusive term’

visually similar. From an aural perspective, the marks are also moderately similar. Finally, on conceptual analysis, the Registrar accepted Reebok’s submission that “EASY” could mean, in relation to Matalan’s mark, “clothing which is not too tight or restrictive”. Reebok’s mark also includes the element “TONE”, which gives an overall meaning of “tone without any great effort”. On this basis, the Registrar concluded that the marks create unconnected allusions and therefore there is no conceptual similarity.

When considering Matalan’s evidence of reputation, the Registrar held that Matalan’s mark does benefit from enhanced distinctive character, which would raise its inherent distinctiveness from a minimal level to a moderate level.

Turning lastly to likelihood of confusion, the Registrar noted that

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based on the evidence submitted by the parties, the respective markets of the parties’ goods have, at the relevant date, been concentrated on clothing and footwear with a different purpose, which significantly limits the opportunity for confusion.

The Registrar also distinguished this case from the Court of Justice of the EU’s decision in *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (C-120/04) on the basis that the element EASY functions to serve a different purpose in the two marks, thereby limiting the likelihood that Reebok’s mark is a reference to Matalan or its goods.

The Registrar therefore concluded that the addition of the word “TONE” to Reebok’s mark removes any likelihood that a customer would be confused and led to believe that one mark is the other. The Registrar held that the lack of conceptual similarity predominates in the finding that there would be no likelihood of confusion, even taking into account the identity of the goods, and this combined with the visual and aural differences outweigh the similarities between the marks. Therefore, the Registrar determined that the opposition had failed on section 5(2)(b) and, further, that both of the parties had agreed that the opposition would stand or fall on this ground as Matalan had essentially relied on a likelihood of confusion argument in respect of section 5(3). ■



Another Fine mess

Rachel Harrison of Bird & Bird LLP discovers the facts behind a simple issue with a complex answer

Fine & Country Limited's ("F&C") business was started in 2001 and the concept behind the FINE & COUNTRY brand is that local estate agencies can acquire a licence that permits them to trade under the FINE & COUNTRY name and logo, and to market premium properties through both their own offices and through F&C's office in Park Lane, London, on fineandcountry.com and in F&C publications. F&C owns both a UK and a Community Trade Mark registration for its mark.

Spicerhaart Group Limited ("Fine") operates several national estate agencies, under the name "Fine" and others, including "haart" and "Darlows". Having previously focused on the non-premium market, Fine began using the name and sign FINE in the summer of 2009, often alongside the strapline "selling fine homes throughout the country".

This followed approaches by the company to F&C with a view to acquiring licences and a stake in the business, and separately to acquiring

the business. When a deal was not forthcoming, Fine began to establish a premium-end business under the "haart" umbrella. Its "fine haart" brand was launched in 2007 and a magazine named *Fine* was published. In 2009, new branding was adopted that used only the word and logo FINE (as shown below right), along with a strapline that contained the word "country".

F&C issued proceedings for passing off, claiming that Fine's adoption of the name and logo FINE caused substantial confusion among the public and those involved in the property business, especially among prospective purchasers and (particularly) vendors of high-end properties in the country offered for sale through local estate agents.

F&C also claimed what its Counsel described as a "reserve" case for trade

mark infringement under section 10(3) of the Trade Marks Act 1994 and Articles 9(1)(c) of Council Regulations (EC) 40/94 and 207/2009, and sought injunctive and remedial relief accordingly.

Fine contended that both the FINE & COUNTRY and the FINE marks are descriptive, that the FINE & COUNTRY mark has no distinctive character (or if it does, that character resides in elements of the mark that are absent from Fine's mark) and that there is no likelihood of confusion, still less proof of deception, such as to found a passing-off claim.

Fine counterclaimed to invalidate F&C's marks on the grounds that they are descriptive and non-distinctive, and to revoke F&C's registrations, arguing that, as a result of the manner in which the licensees had used the F&C marks,

they had become deceptive as to their origin. Fine also claimed that any goodwill that exists in the F&C mark to support its passing-off claim does not belong to F&C, but to its licensees.

Counsel for F&C suggested that the issue at the heart of the case is simple: are the Defendants causing confusion and deception by calling their business Fine? Hildyard J agreed that the issue was indeed simply stated, but its answer, inevitably, longer.

Hildyard J spent a significant part of the judgment considering the development and adoption of the FINE brand, in which Fine's Divisional Sales Director was influential. Between 2003 and 2009 he was a director of the UK's first stand-alone F&C office in Norwich, and closely involved in the development and growth of the F&C brand. He left in 2009 to join Fine where, he said, his first task was "to work on rebranding its then existing 'finehaart' brand to deliver a consistent lifestyle brand across a controlled network" and to "understand why the 'finehaart' brand had not developed as hoped". During this process they focused on "the best element of the existing 'finehaart' brand [which] was the use of the word 'fine'". However,

and remains well known, especially to those interested in the sale and purchase of domestic properties at the upper end of the market. He went on to dismiss Fine's proposition that F&C is incapable of generating goodwill separately from the licensees and that any goodwill is attributable and belongs to the licensees, finding that F&C "developed an attractive force which brings custom to the services that they offer and the brand that they make available on licence. It is that attractive force that enables the Claimant to charge significant licence fees".

Having considered a large amount of witness statement evidence from confused customers Hildyard J also found that the necessary misrepresentation and deception was present, as: "Even where members of the public notice differences between two names and the way they are written they may remain deceived: the one may be thought to be a rebrand, new modification or abbreviation of the other."

Hildyard J found there was a real prospect of damage to F&C's business now or in the future. He also attributed to his finding of confusion and deception the evidence

'Counsel for Fine & Country suggested that the issue at the heart of the case is simple: are the Defendants causing confusion and deception by calling their business Fine? Hildyard J agreed that the issue was indeed simply stated, but its answer, inevitably, longer'

in internal email correspondence the issue of whether the branding was too close to F&C's was raised. Nevertheless, the "Fine" branding was adopted and any connection with "haart" was eradicated.

It was Fine's case that the changes were not calculated or intended to bring to mind the F&C logo; were neither influenced by that logo nor targeted at it or F&C's business. Fine explained that the new brand simply adopted the stronger elements of the "finehaart" name, removing any connection with "haart".

Passing off

In considering the passing-off claim, Hildyard J accepted F&C's evidence that its name and logo had become

that Fine "decided to 'live dangerously'; the risk of confusion was clearly there and they appreciated it even if they thought they had done enough to avoid deception". The passing-off claim therefore succeeded.

Invalidation and revocation

In considering Fine's claims here, it was found that the marks had been on registration, and remained, sufficiently distinctive to obtain and maintain registration. The marks had recognisable and recognised separate existence apart from the descriptive and laudatory nature of the words themselves. The words, in the manner and context in which they appeared, called to mind the relevant business, not the semantic meaning.

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Hildyard J also rejected Fine's claim that F&C's marks were deceptive as to trade origin, finding that F&C retained and exercised a considerable degree of control over licensees and that section 28 made special provision for licensees; the average consumer was unlikely to be misled as to origin or confounded as to quality.

Infringement

Having made a finding of deception in the context of passing off, Hildyard J accepted that a finding of a likelihood of confusion for the purposes of section 10(2) and Article 9(1)(b) was almost inevitable. The marks were sufficiently similar to lead to confusion on the part of the average consumer; in particular the same font, capitalisation, gold underlining and overall impression made it easy to mistake one for the other.

Hildyard J also found infringement under section 10(3) and Article 9(1)(c) because there had been unfairness in the intentional adoption by Fine of a sign it appreciated was plainly similar in appearance to F&C's marks. F&C was held to be entitled to injunctive relief and an inquiry into damages or an account of profits, as well as delivery up and/or destruction of offending material.

Fine is reported to be preparing its appeal. ■

The disputed marks:

FINE & COUNTRY

FINE

FINE

Case in point: [2012] EWCA Civ 1038, Woolley and another v Ultimate Products Limited and another, 26 July 2012

Watch words

Simon Spink of Wragge & Co LLP looks at a case where timepiece brands starred

The case was an appeal from the decision of Robert Englehart QC sitting as a Deputy Judge of the Chancery Division. The Court of Appeal was constituted by Pill LJ, Arden LJ and Black LJ, with Arden LJ giving the lead judgment. The first instance Judge had held that the Appellants, Ultimate Products Limited (“Ultimate”) and Henleys Clothing Limited (“HCL”), through use of the name HENLEYS, were liable for passing off their goods as those of the Respondents.

Case history

The Appellants imported and sold clothing using the names HENLEYS CLOTHING and HENLEY. The Respondents, Nigel Woolley and Timesource Limited (“Timesource”), sold watches under the name HENLEY. Woolley was the registered owner of a Community Trade Mark (CTM) for the sign HENLEY in the relevant classes. Woolley had granted Ultimate a licence to use his CTM for HENLEY subject to several restrictions, including one that it would not be used in relation to men’s watches. There was no dispute between the parties until July 2009, when Ultimate gave its notice to terminate the licence. After the licence was terminated there was no contractual restriction on the Appellants’ use of the HENLEY name.

In December 2010, Woolley and Timesource sued Ultimate and HCL for trade mark infringement and passing off. The trade mark claims were stayed pending the outcome of the Appellants’ torpedo application to invalidate the registration of Woolley’s mark at OHIM (filed in October 2009). The Appellants had accepted that goodwill attached to the Respondents’ business of importation and sale of watches. The fundamental issues on the appeal related to whether the Judge was entitled, in fact and in law, to find that misrepresentation and damage were established.

The Court first summarised the law relevant to passing off by reference to the House of Lords decision in Reckitt & Colman Products Limited [1990] RPC 341. The Court noted that a misrepresentation must be more than transitory; it must be operative when the material step is taken (Cadbury Schweppes Pty Limited v Pub Squash [1981] 1 WLR 193, PC). It also stated that a substantial number of members of the public must be misled relative to the product and market in question, and that the Judge’s assessment of substantiality must be qualitative and quantitative (Neutrogena Corp v Golden Limited [1996] RPC 473).

In assessing the evidence relevant to the misrepresentation the Judge discounted the trade mark licence between the two parties; its existence aided and impeded both parties equally. The Judge found that while there was little witness evidence of HENLEYS watches being mistaken for HENLEY watches (even though there was a certain amount of evidence in the other direction), there were considerable similarities in the parties’ goods’ designs, marketing, sales channels and price points. In addition, the Judge held that while there was concurrent goodwill for the Appellants’ fashion brand, it did not answer the question of whether there had been a misrepresentation in terms of watches, since the HENLEYS brand would not, in general, be known to the buyers of watches. After weighing up the various strands of evidence, the Judge came to the view that there had been a misrepresentation and that sales of watches under the brand name HENLEYS engendered the belief that the watches were, or were associated with, HENLEY watches.

The Judge rejected the two pleaded claims for damage in relation to loss of a royalty and erosion of goodwill. The loss of royalty did not flow from the misrepresentation and the facts did not support a claim for a loss of goodwill. Although there was no actual evidence of loss of sales before the Judge, he concluded that having found a misrepresentation there was likely to be a loss of sales. Moreover, the Judge noted difficulties

that Timesource had with one particular retailer as a consequence of stocking HENLEYS watches.

In the Appeal the Appellants argued that the Judge had erred in law and in fact, and in doing so they made the following submissions:

1. The Judge had drawn the wrong inferences from the evidence of misrepresentation as the trust of evidence went to reverse misrepresentation.
2. The Judge was wrong not to take the trade mark licence into account.
3. The Judge had failed to appreciate the significance of HCL’s concurrent goodwill in the name HENLEYS.
4. The Judge had failed to consider whether the misrepresentation had been made to a substantial number of members of the public.
5. Once he had found that there was no erosion of goodwill, the Judge was wrong to find that loss of sales was likely.

The Respondents made the following counter-submissions:

1. That the Judge was entitled to decide how much weight to give to the various strands of evidence that went to misrepresentation.
2. The evidence about the licence went both ways and therefore the Judge was entitled to discount it.
3. The concurrent goodwill was in a different field and, in any event, the Judge was entitled to attribute to it such weight as he saw fit.
4. In relation to substantiality, there was no error of law as the Judge was entitled to make the finding that there was substantial deception due to the close similarities between the products.
5. That the Judge was entitled to find that loss of sales was likely.

In rejecting the appeal, the Court stated that it would not interfere with the Judge’s assessment of the evidence unless it was clearly wrong. The Court noted that the Appellants could succeed if they were able to show the Judge was clearly wrong to exclude the licence from his assessment; however, they were not able to.

Further, the Appellants failed to make their case that the Judge has taken clearly wrong in determining the weight to be given to the various strands of evidence. In situations in which there is limited evidence of

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misrepresentation and clear evidence of confusion, the Judge will be justified in giving more weight to their own experience and to other evidence (for example similarity of products, markets, price, retail channels), than to the evidence of witnesses. In relation to their concurrent goodwill argument, the Appellants failed to establish that they had goodwill in the name HENLEYS in relation to watches and therefore had no defence based on concurrent goodwill. Furthermore, on the subject of damage, the Court found that the Judge was entitled on the evidence to infer significant loss of sales and this was not undermined by the Judge’s finding that there was no erosion of goodwill.

Lessons learned

In assessing whether a misrepresentation has taken place, a Judge is entitled to consider a wide variety of evidence. Where there is little witness evidence of the misrepresentation, the Judge is entitled to take into account evidence of similarity of goods and confusion when assessing whether there was a substantial misrepresentation. Concurrent goodwill is just one of the factors that the Judge may take into account when assessing the misrepresentation; however, its relevance will depend greatly on the field in which it was gained. ■

‘The Judge came to the view that there had been a misrepresentation and that sales of watches under the brand name HENLEYS engendered the belief that the watches were, or were associated with, HENLEY watches’

Case in point: T-278/10, Wesergold Getränkeindustrie GmbH & Co KG v OHIM – Lidl Stiftung & Co KG, General Court, 21 September 2012

Western wrangle finds Board of Appeal error

This interesting case, says Ben Britter of Keltie LLP, addresses how and when an opponent can introduce the issue of enhanced distinctiveness through use

On 23 August 2006, the Intervener – Lidl Stiftung & Co KG (“Lidl”) – filed a Community Trade Mark (CTM) application for WESTERN GOLD in relation to “spirits, in particular whisky” in class 33. The application was accepted and published for opposition purposes on 22 January 2007.

On 14 March 2007, the Applicant – Wesergold Getränkeindustrie GmbH & Co KG (“Wesergold GmbH”) – filed a notice of opposition against all goods covered by the application.

The opposition was brought under Article 8(i)(b) of Council Regulation (EC) 40/94, now Article 8(i)(b) of Council Regulation (EC) 207/2009, and was based on various earlier marks, namely:

- CTM Registration 2994739 for WeserGold
- German Trade Mark Registration 30257995 for WeserGold
- International Trade Mark Registration 801149 (designating the Czech Republic, Denmark, Spain, France, Italy, Hungary, Austria, Poland, Portugal, Slovenia, Sweden, the UK and the Benelux countries) for Wesergold.

Each mark covering: class 29, “Preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; milk products, namely yoghurt drinks, consisting mainly of yoghurt, fruit juices or vegetable juices”; class 31, “Fresh fruits”; and class 32, “Mineral and aerated waters; other non-alcoholic

beverages, namely lemonades, carbonated drinks and cola drinks; fruit juices, fruit drinks, vegetable juices and vegetable drinks; syrups and other preparations for making beverages”.

- German Trade Mark Registration 902472 for WESERGOLD, covering class 32, “Ciders, lemonades, mineral water, vegetable juice beverages, fruit juice”.
- Polish Trade Mark Registration 161413 for WESERGOLD, covering class 32, “Mineral water and eaux de source; table water; non-alcoholic beverages, fruit juices, fruit nectars, fruit syrups, vegetable juices, vegetable nectars, soft drinks, fruit-based beverages, mineral beverages, iced teas, aromatised water, mineral water with added fruit juice – all the above-mentioned beverages as dietary preparations for non-medical purposes”.

Response and reaction

On 11 June 2009, the Opposition Division upheld the opposition and rejected the application. For reasons of procedural economy, the Opposition Division limited its examination of the opposition to the earlier CTM, for which proof of genuine use was not required.

On 13 July 2009, the Intervener – Lidl – filed a notice of appeal with OHIM against the decision of the Opposition Division.

By decision of 24 March 2010 (“the contested decision”), the First

Board of Appeal (BoA) of OHIM upheld the action and annulled the Opposition Division’s decision. In its view, the goods covered by the opposed application were not similar to the class 29 and 31 goods covered by the earlier trade marks and there was a low degree of similarity with those goods covered by the earlier marks in class 32. Further, while the signs at issue showed a medium degree of visual and phonetic similarity, they were conceptually different.

As regards the distinctiveness of the earlier trade marks, the BoA considered, in essence, that this was slightly below average owing to the presence of the word “gold”. As a result, there was no likelihood of confusion between the signs at issue.

Wesergold GmbH subsequently lodged an appeal with the General Court claiming that the BoA decision should be annulled and that OHIM should pay the costs. OHIM and Lidl contended that the General Court should dismiss the action and order Wesergold GmbH to pay the costs.

In support of its action, Wesergold GmbH put forward four pleas in law, alleging infringement of Article 8(i)(b), Article 64 and the second sentence of Article 75 of Council Regulation (EC) 207/2009 and, in the alternative, infringement of the first sentence of Article 75 of that regulation.

‘The General Court confirmed that where marks are phonetically and visually similar, they are similar overall, unless there are significant conceptual differences. Such differences may counteract aural and visual similarities, provided that, for the relevant public, the meaning is clear’

In essence, it claims that the signs at issue are similar, that the earlier marks have an enhanced distinctiveness acquired through use and that the goods covered by the signs at issue are similar. It submits, therefore, that there is a likelihood of confusion. OHIM and Lidl contested these pleas.

Comparison of goods

The General Court found that the BoA did not make an error of assessment in finding that there was only a low degree of similarity between the spirits covered by Lidl’s application and the non-alcoholic beverages covered by the earlier marks. Wesergold GmbH did not contest the BoA’s finding that the goods covered by its earlier rights in classes 29 and 31 were different from the goods covered by the application.

Comparison of signs

The General Court found that the BoA did not err in finding that the level of visual and phonetic similarity between the signs at

issue was average and that they were conceptually different. In this latter regard, it was found that the WESTERN element of the mark applied for will be understood as meaning the direction “west” or a film genre, whereas the “weser” part of the earlier marks will be understood by a section of the German public as a reference to the name of a river that flows through the town of Bremen, Germany.

The General Court confirmed that where marks are phonetically and visually similar, they are similar overall, unless there are significant conceptual differences. Such differences may counteract aural and visual similarities, provided that, for the relevant public, the meaning of at least one of the signs is clear and specific, so that the public is capable of grasping it immediately (C-234/06 P *Il Ponte Finanziaria v OHIM* [2007] ECR I 7333, paragraph 34). This applied to the present case and it followed that the signs were different overall, despite their visual and phonetic similarities.

The earlier marks

Inherent distinctiveness

In the contested decision, the BoA found that the distinctiveness of the earlier marks was slightly lower than average, on the grounds that the “gold” element would be perceived by the relevant public as a promotional element or as a reference to the golden colour of certain beverages. The General Court found that the BoA did not err in this finding.

Enhanced distinctiveness acquired through use

Wesergold GmbH contested the BoA’s finding that it had not raised the issue of enhanced distinctiveness through use in that forum.

By way of background, during the proceedings before the Opposition Division, Lidl requested that Wesergold GmbH provide proof of the genuine use of its earlier marks, which had been registered for more than five years at the date of the opposition, in accordance with Article 42(2) of Council Regulation (EC) 207/2009.

In response to that request, Wesergold GmbH provided evidence on 10 March 2008 to show genuine use and also stated that, *inter alia*, “the marketing of those goods, sold practically everywhere in the EU and Switzerland, proves not only the genuine use of the mark on ▶

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'The General Court found that, while the Board of Appeal was in the wrong in not stating its findings concerning enhanced distinctiveness acquired through use, it was not for the General Court to carry out an assessment of those submissions for the annulment of the contested decision'

which the opposition is based, but also its enhanced distinctiveness acquired through use".

In response to Lidl's appeal to the BoA, Wesergold GmbH referred to the documents presented in the opposition procedure, including the aforementioned statement. Despite this, in the contested decision, the BoA found that "the opposing party [had] not invoked an increase in the distinctiveness of the earlier marks resulting from their use". The General Court confirmed that it was clear that Wesergold GmbH did not expressly raise arguments regarding the enhanced distinctiveness of the earlier marks, acquired through use, in its defence before the BoA.

However, the General Court also confirmed that the BoA is required to carry out a new, comprehensive examination of the merits of the opposition, in terms both of law and of fact. Independent of the fact that Wesergold GmbH made express reference, before the BoA, to its written submissions before the Opposition Division, the BoA was under a duty to examine all the arguments presented to the Opposition Division. Accordingly, in so far as Wesergold GmbH raised the point of enhanced distinctiveness of the earlier marks, acquired through use, in the proceedings before the

Opposition Division, the BoA could not legitimately find that the Applicant had not invoked an increase in the distinctiveness of the earlier marks resulting from their use.

As a result, the General Court found that the BoA erred in the application of Article 8(1)(b) of Council Regulation (EC) 207/2009.

The General Court then went on to address OHIM's argument that Wesergold GmbH's submissions regarding the distinctive character enhanced by use were out of time.

In this regard, the General Court stated that the fact that Wesergold GmbH argued for the enhanced distinctiveness in its reply to the request for evidence of the genuine use does not make its argument belated. It stated that a letter from the Opposition Division early in the proceedings expressly authorised Wesergold GmbH to submit facts, evidence or observations in support of its opposition by 9 March 2008 (which fell on a Sunday, making the effective deadline 10 March 2008).

In as much as Lidl and OHIM contended that Wesergold GmbH's submissions concerning enhanced distinctiveness acquired through use was unfounded and unsupported by adequate evidence, the General Court found that, while the BoA was in the wrong in not stating its findings concerning enhanced

distinctiveness acquired through use, it was not for the General Court to carry out an assessment of those submissions in the context of an action for annulment of the contested decision.

In view of the above, the General Court concluded that the BoA erred in finding that Wesergold GmbH had not claimed that the earlier marks had acquired enhanced distinctiveness through use. That error meant that the BoA failed to examine a potentially relevant factor in the global assessment as to whether there was a likelihood of confusion between the contested mark and the earlier mark. As such, the General Court found that the BoA acted in breach of essential procedural requirements and, therefore, that Wesergold GmbH's first plea in law was to be upheld.

Consequently, the BoA's decision was annulled, without it being necessary to rule on the other pleas in law raised by Wesergold GmbH.

Nonetheless, quite what the effect of any enhanced distinctiveness through use would have had on the decision is debatable, bearing in mind the BoA and General Court's findings that the respective signs were different overall. ■

Case in point: O/277/12, Hachette Filipacchi Presse SA v Ella Shoes Limited, UKIPO, Appeal to the Appointed Person, Iain Purvis QC, 18 July 2012

Footwear furore

This shoe case shines a light on comparison of short marks, reports Victoria Bentley of Wragge & Co LLP

Hachette (“the Opponent”) is responsible for the leading women’s magazine *ELLE* and had opposed an application by Ella Shoes (“the Applicant”) for the word mark ELLA in class 25 for footwear. The Hearing Officer (HO) had rejected the opposition under section 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994, and the section 5(2)(b) ground was appealed. The Opponent has a registration for the mark ELLE for shoes in class 25, and proved use and reputation in this field. Meanwhile, the Applicant had used the mark ELLA in the UK since 2001 with sales of around three million pairs of shoes.

The HO accepted that the goods were identical and that the marks were similar, but held that there was no likelihood of confusion between the marks.

Limited similarity

It was common ground at the appeal that the mark ELLA would be perceived by the average consumer as a female forename, and that ELLE would be perceived as the French word for “she”. On this basis, the Opponent attacked the HO’s finding that the marks were “conceptually dissonant”, arguing that the strong female connotations to both marks gave a degree of conceptual similarity. While the Appointed Person (AP) found the term “dissonant” unhelpful in the context of conceptual similarity, he agreed with the HO that the two marks were distinct and different, and attached no significance to the fact that both related to females.

The appeal relating to aural similarity also failed. The HO had concluded that because ELLE was pronounced as one syllable and ELLA as two, aural similarity was limited. The AP found no error.

Visual similarity

The HO noted that the first three letters of the marks were the same, and quoted a passage from the decision of

the General Court in Case T-112/06 *Inter-Ikea Systems BV v OHIM*, where the comparative marks were IKEA and IDEA. The passage quoted included reference to the Court of Justice of the EU’s decision in T-185/02 *Ruiz-Picasso and others v OHIM – DaimlerChrysler (PICARO)* [2004], which the General Court asserted as authority for the proposition that “in the case of word marks which are relatively short, even if they differ by no more than a single consonant, it cannot be found that there is a high degree of visual similarity between them”. The AP was prompted by the Opponent to review the *Ruiz-Picasso* decision, and



found that the General Court’s characterisation of it in *Inter-Ikea* was erroneous. There was no basis for a rule that short marks differing only in one letter cannot have a high degree of visual similarity; each case must turn on its own merits.

However, the AP found that this error of principle was not material to the HO’s decision, where it was right to take into account the shortness of the marks, since a change of one letter in a four-letter mark is of greater significance than in a longer mark. The HO had acknowledged considerable visual similarity, and it was reasonable for him to have concluded that the

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similarity was “not of the highest level”. Further, visual similarity was only one element of his overall assessment of the likelihood of confusion.

Evidence of confusion

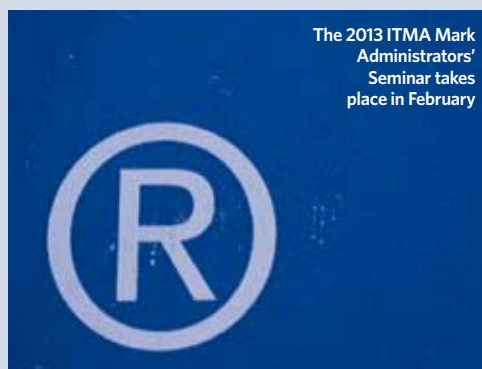
The Opponent also challenged the HO’s reliance on the lack of evidence of confusion, even though the HO had himself warned against the dangers of taking this into account. He had considered the way in which both marks were used in relation to shoes, and found that there were no extraneous factors to explain the absence of confusion.

While the AP accepted that confusion may occur invisibly, he rejected the proposition that absence of evidence of confusion is always irrelevant. Rather, it must depend on the facts. Even in the case of consumer goods, traders interact with their customers beyond the purchase – for example if goods are returned. If confusion had been widespread in this case, it would be surprising if it had not come to the attention of the parties. With no obvious reason for the absence of confusion, it was entirely reasonable to take such absence into account when considering the section 5(2)(b) objection.

The AP concluded that there was no material error of principle by the HO in his approach to this case. The appeal was therefore rejected. ■

ITMA events

More details can be found at itma.org.uk



Date	Event	Location	CPD Hrs
16 January	ITMA Manchester Talk Abuse of process in trade mark litigation Michael Edenborough QC, Serle Court	DLA Piper, Manchester	1
29 January	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
5 February	ITMA Charity Quiz Night	Penderel's Oak, London	
22 February	ITMA Trade Mark Administrators' Seminar	Marks & Clerk LLP, London	
26 February	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
18-19 March	PTMG Conference	Hamburg, Germany	
20-22 March	ITMA Spring Conference*	8 Northumberland Avenue, London	tbc
26 March	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
30 April	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
4-8 May	INTA Annual Meeting	Dallas, Texas, USA	
19-22 June	ECTA Annual Conference	Bucharest, Romania	
25 June	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
9 July	ITMA Summer Reception	Stationer's Hall, London	
23 July	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
17-20 September	Marques Annual Conference	Monte Carlo, Monaco	
24 September	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
29 October	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
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